

COLLECTIVE BARGAINING AGREEMENT

**TONY DOWNS FOODS CO.
Madelia, Minnesota**

AND

UNITED FOOD AND COMMERCIAL WORKERS

AFL-CIO & CLC

Local 1161

October 1, 2015 - September 30, 2019

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TONY DOWNS FOODS COMPANY
Madelia, Minnesota

AGREEMENT

THE AGREEMENT made and entered into this 1st day of October, 2015, by and between TONY DOWNS FOODS CO., Madelia, Minnesota, a Minnesota Corporation, hereinafter referred to as the "Company" and the UNITED FOOD AND COMMERCIAL WORKERS, an affiliate of the American Federation of Labor and the Congress of Industrial Organization for itself and on behalf of local Union No. 1161, hereinafter referred to as the "Union," each through the medium of its undersigned duly authorized officials.

WITNESSETH:

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

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

ARTICLE I
RECOGNITION

- 1.01(a) The Company, in accordance with the National Labor Relations Board's decision and certification dated June 30, 1964, recognized the Union as the exclusive representative of its employees at the Madelia plant to include all production, maintenance, and truck driver employees, but exclude maintenance employees who possess skills which are ordinarily obtained after the completion of formal education (such as computer repair), supervisors, guards, and professionals, quality assurance, salesmen, and industrial nurses, as defined in the National Labor Relations Act.

ARTICLE II
POLICY

- 2.01 The Company agrees that it will not discriminate against any employee because of race, age, color, creed, sex, national origin, sexual orientation or because of membership in the Union.

ARTICLE III
PURPOSE OF AGREEMENT

- 3.01 It is the intent and purpose of the parties hereto, that this Agreement shall promote and improve the industrial and economic relationship between the Company and the Union and to set forth herein rates of pay, hours of work, and other conditions of employment to be observed by the parties hereto. It is further 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 operation of the plant.

ARTICLE IV MANAGEMENT

- 4.01 It is the exclusive right of the Company to efficiently operate the business and to establish and enforce reasonable rules and regulations not contrary to the express terms of this contract and such exclusive rights are fully recognized by the Union and shall not be impaired. These rights include, but are not limited to, the hiring, discharging for proper cause, relieving employees from duty for lack of work, scheduling of days and hours of work, provided such shall not be used for the purpose of discriminating against any employee or to avoid any provision of this Agreement.

ARTICLE V JOB STEWARD OR JOB COMMITTEE

- 5.01 The Union shall provide the Company with the names of its duly elected Officers and its Stewards and the Company shall recognize such Union Officers, Stewards and others duly authorized to represent the Union in connection with this collective bargaining relationship.

ARTICLE VI GRIEVANCE PROCEDURE

- 6.01 Should differences arise between the Company and the Union or between the Company and its employee, pertaining to matters involved in this Agreement or incident to the employment relation that cannot be resolved between the supervisor and the employee, it is the declared policy of the parties hereto that all such differences shall be reduced to writing and shall be settled as promptly as possible in accordance with the procedures and time limitations as follows:

Step 1. Between the aggrieved party and the immediate supervisor, Plant Personnel Manager and with the line steward and/or chief steward. The employee shall notify his immediate supervisor of the grievance within a maximum of five (5) calendar days (plus vacation, if any) from the date of occurrence. The supervisor must give his answer within two (2) working days. The aggrieved party shall have two (2) working days in which to appeal to the next step.

Step 2. Between the aggrieved party, the line steward and/or the chief steward and the Plant Superintendent or Plant Manager. The Superintendent or Plant Manager must give his answer within two (2) working days. The aggrieved party shall have two (2) working days in which to appeal to the next step.

Step 3. The line steward and/or chief steward, local union representative, with or without a Representative of the International Union, the President of the Company or his designated representative and Plant Manager shall meet within six (6) calendar days to receive the Company's answer in writing.

The "Answer" as set forth in the time limit of each step above, is the "maximum" time that either party (Company or Union) has after receiving the grievance to render an answer. If no answer is given within the time limits, the grievance shall be considered to have advanced to the next step. The "Appeal" as set forth under time limits above, means the "maximum" time either party (Company or Union) has from the time of receiving the answer, to notify the other party to the grievance that the answer is unsatisfactory and the aggrieved party or parties desire to appeal to the next step of the procedure. Grievances not appealed within the time limits shall be deemed settled on the basis of the last step and shall not be further appealed or filed as a new grievance.

It is agreed that beginning with Step 2, either party may request the appearance of witness to the grievance.

On the time limitations established in Step 2 and 3, should the parties desire to extend the time, they can do so by mutual agreement.

Union representatives shall report to their supervisor when it becomes necessary for them to leave their jobs for the purpose of investigating a grievance, make known their destination, report to the supervisor of the department they are visiting and report to their own supervisor at the time of their return.

Line stewards shall handle grievances only within the department or line to which they are assigned as line stewards. This will not apply to the chief steward.

Step 4. ARBITRATION: If no satisfactory settlement is reached within the time limits as set forth in Step 3, it may be referred at the request of either party to arbitration in accordance with the following provisions:

- a) Referrals to arbitration must be made within thirty (30) days of the date of the Step 3 answer.
- b) The Federal Mediation Conciliation Service shall be requested to submit a panel of five arbitrators. From this list of arbitrators, the Company representative and the Union representative shall alternately strike names until one name remains. The Arbitrator whose name remains shall be designated as the Arbitrator.
- c) The expense of the Arbitrator shall be shared equally.
- d) If the Arbitrator shall find that an employee has been unjustly discharged or suspended, he shall be given an opportunity to return to work. If this Arbitrator also finds that he should be paid for any time lost, such time shall be determined by the Arbitrator.
- e) The Award of the Arbitrator will be final and binding on both parties.

The Company acknowledges an Employee's right to Union representation when that Employee is the subject of a misconduct investigation. The Employer shall not question the Employee under investigation without honoring the Employee's request for representation.

ARTICLE VII NO STRIKE - NO LOCKOUT

- 7.01 Should differences arise between the Company and the Union, or between the Company and its employees, pertaining to matters involved in this Agreement or incident to the employment relations, there shall be no strike, slowdown, sit down, or stoppage of work on the part of the Union, or lockout on the part of the Company.

ARTICLE VIII DISCIPLINARY ACTION

- 8.01 No employee shall be discharged, suspended without pay, or disciplined in any manner except for just cause.
- 8.02 No employee shall be discharged for cause without first having been given at least one warning notice, in writing, of Management's complaint or grievance against him, except that no such warning notice need be given if the cause of discharge is theft, dishonesty, drunkenness while on duty, a willful safety violation that causes or could cause serious injury or death to the employee or another person, or the more serious violation of noncompliance with rules and regulations.
- 8.03 All company rules used by the Employer for disciplinary purposes must be posted near time clocks or on employee bulletin boards or in another manner made known to employees, and such rules shall be reasonable and shall not be in conflict with any of the terms or provisions of this Collective Bargaining Agreement. Copies of any changes to Company rules used for disciplinary purposes shall be mailed to the Union.

- 8.04 Copies of all warning notices and other notices of disciplinary action given employees shall be mailed to the Union and the employee without undue delay.
- 8.05 All warning notices will expire after one (1) year from date of issue except that warning notices for behavioral issues involving harassment or disruptive or aggressive behavior will expire after two (2) years from the date of issue.

ARTICLE IX UNION SHOP

- 9.01 It shall be a condition of employment that all employees covered by this Agreement, who are members of the Union in good standing, on the effective date of this Agreement, shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on the forty-fifth (45th) day following the effective date of this Agreement, become and remain members in good standing in the Union.
- 9.02 It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the forty-fifth (45th) working day following the beginning of such employment, become and remain members in good standing in the Union.
- 9.03 Anyone not meeting these conditions shall be laid off or be discharged when notice to this effect is given by the Union.
- 9.04 The Company shall deduct, as to each employee who shall authorize it in writing on the appropriate form, from the first pay payable to such employee each month, the regular monthly Union dues for the current month and the initiation fee of the Union, if due and owing, and promptly remit same to the Financial Secretary of the Local Union. The Union shall notify the Company of the names of each such Financial Secretary and the address to which such dues collections shall be sent.
- 9.05 The Company shall provide the Union with the current list of new employees at the plant showing date of hire, every two (2) weeks.
- 9.06 The Union agrees to indemnify and save the Company harmless against any and all claims, or by reason of action taken in reliance upon individual authorization furnished to the Company by the Union, or by reason of the Company's compliance with the provisions of the Article.

ARTICLE X SENIORITY Madelia Plant

- 10.01 Seniority shall operate on a combination department and plant basis as hereinafter provided. The Madelia plant shall operate subject to the following provisions:
- 10.02 There shall be separate plant and department seniority lists. The department and plant seniority of each employee shall be posted in each department and copies shall be sent to the Union. Such seniority lists shall be revised every two (2) months.
- 10.03 Each employee's plant seniority and department seniority shall date from the most recent date of hire and transfer except that employees who transferred from the St. James plant to the Madelia plant in 2014 shall have plant seniority from their most recent date of hire with the Company. An employee shall acquire seniority only as hereinafter provided:
- a) All new employees shall be considered to be probationary employees for the first forty-five (45) days of work. They shall be placed on the seniority list after the successful completion of the probationary period. Probationary employees may be dismissed during the forty-five (45) workday period at the company's discretion.

- b) New employees shall acquire plant seniority upon completion of forty-five (45) working days. His/her most recent date of hire shall be used to compute vacation and eligibility for insurance.
- c) Probationary employees may be assigned to work wherever the need exists and shall be considered to be assigned to a general labor pool. Probationary employees assigned to the labor pool may bid on posted jobs and their number of days worked in the probationary period will be considered along with ability in assigning the job. Employees whose jobs are discontinued may go into the labor pool if they do not wish to use their seniority rights, and will retain their plant seniority. While employees are in the labor pool, the Employer can require them to work on any job where they are needed.

- 10.04 Seniority departments and divisions shall be mutually agreed to by both parties. If, at any time, a question arises concerning seniority departments, either by the addition of new operations or the elimination of old operations, the questions shall be negotiated to the mutual satisfaction of both parties. Seniority departments and divisions shall be as follows with a separate department seniority list for each shift:

Madelia Plant

1. Prep, Marination, X-ray and Janitorial
2. IQF and Log Caseup (includes West Oven)
3. Shipping and receiving
4. Maintenance
5. Caseup
6. Oven and Canning #1
7. Oven and Canning #2
8. Logging and log mixing
9. Pouch-line and Soft Can

- 10.05 Layoffs from each department shall be made on the basis of departmental seniority. An employee with seniority, who is laid off from his department may:

MADELIA PLANT

First:

Take an open job in another department where the department seniority list has been exhausted, provided he can perform the job or learn the job within a reasonable period of time.

Second:

If no job is open, displace the employee in the plant having the least plant service at the beginning of the next work day, provided the employee can perform the job or learn the job within a reasonable length of time. This paragraph shall not apply to night sanitation.

- a) No employee shall be able to bump another employee on a classified job unless he is fully qualified to perform the job by previous training.

Third:

Go off the payroll

MADELIA:

- a) No employee can bump another employee within his department, if the bump is not made by the beginning of the noon lunch period, and providing he can perform the job.
- b) An employee, who has exercised his displacement rights under this Section, shall be obligated to return to his/her original department when recalled, according to department seniority or remain in the new department with department seniority, beginning with his/her first day there.

- c) Whenever a department is in operation, department seniority shall apply (except as provided for in 10.05 Second Step of the layoff procedure).

10.06 Seniority departments will be increased, according to seniority, in the following order:

First:

By calling back employees, according to their department seniority, in the department being increased, regardless whether these employees are working in other departments or are off the payroll, providing the employee can perform the work available or learn the job within a reasonable period of time.

Second:

By calling back according to plant seniority, those employees off the payroll who have seniority, provided the employee can perform the work available or learn the job within a reasonable period of time.

Third:

By calling back, according to department seniority, in the department being increased, those who do not have seniority.

Fourth:

By calling back those employees who do not have seniority, according to their plant service.

- a) If the call-back is for a job other than one in his/her home department, the employee shall have the right to refuse the job without loss of seniority.
- b) Employees laid off will be notified by telephone call, or if contact is not made with the employee within twenty-four (24) hours, a certified letter will be sent to his last known address immediately and, he will be expected to report as directed within three (3) days after notification. Failure to do so, or failure to accept the job offered in his department, shall forfeit his seniority rights. However, in cases of inability to do so, upon immediate notification to the Company of this fact, he will be given three (3) additional days, or, in the case of sickness or accident, will be given additional time to report, such time not to exceed the period that such disability, as shown by acceptable medical evidence, would be necessary for his return to work.
- c) It shall be the responsibility of the employee to immediately notify the company of any change in his/her address or telephone number.

10.07 **Job Posting and Bidding:**

- a) When a new job is created or a vacancy in an established job occurs, the job shall be posted within five (5) days, and for three (3) days. The Union President will be provided copies of all job postings. Employees who are on a non-work status may inquire at the plant office concerning postings and may bid for any posted job for which they are qualified by virtue of ability and seniority.
- b) Interested employees, with seniority, will sign their names on the posted notice, and the employee that has the most seniority and ability shall be given a reasonable opportunity to break in on the job. If two individuals have similar qualifications, then the individual with the most department seniority shall be chosen.
- c) Notices will be posted concurrently within the department and plant-wide. First consideration will be given to bidders from within the department. If there are no qualified bidders within the department, then plant-wide bidders will be considered.
- d) An employee's department seniority shall begin on the day that he becomes the successful bidder on the posted job.

- e) Employees bidding into another department shall revert back to their former department in case of a Company reduction in their new department. This seniority protection shall be for only ninety (90) days from the date the employee is placed on the job.

- f) An employee is considered to be qualified for a job when he can perform the whole job. Employees placed on a job through the bidding process shall have a trial period specified in the bid in which to demonstrate skills and abilities. Applicants who fail to qualify shall be returned to their former jobs without loss of seniority. The company shall have the right to assign an employee to a posted job until the proper applicant has been chosen under this procedure, up to a period of twenty (20) days. This period may be extended with mutual agreement with the Union and the Company.

- g) If an employee fails to pass the skills/knowledge test for a specific classified opening on which they have bid, they may not bid on similar openings for six months, unless they have taken classes sufficient in the opinion of management to successfully pass the test.

10.08 The Company shall have the right to make temporary transfers of employees to other departments to fill in for employees absent from work due to conditions beyond the Company's control or the absenteeism of fellow employees.

10.09 An employee shall lose all seniority if the employee:

- a) Voluntarily quits.
- b) Is discharged for cause.
- c) Fails to return from layoff within three (3) working days of notification.
- d) Has been absent for three (3) successive scheduled working days without notifying the Employer. This shall be considered a voluntary quit.
- e) Is on layoff in excess of two (2) years.
- f) Accepts other employment while on leave of absence or fails to return after termination of leave of absence.
- g) Performs no work for one (1) year except in cases of injury for which the employee is receiving Worker's Compensation Disability Payments or where the employee has approved sick leave pursuant to Article 19.02.

10.10 Employees leaving the bargaining unit for promotion to supervisor shall have their seniority rights protected for ninety (90) working days.

ARTICLE XI HOURS OF WORK

11.01 The basic workday will be eight (8) hours. The basic workweek will be forty (40) hours. Every reasonable effort will be made to provide at least eight (8) hours in one day or forty (40) hours in one week. The workweek shall begin at 7:00 A.M. Sunday and end at 7:00 A.M. the following Sunday.

11.02 The Company will not be expected to guarantee work to any employee in the case of an extreme emergency such as:

- a) If, at the time an employee reports for work and is unable to work because the plant is disabled by severe weather conditions, outside power failures or unforeseen mechanical failure of the equipment relating to fowl processing, then the four (4) hours' call-in does not apply and employees will be paid for all the time that they are held on standby basis on the Company premises at their regular hourly rate.
- b) The Company will make an effort to notify employees of work requirements by broadcasting over an agreed upon radio station or stations.
- c) Employees on temporary layoff will be notified to return to work by telephone before the hour of twelve (12) noon for the day shift, and between the hours of one (1:00) and three (3:00) for the following day, night shift. Employees on sick leave or leave of absence must use the same hours for reporting back to work.

11.03 One and one-half times the regular hourly rate of pay shall be paid for all hours worked in excess of eight (8) hours per day or forty (40) hours per week, whichever is more beneficial to the employee.

11.04 Time and one-half will be paid for all work performed on Saturdays, provided the employee has worked all of the hours scheduled for the employee's job (excluding approved vacation) during the week.

- a) Time and one-half shall be paid employees for work performed on a Saturday in a holiday week provided that the employee has worked all of the scheduled work for his department during that holiday week. If the holiday falls on a Monday, any four (4) consecutive days may be worked without premium pay
- b) Any employee that is disciplined and given a day off will not be paid time and one-half for Saturday work.
- c) Employees off on authorized Union business in any week, except a holiday week, will be paid time and one-half for Saturday, providing they worked all other scheduled hours in that week.
- d) The Company shall post a notice by the end of the work shift on Thursday, notifying employees whether they are required to work on Saturday. If the Company fails to so notify the employees, the employees shall have the option of whether or not they work on Saturday except that when an emergency arises after the end of the Thursday shift, which requires Saturday work, then no such notice shall be required. Examples of an unforeseeable emergency would be an equipment breakdown or last minute customer needs.
- e) An employee who is regularly scheduled to work on Saturday will not be paid time and one-half for work performed on Saturdays. Such an employee will have another day designated in lieu of Saturday and shall be paid time and one-half hours worked on such day, provided the employee has worked all of the hours scheduled for the employee's job (excluding approved vacation) in the preceding five (5) days.

11.05 Employees called to work will be provided with a minimum of four (4) hours' work or pay in lieu of work, such pay to start from the hour the employee is required to report for work. When no work is available, employees shall not be required to remain at the plant to receive the four (4) hours' pay.

11.06 There shall be equal distribution of the available overtime hours within a department or division among the employees of the department or division on a two (2) week basis.

11.07 Double time shall be paid for all hours worked on Sunday by an employee who is not regularly scheduled to work on Sunday, provided the employee has worked 90% of all of the hours scheduled for the employee's job (excluding approved vacation) in the preceding six (6) days. An employee regularly scheduled to work on Sunday shall have another day designated in lieu of Sunday and shall be paid double time for any hours worked on such day, provided the employee has worked 90% of all of the hours scheduled for the employee's job (excluding approved vacation) in the preceding six (6) days.

- a) An employee not regularly scheduled to work on Sunday must be notified by the end of the shift on Thursday and given a day off in lieu of Sunday after working two (2) consecutive Sundays, except that when an emergency arises after the end of the shift on Thursday, then such notice and day off in lieu are not required. Examples of an unforeseeable emergency would be an equipment breakdown or last minute customer needs.

11.08 An employee recalled to work, after leaving the plant upon completion of his day's work, will be paid time and one-half for hours worked pursuant to such recall and guaranteed a minimum of four (4) hours work. Article 11.08 shall not apply to employees called in four (4) hours or less before the start of the normal shift.

11.09 Employees must be on the line, ready to work when the line starts. Whenever a supervisor is present, an employee must not leave the line without permission from his supervisor.

11.10 The Company shall make every effort to advise employees, by posting on the Company bulletin board prior to the noon break, if there are material changes in that day's scheduled working hours.

- a) Employees that do not have a telephone must contact the plant no later than 2:00 P.M. regarding the next day shift work, or, by 2:00 P.M. for the next night shift work.

Employees called back to work on an individual basis shall be called in accordance with the seniority of those laid off and such calls shall be made prior to 9:00 A.M. Should an employee be called back to work after 9:00 A.M. on an individual basis, the employee shall have the right to refuse such work without penalty of any kind whatsoever.

11.11 The Company has the option of offering a flexible work schedule for new maintenance employees and those current maintenance employees who elect to have a flexible work schedule. The flexible schedule could be a 5-day workweek or a 4-day workweek. In the event a schedule with a 10-hour work day is offered, vacation and funeral leave will be adjusted to reflect a 10-hour work day. Maintenance employees working a flexible work schedule will receive holiday pay equivalent to maintenance employees working a basic workweek.

ARTICLE XII VACATION Madella

12.01 (A) Employees hired on or after October 4, 1969, shall become eligible for their first vacation with pay upon completion of their first anniversary date, provided they have worked a minimum of one hundred eighty (180) days during their first anniversary year, counting as days worked those set forth in Section 12.02 below. Subsequent vacations shall be based on their anniversary date and vacation will be granted according to their years of service. They shall be allowed to take their vacation any time during the twelve (12) month period following their anniversary date.

12.02 In order to be eligible for vacation pay, an employee must have worked a minimum of one hundred eighty (180) days during the previous vacation year. The following days will be counted in determining whether or not an employee has worked the minimum of one hundred eighty (180) days during the preceding vacation year.

- a) Days actually worked. Employee must work four (4) hours to be counted as a day toward vacation.
- b) Days absent due to occupational injury or illness covered by Workmen's Compensation.
- c) The recording secretary and financial secretary of the local union attending union meetings up to a total of twelve (12) days per year may, with previous notice to, and the permission of the plant manager, such employee may work a portion of that day on which union meeting may be held. Other employees may have occasional days of excused absence, without pay, for Union business, up to a limit of ten (10) days per year.
- d) All holidays paid for.
- e) Days spent by the committee in contract negotiations with the Company.
- f) Paid vacation days.

On a case-by-case basis, management will exercise its discretion to determine eligibility for vacation pay if employee does not satisfy the minimum days due to lack of work.

12.03 Length of Vacations: Subject to qualifying, in accordance with Section 12.01, 12.02, 12.03, above:

- a) An employee will be entitled to one (1) week's vacation with pay following their first anniversary date as set forth in Section 12.01 above.
- b) An employee will be entitled to two (2) week's vacation with pay, after completing three (3) years of service.
- c) An employee will be entitled to three (3) week's vacation with pay, after completing ten (10) years of service.
- d) An employee will be entitled to four (4) week's vacation with pay, after completing twenty (20) years of service.
- e) The vacation granted shall be Sunday through Saturday, except that the Company shall permit the prior Saturday to be taken, as well, when management believes circumstances permit.
- f) For vacation periods of less than one week, an employee will be excused from Saturday and Sunday work only if the employee has approval to take a full day of vacation on either Friday or Monday.

12.04 The Company shall make every effort to accommodate the employee with a vacation schedule of his choice. The vacation sign-up calendars will be put up the first business day in January. From then until March 1, sign up will be for a minimum of one week and on department seniority. After March 1, sign up will be on a first-come, first-serve basis. The final right to set vacation schedules rests solely with Management, in order to ensure an orderly operation of the Company.

12.05 Employees shall be permitted to accept pay in lieu of his/her vacation.

12.06 If an employee fails to complete his eligibility requirements, no vacation pay is due.

12.07 Madelia Plant. Vacations will be granted on the employee's anniversary date and may not be carried over and taken during any subsequent vacation periods.

12.08 Vacation checks shall be separate from regular payroll checks.

12.09 Vacation pay for each week of vacation shall be computed by taking forty (40) hours times the employee's regular rate of pay.

12.10 In case of death, vacation pay shall be paid to the employee's beneficiary if they have met the requirements of any one provision of the Agreement.

12.11 Employees who retire upon reaching the Social Security retirement eligibility age within the vacation year shall receive a pro-rate of the vacation they have earned on the basis of 1/12 the annual vacation for which they are eligible, for each month within the vacation year they have worked. Retiring employees who have worked the minimum number of days required in Section 12.03 shall receive their full vacation allowance.

12.12 When returning from vacation, employees shall be assigned to the same job they held when they left for vacation unless the job has been abolished or a more senior employee has displaced the returning employee under the provisions of this Agreement.

ARTICLE XIII HOLIDAY PAY

13.01 Unworked Holiday Pay: Employees who have successfully completed the probationary period forty-five (45) days shall be paid eight (8) hours at their regular rate of pay for the following nine (9) holidays.

NEW YEAR'S DAY
MEMORIAL DAY
FOURTH OF JULY
LABOR DAY

CHRISTMAS EVE DAY
CHRISTMAS DAY
EMPLOYEE'S BIRTHDAY
THANKSGIVING DAY
DAY AFTER THANKSGIVING

Employee's birthday is to be taken any time of the month it falls in or paid in lieu of day off. When possible, employees will not be scheduled for Saturday work when their paid birthday holiday leave is taken on Friday or Monday.

Those employees who refuse to make themselves available for the full time work shall be paid holiday pay based on the average hours worked per day during the previous four (4) weeks, prior to the holiday week. This shall apply to regular employees who lose time because of illness, injury, layoffs, etc.

13.02 If an employee is off because of sickness, or accident, he/she shall receive pay for the holiday, provided it falls within the thirteen (13) week period covered by the sickness and accident insurance plan.

13.03 Holiday pay will not be granted to qualified employees who do not work the scheduled workday as ordered preceding the holiday and the first scheduled hours after the holiday, unless they are excused by their supervisor or off sick, which must be proven by a doctor certificate if requested by the Company.

Eligible employees must work their full complement of hours the day before and the day after a recognized holiday, unless unable to do so because roads become impassable.

- 13.04 Pay for holiday worked: Time and one-half the regular rate of pay shall be paid for all work performed on one of the above holidays. (This is in addition to the eight (8) hours of un-worked holiday pay).
- 13.05 An employee shall receive no holiday pay as provided in this Article if he fails to report for work or fails to work the hours as ordered on the holiday.
- 13.06 An employee who has worked sometime during the fifteen (15) day period preceding the holiday shall receive eight (8) hours pay for the holiday in case of a plant or department shutdown.
- 13.07 Hours worked on a holiday shall be counted in computing weekly overtime.
- 13.08 When one of the above holidays falls on Sunday, it shall be celebrated on Monday, if so observed nationally.
- 13.09 The holiday shall be the calendar day.
- 13.10 If one of the above holidays occurs within the employee's vacation period, he shall be paid eight (8) hours in addition or he shall be allowed to take an extra day vacation pay.

ARTICLE XIV LUNCH AND RELIEF PERIODS

- 14.01 The lunch period shall be approximately in the middle of the shift and consist of a thirty (30) minute, unpaid break. It is agreed that in cases of emergency the lunch period may be extended fifteen (15) minutes. In these cases, Management will advise the department Steward immediately of the emergency. The night shift shall have a corresponding lunch period. Employees shall not be required to work more than five (5) hours without a meal period, except by mutual agreement.
- 14.02 All employees shall have one fifteen (15) minute relief period before lunch and one fifteen (15) minute relief period after lunch, providing the half-shift is more than two (2) hours in length. The fifteen (15) minute lunch break shall commence when the line stops. Such relief periods shall be scheduled as near the middle of each half-shift as possible. Employees shall be provided with an additional fifteen (15) minute relief period after ten (10) hours of work. When employees have completed their work they shall not be required to remain at the plant and shall receive pay for the relief period.

ARTICLE XV HOSPITAL, MEDICAL, SURGICAL, AND LIFE INSURANCE

- 15.01 Employees will become eligible for group insurance (which includes hospital coverage) on their 90th day of employment or as required by law.
- 15.02 The employer will continue the present life, hospital, medical and surgical insurance coverage for eligible employees on a self-insured basis.

Employees enrolled in the plan will pay the following:

First year in plan: 30% of premium

Second year in plan: 25% of premium

Third and subsequent years: 20% of premium

The plan provisions will include:

- a) \$750 deductible per family member each year, with a maximum deductible of \$2,250 per year per family.
 - b) \$2,500 out-of-network deductible per family member each year, with a maximum deductible of \$7,500 per family.
 - c) \$2,500 out-of-pocket maximum per family member each year, with a maximum of \$7,500 per year per family.
 - d) Participants in the plan will pay 40% of out-of-network charges.
 - e) For employees hired after December 17, 2015: A spouse of an employee is ineligible to be covered by the insurance plan if the spouse is eligible for health insurance coverage through the spouse's own employer.
- 15.03 Except for employees on approved FMLA leaves, employees must work a minimum of 1/2 of the scheduled hours per month for the Company to make the insurance contribution on an employee's behalf as set forth in Section 15.02. While an employee is on an approved FMLA leave, the company will continue to make the insurance contribution set forth in section 15.02 on an employee's behalf as if the employee were not on leave. An employee on an approved FMLA leave or absence must continue to pay the employee's share of the health insurance premiums in order for coverage to continue during the FMLA leave. If an employee exhausts his or her FMLA leave, the Company will notify the employee of rights the employee may have under COBRA to continue the group health insurance coverage at the employee's own expense.
- (a) Premiums must be paid one (1) week prior to the 30th of the month to continue coverage for the following month, or policy will be automatically canceled
- 15.04 In-Hospital benefits will commence on the first day.
- 15.05 The weekly accident benefit payments will begin the first day and sickness benefit payments will begin after a seven (7) calendar day waiting period. Benefit at \$220.00 per week.
- 15.06 All policies are cancelable at the end of the month for which prepayment is made, unless the employee continues to make full premium payments. All policies are cancelable on the employee's last day of work.
- 15.07 If an employee is on a worker's compensation leave, eligible employees will also be placed on an approved FMLA leave and the company will contribute to the premium for the employee's group health insurance as set forth in Section 15.04. If an employee, who is covered under the group health insurance is on worker's compensation leave that prevents the employee from working a minimum of 1/2 of the scheduled hours per month and the employee is not eligible for the FMLA leave, the company will contribute 50% of the total premium for the employee's insurance option in effect at the time of the work-related injury (i.e. single or family), but not to exceed two (2) such monthly premium periods.

ARTICLE XVI HEALTH AND SAFETY

- 16.01 A Joint Safety Committee consisting of an equal number of employee representatives, selected by the Bargaining Committee, and Management representatives, selected by Management, shall be established in the plant.

- 16.02 The Joint Safety Committee shall convene once each month, at a time to be determined by the Committee to review and investigate safety practices and rules and to investigate accidents, all for the purpose of arriving at constructive suggestions or recommendations for improved safety conditions and the prevention of accidents. Time consumed on committee work by employee committee members shall be considered hours worked, to be compensated by the Company at their regular hourly rate.
- 16.03 Employees shall be compensated at their basic hourly rate for the time spent in visits to a doctor in the case of injuries received at the plants during working hours, if such visits are made during working hours. If an employee leaves work because of a compensable injury, they shall be paid for the remainder of that portion of the A.M. or P.M. shift. If the compensable injury occurs in the A.M. shift, and is such that they are unable to return to work in the P.M., and upon receipt of the doctor's certificate so stating, the employee shall receive compensation for the full day.
- 16.04 Employees required to change jobs during the workday, which involves extreme differences in temperature, shall be allowed sufficient time to change clothes, etc., in preparation for such changes in temperature.
- 16.05 It shall be a major violation of the Company rules to start or operate a machine without the available guards in their proper place.
- 16.06 The Union and the Company recognize that it is the responsibility of all employees to abide by Company policies designated to ensure the well being of each of them. The Union recognizes that the Company has safety policies and programs established for the purpose of promoting safety.

ARTICLE XVII TOOLS AND CLOTHING FURNISHED

- 17.01 The Company agrees to supply hairnets, beardnets, aprons and gloves where required for work being performed and OSHA approved foot protection for employees who weld.
- 17.02 No equipment will be re-issued unless the employee has old or worn out equipment to turn in for replacement. All the equipment will remain the property of the Company and shall be returned in case of termination of employment for any reason. Abuse or excessive usage of company-supplied clothing or equipment will be cause for disciplinary action.
- 17.03 The Company agrees to replace or repair immediately standard hand tools necessary in the performance of the employee's job.
- 17.04 The Company agrees to furnish and pay ½ the cost of insulated boots for employees who work full time in the fowl cooler at Madelia. The Company agrees to pay a maximum of \$100.00 for the cost of one pair of steel-toed leather shoes per year for employees who weld.

ARTICLE XVIII WORK BY SUPERVISORS

- 18.01 No employee outside the Bargaining Unit will be used on work of the same nature as that performed by employees in the Bargaining Unit, except as follows:
- a) For the purpose of taking an employee's place temporarily.
 - b) For the purpose of breaking in new employees on a new job and instructing employees.
 - c) For the purpose of emergency; under this Article emergency means beyond the control of the employees or the employer, which means the saving of life, limb, or property.

ARTICLE XIX UNPAID LEAVES OF ABSENCE AND SICK LEAVE

- 19.01 The employer may grant an employee a leave of absence, without pay, for good and sufficient reason. Employees shall be required to report back to work on the date specified. Employees who fail to report may be subject to discharge unless they have a justifiable reason that prevents their return. When returning from a leave of absence, employees shall be assigned to the same job they held when they left for a leave of absence unless the job has been abolished or a more senior employee has displaced the returning employee under the provisions of this Agreement.
- 19.02 An employee who is no longer eligible for pay under the insurance plan, and presents satisfactory proof of such illness to the Employer, shall be granted a sick leave automatically for a period of not to exceed thirty (30) days. Such sick leave shall be extended for successive and intermittent thirty (30) day periods up to one(1) year from the first day of the initial sick leave granted after the effective date of this Agreement upon presentation of just cause if the employee's health or physical condition is such as to prevent the employee from gainful employment. After the one-year period, the Employer may grant the employee additional sick leave but is not required to do so.
- a) In case of compensable injury or illness, a leave of absence will be granted automatically for the full period of regular temporary disability. Such an automatic leave of absence will be terminated automatically when the employee is capable of returning to work.
- 19.03 A regular payroll employee who is a member of the Union and who is designated by the Union to attend a labor convention or serve in any other capacity on other official Union business shall, on request, be given a temporary leave of absence, in writing, for a period not to exceed time required by official Union business.
- 19.04 An employee on leave of absence who accepts other employment, shall lose all employment rights at the Company. This does not apply when an employee is on leave conducting Union business.
- 19.05 When it is necessary for employees to be excused from work for a part of the day to fulfill an appointment in a doctor's or dentist's office which cannot be made during nonworking hours for treatment of non-occupational accidents or illnesses, they shall be given an excused absence, provided the employee gives his supervisor one (1) week's advance notice of such appointment, except in situations where such notice is not possible.
- 19.06 Day-shift employees who are absent from work, must call in by 12:00 (noon) the day prior to reporting back to work. Night shift employees who are absent from work must call in by 10:00 A.M. if they plan to come to work that night.
- a) If the above procedures are not followed, the Company reserves the right to refuse the employee work.
 - b) This procedure is necessary for Management to properly schedule the lines so production schedules can be met.

ARTICLE XX FUNERAL LEAVE

- 20.01 The Company shall pay three (3) days to full-time employees who have successfully completed the probationary period (45 days) who are absent from work to make funeral arrangements and/or attend the funeral because of death of a husband, wife, child, mother, father, sister, brother, mother-in-law, father-in-law, grandparents, grandchildren, stepchildren, stepparents. Such pay shall be only for three (3) scheduled workdays that the employee would have worked but for his absence. Two (2) additional days of unpaid leave will be available to employees traveling over 1000 miles for a funeral.

**ARTICLE XXI
JURY DUTY**

21.01 An employee who has successfully completed the probationary period (45 days) and is called to jury duty in the county, state, or federal court, shall be excused for jury duty on presenting the summons requiring such duty to the Plant Manager.

21.02 The employee will be paid the difference between his regular earnings on the basis of eight (8) hours per day and forty (40) hours per week and the amount he receives for such jury service, providing the line works on these days. This does not apply to employees on vacation or sick leave.

No difference in payment for jury service shall be paid to employees who fail to report to work and work the hours of any scheduled day on which they are not required to report to court.

**ARTICLE XXII
BULLETIN BOARDS**

The Company will provide a bulletin board at each plant location for the Union's exclusive use, but only for posting of formal notices of meetings, elections, names of representatives and officers of the Union and general matters concerning the business of the Union. All such notices to be posted shall be brought to a designated representative of Management by the Union representative. This representative of Management is to be made responsible for the proper posting of notices within the meaning of this Article. The bulletin board shall be placed where employees normally congregate or travel, and shall not be hidden.

**ARTICLE XXIII
WAGES**

For the first two years of their employment, the Company will pay employees hired into the General Labor classification the minimum wage required by law or a wage rate the Company believes the labor market requires, whichever is higher, but not more than the general labor rate. In addition, employees with one year seniority will be paid no less than \$1.00 lower than the general labor rate. Employees with seniority of two years or more will be paid the general labor rate.

The general labor rate for employees with seniority of two years or more will be as follows:

<u>10/1/15</u>	<u>10/1/16</u>	<u>10/1/17</u>	<u>10/1/18</u>	<u>4/1/19</u>
\$12.90	\$13.15	\$13.45	\$13.65	\$13.85

All scheduled rate changes that occur by the end of the work shift on Wednesday, the increase in rate shall become effective at the beginning of the following week.

The effective dates for the new agreement shall be October 1, 2015, and the expiration date shall be September 30, 2019.

23.01 Wage Rates - Madelia Plant Hourly Wage Rate for Employees:

Classifications marked with an asterisk (*) will automatically receive general labor rate when classified full-time and fully qualified.

Production Department:

Boning and Canning

Retort Operator.....	+3.00*
Closing Machine Operator.....	+25*
Logging Machine Operator.....	+10*
Washroom Operator.....	+13*
Caseup Labeler.....	+20*
Caseup Labeler Service Operator.....	+30*
Soft Can Operator.....	+25*
Caseup Specialist (qualified to perform traying, palletizing, wrapping and sleeving, including set-up and changeover)**.....	+1.00*

**Employees shall have a trial period to qualify for the Caseup Specialist job of at least 30 days and additional time at the Company's discretion. Employees will be paid Caseup Specialist classification rate when fully qualified.

Line Maintenance:

Line Mechanics will not be paid less than \$2.00 more than the general labor rate

Shipping/Receiving Department:

Forklift Operator (Freezer).....	+40*
Forklift Operator (Dry warehouse).....	+40*
Forklift Operator.....	+40*

Working Foreman - Fifty (50) cents over the highest rate supervised by them

Leadperson - Twenty-five (25) cents over the highest rate supervised by them.

23.02 Equal Pay for Equal Work: Qualified employees that are assigned by the Company to classified jobs shall be paid the classified rate for all hours worked on the classified job. (Qualification under this Section means the job in its entirety.)

23.03 A classified employee will work on whatever job he/she is assigned. A classified employee temporarily transferred or assigned to a lower-rated job shall be paid the rate of the classified job he/she regularly works. A classified employee temporarily transferred or assigned to a higher-rated job shall be paid the rate of the higher-rated job.

23.04 After an employee is not working in his classified job, which is temporarily not in operation, his rate will drop to the general labor rate or to the job rate under which he is working.

a) When an employee becomes fully qualified to perform the work in a classified job, all hours an employee works in the classified jobs will be paid the appropriate classified rate. If an employee has worked over half the workday in his classified job, he shall receive that rate for the full day.

23.05 An employee must be fully qualified to perform the work prior to moving into a classified job.

a) An employee must be fully qualified to perform the work in a classified job before receiving the classified rate.

23.06 When an employee has become qualified for a higher rated job classification, he will not receive the rate for that job classification until there is an opening.

23.07 When transfers have been made from one job to another, the employee shall consult with the Superintendent or Steward within the day of transfer, if there is any question regarding the rate to be paid on the new job.

23.08 Any new employee with seniority, who bids on a classified job, as outlined below, will be required to satisfactorily pass the test requirements for the job they are bidding on. The Company may use commercially-available skills tests for evaluating the qualifications of an employee bidding on the following positions:

- (a) Maintenance and Mechanics
 - (1) Apprentice and Journeyman
- (b) Leadman

The Company will give the Union advance notice of the skills tests selected.

All new and existing classified jobs of Tony Downs Foods Co. plant will be paid the same rate of pay excluding Line Mechanics. The Company may pay Line Mechanics based upon the Company's performance criteria and the Company's performance assessment as long as all Line Mechanics pay is \$2.00 or more than the general labor rate. The Plant Manager (or its equivalent) shall have final disposition over the pay rate for each Line Mechanic based upon the Company's performance criteria and the Company's performance assessment. Within 120 days of the ratification of this Agreement, the Company will meet with the Union to provide the performance criteria developed by the Company.

ARTICLE XXIV 401(k) PLAN

24.01 The Company will set up a 401(k) plan. Employee participation will be voluntary.

ARTICLE XXV TERMINATION OF AGREEMENT

All provisions of this Agreement shall take effect October 1, 2015, unless otherwise indicated and shall remain in effect until September 30, 2019, and from year to year thereafter, provided, however, that this Agreement may be terminated on September 30, 2019 or on September 30 of any year thereafter, by either party, on written notice mailed to the other party at least sixty (60) days prior to September 30 of any given year thereafter.

If at any time the Company of this Agreement sells the plant, the Union shall stay active in bargaining rights.

TONY DOWNS FOODS COMPANY

UNITED FOOD AND
COMMERCIAL WORKERS











