

AGREEMENT

Between

DARLING NATIONAL L.L.C.

and

UNITED FOOD AND COMMERCIAL WORKERS LOCAL UNION 7

and

OPERATING ENGINEERS LOCAL UNION 1

EFFECTIVE: January 16, 2010 to January 16, 2013

CONTENTS

<u>Article</u>	<u>Title</u>	<u>Page</u>
	Agreement	1
1	Recognition	1
2	Successors	2
3	Union Shop	2
4	Check Off	3
5	Management	4
6	Reporting for Work	4
7	Call Back	5
8	Hours of Work - Overtime	5
9	Holidays	7
10	Guaranteed Work	8
11	Rest Periods	10
12	Seniority	10
13	Plant Visitation	17
14	Vacations	17
15	Wage Scales	19
16	Discharge	19
17	Grievance and Arbitration	20
18	Hospital, Surgical, Weekly Indemnity and Life Insurance	22
19	Leave of Absence	22
20	Pay Check	23
21	Bulletin Board	23
22	Equipment	23
23	Funeral Leave	23
24	Jury Duty	24
25	Night Premium	25
26	First Aid	25
27	Lunch Period	25
28	No Discrimination	25
29	Picket Line	26
30	Savings Clause	26
31	Contracting Out Maintenance Work	26
32	Term of Agreement	27
	Appendix "A" (Wage Scales)	
	Appendix "B" (Health Benefit and Insurance Plan)	
	Appendix "C" (Pension Plan)	
	Letters of Understanding	

AGREEMENT

Between

**DARLING NATIONAL L.L.C.
(Edible Plant)**

and

UNITED FOOD AND COMMERCIAL WORKERS LOCAL UNION 7

and

OPERATING ENGINEERS LOCAL UNION 1

EFFECTIVE: January 17, 2010 to January 16, 2013

AGREEMENT

THIS AGREEMENT, by and between DARLING NATIONAL L.L.C., 5800 York Street, Denver, Colorado, hereinafter referred to as the “Company”, and LOCAL UNION 7 of the UNITED FOOD AND COMMERCIAL WORKERS, AFL-CIO, LOCAL 1 of the INTERNATIONAL UNION OF OPERATING ENGINEERS, hereinafter referred to as the “Union”.

ARTICLE 1

RECOGNITION. The Company recognizes the Unions, United Food and Commercial Workers Local 7, and Operating Engineers Local 1 as the sole collective bargaining agents for all employees, including engineers, but EXCLUDING truck drivers, office and clerical employees,

professional employees, salesmen, guards and supervisors employed at the Company's plant located at 5800 York Street, Denver, Colorado.

ARTICLE 2

SUCCESSORS. It is expressly understood and agreed that this Agreement shall be binding upon the Company and Union. In the event the Company sells or leases its business, all terms and conditions of said labor Agreement shall be assumed by the purchaser of the business.

ARTICLE 3

UNION SHOP. All present employees covered by this Agreement and coming under the jurisdiction of the Union, as set forth in the Recognition Clause, Article 1, shall, as a condition of employment, become members of the Union on the thirty-first day (31st) following the date of their last employment, and shall remain members in good standing during the term of this Agreement. All new employees covered by this Agreement and coming under the jurisdiction of the Union, as set forth in the Recognition Clause, Article 1, shall, as a condition of employment, become members of the Union on the thirty-first (31st) day following the date of their last employment and shall remain members in good standing during the term of this Agreement. "Good standing," for the purpose of this Agreement, is interpreted to mean the payment or tendering of initiation fees and periodic Union dues.

Those employees who maintain a non-member status or change their status to a non-member status and are covered by the terms of this Agreement shall be required to pay, as a condition of employment, an initial service fee (unless an initiation fee has already been paid), and monthly (or otherwise) service fees in an amount not to exceed the amount of full member initiation fees and monthly dues to the Union for the purpose of aiding the Union in defraying

costs in connection with the Union's obligations and responsibilities as the exclusive bargaining agent of the bargaining unit herein.

ARTICLE 4

CHECK OFF. The Company agrees, during the life of this Agreement, to deduct from the net earnings due an employee on each pay period the weekly dues only on a check-off authorization form as outlined below. Said authorization must be properly executed by the employee and presented to and accepted by the Company. All provisions contained in said form are agreed to by the Company and the Union and made a part of this Agreement.

The Company agrees to remit such deduction to the Secretary-Treasurer of the Union ten (10) days after the first pay period of each month. Upon written notice from the Union that an employee is thirty (30) days in arrears in the payment of his Union dues, the Company will discharge the employee unless within fifteen (15) days from the date of said written notice said employee shall pay and fully discharge his indebtedness to the Union. The Union agrees to indemnify and save harmless the Company from any payment the Company may be required to make in favor of any employee whose employment is terminated pursuant to any such request.

VOLUNTARY CHECK-OFF FORM

_____, 20__

I hereby certify that _____ Local No. is my designated collective bargaining representative and I hereby voluntarily authorize and direct _____ to deduct from any earnings due me on the _____ pay period in each month my initiation fee and monthly union dues in such sums as may be established from time to time by said Local Union in accordance with the Constitution and laws of the Union and applicable provisions of State and Federal laws, and pay same to said Union. This

authorization may be revoked by me at any time upon thirty (30) days' written notice to the Company and the Union, or upon termination of my employment.

This authorization shall be subject to any limitation required by law or regulation of any authorized governmental agency.

Employee

ACCEPTED:

(Company)

By _____
(Not valid until signature checked and authorization accepted by
the Company.)

ARTICLE 5

MANAGEMENT. The management of the plant and the direction of the working forces, including the right to hire, suspend or discharge for proper cause, or transfer and the right to relieve employees from duty because of lack of work or for other legitimate reasons is vested exclusively in the Company.

ARTICLE 6

REPORTING FOR WORK. Whenever employees are scheduled to work or have been notified to report for work, and upon arrival at the plant, find no work available, such employees shall be paid for four (4) hours at the hourly rate for their job. If the employees begin work, or work less than four (4) hours, through no fault of their own, such employees shall be paid for a minimum of four (4) hours.

The above provisions shall not apply when work is not available by reason of an Act of God or circumstances beyond the control of the Company.

ARTICLE 7

CALL BACK. Any employee who has completed his work and has left the plant premises and is, after having left the plant premises, called to perform work within twenty-four (24) hours from his regular start of such day's work, shall be paid for all time worked pursuant to such recall at time and one-half (1 ½) his regular rate and will be guaranteed a minimum of four (4) hours at time and one-half (1 ½) his regular rate.

ARTICLE 8

HOURS OF WORK - OVERTIME. Overtime at the rate of time and one-half (1 ½) the employee's base hourly rate of pay for their classification of work shall be paid under the following conditions:

- (a) For all hours worked in excess of the forty (40) hours per week exclusive of the lunch periods.
- (b) For all hours worked in a day in excess of eight (8) hours, exclusive of lunch periods.

Time and one-half (1 ½) the employee's base hourly rate of pay for their classification of work shall be paid for all Saturday and/or Sunday work providing the employee has worked all available hours during the work week, except in the event an employee is off due to a bona fide illness or an excused absence, this does not include personal time off.

It is understood and agreed, however, that overtime penalties will not be paid twice for daily and weekly overtime hours worked.

Employees must give the Company at least twenty-four (24) hours' notice that they will not be able to work any overtime the next day should the Company determine that overtime must be worked.

Employees shall be notified by 12:00 noon on Friday when the Company schedules Saturday and/or Sunday as a work day. Notification shall be by posting in the employees' lunch and break areas.

All regular full-time employees shall be given the opportunity to work on Saturdays, Sundays and holidays prior to the employment of probationary or part-time employees. Overtime shall be offered in order of seniority, by job classification, for overtime work on Saturday, Sunday and Holidays, provided the employee is qualified to perform the job. It is further understood and agreed that all regular full-time employees shall be given the opportunity to work all available hours during the work week prior to the employment of probationary or part-time employees.

If a sufficient number of employees do not accept the overtime by seniority, the Company can require junior employees who are qualified to do the work. For purposes of equalization of overtime, an employee who turns down overtime shall be considered as having worked for equalization purposes.

Starting times will be established by the Company. Once established on Monday, the starting time will not change for the week, except in the case of emergency, acts of God, or other conditions beyond the control of the Company.

ARTICLE 9

HOLIDAYS. The following days are recognized as holidays under this Agreement: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and two (2) personal holidays. The named holidays shall be celebrated in accordance with the day designated by the Federal government, or otherwise designated by the majority of the major packers in the Denver Area. Personal holidays shall be taken with seven (7) days advance written notice to management and approval in writing. To the extent possible, employees may schedule their personal holidays on consecutive days.

All employees covered by this Agreement shall receive eight (8) hours' compensation at their straight-time hourly rate of pay for unworked holidays above mentioned, including holidays occurring on Saturday.

Employees laid off for lack of work the week prior to the holiday week and recalled during the holiday week will receive holiday pay.

In the event that any of the above-mentioned holidays should fall on Sunday, the following Monday shall be observed as the official holiday. Holidays which fall on Saturday shall be celebrated on the preceding Friday.

Absence without leave or through claimed sickness which has not been confirmed by a reputable physician on the regularly scheduled workday preceding and the day immediately following any of the above-mentioned holidays will result in cancellation of holiday pay.

Employees who work on Memorial Day will be compensated for hours worked at time and one-half (1 ½) their hourly rate of pay in addition to the eight (8) hours' compensation at the straight-time rate which the employee shall receive for an unworked holiday.

Employees who work on New Year's Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day will be compensated for hours worked at double time (2X) their hourly rate of pay in addition to the eight (8) hours' compensation at their straight-time rate which the employee shall receive for an unworked holiday.

Employees who are absent because of illness or injury and who are receiving compensation under the Workmens' Compensation Act or weekly indemnity under the Weekly Indemnity provision of this Agreement will be considered as working. The Company will pay the difference between what the employee receives under Workmens' Compensation and/or under the Weekly Indemnity provision. In no case will an employee receive more than eight (8) hours' pay at his straight-time rate for any holiday.

Hours paid for but not worked on a holiday, except holidays occurring on Saturday for which the employee receives eight (8) hours' pay at straight-time, will be counted as hours worked for the purpose of computing weekly overtime; however, if the holiday is worked, only hours worked in excess of eight (8) hours will be used in computing overtime in excess of forty (40) hours since the employee has been credited for eight (8) hours on the holiday whether such holiday is worked or is not worked.

ARTICLE 10

GUARANTEED WORK. The weekly guarantee for all regular full-time employees shall be forty (40) hours' work at forty (40) hours' straight-time pay said guarantee to be completed in five (5) eight (8) hour days exclusive of lunch periods Monday through Friday, with time and one-half (1 ½) for Saturday work as such, providing the employee has worked all available hours during the work week, except in the event an employee is off due to a bona-fide illness or an

excused absence, this does not include personal time off. Four (4) times each contract year, the Company may notify an individual employee of a shorter work week, in which event, the guarantee shall be reduced to thirty-two (32) hours of straight-time pay. A thirty-two (32) hour work week must be actually worked to be counted. If not all the shifts are to work the short work week, employees, by seniority, shall be allowed to work the full work week.

- (a) The work week to be defined as beginning at 12:01 a.m. on Monday and ending at 12:00 midnight on the following Sunday. The payroll day would be the calendar day which would run from midnight to midnight.
- (b) If an employee works a shift which begins on one calendar day and extends into the following calendar day, only one day of work is permitted and it is considered to be the day on which the shift begins. This does not apply to Sundays or Holidays.

Holidays (eight (8) hours), whether worked or unworked, will be counted in fulfilling the forty (40) hour work week guarantee.

An employee who is tardy or is excused from work for a part of a day or a part of a week for any reason, shall have his guarantee reduced by the number of hours of work which he missed by such absence.

An employee who does not report for work on a day or days of the work week for any reason or who is discharged for cause or who voluntarily quits, shall have his guarantee reduced by the amount of work which he could have secured if he had reported for work.

In the event an employee is absent for any reason and does not report the reason for such absence to the Company by noon of the day of said absence, the Company shall not utilize his services the following day, and his guarantee shall be reduced by the number of hours he could have worked had he not been absent.

Employees who work in a higher rated classification for four (4) or more hours in a day, shall receive the higher rate for the entire day.

The weekly guarantee shall not apply when work is not available by reason of an Act of God or circumstances beyond the control of the Company.

ARTICLE 11

REST PERIODS. The Company and the Union recognize that rest periods will be taken in accord with the needs of the business. An employee working a full workday can take a rest period during the first (1st) half of his shift and a rest period during the second (2nd) half of his shift. The rest periods shall not exceed fifteen (15) minutes.

ARTICLE 12

SENIORITY. Seniority shall be determined by the length of service in a unit.

1. Seniority units are as follows:
 - a. Mechanical, maintenance and engineering
 - b. Production and clean-up

Notwithstanding the following, there shall be separate seniority for all purposes for employees with three (3) or less years of service between 5800 York, except in the event that one location closes, Company-wide seniority shall apply for purposes of layoff and recall or in the event there is a layoff at one location which the Company anticipates will last six (6) weeks or more, then the employee who has the most seniority and who, in the Company's judgment, has the present skills, abilities and qualifications to perform the job, may use his seniority to displace a less senior employee at the other plant.

2. Regular Full-Time Employees. A regular, full-time employee shall be considered as an employee who has completed thirty (30) working days within a sixty (60) calendar day period. However, in the event the Company hires a C.G. Operator outside the bargaining unit, there shall be an additional fifteen (15) day training period. If the employee does not satisfactorily complete the training period, the Company may discharge such employee and the employee shall not have recourse to the grievance or arbitration procedure. When the employee has qualified as a regular full-time employee, his name will be placed on the seniority list and his seniority date will begin as of the date thirty (30) days prior to the date he qualified as a regular full-time employee.

3. Probationary Employees. A probationary employee is an employee who is not qualified as a regular full-time employee. Probationary employees may be discharged at the discretion of the Company without recourse by either the employee or the Union. Probationary employees shall be laid off before any regular full-time employees are laid off for lack of work, provided the senior employee retained can perform the necessary work performed by the probationary employee to the satisfaction of the Company.

4. Plant Seniority. Plant seniority is defined as the number of years, months and days from the date an employee qualifies as a regular full-time employee and remains in the continuous employment of the Company in accordance with paragraph 2 above.

5. Unit Seniority. Unit seniority is defined as the number of years, months and days a regular full-time employee has been employed in a unit, provided, however, that no employee may gain unit seniority until such time as he has bid on an open job on a plant posting of a vacancy or a new job except as otherwise provided herein.

6. Posting Seniority Lists. The Company will post on the bulletin boards on January 1 and July 1 of each year a seniority list by plant seniority and by unit seniority of all regular full-time employees and furnish one (1) copy of each to the Union and one (1) copy of each to the Chief Shop Steward.

7. Job Bidding. When a vacancy occurs in a unit or a new job classification is established, notice shall be posted on the bulletin board and employees within the unit will be given an opportunity to bid on the vacancy or new job. Employees shall have forty-eight (48) hours, exclusive of Saturdays, Sundays and holidays, in which to declare their desire to be considered for such vacancy or new job. Employees within the unit will be given first consideration to fill the vacancy or new job. It is recognized, however, that seniority will prevail provided that the employee can perform the job to the satisfaction of the Company, or learn it in a reasonable time. The Company shall determine what constitutes reasonable time as set forth above.

When no employee in the unit has indicated a desire to fill such vacancy, and the Company hires an employee from outside the plant, or transfers an employee from another unit, his plant and unit seniority shall commence as provided in Paragraph 2 of this Article.

When a permanent vacancy occurs which the Company desires to fill, the Company will post such vacancy within ten (10) calendar days after the vacancy occurs and will fill such vacancy within thirty (30) calendar days after it has been awarded.

8. Absent Employee's Right to Bid. If a senior employee in a unit is absent due to illness, vacation or permitted leave of absence, he shall be allowed to exercise his seniority not later than five (5) days after his return to his regular job but not thereafter. The man temporarily

promoted to the job during the absence of the senior qualified man will receive the rate of pay for the job he is temporarily filling, but he will be returned to his former position and rate of pay on the return to work of the senior qualified man, as will all others affected by the promotion. The rate of pay attached to the job taken by the senior qualified man upon his return shall be as of the day he begins performing the duties of the new job and in no case retroactive.

9. Temporary Assignments. During the period the job vacancy or new job classification is not filled because of the bidding procedures, the Company has the right to fill such job opening until successful bidder is placed on the job. In any case, the Company will fill a temporary vacancy of seven (7) consecutive days or longer on the basis of seniority provided the employee filling such vacancy can perform the work. The employee temporarily filling the job will return to his former position when the successful bidder is placed on the job. The above job bidding is only for permanent openings. The Company has the right to transfer employees within a unit in order to fill vacancies on a temporary basis of less than seven (7) consecutive days or in cases of emergency or for vacation relief, without regard to any of the above procedures.

The Company has the right to fill vacancies without regard to seniority or to the bidding procedure when such vacancy is caused by absence of employees due to among other reasons, illness or leave of absence when such temporary vacancy is less than seven (7) consecutive days, or for vacation relief for the period of the scheduled vacation.

10. Application of Seniority. Unit seniority shall be applied in determining layoffs, rehiring, and shift preference. An employee can only exercise his or her seniority once during any six (6) month period for shift change. It is recognized, however, that in applying seniority,

unit seniority will prevail provided the individual can perform the job to the satisfaction of the Company. In the event of a unit layoff as provided for above, an employee with unit seniority shall have the right to displace any employee in the unit with lesser unit seniority at the rate for such job, provided he can perform the work to the satisfaction of the Company. If he is not qualified to perform the job of such junior employee because that job is semi-skilled or skilled job, then he shall have the right to displace an unskilled employee in the unit with lesser unit seniority, at the rate for such job, provided such employee is junior to him and provided he can perform the job to the satisfaction of the Employee, or go off the payroll.

Employees exercising their rights under the above provision who are unable to perform the job claimed shall sacrifice any other bumping privileges and be placed on layoff status.

When work in the unit in which laid off employees or employees working in other units who were affected by the layoff requires additional employees, then the employees on layoff or who are working in other units shall be returned to their regular units. These vacancies shall not be subject to the bidding procedures.

When all employees have been recalled to a unit as outlined above and it becomes necessary to assign additional employees to such unit, they shall be assigned from layoff status by unit seniority, provided they can perform the work to the satisfaction of the Company.

11. Transfer of Employees. In the event a job vacancy or new job which has been established is not filled in accordance with the bidding procedure as outlined in Paragraph 7 above, then the following procedure may be followed:

By Company: An employee transferred by the Company to another unit shall retain his seniority in the unit from which transferred for a period not to exceed six (6) calendar months,

unless he was employed for less than six (6) calendar months in that unit, in which case he shall retain seniority in that unit for the period of his employment in that unit from which transferred, and his seniority in said unit shall start from the date of said transfer.

No employee will be transferred to another unit if he or she does not wish to accept such transfer.

In the event of a transfer as provided for above, the employee so transferred shall retain the fringe benefits acquired by seniority in the unit from which he was transferred. (Vacations, health and welfare, etc.)

12. Termination of Seniority. Seniority shall terminate for any of the following reasons:

- a. Voluntary quitting.
- b. Discharge for cause.
- c. Failure to report to work after a layoff within three (3) working days after receiving a written registered notice or telegram to return to work to the last address furnished the Company by the employee. It is understood and agreed that the Company may contact laid off employees in person or by telephone. If an employee is contacted in person or by telephone, and does not report for work, the Company will comply with the above provision of this paragraph C before his seniority can be terminated. The Company agrees that if an employee complies with the provisions of this paragraph but is unable to return to work within the three (3) working days herein provided for good and sufficient reasons, it will grant an additional three (3) days for reporting. The employee, however, must notify the Company within the three (3) working days' period of his inability to return to work within that period. An employee laid off due to reduction of force must keep the Company advised of any change of address by means of written notice to the Plant Manager. If an employee notifies the Company within the three (3) day recall period set forth above of an inability to return to work within the three(3) day period, the employee shall be allowed an additional two (2) days to report to work.

- d. Absence from work for a period of three (3) working days when such absence has not been reported by the employee to the Company.
- e. Layoff for lack of work for a period in excess of six (6) months.
- f. Employees accepting supervisory positions with the Company for periods in excess of three (3) months.
- g. Employees accepting Union positions for a period in excess of one (1) term.

13. Military Service. All seniority granted employees under the term of this Agreement shall be subject to the rights granted by law to the employee volunteering, called or conscripted for active military service under the National Guard Act of 1940 and the Selective Service Acts of 1942 and 1948 and any additions or amendments thereto, or rulings and interpretations thereof by any authorized Federal Court or Federal Agency.

14. Unit Closing. In the event of the closing of a unit, the employees in such unit shall be allowed to exercise their plant seniority to replace any individual in the plant with less seniority provided they are qualified to perform such job. In such exercise of seniority the employees shall carry all seniority from their former unit. In the event of a unit closing, the Company shall give the employees so affected fifteen (15) days' notice of such unit closing.

15. The Company will endeavor to work employees within their respective jurisdiction except in case of emergency.

16. In the event that employees are on layoff when a position is posted for bid, and no employee currently working bids for the position, the Company shall offer the job to employees eligible for recall in seniority order and shall provide training for the employee, if necessary, in conformity with the training provisions of this Agreement.

ARTICLE 13

PLANT VISITATION. A representative of the Union shall have access to the plant for the purpose of investigating conditions therein, under the terms of this Agreement, and to adjust any grievances or complaints therein before entering the plant, such representative must call at the office of the official designated by the Company and secure permission. Conferences between Union representatives and an employee and/or employees shall be so conducted so that there shall be no interference with or interruption of the Company's production.

ARTICLE 14

VACATIONS. The Company will grant one (1) week's vacation with pay to all employees who have been in the continuous service of the Company for one (1) year preceding the period in which the vacation is to be taken. The Company will grant two (2) weeks' vacation with pay to all employees who have been in continuous service of the Company for a period of three (3) years preceding the period in which the vacation is to be taken. The Company will grant three (3) weeks' vacation with pay to all employees who have been in the continuous service of the Company for a period of eight (8) years preceding the period in which the vacation is to be taken. The Company will grant four (4) weeks' vacation with pay to all employees who have been in the continuous service of the Company for fifteen (15) years preceding the period in which the vacation is to be taken.

Employees shall be eligible for a vacation in each year if they have worked a minimum of fifteen hundred and sixty (1560) hours during their anniversary year preceding the vacation.

When a senior employee desires to split his vacation, he shall have seniority preference on the first choice only.

Vacation pay shall be based on the total hours worked in the preceding calendar year, but shall not be less than forty (40) hours per week.

Forty (40) hours' pay at the employee's regular straight-time hourly rate of pay shall constitute one (1) week's vacation pay. Eighty (80) hours' pay at the employee's regular straight-time hourly rate of pay shall constitute two (2) weeks' vacation pay. One hundred twenty (120) hours' pay at the employee's regular straight-time rate of pay shall constitute three (3) weeks' vacation pay. One hundred sixty (160) hours' pay at the employee's regular straight-time hourly rate of pay shall constitute four (4) weeks' vacation pay.

The right to determine the vacation period shall rest with the Company so as to insure the continuous and proper operation of his business. Seniority will generally govern in the granting of vacations.

The last hiring date of the individual employee shall determine his eligibility for vacation. Vacation shall be taken at any time after the employee's anniversary hiring date but prior to his next anniversary hiring date. Vacations shall not be cumulative.

In case of leave of absence granted an employee, his anniversary hiring date for the purpose of determining eligibility for vacation shall be changed by adding to it the period of his absence on leave. The vacation week shall be the same as the payroll week and all vacations shall start on the first day of the payroll week.

The Company may give vacation pay in lieu of an employee taking vacation time off with pay if mutually agreed on. Vacation pay should be paid immediately preceding each employee's vacation period or paid out at the employee's vacation due date if the employee elects to take pay instead of time off.

The number of hours worked in a week or Weekly Indemnity or Workmens' Compensation pay received in a week will constitute a week's work. Where any of the holidays set forth in Article 9 occur during an employees' vacation period, the employee shall be paid for that holiday or his vacation may be extended one (1) day.

The Company will post a vacation schedule on January 1 of each year. Employees will be required to indicate their vacation preference by April 1, of that year.

Employees who have not chosen their vacation period by April 1 as provided above will be allotted vacations periods at the discretion of the Company.

Employees' vacation times will be approved and announced by the Company by the fifteenth (15th) of April. The vacation week shall be the same as the payroll week and all vacations shall start on the first (1st) day of the payroll week. Vacation pay will be paid the employee on the last day of work prior to starting of his vacation period. The Company reserves the right to reschedule vacations if business conditions necessitate.

It is understood and agreed that when a vacation schedule has been established, the schedule cannot be changed for any employee unless requested by either the Company or the employee, and said changes mutually agreed upon by the Company and employee.

ARTICLE 15

WAGE SCALES. The wage scales and classifications shall be set forth in Appendix "A", attached hereto and by this reference made a part hereof.

ARTICLE 16

DISCHARGE. No employee covered by this Agreement shall be suspended, demoted or dismissed without just and sufficient cause. Sufficient cause for discharge shall include among

other reasons, absenteeism or tardiness, dishonesty, negligence, incompetence, insubordination, theft, fighting, malicious destruction of Company property, intoxication while on duty or refusal to perform any reasonable work, service, or labor when required to do so by the Company.

It is understood and agreed that investigations on discharge as set forth herein will be handled through the Grievance Procedure as provided in Article 17 of this Agreement.

If it is found that an employee has been unjustly discharged, he or she will be reinstated with full rights and will be compensated for his or her wages for the period of suspension, dismissal or demotion, but nothing herein shall prevent the parties from modifying this provision, if the circumstances justify such action.

Investigation, grievance procedure and settlement of any claim on discharge must be completed within ten (10) days after the filing of such complaint with the Union, except arbitration proceedings may require additional time with the consent of Company and Union.

ARTICLE 17

GRIEVANCE AND ARBITRATION. A Grievance Committee of not more than three (3) employees shall be designated by the Union to represent the employees in the bargaining unit. Grievance Committeemen shall be allowed such time off as is reasonably required. All grievances must be presented within five (5) working days of the event which gave rise to the grievance.

The grievance procedure shall be established as follows:

- (a) Grievance discussed between aggrieved employee and the foreman in the presence of the appropriate committeeman. Answer in twenty-four (24) hours.

- (b) If not settled, then grievance must be reduced to writing in five (5) working days and discussed between grievance committee and management. Answer in forty-eight (48) hours.
- (c) If not settled, then grievance discussed between grievance committee, representative of the International and management. Answer in forty-eight (48) hours.

In the event that a dispute, difference or grievance cannot be satisfactorily settled through the grievance procedure above outlined, there shall be no lockout, strike or stoppage of work, and the Company and the Union shall submit the matter for decision to a Board of Arbitration to be constituted as hereinafter set forth:

- (a) The Company and the Union each shall select an arbitrator within forty-eight (48) hours, and the two (2) thus chosen shall select a third impartial arbitrator, and the three (3) thus chosen shall constitute the Board of Arbitration to hear and to determine the matter in dispute or controversy, and a finding or award of the said Board shall be final and conclusive upon the parties hereto.
- (b) Should the two (2) arbitrators chosen by the parties pursuant to Section (a) above be unable to agree within forty-eight (48) hours after their selection upon a third member of the Board of Arbitration, then, and in that event, the third impartial arbitrator shall be chosen from a panel of five (5) arbitrators residing within the State of Colorado submitted by the Federal Mediation and Conciliation Service upon the written request to the two (2) arbitrators, and a finding or award of the said Board shall be final and conclusive upon the parties hereto.

It is understood and agreed between the parties that the Board of Arbitration constituted as set forth in Item (a) or (b) above, shall not have the power to add to, subtract from or modify any of the terms of this Agreement.

Each party shall bear the expenses of its own arbitrator but the expense of the third arbitrator shall be shared equally between the Company and the Union.

ARTICLE 18

HOSPITAL, SURGICAL, WEEKLY INDEMNITY AND LIFE INSURANCE. Effective January 2010, the Company shall contribute eighty percent (80%) of the premium cost for the employee only share of the contribution to the Rocky Mountain UFCW Unions and Companys Health Benefit Fund on behalf of each eligible employee who elects to enroll. The Company shall not make any contribution for retiree's health benefits. The contribution on behalf of each eligible employee shall be made to a Union-Company Joint Trustee Health and Welfare Fund. It shall be the duty of the Joint Trustees to set benefits and provide coverage for the eligible employees. The eligibility qualifications set out in Appendix B shall continue throughout the term of this Agreement.

If the premium cost increase of health insurance from 2011 to 2012 is less than 7%, then either party may open the contract for the purpose of discussing transferring any savings to pension. Notice must be given 15 days after January 1, 2012 to reopen the contract.

ARTICLE 19

LEAVE OF ABSENCE. An employee may, on his or her written request to the foreman of the department, and for good and sufficient reason, be granted a leave of absence without loss of seniority but without pay, for a period of fourteen (14) days, but not to exceed thirty (30) days, with the privilege of renewal at the discretion of the Company. Leaves of absence shall not be used for the purpose of extending the particular employee's vacation unless he has secured the approval of the Company at least two weeks prior to taking said vacation, and shall not be used for the particular employee to seek or obtain other employment. An employee desiring leave of absence shall check with the Company regarding insurance coverage during such leave of

absence. The Company may grant a leave of absence to an employee accepting a Union position not to exceed one (1) term of office.

Pregnancy will be treated the same as any other illness and/or in accordance with applicable law.

ARTICLE 20

PAY CHECK. The check 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.

ARTICLE 21

BULLETIN BOARD. The Union shall be privileged to post bulletins having to do with the Union's official business on the bulletin board provided by the Company. Before doing so, however, they must first secure the approval of the plant superintendent.

ARTICLE 22

EQUIPMENT. The Company agrees to furnish all required safety equipment, and to furnish all tools that are twelve (12) inches or more and to replace all broken tools. Each employee shall be allowed up to a maximum of sixty dollars (\$60.00) per year for the purchase of boots. Employees will be compensated fifteen (15) minutes per day for clothes changing time. Employees must change into their work clothes prior to punching in and punch out prior to changing out of their work clothes.

ARTICLE 23

FUNERAL LEAVE. When a regular full-time employee is absent from work because of the necessity of arranging for and attending the funeral of a member of his immediate family, the

Company will pay him for eight (8) hours at his regular rate of pay for each day of absence up to a maximum of three (3) workdays. Employees may receive an additional seven (7) days of unpaid funeral leave for any funeral out of the country.

1. The employee is on the active payroll on the date of the death of a member of his immediate family, and
2. The employee notifies his supervisor of the purpose of his absence not later than the first (1st) day of such absence, and
3. Payment will be made for a day of absence only if such day is one (1) of the three (3) days during which the gang in which the employee is employed did work and on which the employee would have worked had it not been for the absence, and
4. The employee shall furnish proof satisfactory to the Company of the death, his relationship to the deceased, the date of the funeral, and the employee's actual attendance at such funeral.

For purposes of this paragraph, a member of an immediate family means only the employee's spouse, child, stepchild, mother, father, sister, brother, grandmother, grandfather, grandchildren, mother-in-law, and father-in-law.

ARTICLE 24

JURY DUTY. When an employee is called for jury service, he or she shall be compensated for time lost from his or her job at his or her regular hourly rate less the compensation received for jury duty, but in no case more than eight (8) hours per day or forty (40) hours per week, Monday through Friday.

Employees shall not be expected to report for work on their job if they are required to report for jury duty in the morning and afternoon. In the event they are excused from jury duty, prior to noon and are not required to report back after noon, they should report for work as soon as possible after being released from jury duty and work all hours available.

Any employee working on the night shift who is called for jury duty and who reports and serves on the jury shall not be required to report on his regular night shift. However, he should, if at all possible, inform the Company as to whether or not he is or is not serving on the jury.

If an employee is excused and does not serve on the jury, he or she will be required to work his or her regularly scheduled shift.

ARTICLE 25

NIGHT PREMIUM. Employees working second shift shall receive Ten Cents (\$0.10) over their regular rate. Employees working third shift shall receive Twenty Cents (\$0.20) over their regular rate.

ARTICLE 26

FIRST AID. The Company shall furnish and maintain a first aid station in the plant at a location accessible to all employees.

ARTICLE 27

LUNCH PERIOD. There shall be an established (non-paid) lunch period of thirty (30) minutes for all employees. The day operator and night operator will receive one-half (½) hour's pay in addition to his regular day's pay when and if he works through his lunch period.

ARTICLE 28

NO DISCRIMINATION. The Company and the Union recognize that they are required by law not to discriminate against any person with regard to employment or union membership because of his or her race, creed, religion, color, sex, age, national origin or ancestry and hereby declare their acceptance and support of such laws. This shall apply to hiring, placement, upgrading, transfer, or demotion, recruitment, advertising or solicitation for employment, training

during employment, rates of pay or other forms of compensation, selection for training, layoff or termination, application for and admission to union membership.

ARTICLE 29

PICKET LINE. No employee shall be discharged or threatened for refusing to cross or work behind any primary picket line established by any labor organization at the Company's premises, nor shall the Union be deemed to be in violation of this Agreement if its members choose to honor any such picket line.

ARTICLE 30

SAVINGS CLAUSE. In the event any provision of this Agreement shall be declared invalid by a Court of competent jurisdiction, such decision shall not invalidate the entire Agreement; and further, should any Federal or State law, government rule or regulation issued by any of its departments, agencies, or representatives affect any provision of this Agreement, the provisions or provision so affected shall be made to conform to the law or determination and all other provisions not so affected shall continue in full force and effect.

ARTICLE 31

CONTRACTING OUT MAINTENANCE WORK. The Company has the right to subcontract maintenance work and to determine what work is to be assigned to the contractor. However, before contracting maintenance work that bargaining unit employees are qualified to perform, the Company will solicit bargaining unit employees to perform the work. If there are not sufficient employees with the necessary qualifications who are willing to perform the work in the time needed, the Company may contract out the work.

ARTICLE 32

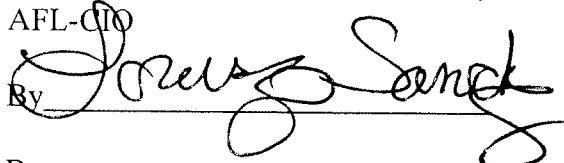
TERM OF AGREEMENT. This Agreement shall be in effect from the 17th day of January, 2010 and shall remain in effect until the 16th day of January, 2013 and shall continue in full force and effect from year to year thereafter unless the Agreement is terminated or changed pursuant to the following conditions:

1. If either party elects to terminate the Agreement such party shall, on a date not less than sixty (60) days prior to the expiration date of the Agreement, give notice to the other party of intention to terminate, and by such action the Agreement shall, for all purposes, terminate as of the expiration date of the Agreement.
2. If either party elects to change any of the provisions of the Agreement, such party shall, on a date not less than sixty (60) days prior to the expiration date of the Agreement, give written notice to the other party specifying the changes desired. Changes in the Agreement shall be limited to those outlined in writing and all items of the Agreement not specifically set forth in the written notice shall be regarded as automatically renewed. Negotiations shall begin within sixty (60) days prior to the expiration date of the Agreement, unless mutually agreed otherwise.
3. In the event that either party shall notify the other party of his desire to change the terms of the Agreement pursuant to the above paragraphs, then, and in that event, the other party shall have ten (10) days from the date of the receipt of the written notice to serve a notice upon the notifying party specifying any changes that may be desired.

IN WITNESS WHEREOF, the parties above-named have signed their names and affixed the signatures of their authorized representatives this 5th day of March, 2010.

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL NO. 7,
AFL-CIO

DARLING NATIONAL L.L.C.

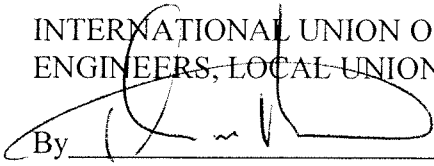
By 

By 

By _____

By _____

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL UNION NO. 1

By  _____

By _____

APPENDIX "A"

WAGE SCALES. The wage scales and classifications shall be as follows:

A. PRODUCTION UNIT
UNITED FOOD & COMMERCIAL WORKERS LOCAL 7

	Rates per Hour	Rates per Hour	Rates per Hour
	Effective	Effective	Effective
<u>Classifications</u>	<u>1/17/10</u>	<u>1/16/11</u>	<u>1/15/12</u>
Operator - Edible	13.77	14.02	14.27
Relief*	13.67	13.92	14.17
Labor	13.41	13.66	13.91

B. ENGINEERING UNIT
OPERATING ENGINEERS LOCAL 1

	Rates per Hour	Rates per Hour	Rates per Hour
	Effective	Effective	Effective
<u>Classifications</u>	<u>1/17/10</u>	<u>1/16/11</u>	<u>1/15/12</u>
Engineer	14.65	14.90	15.15
Maintenance Man	14.38	14.63	14.88
Maintenance Helper	13.63	13.88	14.13

NEW HIRE RATES

A. OPERATORS UNIT
UNITED FOOD & COMMERCIAL WORKERS LOCAL 7

1st three (3) months - \$1.00 less than labor rate.
Next three (3) months - \$.75 less than labor rate.
Next three (3) months - \$.50 less than labor rate.
Next three (3) months - \$.25 less than labor rate
After twelve (12) months - full rate.

B. ENGINEERING UNIT
OPERATING ENGINEERS LOCAL 1

1st three (3) months - \$1.00 less than maintenance helper rate.
Next three (3) months - \$.75 less than maintenance helper rate.
Next three (3) months - \$.50 less than maintenance helper rate.
Next three (3) months - \$.25 less than maintenance helper rate.
After twelve (12) months - full rate.

LEADMAN The Company reserves the right to appoint a Leadman at its discretion. A Leadman shall receive \$1.00 per hour above the labor rate. The Company may assign one Leadman for all employees covered by this Agreement.

* Relief - Must be forklift trained; must be able to operate Ross and/or processing room; must work overtime as needed; starting time will be subject to change; other duties as assigned. The Relief person shall only receive the Operator rate when filling that position for vacation relief or other vacancies.

If after six (6) months either the Company or the Union wishes to discontinue the Relief position, either party may give notice to the other in writing. The parties will then meet to discuss the possible discontinuance. If the parties are unable to agree, the position will be discontinued after thirty (30) days.

APPENDIX "B"

HEALTH BENEFIT PROGRAM

ELIGIBILITY QUALIFICATIONS

A. EMPLOYEES:

All regular full-time employees who elect to enroll will become insured on the first (1st) of the month following the date they acquire six (6) months' seniority as outlined in Article 12, Seniority, of this Agreement.

It is understood that the above has no effect, nor does it alter, amend or modify any other provision of the contract, and continues to be subject to the rules and regulations of the master Insurance Policy.

B. TERMINATION OF BENEFITS:

1. Benefits will terminate at the end of the month in which an employee is absent for one (1) of the following reasons:

- a. On Strike
- b. In Military Service
- c. On Leave of Absence
- d. Discharged
- e. Voluntarily Resigns

2. Benefits will, however, continue to the end of the month following the month in which an employee is absent because of lack of work.

C. CONTINUATION OF COVERAGE WHILE DISABLED:

All coverage shall remain in effect for the month following the month or the period, if any, of two (2) weeks for each year of service with the Company, whichever is greater, in which an employee is absent because of occupational or non-occupational illness or injury.

D. SELF-PAYMENT OF PREMIUM:

Employees shall have the right to self-pay for a period not to exceed six (6) months in the event they have either:

- a. Lost eligibility as a result of being on strike, on leave of absence because of lack of work, or
- b. Are newly employed and have not yet established eligibility in accordance with the following:
 - (1) In order to self pay for a period not to exceed six consecutive months, the employee who is newly employed and not otherwise eligible must make arrangements with the Company for payroll deductions within thirty (30) days after establishing seniority.
 - (2) Employees who have lost eligibility as a result of being on strike, on leave of absence, or because of lack of work, may maintain their insurance coverage for a period not to exceed six (6) consecutive months, at group rates, by making their premium payments in advance.
 - (3) Employees who have lost eligibility shall have the right to convert to an individual policy, without medical examination, in accordance with the terms of the Master Insurance Policy.

E. REINSTATEMENT OF ELIGIBILITY:

Employees who have lost eligibility as a result of leave of absence, layoff for lack of work, military service, on strike, or occupational or non-occupational disability, shall be reinstated and the Company shall pay the premium, effective the first (1st) day of the month in which they return to work, if they return to active full-time employment within the first ten days of such month.

F. DEPENDENTS:

Dependents include only the employee's wife (or husband) and each unmarried child whom the employee is under legal obligation to support, and who has not reached nineteen (19) years of age.

G. WORKMENS' COMPENSATION:

The hospitalization and surgical insurance shall not apply in any case resulting from any injury or illness which is compensable under any Workmens' Compensation or Occupational Diseases Act covering the employee or his dependents.

H. TERMINATION OF INSURANCE:

The program coverage shall terminate if any employee voluntarily quits or is discharged for cause, provided, however, that coverage will continue until the end of the month in which his employment is terminated.

1. In the event a regular full-time employee, who is eligible to be covered under the Program, refuses to or neglects to execute the necessary forms which will require the Company to contribute the cost of coverage of said employee and/or his dependents under the above plan, then and in that event, the Company shall not be liable for said contributions or any hospital or surgical expenses incurred by said employee and/or his dependents.

2. In the event an employee refuses to sign up for the Program, the Union will be notified immediately.

3. It is understood and agreed that this Appendix represents a synopsis of the benefits, and shall be subject to the provisions of such policies.

4. It is further understood that all covered employees shall be furnished with a copy of such policies as mentioned above, along with a Group Insurance Identification Card.

APPENDIX "C"

UNITED FOOD AND COMMERCIAL WORKERS LOCAL NO. 7

PENSION PLAN. Effective March 1, 2010, the Company shall contribute a total of seventy-five cents (\$0.75) per hour for all hours actually worked, not to exceed forty (40) hours in a workweek to the Denver Area Meatcutters & Companys Pension Plan. per hour for all hours actually worked, not to exceed forty (40) hours in a workweek to the Denver Area Meatcutters & Companys Pension Plan. Effective March 1, 2011, the Company shall contribute eighty cents (\$0.80) per hour for all hours actually worked, not to exceed forty (40) hours in a workweek to the Denver Area Meatcutters & Companys Pension Plan. Effective March 1, 2012, the Company shall contribute eighty-five cents (\$0.85) per hour for all hours actually worked, not to exceed forty (40) hours in a workweek to the Denver Area Meatcutters & Companys Pension Plan. Further, no contributions will be required until an employee has qualified as a regular full-time employee, as no payments will be required for probationary employees or so-called casual employees payments will be made into an Company-Union Pension Fund which shall be jointly administered by Trustees representing the Union and the Company. The Company agrees to pay into the Fund not later than the fifteenth (15th) of the month for hours worked in the previous month based on the above requirement.

A Trust Agreement will be worked out and agreed to by both the Union and Company Trustees establishing said Pension Fund and the administration of such Fund.

Said Pension Fund shall be used to provide benefit pensions for eligible employees of the Company as provided in the Pension Plan, the terms and provisions of which are to be

agreed upon by the parties hereto; said Pension Plan shall, among other things, provide that all benefits under the Plan and cost, charges and expenses of administering the Plan and all taxes levied or assessed upon or in respect of said Plan or Trust or any income therefrom shall be paid out of the Pension Fund.

Said Pension Plan and Trust Agreement establishing the Pension Fund shall be submitted to the United States Treasury Department and the United States Department of Labor for the approval and rulings satisfactory to the Company, that said Plan is qualified under I.R.C. Section 401, et seq., and that no part of such payments shall be included in the regular rate of pay of any employee.

It is agreed by and between the parties hereto that when the Pension Plan is approved by the United States Treasury Department and the United States Department of Labor and becomes operative and the Company makes contributions into the Fund, those employees covered by this Agreement shall automatically cease to participate in the Company's Retirement Plans and Profit-Sharing Plans then in effect.

A copy of the Trust Agreement and any amendments thereto shall be made a part hereto as if herein at length set forth, when adopted.

In consideration of the Pension Plan Payments provided above, it is agreed by the parties hereto that on or after July 1, 1973, employees under the jurisdiction of this Agreement who reach the age of sixty-five (65) may be retired at the sole discretion of the Company.

OPERATING ENGINEERS LOCAL 1

PENSION PLAN. Effective March 1, 2010, the Company shall pay monthly into the Central Pension Fund of the International Union of Operating Engineers and Participating

Company's, seventy-five cents (\$0.75) per hour for each hour paid for or worked in the preceding month, by each employee of the Company performing work under the classification as set forth in Appendix "A" of this Agreement. Effective March 1, 2011, the Company shall pay monthly into the Central Pension Fund of the International Union of Operating Engineers and Participating Company's, eighty cents (\$0.80) per hour for each hour paid for or worked in the preceding month, by each employee of the Company performing work under the classification as set forth in Appendix "A" of this Agreement. Effective March 1, 2012, the Company shall pay monthly into the Central Pension Fund of the International Union of Operating Engineers and Participating Company's, eighty-five cents (\$0.85) per hour for each hour paid for or worked in the preceding month, by each employee of the Company performing work under the classification as set forth in Appendix "A" of this Agreement.

The Company is not required to contribute for hours worked in excess of eight (8) hours in a day or in excess of forty (40) hours in a week.

The payments shall be used by said pension fund to provide retirement benefits for eligible employees in accordance with the pension plan as submitted by the Union and approved by the Trustees chosen in accordance with Section 302(c) of the Labor-Management Relations Act of 1942, as amended.

The Company agrees to become a party of the Agreement and Declaration of Trust and agrees to be bound by all the terms and provisions of said Agreement and Declaration of Trust which is to be made a part of this Agreement and agrees to be bound by all the action taken by the said Company Trustees pursuant to the said Agreement and Declaration of Trust.

It is understood and agreed that the pension plan referred to herein shall be such as will qualify for approval by the International Revenue Bureau of the United States Treasury Department, so as to allow the Company an income tax deduction for the contributions paid hereunder. A certified copy of said approval to be furnished to the Company.

LETTER OF UNDERSTANDING

In the event of a permanent closing of Darling National L.L.C. edible plant, bargaining unit employees who have completed their probationary period shall have preferential hiring status over employees hired from the street. Employees shall be allowed to transfer to Darling National L.L.C. inedible plant based on seniority when in the judgment of the Company, skills, abilities and qualifications are reasonably equal. Employees who are laid-off as a result of this process shall retain recall rights for six (6) months. The Company shall have sole discretion in determining what job classifications are necessary and the number of employees necessary within any job classification. Employees who transfer pursuant to this letter of understanding shall retain seniority only for the purposes of vacation and benefits.

The foregoing shall take precedent over any other language or provision of this Agreement.

LETTER OF UNDERSTANDING

The Union and Company acknowledge and agree that the maintenance of a drug free workplace is of paramount concern in order to provide a safe workplace for all Company employees. The Company shall have the right during the term of this Agreement to test any employee for drug and alcohol usage pursuant to the provisions of such test as set forth by the United States Department of Transportation's Federal Motor Carrier Safety Act (FMCSA) regulations and/or the Company's Substance Abuse Policy, which policy is incorporated by reference herein. Employees who fail to pass the drug/alcohol test shall be terminated. If, however, an employee admits to drug and/or alcohol abuse to the Company prior to being designated for testing and who agrees to complete a bona fide rehabilitation program, shall not be terminated.