

AGREEMENT

between

JBS, USA LLC
WORTHINGTON, MINNESOTA



and



LOCAL UNION NO. 1161
UNITED FOOD & COMMERCIAL
WORKERS
INTERNATIONAL UNION

From June 8, 2014 to June 30, 2019

A G R E E M E N T

between

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WORTHINGTON, MINNESOTA**

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UNITED FOOD & COMMERCIAL
WORKERS
INTERNATIONAL UNION**

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PREAMBLE

This Agreement, made as of June 8, 2014, for the term set forth herein, is made between JBS, USA LLC, Worthington, Minnesota, (hereinafter referred to as the Company), and the United Food and Commercial Workers International Union, District Local 1161 (hereinafter referred to as the Union).

ARTICLE 1 RECOGNITION

The Company recognizes the Union as the sole and exclusive bargaining agent for all Production and Maintenance employees in the defined bargaining unit:

All Production and Maintenance employees at the Company's pork plant located in Worthington, Minnesota, excluding office clerical and plant clerical employees, time office employees, superintendent's office employees, watchmen, general foreman, assistant supervisors, supervisors as defined by the Act, office janitors, waste water, hog buyers, hog evaluator, computer operators, Quality Assurance employees, livestock scalers, hog buyer trainees, truck spotters and yards and ground keeping (cutting grass and up-keep of all JBS land).

ARTICLE 2 PURPOSE OF AGREEMENT

Section 1.

It is the intent and purpose of the parties hereto that this Agreement shall promote and improve the industrial and economic relationships between the Company and the Union and its members as set forth herein, and to set forth herein rates of pay, hours of work, and other conditions of employment to be observed between the parties hereto.

Section 2.

It is recognized by both parties that they have a mutual interest and obligation in maintaining friendly cooperation between the Company and the Union which will permit safe, economical and efficient operation.

ARTICLE 3 UNION SECURITY-DUES DEDUCTION

Section 1.

All present employees subject to and covered by this Agreement, as a condition of continuing employment, shall become members of the Union not later than the thirtieth (30th) calendar day following the effective date of this Agreement. All future employees, subject and covered by this Agreement, as a condition of continuing employment shall become members of the Union not later than the thirtieth (30th) calendar day following the beginning of their employment. Commencing with the thirtieth (30th) calendar day of either period described (whichever is the later), all employees, subject to and covered by this Agreement, present and future, shall be required to maintain continuous membership in the Union in good standing, as a condition of continuous employment during the life of this Agreement.

These provisions covering Union membership shall become effective only if and when the parties have complied with the applicable requirement of the Federal Laws.

Section 2.

The Company shall deduct, as to each employee who shall authorize it in writing on the

appropriate form and as to each employee who has heretofore executed a form which is on file with the Company and which has not been revoked, and for so long only during the period this agreement is in effect as such authorization shall remain in force from such employee's weekly pay, weekly dues and A.B.C. contributions for the current week in such an amount as the Union shall certify in writing to the Company to be the correct amount for the Union, and if certified by the Union to be due and owing, the initiation fee of the Union, and remit the same on a monthly basis to the appropriate Union official. The Company will provide the Union each month with separate weekly listings of employees from whom Union and A.B.C. contributions are deducted. If an employee is absent for a period of one week or more, the Company shall, following the employee's return to work, upon notification by the Union, similarly deduct dues for the week or weeks of such absence during which no dues deductions had been made, to a maximum of two (2) months of such back dues following any one period of absence. In the event that the initiation fee or such back dues exceed \$10.00, the initiation fee or back dues will be deducted on a uniform basis over a number of weeks in such amounts as may be requested in writing by the Union official until the full amount has been deducted.

The union shall notify the Company of the name of the appropriate Union official and the address to which such dues collection and initiation fees shall be sent.

Section 3.

The Union shall indemnify and save the Company harmless from any claims, suits, judgments, attachments, (including the cost of defense thereof) and from any other form of liability as a result of making any deduction in accordance with the foregoing authorization and assignment.

ARTICLE 4 NO DISCRIMINATION

Section 1. No Discrimination.

The Company and the Union are committed to maintaining a work environment that is free from discrimination. In the administration of this agreement and, in accordance with applicable federal and state law, neither the Company nor the Union shall discriminate against any employee because of that employee's race, color, religion, national origin, age, marital status, veteran or disability.

Section 2. Harassment Prohibited.

Harassment of any employee due to that employee's race, color, sex, religion, national origin, age, veteran's status, or disability is also prohibited by this Agreement as well as federal and state law. Harassment consists of unwelcome conduct, whether verbal, physical, or visual, that is based upon a person's protected status, such as sex, race, color, ancestry, religion, national origin, age, disability, marital status, or other protected status. The Company will not tolerate harassing conduct, that affects tangible job benefits; that interferes unreasonably with an individual's work performance; or that creates an intimidating, hostile or offensive working environment

a. Sexual Harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other physical, verbal or visual conduct based on sex, when:

- (i) Submission to the conduct is an explicit or implicit term or condition of employment;
- (ii) Submission to or rejection of the conduct is used as the basis for an employment decision; or

- (iii) The conduct has the purpose or effect of unreasonably interfering with an individual's work performance, or creates an intimidating, hostile or offensive working environment.

Prohibited sexual harassment may include explicit sexual proposition, sexual innuendo, suggestive comments, jokes, obscene language or gestures, displays of obscene material, and physical conduct. Harassment on the basis of other protected status may include comments based on race, religion, age, disability, nation origin, etc., jokes, offensive language or gestures, or displays of material offensive to members of the above described groups.

Section 3. Use of Grievance Procedure.

If any employee feels that they have been subjected to prohibited discrimination, including harassment, they may file a grievance under the grievance and arbitration provisions of this Agreement. If the employee feels they have been the subject of discrimination or harassment whether by other employees, supervisors, vendors, customers, or a union agent or steward, they should immediately notify their immediate supervisor. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact their supervisor, the employee should immediately contact the Human Resource Department. The company will investigate all such complaints and terms of their resolution confidentially. If an investigation confirms that harassment has occurred, the Company will take corrective action, up to and including immediate termination of employment of any employee found to have violated the provisions of this Article. The company forbids retaliation against anyone who has truthfully reported harassment.

Section 4. Waiver of Contractual Rights.

If any employee claiming a violation of this Article elects to proceed to an administrative agency or to court during the pendency of the grievance or at any time prior to the issuance of the written opinion and award of an arbitrator, the grievance will be considered to have been withdrawn without prejudice.

Section 5. Contract Remedies.

An arbitrator hearing a grievance that alleges violation of this Article has no authority to award any monetary damages other than back-pay and a make whole remedy.

Section 6. Reasonable Accommodation.

In the administration of this Agreement, the Company and the Union will provide reasonable accommodations to qualified employees with a disability and to employees based upon their religious tenets. Any employee who seeks such an accommodation must so inform the Company, in writing, and cooperate with the Company and the Union in seeking to identify reasonable alternatives. The need for the extent of such accommodation shall be determined by the Company in accordance with its interpretation of the requirements of the Americans with Disabilities Act and Title VII of the Civil Rights Act of 1964, such accommodation will not necessitate the modification or waiver of any provision of this Agreement.

ARTICLE 5 NO COERCION

The Union, its officers and members shall not intimidate or coerce employees into joining the Union or continuing their membership herein.

ARTICLE 6 MANAGEMENT RIGHTS

Section 1.

The management of the plant and direction of the working force, including the right to

hire, suspend, or discharge for just cause, to assign to jobs, to transfer employees within the plant, to increase or decrease working force to determine products to be handled, produced, or manufactured, the schedules of production, and the methods, processes, and means of production or handling; placement of maintenance or mechanical work with outside contractors or subcontractors where employees are not trained to do the work or the Company does not have equipment to perform the work or time is a factor in emergency situations; and determine those with whom it will do business; are vested exclusively in the Company; provided this will not be used for the purpose of discrimination against any employee or to avoid any of the provisions of this Agreement.

When the Company places work with an outside contractor or a subcontractor they will post a notice stating the name of the contractor, the nature of work and a brief description of the work. A copy of the notice will be sent to the Union office.

Section 2.

Foremen or other salaried personnel may perform emergency and training duties that are necessary in the conduct of the business.

ARTICLE 7 COMPANY AND UNION RESPONSIBILITY

Section 1.

During the term of this Agreement, there shall be no strike, stoppage, picketing, honoring of any picket line, sympathy strike, slowdown, deliberate withholding of production or suspension of work on the part of the Union, its members, or any individual covered by this Agreement for any reason whatsoever. In the event of such a breach of this provision, the Union shall immediately declare publicly **and by the most expedite means possible**, that such action is unauthorized and shall promptly order its members to resume their normal duties notwithstanding the existence of any picket line. The Union further agrees that it will in no way interfere with the business of the Company by sanctioning or conducting a boycott on the handling of goods procured from a source or destined to a point where a labor controversy or dispute may exist.

Section 2.

The Company shall have the right to determine the discipline given an employee or employees for breach of this Article. The severity of the discipline imposed for such violation shall not be subject to arbitration; the Union shall, however, have the right to grieve the question of fact as to whether or not an employee or employees have breached any provision of this Article.

Section 3.

The Company agrees that neither it nor its representatives will put into effect any lockout during the term of this Agreement.

Section 4.

The Company will not enter into any agreement on an individual basis with any employee.

ARTICLE 8 HOURS OF WORK

Section 1.

The basic work day of an employee shall be eight hours.

The basic work week of an employee shall start with Monday and end with Sunday. It is understood that an employee's basic work week shall be forty hours. However, nothing in this Section shall prevent the Company from altering the basic work day or work week

where it desires to do so in the light of production demands. Furthermore, this is not a guarantee of eight (8) hours in a day or forty (40) in a week.

Section 2.

(a) Double the employee's regular straight time hourly rate of pay shall be paid for all hours worked on a holiday. This shall be in addition to pay, if any, payable under the Holiday Pay article.

(b) Double the employee's regular straight-time hourly rate of pay shall be paid for all hours worked on Sunday except for shift operators who will receive double their rate of pay for work performed on their seventh (7th) consecutive day of work.

(c) One and one-half (1-1/2) times the regular rate of pay shall be paid for work performed on an employee's sixth (6th) consecutive day of work.

(d) An employee shall be paid one and one-half times the employee's regular straight-time hourly rate of pay for all hours worked over eight (8) in any one work day.

(e) One and one-half times the employee's regular straight-time hourly rate of pay shall be paid for all hours worked over forty (40) in one work week.

(f) There shall be no pyramiding of overtime.

Section 3.

For the purpose of computing pay for hours worked on a holiday or the sixth (6th) consecutive day or Sunday or the seventh consecutive day, a shift cutting across two calendar days shall be treated as work on the day in which the shift begins.

Section 4.

There shall be established equal distribution of work hours available, insofar as is practicable, on the basis of work groups as agreed upon by a representative of the Local Union and the Company. Equalization of hours records will be updated monthly and designated union official, as agreed upon, shall have the right to review these records monthly. Upon request of the Local Union equalization of hours records will be posted monthly at locations to be agreed upon locally. This does not obligate the Company to give all employees the same number of hours per month.

For purposes of this section, a work group for the Slaughter, Cutting and Boning Divisions will be defined to be any combination of employees agreed upon by the representative of the Local Union and the Company. For purpose of the Engineering Division the work groups will be Mechanics, Refrigeration, Electrical and Boiler. Agreements reached locally under this Section shall be reduced to writing and signed by the Plant Manager or authorized representative and the authorized representative of the Local Union. Copies of each such agreement shall be filed with the International Office of the Union and the Vice President of Employee Relations of the Company.

The Company agrees to use every reasonable effort to schedule operations so that employees will work as close to a minimum of forty (40) hours per week as is practical.

Section 5.

The Company will post a tentative Saturday work schedule by noon on Thursday of that work week. However, it is understood that the Company may modify this tentative schedule up until the time that the work group leaves the facility the last scheduled workday before the Saturday in question.

**ARTICLE 9
MEAL PERIODS AND RELIEF PERIODS**

Section 1.

Employees will be allowed an unpaid lunch period of at least thirty (30) minutes but no longer than thirty-two (32) minutes, due to governmental requirements, approximately half way through their shift, however should a governmental agency enact or change laws, regulations, guidance or rules regarding lunch break duration the Company may adjust the length of the unpaid lunch break accordingly.

Section 2.

Employees required to work more than five and one-half (5-1/2) consecutive hours before their first meal period, shall receive an addition to the rate of pay which would otherwise be paid for such hours an extra compensation of one-half (1/2) times their regular rate for all time worked in excess of five and one-half (5-1/2) hours until a meal period is granted by the Company; provided, however, that five and one-half (5-1/2) hours may be worked at the applicable rate of pay when this will complete the day's work, or (except for mechanical department employees who work on a breakdown) in case of a mechanical breakdown.

Section 3.

(a) When employees are required to work more than five and one-half (5-1/2) consecutive hours after the meal period, the Company shall furnish a meal (or a meal ticket or the sum of four dollars [\$4.00] in lieu thereof). This section shall not be applicable where not in excess of five and one-half (5-1/2) hours are worked after the meal period, in order to complete the day's work or because of mechanical breakdown.

(b) This paragraph shall not apply to employees engaged in continuous operations since they eat their lunch on the job and on Company time.

Section 4.

(a) Employees will be permitted one, fifteen (15) minute relief period during the period between their starting time and the first meal period. In addition, employees required to work more than eight (8) hours and three (3) minutes in a work day will be given an additional twelve (12) minute relief period.

(b) Employees will be given an opportunity to go on relief during the period between starting time and the first meal period. In addition, employees required to work more than eight (8) hours will be given a relief period which shall be scheduled as close as practical to the midpoint of the work period after the meal.

(c) Employees who work twelve and one-half (12-1/2) hours or more will be given an additional relief period.

Section 5.

The Company may require employees to take a relief period during an equipment breakdown or other temporary stoppage of production in lieu of a regular scheduled relief only if the starting time of such substitute relief period is within 30 minutes of the starting time of the regularly scheduled relief period.

Section 6.

All times referred to in this Article are exclusive of time paid under the Donning and Doffing Agreement.

**ARTICLE 10
HOLIDAY PAY**

Section 1.

The following will be considered as holidays.

New Year's Day
Memorial Day
Independence Day
Easter Monday

Labor Day
Thanksgiving Day
Christmas Day
First Monday in August

For any holiday, the local Plant Manager may, by written agreement between him and the local Union, substitute a day other than the holiday.

Section 2.

To be eligible for holiday pay, an employee must be a regular full-time employee and must be on the active payroll and work the full scheduled work day before and the full scheduled work day following a holiday. When a holiday falls on Sunday, it shall be observed on the following Monday.

Holiday pay will be calculated at eight hours at the employee's regular straight-time pay.

Section 3.

If one of the above holidays covered by Section 1 above occurs within an employee's vacation period, the employee shall be paid eight hours pay at the regular straight-time rate of pay in addition to the vacation pay.

When a holiday falls on a Monday, those employees whose scheduled work week is Tuesday through Saturday will not be paid time and one half (1½) if they work on Saturday as though it were their sixth (6th) consecutive day.

However, employees scheduled to work Monday through Friday and a holiday falls therein will be paid time and one half (1½) if they work on Saturday as it will be considered the sixth (6th) consecutive day of work.

Section 4.

If an employee fails to report to work or fails to work the hours as ordered on a holiday (except those employees with an excused absence) such employee shall receive no pay for not working on that holiday.

Section 5.

The holiday shall consist of the twenty-four (24) hour period starting at 12:01 a.m. on the calendar day, except that by written agreement between the Union and the Plant Manager in the case of employees who are regularly assigned full-time to a continuous operation which is performed twenty-four (24) hours per day and seven (7) days per week during the holiday week, the holiday may consist of the twenty-four (24) hour period beginning at the employee's regular starting time on the calendar holiday, or, in cases where the holiday falls on Sunday and is observed on Monday, on the calendar Monday on which the holiday is observed.

Section 6.

Where the holiday occurs during the period covered by the weekly guarantee, the Company may credit eight (8) hours' pay for the holiday not worked in computing the weekly guarantee.

Section 7.

Employees absent from work on account of sickness or accident on a holiday who are entitled to sickness and accident benefit payments for the week in which such holiday

occurs, or who during such week are in the waiting period, or who during such week would have been in such waiting period if they qualified for sickness and accident benefit payments, shall be paid for eight (8) hours at their regular rate of pay less the amount of sickness and accident benefit payments actually paid for that holiday.

ARTICLE 11 EQUIPMENT/SAFETY DEVICES FURNISHED BY THE COMPANY

Section 1.

The Company will furnish knives, steels and gloves where the Company determines they are necessary. The Company will furnish newly hired employees who would need gloves, excluding casual crew employees, two (2) pairs of gloves, thereafter, employees must turn in used gloves before the Company will give them additional gloves.

The Company will replace broken and worn out tools used in the performance of work for the company with the understanding that the employee will not abuse this provision. It is further understood that the company will not replace tools that have a manufacturer replacement warranty. However, if the manufacturer does not provide a full warranty, through no fault of the employee, and the employee provides the Company with proof of the prorated reimbursement, the Company will reimburse the employee the balance of the prorated amount.

Section 2.

- (a) The Company will furnish safety devices which it deems necessary and when furnished must be worn and/or used as a condition of employment.
- (b) The Company will require employees to wear company approved safety boots/shoes which meet company standards.

The Company will furnish safety boots/shoes to all employees.

Employees unable to wear Company furnished boots/shoes because of medically documented reasons will be allowed to purchase Company approved boots/shoes elsewhere and be reimbursed at an amount equal to the value of the Company boots/shoes.

The Company will furnish those employees with the first pair of safety boots/shoes. If such employee voluntarily leaves within six (6) months the position where such equipment is necessary then the employee must reimburse the Company for the cost of the safety boots/shoes. The reimbursement will be made by deducting the cost from the employee's wages or by any other lawful means.

- (c) The Company will furnish forklift operators and box loaders on the loading docks one (1) pair of insulated coveralls per year. In addition, the Company will furnish all other loading dock and Ross Chiller employees with a choice of one (1) freezer coat or insulated denim jacket per year.
- (d) The Company will furnish "Green Gloves" to employees performing Rib Puller, Loin Trimmer, Neck Bone Boxers, Forklift Operators (Loin Line), Scale and Feed Injectors, Box and Haul Femur Boxes, Band Saw – Center Cut, Belly Turners, Scribe Saw Operator – Loin, Tender Pullers, Rib Bullers and other jobs the Company deems it to be necessary.

Section 3.

Each employee shall be responsible for the safe and efficient use of all equipment and safety devices furnished by the Company. If such equipment or safety devices are lost, destroyed or abused, the employee shall be accountable and the Company may charge the employee and deduct the cost from the wages of the employee. However, the amount of any single deduction will not exceed sixty dollars (\$60.00), unless it is the employee's final paychecks.

ARTICLE 12 LAUNDRY

The Company will provide a laundry service for employee's outer work clothes. Each employee is expected to mark their garments so that they are readily identifiable. The Company will not be responsible for damaged or lost clothing.

ARTICLE 13 WAGES

Section 1.

Base Rates:

Effective June 9, 2014, production employees will be paid a base rate of fourteen dollars and fifty cents (\$14.50) per hour and mechanical employees will be paid a base rate of fifteen dollars and seventy-five cents (\$15.75) per hour.

Effective June 8, 2015, production and mechanical base rates will increase to:

Production - \$14.80
Mechanical - \$16.05

Effective June 6, 2016, production and mechanical base rates will increase to:

Production - \$15.10
Mechanical - \$16.35

Effective June 12, 2017, production and mechanical base rates will increase to:

Production - \$15.45
Mechanical - \$16.70

Effective June 11, 2018, production and mechanical base rates will increase to:

Production - \$15.80
Mechanical - \$17.05

An additional ten cents (\$.10) per hour will be paid for hours worked from 6:00 p.m. to 6:00 a.m.

Section 2.

Start rate and progression will be a minimum as follows:

Start rate: \$10.30
After Probationary Period \$0.50
After one (1) year: To thirty cents (\$.30) below the base rate
After two (2) years: To base rate

Section 3.

Except for employees who fail to clock in and/or out, any pay discrepancy of more than fifty dollars (\$50) that is reported by 10:00 a.m. on Friday shall be adjusted no later than the following Monday (Holidays excluded). Employees who report a discrepancy after 10:00 AM on Friday but by the close of business Monday shall be adjusted no later than the following Wednesday. An employee who is missing their entire paycheck/vacation check, through no fault of their own, and reports it by 2:00 PM Friday, will have a check issued the same day. Employees who fail to clock in and/or out will receive the appropriate adjustment on the following week's paycheck.

Section 4.

Production and Mechanical Labor Rates--
(See attached Exhibit 1)

ARTICLE 14 GUARANTEE

Section 1.

Daily Guarantee--

Regular full-time employees, excluding the casual crew employees, called to work will be provided with a minimum of four (4) hours work or pay in lieu of work, barring contingencies outlined in Section 2 below or where the Company notifies employees a minimum of two (2) hours prior to the start of the employee's scheduled starting time via a toll free 800 messaging phone number. In addition to the 800 messaging system, the Company will attempt to notify local radio and television stations in an effort to get the schedule change announced to the employees.

Section 2.

Weekly Guarantee--

The Company guarantees to each regular full-time hourly employee excluding casual crew employees, thirty-six (36) hours of work or pay in lieu of work during the employee's work week at the regular straight-time hourly rate of pay for the first five (5) consecutive work days of the employee's work week either Monday through Friday or Tuesday through Saturday in accordance with a schedule to be posted not later than Friday preceding each work week, (Except for shift operators whose work week shall be any five (5) consecutive work days) barring acts of God, civil commotion, power failure, explosion, labor disturbances or government acts that prevent the Company from operating, or other unusual emergencies.

The Company may notify affected employees of a shorter workweek on or before Friday of the prior week, in which event the guarantee shall be reduced to thirty-two (32) hours' pay at their regular rate not to exceed seven (7) times per contract year per employee. This section will be calculated on an individual employee basis in determining the seven (7) times the guarantee may be reduced to thirty-two (32) hours pay.

Section 3.

Guarantee is payable if the employee is scheduled to report to work on the first day of the work week and works the hours scheduled, provided that if an employee is absent for part of the work week the hours worked by the employee's work group during the employee's absence will be deducted from such weekly guarantee.

Section 4.

Employment After First of Week—A regular full-time employee who becomes eligible after the first of the payroll week shall have their thirty-six (36) hour weekly guarantee reduced by the number of hours already worked by the shift previous to the day the employee became eligible or if such an employee is one who has been recalled in accordance with the seniority

provisions of this Agreement after the first of the payroll week the employee's thirty-six (36) hour weekly guarantee will also be so reduced.

ARTICLE 15 RECALL

Section 1.

Any employee who has completed the day's work and is recalled to perform work within twenty-four (24) hours (excluding any day on which the employee was not scheduled to work) from the time employee started such day's work, shall be paid for all time worked, pursuant to such recall within such twenty-four (24) hour period at one and one-half (1-1/2) times the applicable rate and will be guaranteed a minimum of four (4) hours work at one and one-half (1-1/2) times the applicable rate in addition to employee's pay for hours worked after the start of employee's new day's work in accordance with employee's prearranged starting time. Hours worked pursuant to recall prior to the start of an employee's new day's work shall not be considered as hours worked for the previous day, but shall be considered as hours worked only for the new day for the purposes of daily overtime.

Section 2.

The provisions of Section 1. shall not apply--

- (a) When shifts are being changed; or
- (b) When the starting time of an employee is being changed; or
- (c) To any work performed by an employee after employee has started a new day's work in accordance with the prearranged starting time, or to any work performed by an employee where the employee is called from the dressing room and assigned such work within (15) minutes prior to such employee's prearranged starting time.

ARTICLE 16 VACATIONS

Section 1.

- (a) Vacation eligibility requirements are based upon credited service. The period October 24 through the subsequent October 23 shall be considered the vacation year.
- (b) Vacations will be taken throughout the vacation year (October 24 through the subsequent October 23) and as far as practical, be granted for the period selected by the employee, but final allocation of vacation periods is left to the Company in order to assure orderly operation of the plant. The scheduling of vacations will commence on October 1, and be completed and announced to the employees no later than October 24 of each year.

In the choice of vacation dates, seniority of the employees within the work group at the time vacations are scheduled shall prevail.

Employees electing to schedule their vacation time outside of the above procedure must put their request for paid time-off in writing and present it to their supervisor at least five (5) working days prior to the date of the requested paid time off. The supervisor will have two (2) working days to approve or disapprove the requested paid time off. The supervisor may waive the five (5) working day time limit.

Section 2.

An employee becomes eligible for a vacation for the first time when the employment records show that one year has elapsed from the date of the employee's full-time employment and during the preceding fifty-two (52) weeks the employee must have worked at least two-

hundred and twenty-five days. In addition to the actual days worked, an employee may be credited with days missed due to Family Medical Leave, union leave and up to sixty (60) days on Workers' Compensation.

Section 3.

An employee who received their first vacation is hereafter eligible for subsequent annual vacations on October 24 provided that during the preceding fifty-two (52) weeks the employee has worked at least two-hundred and twenty-five (225) days..

For purpose of this Section and Section 2 above, "days actually worked" will include any vacation days taken by the employee.

Section 4.

Length of Vacation:

One week vacation annually, commencing with the first vacation for which the employee qualifies.

Two weeks vacation annually commencing with the third vacation for which the employee qualifies.

Three weeks vacation annually commencing with the tenth vacation for which the employee qualifies.

Four weeks vacation annually commencing with the fifteenth vacation for which the employee qualifies.

Effective upon ratification, the following language will apply for additional days:

Two (2) additional days annually commencing with the twentieth (20th) vacation period for which the employee qualifies.

Three (3) additional days of vacation annually, five (5) total commencing with the twenty-fifth (25th) vacation period for which the employee qualifies.

Employees eligible for three (3) or more weeks vacation may take one (1) week a day at a time.

Vacation pay will not count toward the calculation of overtime.

Section 5.

Vacation Pay:

Vacation pay shall be made on the basis of forty (40) hours pay at the employee's regular rate of pay in effect during the week prior to the vacation, for each week of vacation due or two percent (2%) of the employee's prior year's W-2 earnings with JBS, whichever is greater.

Section 6.

Management may elect to close the plant for a vacation period only during the period from May through September whereby all employees (except maintenance employees) will take their vacation at one time. Notice of such vacation period shall be posted thirty days or more in advance of the time scheduled. Maintenance employees required to work during the time the plant is closed for vacation will be scheduled for vacation at another time during the year.

Section 7.

Payment of Vacation:

(a) Employees with two or more weeks vacation may take one (1) week pay-in-lieu of paid

time off. Pay-in-lieu will not be considered as work time in computing overtime pay.

(b) An employee who requests and is approved two (2) weeks prior to the commencement of their vacation, will receive their vacation check the pay period immediately preceding the start of their vacation.

Section 8.

Layoff: An employee eligible for vacation who is laid off because of reduction in the employee's work group shall be allowed pay for the vacation for which employee has qualified.

Section 9.

Termination or Death: An employee eligible for vacation whose employment is terminated for any reason shall be allowed pay for the vacation for which employee had become eligible. In the case of death, such pay shall be paid to the employee's estate or the person legally entitled.

ARTICLE 17 SENIORITY

Section 1.

An employee shall be a probationary employee and not acquire any seniority rights until the employee has completed thirty (30) calendar days from the most recent date of hire. It is understood that the Company may in its sole discretion, discipline or terminate a probationary employee, and no grievance shall be filed or processed on their behalf. It is further understood that the Company may extend the probationary period of an employee for up to an additional thirty (30) calendar days, for work performance purposes only, by notifying the Union prior to the completion of the employees thirtieth (30) calendar day. Once the employee has successfully completed the probationary period, the seniority date will be the date of hire and the employee will be considered regular full-time.

Newly hired employees will not receive any benefits designated for "regular full-time employees" until they have completed their initial thirty (30) calendar day probationary period.

Section 2.

There will be four seniority divisions: Slaughter Division, Cutting Division, Boning Division and the Engineering Division. There will be no crossover between divisions except as set forth in Sections 4 and 6 of this Article.

Section 3.

There will be separate work groups within a division for selection of vacations, layoffs and recalls. Employees who work on cry-o-vac or injector machines within a work group (i.e. 1st Shift - Cut, 2nd Shift - Cut, 1st Shift - Trim, 2nd Shift - Trim, 1st Shift - Ham Boning, 2nd Shift - Ham Boning, 1st Shift - Loin Boning, or 2nd Shift - Loin Boning) will be considered as belonging to the work group where the cry-o-vac or injector machine is physically located. All job bidding will be based upon seniority and ability to perform the job or learn it within a reasonable amount of time.

WORK GROUPS

SLAUGHTER DIVISION

1. 1st Shift - Kill & Variety Meats
2. 2nd Shift - Kill & Variety Meats

3. All Shifts - Rendering

CUTTING DIVISION

1. 1st Shift - Cut
2. 1st Shift - Trim
3. 1st Shift - Picnic Boning
4. 1st Shift - Load
5. 2nd Shift - Cut
6. 2nd Shift - Trim
7. 2nd Shift - Picnic Boning
8. 2nd Shift - Load
9. 3rd Shift - Load

BONING DIVISION

1. 1st Shift - Loin
2. 1st Shift – Main Boning Injection Room/Multi-vac/Trim Blend
3. 1st Shift - Ham
4. 1st Shift - Skinless Belly
5. 2nd Shift - Loin
6. 2nd Shift – Main Boning Injection Room/Multi-vac/Trim Blend
7. 2nd Shift - Ham
8. 2nd Shift - Skinless Belly

ENGINEERING DIVISION

1. All Shifts Mechanical

Section 4.

Job vacancies, including new jobs (except for the start-up of a new operations) will be posted from Thursday through Tuesday. Anyone interested in vacancy will be required to sign the posting. If an employee signs more than one vacancy during the posting period they must indicate the order of their preferred choice e.g. # 1=first choice, #2 =second choice, etc.) Should an employee fail to indicate the preferred choice the Company will make the determination.

Job vacancies will be awarded to the senior eligible bidder first within the division and second within the plant. However, employees with over ten (10) years of service will be eligible to bid with plant seniority. The original bid for each posting will be exhausted prior to the Company assigning the position. If there are no eligible bidders, the Company may assign

the position. An employee will be considered the successful bidder at the time the posting is closed and will be awarded the position. Maintenance Division openings shall be awarded first within the Maintenance Division based on seniority and skill level; second within the Apprenticeship Program based on seniority and skill; and third to the senior qualified employee in the plant

In the start up of a new operation, the Union agrees to meet with the company and discuss ways to mitigate the disruption of the bidding process to both the new, as well as, the overall operation.

The Union may request that positions of a temporary or seasonal nature, which have been performed consistently for a sixty (60) day period, be posted for bid within the division. Such bid will be posted as "Special Temporary Work." When the temporary position is no longer required, they will have all bid restrictions removed and assigned where needed in their division. However, if the temporary special work job has been performed for one (1) year, the position will be offered to the employee performing the temporary special work on a regular basis. If the employee declines the regular position, it will be offered for bid within the division. Employees performing a special temporary work position will be paid the rate of the job they are performing.

For the purpose of this section, an employee shall have a maximum of thirty (30) days from the time employee is placed on the job to qualify for such job. The Company will endeavor to move the employee to the new job no later than forty-five (45) days after the employee has successfully won and been awarded the job through the bid procedure; for employees on multiple rotation positions the Company will provide employees with a reasonable amount of time beyond the aforementioned thirty (30) days provided the employee makes an earnest attempt to learn the position.

Employees not placed on such bid job within forty-five (45) days shall be paid the rate of the job to which they bid plus thirty-five cents (\$.35) per hour until they are moved to the new bid job. In the event an employee's training is interrupted, such employee will again receive the rate of pay for the job to which the employee bid and the thirty-five (\$.35) per hour penalty during the period of time of such interruption in the training. In addition to the previously referenced penalty, the employee will be eligible to bid another job if they are not moved within forty-five (45) calendar days. The forty-five (45) calendar day period will start on the award date "Tuesday". Subject employee will not be eligible to receive such pay until and unless employee qualifies on the new job, at which time such pay shall be retroactive. Employees that disqualify themselves or decline the position will not be eligible for retroactive payment. Employees disqualified by the Company will be eligible for the retroactive payment.

In an effort to keep bid jobs awarded and employee moved in a timely fashion, the company will develop and maintain an "Aging Report". This Aging Report will list the status of all job bids until there is a final disposition. The report will include division, department, employee's name, job title and grade they are bidding to, job and grade they are bidding from, date of the award and their current status. The Aging Report will be maintained by the Human Resources department, updated on a weekly basis and made available to the Union. The report will also be made available for review by inquiring employees.

All time limits not otherwise stated as "work days" will be "calendar days" concerning this article only.

Employees bidding to a new department or shift will have any previously scheduled vacation reviewed and attempts will be made to ensure that the employee is able to maintain their previously scheduled vacation date.

Section 5.

If an employee voluntarily disqualifies, or is unable to perform the job or learn it within a reasonable time, the employee will be returned to the last job for which the employee was qualified.

Employees may bid up twice in any twelve (12) month period and down or laterally once in any twelve (12) month period.

Section 6.

Layoff within a Division occasioned by reduction will be made according to seniority within the work group in that particular Division. In case of layoff, a senior employee may displace any junior employee within the particular Division, provided the employee is qualified to perform the job or learn the job within a reasonable amount of time.

In the event that there is a layoff in the Slaughter, Cutting and Boning Division, and it appears that such layoff will last in excess of four (4) weeks, an employee with one (1) year of credited service who is displaced from their job may at the time of layoff temporarily displace the most junior employee in the Slaughter, Cutting and Boning Divisions. The employee must be qualified to perform the job or be able to learn it within a reasonable period of time.

Seniority for the purpose of this limited right of displacement only, shall be based on the date of hire as an employee at the plant. Such employees will not acquire seniority rights in the Division into which they displace temporarily.

Employees will be recalled to their original division in accordance with seniority and will not have the right to remain in the Division into which they displace temporarily.

Section 7.

Recall--Work groups will be increased by seniority, first by recalling those employees laid off from the work group that are working in other work groups and then those from the work group in layoff status; and then those in layoff from other work groups within the Division, provided the employees can perform the job that is available or learn the job within a reasonable time.

Section 8.

An employee shall lose seniority and employment rights for the following reasons:

- (a) Voluntarily quitting (if an employee is absent from work for three or more consecutive days without notification to the Company, the employee shall be deemed to have voluntarily terminated employment.)
- (b) Discharge for cause.
- (c) In layoff for a period of more than eighteen (18) months.
- (d) Employees recalled from layoff will have five (5) calendar days to return to work after being notified of the recall. In the event the employee is unable to return to work within the five (5) calendar days, but contacts the Company within the five (5) calendar day period, they will be given an additional five (5) calendar days to report to work. In recalling employees from layoff, a certified letter will be sent to the employee's last address on the Company records. It is agreed that notification will have been made based on the date of first attempted delivery of the certified letter by the Post Office.
- (e) In medical leave of absence for a period of no more than six (6) months. However, if any employee is able to return to work after six (6) months but before the end of

twelve (12) months from their original absence, the employee will be reinstated with full seniority and benefits.

- (f) In work related injuries for a period of twelve (12) months or whenever Maximum Medical Improvement is reached, whichever is sooner.

Employees shall furnish the Company in writing their address for purposes of giving notices required to be given. All notices shall be deemed to be given to an employee when mailed to the last address furnished to the Company by the employee.

An employee who leaves the bargaining unit to accept a position with management will lose all seniority rights if the employee remains away from the bargaining unit for more than six (6) months.

Section 9.

Seniority lists shall be maintained by the Company and shall be posted every six months, and a copy shall be furnished to the Union.

The seniority provision of this Article does not apply to employees who are Probationary employees.

ARTICLE 18 CASUAL CREW

Section 1.

The Casual Crew will serve as a pool of part-time employees to supplement the regular full-time force. Casual Crew employees will only be used to fill temporary vacancies, such as vacation relief, sickness or accident relief, jury duty, funeral leave, leaves of absence and special projects. The number of Casual Crew employees working at any one time shall not exceed ten percent (10%) of the work force.

Newly hired personnel will normally be placed in the Casual Crew. Personnel added to the regular full-time work force will normally be drawn from the ranks of the Casual Crew. In no event will an employee be placed in the casual crew for longer than sixty (60) calendar days except in those cases involving special projects which will be discussed in advance with the Union.

When permanent vacancies exist in a work group, employees who are hired into that work group shall be placed in those vacancies rather than being assigned to the casual crew.

When permanent vacancies are filled in a work group, those vacancies will normally be filled from casual crew employees currently working in that work group, provided they are capable and qualified to perform the work available.

The Chief Steward must agree to any work given to casual crew employees for special projects.

PAY AND PAY POLICY

Section 2.

Members of the Casual Crew are part-time and will be considered as such even though they may work full-time. The Company may remove an individual from the Casual Crew at its discretion. Members of the Casual Crew will be paid only for actual time worked and are not eligible for the weekly guarantee provision, holiday pay, vacation pay, double time, starting rate progression, funeral leave pay, health and welfare benefits provided by the Company or the other fringe benefits given regular full-time employees except as indicated in Section 2.

A Casual Crew member is eligible for time and one-half pay for hours worked in excess of forty (40) in any work week or over eight (8) hours in one (1) day.

The wage rate for the Casual Crew will be the starting wage rate. If the employee is qualified to and performs a rated job, such employee will receive the additional grade pay for such job.

A Casual Crew member will participate in the regular breaks of shift for which they are working.

If a casual crew employee is chosen for regular full time employment, continuous time worked as a casual crew member will be counted toward seniority and as eligibility service for the comprehensive medical plan. Continuous days worked on the casual crew will count toward the employee's probationary period.

Section 3.

Casual Crew employees who have accumulated one thousand and forty (1040) hours within eighteen (18) consecutive months on the Casual Crew may purchase H-M-S insurance from the Company.

ARTICLE 19 LEAVES OF ABSENCE

Section 1.

Employees, not exceeding five (5), chosen by the Union to attend to Union business outside the Unit, shall with a two (2) week's notice and permission of the Company, be granted a leave of absence without pay not exceeding one hundred and eighty (180) calendar days. In addition, employees not to exceed four (4) from the Unit, elected or appointed to a full-time position with the Union or any of its affiliates, upon proper notice, shall be granted leave of absence without pay, not to exceed the life of this Agreement. Upon one (1) week's notice of their desire to again return to work for the Company, they shall be placed upon their job previously held without loss of seniority rights.

The Union shall notify the Company promptly when an employee of the Company on leave of absence as provided above ceases to occupy the full-time position.

It is agreed that any leave granted under this Section will not be used for the purpose of conducting union business at any JBS facility to include activity directed at the organizing of the workforce. Should such activity occur, the leave of absence will be immediately canceled.

The Union may designate a Walking Steward to cover 1st, 2nd and 3rd shifts from among the Company's employees who shall have as their job duties the administration of this Agreement including safety assignments and the processing of grievances. The Company will pay the Walking Steward bracket 6 for up to forty-eight (48) hours pay, on a weekly basis upon receiving a signed and dated form from the Walking Steward setting forth a summary of issues addressed and the status. In the event the Cut Floor operates a sixth consecutive day, the shift hours for the sixth day will be added to the forty-eight (48) hour maximum pay for the week. The Walking Steward will punch in and out for attendance purposes and will continue to receive benefits on the same terms following designation as a Walking Steward.

The Chief Steward program shall be reviewed by the Company and the Union as needed to recommend needed adjustments, if any. If the program has not served the intent and purpose of Article 2 of this Agreement, the Company may discontinue the program with a sixty (60) day written notice.

Section 2.

Leaves of absence (without pay) beyond regular vacation to which an employee is entitled, may be granted for good and sufficient reason on the basis of length of credited service as follows:

LENGTH OF SERVICE LEAVE OF ABSENCE UP TO

Under 5 yrs.	2 Weeks
Over 5 yrs. & under 10 yrs.	1 Month
Over 10 yrs. & under 15 yrs.	2 Months
Over 15 yrs.	3 Months

(a) The approval of said leaves must be requested in writing, and permission obtained prior to the start of the absence. Said leaves of absence will not be granted for the purpose of allowing employees to take another position temporarily, try out new work, or venture into business for themselves.

(b) Leaves of absence of longer duration than those provided for above may be granted by the Company at its discretion, for such reason as it considers proper.

Section 3.

The leaves of absence shall become void and seniority rights forfeited if an employee on leave of absence as provided for in this Article accepts other employment or engages in other work.

Section 4.

Leave Entitlement: An employee who has been employed by the Company for 12 months and who has completed 1,250 hours of work during the 12 month period immediately preceding the commencement of such leave, will be entitled to leave under the Family Medical and Leave Act of 1993 ("FMLA") in accordance with it's provisions and the provisions of Section 2.

Employee Responsibilities:

(a) Application for Leave: An eligible employee must complete a written application for an FMLA leave. Where the need for leave was not known in advance due to accident, illness, or circumstances beyond the employee's reasonable knowledge or control, an application may be completed upon the employee's first reasonable opportunity to do so. In all other cases where FMLA leaves are known in advance, the application should be completed and submitted thirty (30) days prior to the commencement of the leave.

(b) Physician's Certification: In order for an FMLA leave to be approved, it is the responsibility of the employee to obtain from his or her physician a fully executed Physician's Certification form, which will be provided to the employee by the Company. The failure of the employee to obtain and submit the completed Physician's Certification form may result in the delay or denial of an FMLA leave, in which event, the leave may be treated as an unexcused absence.

(c) Cooperation: An employee on an approved FMLA must provide periodic reports as requested by the Company in order to keep the Company informed as to the employee's status and expected date of return.

(d) Fitness for Duty: Prior to returning from an FMLA leave involving their own serious health condition, an employee may be required to successfully pass a fitness for duty examination to be paid for by the Company.

(e) Failure to Return: An employee who fails to return upon the expiration of an approved FMLA leave will be considered a voluntary quit.

Employer Responsibilities:

- (a) **Privacy:** The employer can assign a physician or representative from Health Services or Human Resources to contact the employee's health care provider to clarify information in a FMLA certification. No one in supervision will contact the employee's health care provider. Records relating to FMLA leaves, requests, and certification or medical histories must be maintained as confidential medical records separate from usual personnel files.
- (b) **Effective on Existing Benefits:** Nothing in the FMLA or any amendment shall be construed to diminish the obligation of the employer to comply with collective bargaining agreement or any employment benefit program or plan that provides greater family or medical leave rights to employees than the rights established under FMLA or any amendment to FMLA.
- (c) The Company shall require employees to utilize any paid time off prior to granting unpaid time off under the Family Medical Leave Act (FMLA) unless the leave is a result of the employee's health condition.

Year for Purposes of Determining Leave Entitlement: For purposes of determining an employee's leave entitlement under the Act, the 52-week period immediately preceding the commencement of leave under the Act shall be the applicable measuring period.

ARTICLE 20 GRIEVANCES

Section 1.

A grievance committee of not more than seven members shall be designated by the Union from its members. The Union shall advise the Company of the names of the members of this Committee in writing. Meetings with the Company's designated representatives for the purpose of settling any and all grievances as provided herein will be scheduled after work without pay.

Section 2.

The local Union shall designate a reasonable number of stewards in writing and the work group(s) each steward will represent. Only such stewards as are so named shall be recognized.

Section 3.

Should grievances arise between the Company and the Union, or between the Company and the employees, pertaining to matters involved in this Agreement or incident to the employment relationship, the following procedure shall apply:

FIRST: The aggrieved employee or employees, with or without their steward, shall within two (2) working days of knowledge of the incident, discuss the matter with their supervisor for the purpose of resolving the grievance, or the matter will be considered closed. Failing to reach a settlement the grievance may be submitted to the Second Step within two (2) working days.

SECOND: The aggrieved employee's steward, with or without the Chief Steward, the aggrieved employee or employees, shall discuss the matter with the supervisor and the Plant Manager or designated representative for the purpose of resolving the grievance. Failing to reach a settlement in this step, the Union may submit the grievance to the Third Step within ten (10) working days.

Should the Chief Plant Steward not be available, the President of the Union may be called.

THIRD: The Union President and/or the Chief Union Steward or other designated union representative, with or without the aggrieved employee or employees and the local Union representative and/or other designated representative shall meet and discuss the matter with the Plant Human Resources Manager or designated representatives for the purpose of attempting to resolve the grievance. The parties at this point call witnesses in the case and, if necessary, visit the work group involved in order to get all the evidence. The Company will give a written answer within ten (10) working days of receipt of the grievance in the third step. Failing to reach a settlement in this step, the Union may submit the grievance to the Fourth Step in writing within twenty (20) working days.

FOURTH: In the event that said parties fail to reach a decision, both the Company and the grievance committee have the right to call on the Vice President of Employee Relations of the Company or designated representatives, and the International Union's Packing House designated representative to assist in the settlement of any dispute at the plant. Upon request of the International Union, the Company will hold the Fourth Step grievance meeting in Worthington, Minnesota, or a telephone conference call between those parties may be used in place of the Fourth Step grievance meeting. However, if the grievance is not resolved by the telephone conference call then either party may choose to have the Fourth Step grievance meeting take place in Worthington, Minnesota. Such meeting if required will be conducted within forty-five (45) calendar day intervals. Within ten (10) days after receipt of a written request from the International Union for a Fourth Step grievance meeting, the parties will set a date for the holding of such a meeting.

Failing to reach a settlement in this step, the Union may submit the grievance to arbitration.

In the event no disposition is made of the grievance in Step Four, the grievance may be submitted to an impartial arbitrator to be selected by mutual agreement of the parties. If the parties are unable to agree on an arbitrator, either party may request a list of five (5) names from the Federal Mediation and Conciliation Service immediately upon request of such list or no more than ten (10) days following, the parties shall contact each other for the purpose of alternately striking names to determine which one shall sit on the arbitration.

A grievance shall be submitted for arbitration no later than two (2) months after the Fourth Step meeting on the grievance. A grievance which has not been submitted within the two (2) month time limit shall be null and void and not subject to further processing or arbitration.

Section 4.

The authority of the arbitrator shall be limited to the terms and conditions as set forth in this Agreement, and the arbitrator's decision shall be final and binding upon the parties. The compensation and necessary expenses of the arbitrator and other arbitration expenses shall be borne equally by the Company and the Union.

Section 5.

A settlement arrived at in any Step of the grievance procedure will be reduced to writing and signed by both parties. Such settlement will be final and binding upon both parties.

Section 6.

No employee shall leave on the job to handle any grievance without permission from his supervisor. The supervisor shall not reasonably withhold such permission.

Section 7.

The Company will be precluded from using disciplinary action that was entered into the employee's personnel file after twelve (12) months from the date of the occurrence that led to the disciplinary action. However, it is agreed that incidents involving sexual harassment, discriminatory treatment, aggressive behavior or drug/alcohol abuse will be excluded from this time limit.

ARTICLE 21 MILITARY LEAVE

Section 1.

An employee who leaves or has left a position in the employ of the Company in order to enter upon active service in the Armed Forces of the United States, under such circumstances that under the laws of the United States employee has the right to be re-employed by the Company provided employee satisfies the conditions of such laws shall, upon having satisfied such conditions, be restored to that position to which employee is entitled under such laws.

Section 2.

Unless the Company is required by said laws of the United States to do otherwise, the provisions of Section 1 mean that such employee shall be reinstated in the former position or to a position carrying a rate not less than that in effect at the time of the employee's return on the former position unless during the employee's absence:

- (a) An opening has occurred on a higher rated job and an employee with less seniority than the veteran's absence and is working on such higher rated job when the veteran returns. In such a case, the returned veteran will be offered the higher rated job provided employee can do the job or learn it in a reasonable time. If the returning employee accepts such job, the returning employee will displace the employee on the higher rated job who has less seniority;

or

- (b) A reduction has occurred in the plant so that the veteran, if employee had not been absent on account of military service, would not now occupy the job employee left. In such a case, the returned veteran will be offered a job equivalent to that employee would have been entitled to under the operation of the applicable seniority provisions had employee not been absent on account of military service. Employees displaced by a returning veteran will be demoted in accordance with normal seniority practice.

For the purposes of ARTICLE 17 (Seniority) of this Agreement, an employee's seniority shall accumulate from the date on which employee leaves employment in order to enter upon active service in the Armed Forces of the United States, until the date on which the employee is restored to a position in accordance with Section 1 above and this Section to the extent that it would have accumulated had employee not entered upon such active service.

No employee will be granted vacation pay or sickness and accident benefits while on or for such active service.

Section 3.

Veterans who return with physical handicaps will be given the same re-employment opportunities as other veterans, and it is understood that those not qualified to perform their regular jobs may be placed on work which they are physically able to perform without loss of seniority.

ARTICLE 22 UNION NOTICES

Union notices may be posted on designated bulletin boards in commonly used areas subject to approval of the Human Resources Manager as to contents. Notices to have been approved by local Union President.

ARTICLE 23 UNION VISITS

Section 1.

The Union agrees that it, or its members or representatives will not conduct Union business on Company time.

Section 2.

Local Union Officers and designated service representatives shall have the right to visit the Company's Worthington, MN facility at any time during working hours for the purpose of investigating grievances, or for reviewing the operations, and to generally carry out the terms and conditions of the agreement, with notice to the Plant General Manager or the Managers representative. Should such Union representative find it necessary to visit any specific locations in the production areas, the Company will upon reasonable notice make arrangements for such visit and accompany such Union representative to the area(s).

The Union shall supply an up to date listing of all authorized offices, representatives, and stewards of the Local Union to the Plant General Manager or the Manager's designee.

Section 3.

The Company agrees that the Union may request that a UFCW International time study Engineer be allowed to visit production areas of the plant. Should this become necessary, the Manager or Superintendent will, upon proper advanced notice to management, be ready, within a reasonable amount of time, to accompany the engineer in visiting any specific locations that might be necessary.

Section 4.

The Company agrees to allow, during orientation, Union representatives the opportunity to discuss the Union's role at the Worthington plant and solicit signatures on application and dues authorization forms. Such presentations will not normally exceed one half (1/2) hour.

ARTICLE 24 STATE OR FEDERAL STATUTES

Section 1.

Nothing in this Agreement shall require the Company or the Union to take any action which shall be unlawful because of any applicable present or future local, state or federal statute.

Section 2.

If any provisions of this Agreement is rendered inoperative by reason of any applicable present or future state or federal law or regulations, the remainder of this Agreement shall not be affected and shall remain in full force and effect and negotiations on the effect of such change in law or regulation will be conducted by representatives of the Company and the Union.

ARTICLE 25 SICKNESS AND ACCIDENT POLICY

Section 1.

When regular full-time employees with at least one year of seniority are absent because of disability due to sickness or accident not covered by Workers Compensation, and when such absences and their continuation are supported by acceptable medical evidence, payments shall be made in accordance with terms and conditions hereinafter set forth.

Section 2.

Employees will be eligible for disability benefits on the eighth full day of disability or on the second (2nd) day if hospitalized. Benefits for employees with over five (5) years of seniority

will begin after the third full day of disability or second (2nd) day if hospitalized. (note: the waiting period outlined above is based on calendar days, not work days). Employees shall be allowed to use vacation time for their waiting period.

Section 3.

(a) The amount of the weekly payment shall be \$270 for all employees except maintenance which will be \$350 per week, up to a maximum of thirteen (13) weeks for any one (1) absence reduced by the payments made for other absences during the twelve (12) months immediately preceding the onset of the current absences. On January 5, 2015, the weekly benefits will be increased to \$280 for production and \$360 for maintenance respectively.

(b) Disability benefits payable for a partial week will be based on a daily rate, twenty percent (20%) of the weekly payment, times the scheduled work days missed not to exceed 100% of the weekly benefit.

Section 4.

It is agreed that it is the purpose of this policy to provide income for employees who qualify hereunder only when they are physically unable to work.

Section 5.

No employee shall be eligible for benefits under this paragraph unless they notify the Company promptly when unable to report for work provided the employee is physically able to do so.

Section 6.

In addition to the company-paid short-term sickness and accident plan, the Company shall make available an optional long-term disability plan for employees. The cost of such plan shall be borne by the employee and premiums will be paid through payroll deduction.

ARTICLE 26 JURY DUTY

Section 1.

When a regular full-time employee is absent from work to perform jury service, the Company will pay the employee's regular rate of pay, with applicable overtime, for each hour of such absence, less jury fees received by the employee for performing such service.

Section 2.

An employee is required to report to work the hours prior to jury service, provided the employee is able to work four (4) hours. If an employee is excused and does not serve on the jury, the employee will be required to immediately report to work provided there are four (4) hours of work remaining for the employee's work group.

Section 3.

An employee will not qualify for jury service pay as provided above, unless employee informs the supervisor promptly upon receiving notice to serve or when released from jury service.

ARTICLE 27 SAFETY/ERGONOMICS

Section 1.

The Company agrees that it has the responsibility to provide a safe work place and to

correct safety hazards, and that nothing in this Agreement shall imply that the Union has undertaken or assumed any portion of that responsibility.

Section 2.

Safety and Ergonomics Teams: For the purpose of advising and assisting the Company in safety performance and to facilitate the discovery and remedy of safety hazards, joint Employee-Management Safety and Ergonomics Teams shall be established at the plant, in accordance with the following:

(a) Membership in the Safety and Ergonomics Teams shall be based on the criteria agreed upon by the Company and the Union.

(b) The Safety and Ergonomics Teams shall convene once each month and at such other times as the Team shall determine in order to carry out its functions as set forth in this Article. The duties of the Team shall include the review and investigation of safety practices and rules and health and safety complaints. At least one employee member, will be permitted to accompany government inspectors on a plant inspection tour. Employee team members will be permitted to make their own monthly inspections of plant conditions (provided that this shall not be abused), subject to such controls as the Team may impose. For those hours spent performing Safety and Ergonomics Team work, the authorized Safety and Ergonomics Team member will be paid by the Company the same as if employee worked with the regular work group for the day. In addition, should the Company require work outside the regular work schedule, it will be considered paid time.

(c) The Safety and Ergonomics Team shall decide all health and safety issues, with right of appeal to arbitration, as set forth in the grievance procedure.

(d) The Company shall take minutes of the each Safety and Ergonomics Team meetings and promptly furnish copies of such minutes to the Packinghouse Department of the International Union, Local Union, and to the employee members of the Safety Team. The Company shall provide to the local Union a copy of the OSHA 300 logs.

(e) The Company will pay lost working time for the bargaining unit Safety and Ergonomics team members, amounting to a total of (4) days per year, per employee team member to secure training or attend seminars in occupational health and safety. In the years the Safety and Ergonomics team members do not attend training, the Company will pay time loss for up to eight (8) stewards, amounting to a total of four (4) days per year, per employee to attend safety and ergonomics training.

Section 3

(a) In the event an employee detects what is believed to be a hazard to health and safety in their working area, employee shall have the right to contact the immediate supervisor who, if in agreement with the employee, shall endeavor to take appropriate action necessary to eliminate the hazard. If the alleged hazard is not addressed within 24 hours a written reason will be submitted to the originator of the complaint and the union president.

(b) If the employee believes that the hazard has not been eliminated, such employee shall have the right to contact an employee member of the plant Safety and Ergonomics Team, who may then bring the matter before the Safety and Ergonomics Team.

(c) If any two members of the Safety and Ergonomics Teams believe that the hazard has not been eliminated within a reasonable time, either of such members may contact either the Corporate Safety (in the case of a management member) or the President or Representative of the Local Union (in the case of an employee representative).

Either of these representatives shall promptly contact the other representative and they shall attempt to resolve the problem: each representative individually, or the two representatives jointly may elect to travel to the site of the suspected hazard and make such examination as they deem necessary.

ARTICLE 28 FUNERAL LEAVE

When a regular full-time employee is absent from work for the purpose of arranging for or attending the funeral of a member of their immediate family, the Company will pay the employee for eight (8) hours at the employee's regular rate of pay for each day of such absence up to a maximum of three consecutive scheduled work days provided that:

- (a) The employee is on the active payroll on the date of the death of the member of their immediate family, and
- (b) The employee notifies the supervisor of the purpose of the absence not later than the first day of such absence, and
- (c) Payment will be made for a day of absence only if such day is one of the three days either commencing with the day of such death or with the day immediately following the day of such death and is a day during which the work group in which the employee is employed did work and on which the employee would have worked had it not been for the absence, and
- (d) No payment will be made for any day of absence which is later than the day of such funeral, except where the employee attends the funeral at a location where the necessary time for travel extends the absence beyond the day of such funeral, and
- (e) The employee, when requested, furnishes proof satisfactory to the Company of the death, the relationship to the deceased, the date of the funeral.

For the purposes of this paragraph, a member of an immediate family means only the employee's spouse, child, mother, father, sister, brother, mother-in-law, father-in-law, sister-in-law, brother-in-law, step-parents, step-children grandparent (of the employee) and grandchildren. In addition, payment will be made for the day of the funeral, up to eight (8) hours at the employee's regular rate of pay, for a niece or nephew provided the employee qualifies as outlined above.

Bereavement pay will count toward the calculation of overtime under Article 8.

Employees who must travel to distant locations because of the death of a member of their immediate family will, upon request, be granted additional days of unpaid, excused leave of absence, which shall be of reasonable duration.

ARTICLE 29 CREDITED SERVICE

Employees will be credited with service while on the Company's payroll subject to the following provisions:

The period of absence due to the following causes will be credited to the employee's service, but only after the employee's return to work promptly upon being able to do so.

- (a) Absence due to sickness, accident or pregnancy where such absence is supported by acceptable medical evidence, provided, however, that an employee who receives sickness and accident benefit payments under Article XXV (Sickness and Accident) and who as a result of work, shall be credited with service beyond the last day of work even though employee does not return to work, to the extent of the period for which such employee receives such sickness and accident benefit payments.
- (b) Miscellaneous approved absences, such as those due to vacation, jury service, and death in the family.
- (c) Absence while in the Armed Forces of the United States where the employees are restored to employment under Article XXI (Military Leave) or while the employees are in the Armed Forces of the United States while on leave of absence granted for such purpose.
- (d) Authorized leave of absence up to a maximum period of three (3) months.

Employees will not be credited with service during the period of absence where they:

- 1. Are discharged for cause; are laid off; voluntarily leave the service of the Company; or are separated from the Company's employ for a reason specified in Article XXXV (Plant Closing), whether or not paid a separation allowance.
- 2. Are absent due to being on strike.
- 3. Are absent due to disciplinary action.
- 4. Are absent on the part of an authorized leave of absence which is in excess of three (3) months.

Employees will lose all credited service if they:

- 1. Are discharged for cause.
- 2. Voluntarily leave the service of the Company.
- 3. Fail to return to work when recalled from layoff within the time provided in Article XVII (Seniority) or cannot be located after reasonable effort on the part of the Company.
- 4. Have been out of employment by the Company due to layoff for a period of one (1) year.
- 5. Are separated from the Company's employ for a reason specified in Article XXXV (Plant Closing), whether or not paid a separation allowance.

If subsequently re-employed, full credit will be given for all Benefit Credited Service for pension purposes only if the period of time between the termination of employment and subsequent re-employment does not exceed ten (10) consecutive calendar years.

ARTICLE 30 GROUP LIFE INSURANCE

The Company will provide to employees who have completed five (5) working days, except casual crew employees, Basic Term Life Insurance of \$15,000 and Additional Life and Dis-memberment Insurance of \$15,000 at no cost to the employee. Such insurance will take effect the first of the month following enrollment.

**ARTICLE 31
COMPREHENSIVE MEDICAL**

Section 1.

During the term of this Agreement, the Company will maintain a benefits program for all bargaining unit employees who are under the terms of this agreement. This Article will provide a general description of those benefits. The plan document, which is incorporated by reference herein and which may be amended from time to time, will provide the specific terms regarding the rights of the parties and the details of these benefits and will control in the event of a conflict or discrepancy between the general description provided below and the plan document.

Section 2.

In the event any future or further Health Care Reform legislation or regulations are enacted or adopted, representatives of the Company and Union will meet to determine the impact of such legislation or regulations on the Company's Comprehensive Healthcare plans.

Section 3.

As in the past, the Company retains the right to select all vendors, third party administrators, service providers, provider networks, and control over all administrative matters relating to the plans, and modify the terms and conditions for each benefit plan unless otherwise stated in the Benefit Exhibits provided to the Union. The Company retains the right to add, modify, delete or amend benefit initiatives (i.e. pregnancy care incentives, radiology network utilization, referenced based pricing etc.) throughout the life of the Agreement. In addition, all disputes relating to the scope of the group insurance program (i.e., coverage for a certain event) are not subject to the grievance and arbitration provisions of the Agreement between the Company and Union. To that end it is agreed that all disputes arising under the group insurance program in so far as they relate to coverage will be determined as set forth in the group insurance plan and as allowed by ERISA and no such dispute will be subject to the grievance and arbitration provisions of this agreement.

Section 4.

During the term of this Agreement, the Company will make available a Dental Plan for eligible employees the first of the month following ninety (90) days on the active payroll. Employees will pay the full cost, claims and administrative costs of the plan.

Section 5.

During the term of this Agreement, the Company will make available a Vision Plan for eligible employees the first of the month following ninety (90) days on the active payroll. Employees will pay the full cost, claims and administrative costs of the plan.

**ARTICLE 32
RETIREMENT**

Section 1.

The Company agrees to make available a 401(k) retirement savings program, the JBS 401k. The features of this program are governed by the Plan Document and are subject to all IRS regulations.

Section 2.

On the payment dates listed below, the Company will contribute \$500 for each "unit of service" earned, as of the payment date, into the 401(k) accounts of each eligible employee. Employees shall earn one (1) unit of service for each full five (5) years of service with the Company. Employees must have five (5) years or more years of service on the payment date to be eligible to receive a contribution.

Payment Dates:	June 23, 2014
	June 22, 2015
	June 20, 2016
	June 19, 2017
	June 18, 2018
	June 24, 2019

Eligible employees must be on the payroll on the date the Company contribution is made to receive the contribution.

The Company contributions may be made in JBS stock or American Depositary Receipts (ADR's).

Section 3.

Regular full-time employees with one year of service will be eligible to defer income and invest in the plan as outlined in the Plan Document.

**ARTICLE 33
PENSIONS**

Effective June 23, 1991, no further pension benefits shall accrue or be accrued after June 23, 1991. All pension benefits shall be locked and frozen effective June 23, 1991. Employees hired after June 23, 1991, shall not accrue or be entitled to any benefit under this Article.

**ARTICLE 34
PLANT CLOSING**

Section 1.

The Company will give notice of the closing of a plant or a division at least sixty (60) days prior to such closing. Where an employee was on the active payroll or benefit payroll of the plant on the date of the notice or at any time thereafter (excluding temporary replacements, newly-hired employees and casual crew members) is permanently separated from the service as a result of such closing prior to the expiration of sixty (60) days from the date of notice, then for each day (based on a five (5) day work week) after the employee's separation which is within the sixty (60) day period and which is not within a week for which a weekly guarantee is paid, the Company will pay eight (8) hours at the employee's regular rate of pay.

SEPARATION PAY

Section 2.

All benefits payable under this Article were locked and frozen as of June 23, 1991. Employees hired on or after June 23, 1991 will not be entitled to any benefits under this Article.

- (a) When Paid--Separation allowances shall be paid to employees on the active payroll having one (1) or more years of credited service who are permanently separated from the service because of a plant or division closing.

Separation pay in such cases shall be payable upon the employee's termination. (Notwithstanding any of the below, no separation allowance will be paid under this Article based upon employment on or after June 23, 1991.)

The following section applies only to employees hired on or before May 9, 1991. Notwithstanding any of the below, no separation allowance will be paid under this Article based upon employment after May 9, 1991.

(b) When Not Paid--Separation allowances are not paid:

1. To employees with less than one year's credited service;
2. In cases where the employee was discharged for cause;
3. In cases of voluntary resignation;
4. In cases of employees retired on pension with eligibility for an immediate pension;

(c) Method of Computing Separation Allowances--The following schedule is to be used in computing the number of week's pay according to the years of credited service. Payments are to be computed on the basis of forty (40) hours per week at the employee's regular rate of pay.

1 through 10 years of credited service - 1 week's pay for each year of credited service.

11 through 20 years of credited service, add to the computation for ten (10) years--1-3/4 week's pay for each year of credited service above ten (10) years.

21 years of credited service, and over, add to the computation for twenty (20) years--2 week's pay for each year of credited service above twenty (20) years.

Example: Weeks of Pay

22 years of credited service:

First 10 years' credited service. 10

Service for 11 years through
20 years (10 x 3/4) 17-1/2

Service over 20 years
(22-20) or 2 x 4

Total Separation Allowance 31-1/2

To this separation allowance computed as per the example, add vacation pay for the current vacation year if the employee has qualified for but not taken such vacation.

(d) Separation pay is payable in one lump sum to an employee upon termination of employment. If the termination occurs after July 1, an employee may request a partial payment be deferred to January of the next calendar year. In such cases, a lump sum payment will be paid equal to the number of week's pay from the employee's termination date to the end of the calendar year. The remainder of the separation payment will be paid in January of the following year. Such irrevocable requests must be made in writing prior to the termination date. If the employee so requests, separation pay may be paid in weekly installments of full wages until the total amount is exhausted. In the event of death, any unpaid balance shall be paid to the spouse or dependents.

(e) Employees accepting separation allowances under this paragraph have no further rights or service credit under this Agreement.

(f) An employee who is entitled to sick pay or is in the sick leave waiting period on the day prior to the date of a plant closing shall continue to receive sick pay for the duration of that illness, but only up to the maximum amount provided under ARTICLE XXV and then

only to the extent that such employee complies with the provisions of that Article. In such situations of sickness beyond the plant closing date, when the employee recovers from the illness or has exhausted the sick pay entitlement, whichever occurs first, the employee shall be entitled to the option of receiving separation allowance (with any vested pension for which employee may qualify) or retiring on closing pension or on disability pension. (If the employee's physical condition so warrants).

ARTICLE 35 DURATION OF AGREEMENT

This Agreement shall become effective on June 8, 2014 and shall remain in full force and effect until Midnight Sunday June 30, 2019. Either party may on or before sixty (60) days prior to the expiration date of this Agreement give notice to terminate the Agreement. If such notice is not given, the Agreement shall renew itself for successive one (1) year periods until notice is given. Such notice shall be given by registered or certified mail.

IN WITNESS WHEREOF, the duly authorized representatives of the Company and the Union have attached their signatures.

FOR THE COMPANY:

FOR THE UNION:


ERIC RAY Date

 1-22-15
MIKE POTTER Date



BRAD HELLINGA Date

EXHIBIT 1 – Job Description and Brackets*

The parties agreed to a new grade structure effective the first payroll period following the ratification of this Agreement. In addition the parties agreed to the following for those employees impacted by the change:

Employees who are performing a position that is being increased in rate of pay will receive the new rate effective the pay period following ratification.

Employees who own a position that is being reduced in rate of pay will continue to receive that rate until the earlier of them bidding to a different job or one (1) year (August 31, 2010).

SLAUGHTER DIVISION

Brackets

- 1 - .50
- 2 - .75
- 3 - 1.25
- 4 - 2.00
- 5 - 2.75
- 6 - 3.50

Area	Job Description	Grade
Casings	Bundle Casings	1
Casings	Forklift Operator & Misc.	1
Casings	Pack Barrels	1
Casings	Salt Bundles	1
Casings	Pull Casings	2
Casings	Machine Operators	3
Casings	Utility Operator	4
Cut	Bag BI Loins	0
Cut	Bag Miscellaneous	0
Cut	Bag Rib Strips	0
Cut	Box BI Loins / Rework Leakers (COV)	0
Cut	Box Regular Trim / Fat	0
Cut	Cooler Janitor	0
Cut	Feed Butt Injector	0
Cut	Feed Butt Plate Skinner	0
Cut	Feed Fatback Skinner	0
Cut	Feed Loin Injector	0
Cut	Inspect Butt For Abscess	0
Cut	Inspect Hogs	0
Cut	Inspect Jowls	0

Cut	Plant, Locker, Hallway Janitor	0
Cut	Save Regular Trim / Fat	0
Cut	Save Trim - Light Loin Line	0
Cut	Sort Butts	0
Cut	Sort Sides For Loin Pullers	0
Cut	Transfer Bagged Loins - Crossover (COV)	0
Cut	Transfer Loins - Tap Bones	0
Cut	Trim Jowls	0
Cut	Trolley Return	0
Cut	Abscess Rework - Misc. Butcher	1
Cut	Bag Butts (COV)	1
Cut	Band saw Butt Double Bones (COV)	1
Cut	Box Butts (COV)	1
Cut	Clean Tenderloin Channel & Feed Saddle	1
Cut	Face Bellies	1
Cut	Feed Butt Skinner	1
Cut	Feed Saddle Conveyors	1
Cut	Janitor - Cryovac & Forklift	1
Cut	Janitor - Cut Floor & Forklift	1
Cut	Label Room	1
Cut	Loin Classifier - Transfer Loins	1
Cut	Operate BI Loin Cryovac (COV)	1
Cut	Operate BI Loin Stuffer (COV)	1
Cut	Operate Box Formers	1
Cut	Operate Butt Cryovac / Rework Butts (COV)	1
Cut	Push Hogs	1
Cut	Remove Skirt Meat	1
Cut	Remove Tail Chip	1
Cut	Sort BI Loins (COV)	1
Cut	Transfer Loins - Check Spinal Cord	1
Cut	Trim BI Loins - Remove Knuckle	1
Cut	Trim Grease	1
Cut	Trim Thin Edge Bellies	1
Cut	Trim Value Added BI Loins	1
Cut	Turn Bellies	1
Cut	BI Loin Band saw Operators	2
Cut	Cut Off Jowls	2

Cut	Defat Butts - Wizard Knife	2
Cut	Draw Knife Loins	2
Cut	Final Inspect/Transfer BI Loins	2
Cut	Final Loin Trimmers	2
Cut	Final Trim Butts - Wizard Knife	2
Cut	Front Foot Saw	2
Cut	Hind Foot Saw	2
Cut	Make CT Butts	2
Cut	Remove Tail	2
Cut	Trim Neck Bones	2
Cut	Bone Butts	3
Cut	Butt Picnic Saw	3
Cut	Operate Auto Loin Pullers	3
Cut	Cut Off Shoulder	5
Cut	Cut Off Hams	6
Cut	Pull Ribs / Blade Meat Rotation	6
Cut	Raise Neck Bones	6
Ham Boning	Bag EU Hams	0
Ham Boning	Bag Ham Misc.	0
Ham Boning	Box Femur Bones	0
Ham Boning	Box Hams	0
Ham Boning	Check shank meat	0
Ham Boning	Combo Inspectors	0
Ham Boning	Feed ross chiller	0
Ham Boning	Inspect Ham Trim	0
Ham Boning	Janitor	0
Ham Boning	Make ham boxes & Insert divider	0
Ham Boning	Mark EU Bags / Misc.	0
Ham Boning	Muscle Sorter	0
Ham Boning	Run barrels	0
Ham Boning	Save Femur Bones	0
Ham Boning	Save Ham Skins	0
Ham Boning	Strap Boxes	0
Ham Boning	1st knife defat	1
Ham Boning	Accusort / Misc.	1
Ham Boning	Clean & separate fingers	1
Ham Boning	Clean knuckles	1

Ham Boning	Defat inner shank	1
Ham Boning	Defat inside of cushion	1
Ham Boning	Membrane Cones	1
Ham Boning	Membrane insides	1
Ham Boning	Membrane knuckles	1
Ham Boning	Membrane outsides	1
Ham Boning	Operate cryovac	1
Ham Boning	Peel shanks	1
Ham Boning	Remove insides	1
Ham Boning	Remove light & dark butts	1
Ham Boning	Remove shanks	1
Ham Boning	Roll knuckles	1
Ham Boning	Saw Hocks - Short Shank Hams	1
Ham Boning	Trim boarshead	1
Ham Boning	Trim insides / remove caps	1
Ham Boning	Trim knuckles	1
Ham Boning	Trim rollouts / misc.	1
Ham Boning	Trim Seams	1
Ham Boning	Tumbler Operator	1
Ham Boning	Abscess Rework	2
Ham Boning	Defat 1300 wizard	2
Ham Boning	Defat 850 wizard	2
Ham Boning	Final trim	2
Ham Boning	Forklift Operator	2
Ham Boning	Grade, bag, combo, misc. (straight knife)	2
Ham Boning	Skin hams	2
Ham Boning	Remove aitch bone	3
Ham Boning	Remove shank bone	4
Ham Boning	Remove body bone	5
Inj. / Multivac Room	Bag Product	0
Inj. / Multivac Room	Box Product	0
Inj. / Multivac Room	Feed Injector	0
Inj. / Multivac Room	Lable product	0
Inj. / Multivac Room	Sort, Label, & Box Product	0
Inj. / Multivac Room	Forklift Operator	2
Inj. / Multivac Room	Operate COV	1
Inj. / Multivac Room	Operate Multivac	2

Kill	Attend #2 Lift	0
Kill	Bung Hole Sucker Need new name	0
Kill	Cooler Janitor	0
Kill	Cut Off Heads	0
Kill	Deshackler	0
Kill	Inedible Janitor	0
Kill	Inspect Heads	0
Kill	Notch Front Feet	0
Kill	Notch Hind Feet	0
Kill	Pop Kidneys & Remove Membrane	0
Kill	Quick Chill Lift	0
Kill	Remove Kidneys	0
Kill	Remove Spinal Cords	0
Kill	Steam Vac Bung	0
Kill	Steam Vac Hams	0
Kill	Throat Wash	0
Kill	Attend Tub	1
Kill	Break Aitch Bone	1
Kill	Bung Gun	1
Kill	Drive Hogs to CO2	1
Kill	Drop Bungs	1
Kill	Final Trim Glands	1
Kill	Head & Jowl Hand Skinner	1
Kill	Head Trimmer	1
Kill	Heart Fat	1
Kill	Push Hogs / Flip Switch	1
Kill	Push Hogs Before Chill	1
Kill	Rosin Dip Tank	1
Kill	Shave Hogs	1
Kill	Spermatoc Cords	1
Kill	Trim Eyelids	1
Kill	Trim Neck	1
Kill	Trim Stick Wound	1
Kill	Attend #1 Lift	2
Kill	Break Necks	2
Kill	Drop Heads	2
Kill	Final Rail Trimmer	2

Kill	Gambrel Table Rotation	2
Kill	Mark Tenderloins	2
Kill	Place C Hooks	2
Kill	Shackle & Pick Up Hogs	2
Kill	Stick	2
Kill	Wizard Scrape Leaf Fat	2
Kill	Mid Trimmer	3
Kill	Open Bellies & Remove Bladder	3
Kill	Pre Final Rail Trimmer	3
Kill	Pull Lard	3
Kill	QC Trimmer	3
Kill	Retain Rail Trimmer	4
Kill	Saw Briskets	4
Kill	Utility Butcher	5
Kill	Eviscerate	6
Kill	Split Hogs / Remove C Hooks	6
Loading Dock	Combo Runner	1
Loading Dock	Freezer Line	2
Loading Dock	Load out Setup / Staging	2
Loading Dock	Manifester	1
Loading Dock	Accusort	2
Loading Dock	Box Loaders	2
Loading Dock	Box Stackers	2
Loading Dock	Combo Loader (Forklift)	2
Loading Dock	Export Loader & Misc.(Forklift)	2
Loading Dock	Freezer Line - Manifest (Forklift)	2
Loading Dock	Box Pickers - Bottom	3
Loading Dock	Box Pickers - Top	3
Loin Boning	Bag / Truck Ribs	0
Loin Boning	Bag Export Loins	0
Loin Boning	Bag Loins	0
Loin Boning	Bag Sirloins	0
Loin Boning	Bag Tenders	0
Loin Boning	Box COV Product	0
Loin Boning	Export Tenders	0
Loin Boning	Feed Backbone Saw	0
Loin Boning	Feed Injector	0

Loin Boning	Feed Ross Chiller	0
Loin Boning	Injection Volume	0
Loin Boning	Janitor	0
Loin Boning	Make Boxes & Misc.	0
Loin Boning	Operate Dumper / Space Loins	0
Loin Boning	Save Regular Trim	0
Loin Boning	Stamp Bags	0
Loin Boning	Strap Boxes	0
Loin Boning	Defat Loins (Wizard Knife)	1
Loin Boning	Final Trim	1
Loin Boning	Manifest COV	1
Loin Boning	Peel Backribs	1
Loin Boning	Reduce Backribs	1
Loin Boning	Remove Belly Strap	1
Loin Boning	Remove Blade Bones	1
Loin Boning	Remove Button Bones	1
Loin Boning	Remove Caps	1
Loin Boning	Trim Backribs	1
Loin Boning	Trim Export Loins	1
Loin Boning	Operate COV West	1
Loin Boning	Weigh & Reduce Tenders	1
Loin Boning	Bone / Trim Sirloins	2
Loin Boning	Forklift Operator	2
Loin Boning	Operate Backrib Double Bone Saw	2
Loin Boning	Operate COV East	2
Loin Boning	Operate Sirloin Saw	2
Loin Boning	Strip / Clean Tenders	2
Loin Boning	Mark & Pull Tenders	3
Loin Boning	Remove Feather Bones	3
Loin Boning	Remove Backribs	3
Loin Boning	Scribe Saw	4
Picnic Boning	Bag / Box Cushions - Make Boxes	0
Picnic Boning	Box Bnls Picnics	0
Picnic Boning	Feed Picnic Line - Operate Dumper	0
Picnic Boning	Fill Picnic Bin - Assist Special Trim	0
Picnic Boning	Inspect Picnics - Combo Bin	0
Picnic Boning	Janitor - Picnic	0

Picnic Boning	Save Picnic Skins	0
Picnic Boning	Abscess Rework - Misc. Butcher	1
Picnic Boning	Face Picnic	1
Picnic Boning	Final Trim Picnic	1
Picnic Boning	Remove & Trim Deckle	1
Picnic Boning	Save & Trim Picnic Shanks	1
Picnic Boning	Skin Patch Picnic	1
Picnic Boning	Truck Finished Picnic Product	2
Picnic Boning	Truck Picnics To Boning Line	2
Picnic Boning	Remove & Trim Cushion	2
Picnic Boning	Skin Picnics	2
Picnic Boning	Bone Picnic	4
Rendering	Rendering - Including Blood Plasma	2
Skinless Belly	Flip Bellies	0
Skinless Belly	Belly Dumper / Feed Skinner	1
Skinless Belly	Face Bellies	1
Skinless Belly	Forklift Operator	2
Skinless Belly	Forklift Operator / Janitor	2
Skinless Belly	Skin Patch	1
Skinless Belly	Grade Bellies	2
Skinless Belly	Trim Bellies	2
Trim	Bag / Box Brisket Bones	0
Trim	Bag Injected Ribs	0
Trim	Box Edible Hind Feet	0
Trim	Cap Belly Combos	0
Trim	Cap Ham Combos	0
Trim	Fat Belt - Save Fat / Regular	0
Trim	Feed Belly Skinner - #2 Bellies	0
Trim	Fresh Pack - Rework Leakers - Box Tails	0
Trim	Haul Empty Combos	0
Trim	Inspect & Pack Front Feet	0
Trim	Inspect Neck Bone Trim	0
Trim	Inspect Regular Trim	0
Trim	Janitor - Trim Floor	0
Trim	Label & Pack Specialty Ribs	0
Trim	Make Combo Bins	0
Trim	Neck Bone Box Liner	0

Trim	Rescale Ribs	0
Trim	Rib Baggers	0
Trim	Save Long Shank Hams – hock saw	1
Trim	Short Shank Hams	0
Trim	Strap Boxes	0
Trim	Attend Box Former	1
Trim	Box & Scale Neck Bones	1
Trim	Box Miscellaneous	1
Trim	Box Ribs	1
Trim	Feed Rib Injector	1
Trim	Grade & Space Bellies For Classifier	1
Trim	Operate Rib Cryovac	1
Trim	Reduce Bellies	1
Trim	Reduce Hams	1
Trim	Space Hams For Classifier	1
Trim	Trim Premium Ribs	1
Trim	Truck Bellies To Storage	2
Trim	Truck Hams To Storage	2
Trim	Truck Special Trim & Dump Head Meat	2
Trim	Trim Value Added Ribs	2
Trim	Weigh Pallets	2
Variety Meats	Box Bungs	0
Variety Meats	Box Product / Make & Strap Boxes	0
Variety Meats	Edible Janitor	0
Variety Meats	Feed Cheek Spike	0
Variety Meats	Feed Stomach	0
Variety Meats	Flush Bungs	0
Variety Meats	Head Meat & Clean Carts	0
Variety Meats	Inedible Janitor	0
Variety Meats	Palletize Boxes	0
Variety Meats	Pull Spleen Fat	0
Variety Meats	Remove Liver Bile	0
Variety Meats	Save Inedible Liver	0
Variety Meats	Save Lungs	0
Variety Meats	Save Viscera & Separate Spleen	0
Variety Meats	Separate & Save Heart	0
Variety Meats	Separate Liver & Aside Viscera	0

Variety Meats	Sort Pet Food	0
Variety Meats	Stomach Packer & Make Boxes	0
Variety Meats	Trim Lungs & Remove Gullet	0
Variety Meats	Cut Off Bungs	1
Variety Meats	Defat & Invert Bungs	1
Variety Meats	Feed Pate Skinner	1
Variety Meats	Mark Temple	1
Variety Meats	Round Head	1
Variety Meats	Save Pepsin	1
Variety Meats	Trim Cheeks	1
Variety Meats	Trim Ears	1
Variety Meats	Trim Inedible Ears & Drive Forklift	1
Variety Meats	Trim Jawbone	1
Variety Meats	Trim Pate	1
Variety Meats	Trim Skull	1
Variety Meats	Trim Snout	1
Variety Meats	Trim Tongues	1
Variety Meats	Truck Variety Meats	2
Variety Meats	Cut Off Stomach	2
Variety Meats	Mark Snout	2
Variety Meats	Remove Cheeks	2
Variety Meats	Remove Tongue & Gullet	2
Variety Meats	Save Pancreas Glands	2
Variety Meats	Chisel Cheeks	3
Variety Meats	Feed Snout Puller	3

**MECHANICAL WAGE RATES
ENGINEERING DIVISION**

Starting Rates: \$1.25 over production worker's base rate

General Mechanic – Mechanical section employees are all general mechanics regardless of skills mastered or labor grades obtained.

Labor Rates: In lieu of the shift differential provided in ARTICLE 13, WAGES – the 2nd, 3rd and 4th shift Maintenance Mechanics of the Engineering Division and the 3rd and 4th shift Rendering employees shall receive fifty cents (\$0.50) per hour for hours worked on these shifts.

Mechanical skills – Apprentice electrician, Maintenance Electrician*, Journeyman Electrician*, Master Electrician*, Welder, Certified High Pressure Welder*, Millwright, Machinist, Pipe insulator, Boiler Operator – 1st Class B*, Boiler Operator – Chief B*, Industrial Controls, Electronic Tech Trainee, Electronic Tech I, Electronic Tech II, Fluid Power Specialist*, Pipe Fitter, Apprentice Plumber, Journeyman Plumber*, Master Plumber*, Journeyman Steam Fitter*, Master Steam Fitter*, Air Pneumatics, Hydraulics, Fabricator II.

* State of MN license required.

<u>Grade</u>	<u>Rate</u>	<u>Description</u>
0	Base	Tear down and minor repair
1	\$0.50	Competent in 1 mechanical skill
2	\$1.00	Competent in 2 mechanical skills
3	\$1.50	Competent in 3 mechanical skills or Industrial Refrigeration Cooler Operator
4	\$2.00	Competent in 4 mechanical skills
5	\$3.00	Competent in 5 mechanical skills or Industrial Refrigeration Operator 1 achieved within 2 years of becoming a cooler operator
6	\$3.50	Competent in 6 mechanical skills
7	\$4.00	Competent in 7 mechanical skills
8	\$4.50	Senior Mechanic competent in 8 mechanical skills
9	\$5.25	Senior Mechanic competent in 9 mechanical skills.

		Industrial Refrigeration Operator 2 must be achieved within 1 year after operator 1 (grade 9) Demonstrate complete plant pump out
10	\$6.25	Relief Operator w/ 1 st Class B* Operator Maintenance electrician*, Certified Welder*
11	\$6.75	Relief Operator w/ Chief B*
12	\$8.25	Electronics I Diploma RETA Certified Industrial Refrigeration operator within 2 years after achieving grade 9 Boiler Operator w/ 1 st Class B*
13	\$9.00	Boiler Operator w/ 1 st Chief Electronics II AA degree Journeyman Electrician* Journeyman Steam Fitter* Journeyman Plumber*
14	\$13.00	Master Electrician* Master Plumber* Master Steam Fitter*
15	\$18.00	Master of Record

* State of MN license required.

Should the Company designate a bargaining unit employee as a Responsible Master Electrician (Master Electrician of Record), that employee shall be compensated at a rate of five-dollars (\$5.00) above their regular rate of pay. The Company will confer with the Union prior to selection of a Responsible Master Electrician and, at its sole discretion, shall designate or change designation of a Responsible Master Electrician.

Active and entry qualified employees who serve on the HAZMAT team and have completed all of their annual trainings and certifications will receive five hundred dollars (\$500) annually for their services. The payment will be made in a gross amount.

Maintenance Mechanics who have reached Grade 9 and have 15 years of continuous service in the Engineering Division will be moved to Grade 10.

Refrigeration – Mechanical section employees are all general mechanics regardless of skill mastered or labor grades obtained.

Boilers - Mechanical section employees are all general mechanics regardless of skills mastered or labor grades obtained.

When the number of mechanics required for a holiday weekend or another special project is a limited number, there shall be a sign up sheet. The first Holiday or situation will go to the senior qualified mechanics that signed the sheet, up to the number requested. The second situation will go to the senior qualified mechanics who had not worked the previous situation, but who have signed the current sheet. This procedure will be followed for each shift

separately by seniority. This process would restart in thirteen months.

All mechanical Holiday or weekend postings shall be posted by shift. The posting will be made available from Monday through Wednesday, unless there is an unforeseen emergency or breakdown, so employees have an opportunity to sign for the available work. Employees must be qualified for the available work. If the posting is pulled down before a shift has the opportunity to see and sign the posting they shall be paid four hours at the appropriate rate of pay.

THESE JOBS HAVE ONLY BEEN FORMATTED TO INDICATE NATURAL JOB PROGRESSION. REGARDLESS OF THE FORMATTING, ALL MECHANICAL EMPLOYEES ARE PART OF THE ENGINEERING DIVISION AND ARE ALL GENERAL MECHANICS EXPECTED TO PERFORM GENERAL MECHANIC WORK.

1. Mechanical section employees are all general mechanics regardless of skills mastered or labor grades obtained.
2. Grade determined by skill and proficiency. It is expected that mechanical section employees will progress in grades and will be provided the opportunity to progress.
3. Progression of skills may be in any order with opportunity to progress in 2 skills in the same period of time (on-the-job training).
4. Trade schools are recommended to increase proficiency in all above basic skills.
5. The TPC Training systems books will be available as an option for mechanical employees who want to use them to improve their skills. However, these books will not be the determining factor for grade advancement. Instead two (2) shift Mechanical Supervisors will evaluate the employees on their shift for grade advancement and the Chief Engineer will have final disposition of each employee's progress and qualification.
6. The Company agrees to pay the cost of maintenance training courses following completion of such course provided employee receives prior written approval from the Maintenance manager and the employee successfully completes the course.
7. Employees who seek classes outside of the facility will be reimbursed the fees and tuition on the following basis:
 - Graded classes (A,B,C,D, or F) "C" or above = 100%, less than "C" = 0%.
 - Pass/Fail - "Pass" = 100%, "Fail" = 0%
8. Boiler or Refrigeration mechanic who hold special skills, licenses or training who voluntarily bid off of a skilled job to one that no longer requires the same special skill, license or training will no longer receive the same pay for the special skill, license or training and will receive the pay associated with the job they have bid into and the mechanics basic skill level.

This would not apply to Electrical mechanics since Electrical mechanics who hold special skills licenses or training will be required to perform electrical duties under the general shop concept regardless of bidding into another job.

9. The Letters of Understanding title "Mechanical Apprenticeship Program" entered into on January 12, 2002 and the "Grade Pay Progression Program" entered into on November 1, 2003 are hereby made a part of this Agreement by reference herein.

10. For purposes of job bidding in the Engineering Division, General Mechanic employees (Refrigeration and Boiler employees excluded) grades 0-8 will be awarded a job that is one grade higher than their current grade provided that they are the senior eligible bidder for the job. In the event that they fail to qualify for the awarded job within a six month time frame, they will be disqualified from the awarded job, returned to their previous grade and job and assessed the disqualification penalty (Article 17 - Seniority, Section 5).

MECHANICAL APPRENTICESHIP PROGRAM

All the work discussed in this proposal is Mechanical Division work and as such persons doing this work should be paid the contract rate for the job they currently own or the Base rate of the Mechanical Division which ever is greater.

All current mechanical division work being done in the plant by the production personnel as described below should be considered to be included in this special project:

Initially there will be 4 bid jobs for the Mechanical Apprenticeship Program. These will be posted to be filled from plant production personnel who have the desire to be in the Mechanical Division. The available position(s) will be awarded to the senior employee whom passes the maintenance entry level test. It is understood that individuals awarded these jobs will be obligated to sign jobs in the Mechanical Division. This work will be mandatory rotating weekend with 2 sets of 2 people. Obviously, the shift schedule will vary because it would depend on if the person were from 1st, 2nd, or 3rd shift. These people would be used as and where needed within the Mechanical Division, but should be given every opportunity to learn as many skills as possible so that they can respond to job posting and bid a mechanical job thus creating an opening in the Apprenticeship program. The person(s) awarded these jobs would while in the Apprenticeship program still hold their rights until such time that they would relinquish them by signing a Mechanical Division job. Awarding of jobs within the Mechanical Division will be awarded under the following criteria: First, Mechanical Division seniority and skill level; second Apprenticeship Program seniority and skill level and third, plant seniority and skill level. The most senior apprentice must take an open base position or forfeit their apprentice position. They would also be under the same rules as far as weekend attendance and job and grade qualifications as regular Mechanical division employees. Apprenticeship program employees may have up to 6 (six) months to make progress toward the skill levels necessary for continuing with their training. If after evaluated and the progress is not satisfactory they may be returned to their previous position. If the employee decides with the first 6 (six) months that he/she no longer wants to participate in the program, then the employee may be returned to their previous position. Leaving the program for any other reason will result in not being able to bid for another job for a period of 6 (six) months. Employees disqualified from the program for skill related reasons will not be allowed reentry into the program unless they can demonstrate improved mechanical skills. Employees disqualified for non-skills related reasons will be permanently disqualified from the program.

It is a long-term goal of this program to increase the qualified manning within the division. This special program may be canceled with a 2 week notice by either party. Upon the end of this special program all this work would return to the Mechanical Division.

Contractor Auditors and Firewatch Crew

In order to satisfy the contractual language (Article 8, section 4) the following policy regarding fire-watch work groups on weekends shall be followed:

Fire-watch and Contract Auditor guidelines and rules/Maintenance help crew: Misc

1. There are two separate fire watch and contract auditor crews, one from the night shift and one from the day shift. Each crew will have 12 members on it chosen by plant seniority from each shift.
2. Employees that are already on a weekend crew (belt crew) for example will not be

allowed to be on fire watch or contract auditor unless they resign from the other crew. This is to give more employees a chance to get extra overtime.

3. The employees will be awarded overtime starting at the top of the list, which is the most senior employee and working down the list until the number of employees needed is reached. Then the following week or the next time we need fire watch or contract auditors we will start at the next senior person on the list. Example: if the first week we need three people, then the next week the first person chosen will be the number 4 person on the list. We will continue down the list each week until all employees have an opportunity to work then start at the top again.
4. If an employee is chosen to work on a given week and he/she refuses they will have to wait until their name comes up again following the above rotation, they cannot bump a less senior person on the list.
5. When we post fire watch or contract auditors for a Saturday, it will also include Sunday work if needed. If we post for 4 people for Saturday and as the work progresses and they only need the three the first person on the list has the most seniority for that week. This is not a plant seniority issue at this point it is a project seniority list. If they keep all four for the entire day on Saturday but only need two for Sunday the top 2 employee on the weekly list have the choice to report on Sunday.
6. The night shift fire-watch crew or contract auditors will only be able to work fire watch or contract auditor the day following their regular shift if the starting time is 8:00 AM or later. If they do not work the night before fire watch or contract auditor is needed, they can start prior to 8:00 AM. Example: If fire watch or contract auditor is for Saturday, night shift cannot start prior to 8:00 AM, but if fire watch or contract auditor is for Sunday and night shift did not work on Saturday the night shift fire watch or contract auditor crew would be allowed to come in at any other time needed.
7. The fire-watch and contract auditor list will be kept in the Human Resources office and the rotation will be monitored by the HR manager or one of his staff members.

LETTERS OF UNDERSTANDING

The following various understandings have been agreed upon by the parties and are hereby incorporated into the Agreement:

1. The Company agrees that the absence of any employee who has been detained due to U.S. Immigration and Custom Enforcement (ICE) proceedings and who has returned to work within fourteen (14) days of the start of the absence, or has requested an extension of time, of reasonable duration, to report within that same fourteen (14) day period, shall be treated as an excused absence if the employees prior and current work authorization status has been cleared by ICE.
2. Employees will be granted up to seven (7) days absence without pay for the purpose of attending U.S. Citizenship and Immigration Services (USCIS) proceedings if their attendance is required for all seven (7) days. The Company will review unpaid time off in addition to the seven (7) days on a case-by-case basis.
3. The Company shall promptly notify a steward and the Union if the ICE searches and/or apprehends an employee in order that the Union can take steps to protect the rights of its members. In addition, in order to assure compliance with federal regulations and to protect the best interest of both the Company and the affected employees, the Company has implemented a process to remind employees of their obligations to maintain current work authorization documentation. This system will be directed at an employee whose current work authorization is set to expire in the near future and will include periodic reminders. While the Company will assist the employee, it remains the employee's sole responsibility to maintain current work authorization documents.
4. The Company will notify the union as soon as possible of the names and addresses of employees arrested as a result of an ICE audit.
5. Any employee who is disciplined or discharged will, if available, be provided with an interpreter in a language in which they understand and, if they request, in the presence of a union representative.
6. Company will print the Labor Agreement in both English and Spanish with the understanding that the English printing of the Labor Agreement will prevail in any Labor and/or Legal disputes which involves the Labor Agreement.
7. The Company agrees to continue to make contributions to the jointly administered Multicultural Educational Trust Fund. The Company's contract year contribution will be an amount necessary, up to thirty thousand dollars (\$30,000), to bring the uncommitted balance of the Trust Fund up to thirty thousand dollars (\$30,000).
8. The Company will provide battery jumpstart service whenever there is sub-zero weather and will post the understanding on the employee designated bulletin board.
9. During contract negotiations the Company and the Union discussed establishing a program to create promotional opportunities for employees through a hands-on and classroom based Pre-promotion Supervisor Trainee (PST) Program. The Company will review the outline of the trainee program and seek input from the Union.

The Company will determine the need and number of PSTs.

When an opening occurs for a PST position an "interest posting" shall be posted for employees to express their interest in the position. These openings will be awarded to the best qualified employee as determined at the sole discretion of the Company. During the training period the employee will remain a bargaining unit employee. While the employee will give general direction to other bargaining unit employees and assist the supervisor with administrative paperwork it is agreed they will not administer discipline or calculate final payroll documents.

10. It is agreed the method with which the Company pays the employees will state all deductions, hourly rates, hours worked, straight time and overtime. It is understood and agreed that the employees shall be paid on a weekly basis. It is agreed the method by which the Company can pay employees may include any acceptable means, to include, paychecks, cash, direct deposit, pay cards, debit cards, etc. If the Company elects to change its method of payment they will first meet with the Union and discuss the change thirty (30) days in advance of making such change.
11. The Company agrees to provide a different colored hat for union stewards to be mutually agreed upon based on available colors. The parties have agreed to a rate progression acceleration program, hereafter referred to as "Quick Start," to waive the starting rate progression on a weekly basis for mechanical employees who are performing qualified work on Job Grade 2 and above who maintain perfect attendance during the week.

For the purpose of Quick Start any absence (other than an excused absence) will be considered a violation of perfect attendance and the employee will be paid in accordance with the starting rate progression for the week in which the absence occurred. An accrual of three (3) tardies in a month will result in a forfeiture of Quick Start for the next month.

An employee also shall become ineligible for Quick Start and therefore be paid under the regular progression where:

- a. The employee is subsequently disqualified when Management determines that employee no longer is qualified. The company reserves the option to disqualify a job holder once previously qualified if that individual can no longer perform the job for any reason. A disqualified employee shall return to normal progression rate.
- b. The employee is moved to a job lower than Grade 2. Such employee shall move back to normal progressive rate.

The Company reserves the right to terminate and/or expand Quick Start anytime during the life of the Agreement. It is understood, however, that the employees who are participating in Quick Start at the time of such termination will continue to be paid in accordance with the Quick Start program.

In addition, the parties have agreed to a rate progression acceleration program for production employee, hereafter referred to as "Quick Start," to waive the starting rate progression on a weekly basis for employees who are performing qualified work on Job Bracket 2 or higher and who maintain perfect attendance during the week.

13. COST-OF-LIVING ADJUSTMENT

The following Cost-of-Living Adjustment shall be suspended for the term of the present Agreement:

- (1) Effective with the first pay period beginning on or after January 1 of the first

year of this Agreement and thereafter during the period of this Agreement, a Cost-of-Living adjustment, if applicable, shall be made semi-annually with the first pay period beginning on or after January 1 and July 1.

- (2) Such adjustment shall be based on changes, if any, in the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. (1967 = 100) CPI-W (hereinafter referred to as the CPI) as of the prior November and May respectively.
- (3) The allowance to be placed in effect on the first pay period beginning on or after each January 1 and July 1 during the term of this Agreement shall be based upon the CPI as of the prior November and May respectively and shall be calculated as hereinafter set forth.
- (4) Each such adjustment will be effective for a six (6) month period, provided that if there is no change in the CPI requiring an adjustment in a different amount, the amount of the adjustment, if any, will be continued in effect for an additional six (6) month period.
- (5) To determine the allowance, if any, to be made under this paragraph, the CPI as of May preceding the effective date of this Agreement, (hereinafter called the base CPI level) shall be used and a one cent (\$.01) change shall be made in the adjustment for each .3 point increase in the CPI.

14. SUBSTITUTE SUPERVISOR ASSISTANCE

During contract negotiations the Company and the Union agreed to continue the practice of utilizing the role of Substitute Supervisor. If the Company elects to place a bargaining unit employee in such a capacity, they will designate such individual by providing them with a hard hat color specifically reserved to denote this position. In addition, an employee serving in this capacity will be paid \$0.50 over their current rate of pay for all hours they provide this additional responsibility in the absence of the supervisor.

15. SUNDAY WORK & ABSENTEEISM

During contract negotiations the Company and the Union discussed employees missing scheduled days during the workweek then coming to work on the calendar Sunday and receiving double their regular hourly rate of pay for all hours worked on the Sunday (See Article 8, Section 2b.). Several cases of abuse were reviewed and discussed. In an effort to curb this abuse and in fairness to other employees the following has been agreed that effective January 1, 2014:

1. If an employee reaches the three points prior to termination stage of the attendance policy, in addition to the current counseling and discipline, the employee will be informed if they reach the two points prior to the termination stage of the attendance policy they will not be eligible for premium pay as outlined in Article 8 – Hours of Work, Section 2b of the Agreement.
2. When an employee reaches the two points prior to the termination stage of the attendance policy, and for as long as this discipline is current, they will be disqualified from the premium pay outlined in Article 8, Section 2b, if they do not work all their scheduled hours in the workweek, unless they were previously excused by their supervisor.

16. When an employee elects to take a Friday for a day of vacation they will not be required to work on that Saturday. They will also give up their option to work that Sunday for any special work project. If their work crew, that they are a member of, was to work on that Sunday, they would also give up their option to work on that crew. If there was not any work scheduled for that Saturday, they would regain the option to work that Sunday if they elected to do so.

**Benefit Exhibit
PPO**

PPO Plan (Effective 2015 – 2019)		
Medical	In-Network	Out-of-Network
Calendar Year Deductible	\$600 / \$1,800	\$1,800 / \$3,600
Company Funded HRA	N/A	N/A
Coinsurance	80%	60%
Out-of-Pocket Maximum	\$3,000 / \$6,000	No Max.
PCP Copay	\$35	Ded. and Coin.
Specialist Copay	\$40	Ded. and Coin.
Emergency Room	\$125 copay plus Ded. and Coin.	\$125 copay plus Ded. and Coin.
Urgent Care	\$35	Ded. and Coin.
Preventive Care	100%	Ded. and Coin.

PPO Plan					
Tier	2015	2016	2017	2018	2019
% EE Contribution	13.4%	18.7%	21.6%	22.7%	22.5%
EE Only	\$15.00	\$19.50	\$23.25	\$25.50	\$24.25
EE+S	\$22.00	\$34.00	\$44.50	\$53.25	\$55.00
EE+C	\$20.50	\$28.25	\$35.50	\$43.50	\$43.25
EE+F	\$27.75	\$46.50	\$56.50	\$59.75	\$69.25

- The contribution amounts for years 2016, 2017, 2018, and 2019 are for guidance purposes only. The Company will meet with the International Union each year to discuss the tier structure for the following year that meets the agreed upon employee contribution percentage. Contributions for 2015 are locked in at the rates above.
- In the final month of the agreement, employees will pay no more than 25% of the cost for a PPO plan.
- During the term of the agreement, the Company and the Union may reach mutual agreement on changes in plan design (items above) in an effort to curb increases to employee's weekly contribution while maintaining total net cost.
- Employees, who enroll and engage in the primary care clinic model, if available, will have their weekly contribution reduced by at least \$1 for "Employee Only" and actuarially tiered for the remaining employee contribution options.
- Spousal Surcharge - If members choose to elect spousal coverage for a spouse who is eligible for coverage under his or her employer's health plan, they will pay an additional \$25 per week.
- Tobacco Surcharge - If a member or a covered dependent uses tobacco products, medical premiums will be an additional \$10 per week.

**Benefit Exhibit
CDHP**

CDHP (HRA) Plan (Effective 2015 – 2018)		
Medical	In-Network	Out-of-Network
Calendar Year Deductible	\$1,600 / \$3,200	\$4,000 / \$8,000
Company Funded HRA ¹	\$500 / \$1,000	Same as In Network HRA
Coinsurance	70%	50%
Out-of-Pocket Maximum	\$4,000 / \$8,000	\$12,000 / \$24,000
PCP Copay	Ded. and Coin.	Ded. and Coin.
Specialist Copay	Ded. and Coin.	Ded. and Coin.
Emergency Room	Ded. and Coin.	Ded. and Coin.
Urgent Care	Ded. and Coin.	Ded. and Coin.
Preventive Care	100%	Ded. and Coin.

CDHP (HRA) Plan					
Tier	2015	2016	2017	2018	2019
% EE Contribution	6.9%	13.4%	17.4%	18.2%	18.5%
EE Only	\$5.50	\$11.00	\$17.25	\$18.50	\$19.25
EE+S	\$13.25	\$25.25	\$36.00	\$42.75	\$43.75
EE+C	\$9.75	\$20.00	\$27.50	\$33.25	\$34.50
EE+F	\$16.50	\$34.75	\$45.25	\$48.50	\$55.25

- The contribution amounts for years 2016, 2017, 2018, and 2019 are for guidance purposes only. The Company will meet with the International Union each year to discuss the tier structure for the following year that meets the agreed upon employee contribution percentage. Contributions for 2015 are locked in at the rates above.
- In the final month of the agreement, employees will pay no more than 20% of the cost for a CDHP plan.
- During the term of the agreement, the Company and the Union may reach mutual agreement on changes in plan design (items above) in an effort to curb increases to employee's weekly contribution while maintaining net cost.
- Employees, who enroll and engage in the primary care clinic model, if available, will have their weekly contribution reduced by at least \$1 for "Employee Only" and actuarially tiered for the remaining employee contribution options.
- Spousal Surcharge - If members choose to elect spousal coverage for a spouse who is eligible for coverage under his or her employer's health plan, they will pay an additional \$25 per week.
- Tobacco Surcharge - If a member or a covered dependent uses tobacco products, medical premiums will be an additional \$10 per week.
- Upon implementation of the CDHP at Worthington, the Company will establish a medical clinic for the Worthington facility. The Company will review the economic feasibility of the clinic annually and make a determination as to whether in its sole judgment to continue the operations of the clinic.

**Benefit Exhibit
Pharmacy Plans 2015**

PPO Pharmacy	Retail (<=30 days)	Mail Order (90 days)
Generic Rx	\$15	\$37.50
Preferred Brand	20% (\$25 - \$60)	20% (\$62.50 - \$150)
Non-Preferred Brand	\$75	\$175
Non-Preferred Brand	35% (\$50 - \$150)	N/A – use retail

CDHP Pharmacy	Retail (<=30 days)	Mail Order (<=90 days)
Generic Rx	\$5	\$15.00
Preferred Brand	20% (\$20 - \$50)	20% (\$60 - \$150)
Non-Preferred Brand	\$75	\$175
Specialty	35% (\$50 - \$150)	N/A – use retail

*Rx Plans subject to change and will mirror the JBS standard pharmacy plans.

*Rx Plans subject to change and will mirror the JBS standard pharmacy plans.

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