

AGREEMENT

Between

Butterball, LLC

Longmont, Colorado



2010–2013 Contract

and

UNITED FOOD AND
COMMERCIAL WORKERS,
LOCAL NO. 7

Chartered by the

UNITED FOOD AND
COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGE NO.</u>
	AGREEMENT	1
1	RECOGNITION	1
2	RIGHTS OF MANAGEMENT	2
3	NON-DISCRIMINATION.....	2
4	SENIORITY	4
5	CHECK OFF.....	4
6	PLANT VISITATION	5
7	UNION STEWARD	6
8	GRIEVANCES	6
9	ARBITRATION.....	7
10	LINE SPEED	8
11	NO STRIKE – NO LOCKOUT	9
12	CLASSIFICATIONS AND RATES OF PAY	9
13	NO PAY REDUCTION.....	10
14	SHIFT PREMIUMS.....	10
15	PAGER/ON-CALL.....	10
16	SPLIT SHIFTS.....	10
17	JOINT LABOR MANAGEMENT COMMITTEE.....	10
18	SAFETY	11
19	INJURY ON THE JOB.....	12
20	HEALTH & WELFARE BENEFITS	12
21	BUTTERBALL LLC HOURLY BARGAINING UNIT EMPLOYEE’S 401(K) PLAN	14
22	HOURS OF WORK AND OVERTIME	15
23	GUARANTEED WORK WEEK	17
24	REPORTING PAY	17
25	CALL BACK PAY	17
26	REST/LUNCH PERIODS	18
27	VACATIONS.....	19
28	HOLIDAYS	20
29	JURY DUTY	21
30	FUNERAL LEAVE	22
31	WELLNESS DAYS.....	23
32	JOB BIDDING.....	23
33	CLOTHING/EQUIPMENT PROVISION	25
34	LEAVES OF ABSENCE	27
35	LAY-OFF	29
36	SUBCONTRACTING	30

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGE NO.</u>
37	JURISDICTION.....	30
38	VARIOUS PROVISIONS	31
	LOCKER INSPECTIONS	31
	PAY DAY	31
	DEPARTMENTS	31
	PHYSICAL EXAMINATION	31
	BULLETIN BOARD	31
	GIFTS.....	31
	EXCUSED ATTENDANCE POINTS	31
	FREEZER PREMIUM.....	31
39	SEPARABILITY	32
40	NO INTERFERENCE LANGUAGE – NEUTRALITY	32
41	TERM OF AGREEMENT.....	32
APPENDIX A – CLASSIFICATIONS AND RATES OF PAY		34
	LOWER 14	34
	UPPER 14 – SOUTH.....	34
	UPPER 14 – NORTH	34
	UPPER 20	35
	LOWER 20	35
	FRANK PACK	35
	SPICE.....	35
	BOX MAKING.....	35
	OVENS	35
	QUALITY ASSURANCE	35
	WAREHOUSE	36
APPENDIX B – ON-CALL WEEKEND STAFF		37

AGREEMENT

Between

**BUTTERBALL, LLC,
LONGMONT, COLORADO**

And

**UNITED FOOD AND COMMERCIAL WORKERS
LOCAL NO. 7**

Chartered by the

**UNITED FOOD AND
COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO**

TERM: April 12, 2010 to April 12, 2013

AGREEMENT

This agreement has been made and entered into by and between BUTTERBALL, LLC in Longmont, Colorado, hereinafter referred to as the "Employer" and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL NO. 7, AFL-CIO, hereinafter referred to as the "Union."

WITNESSETH that for and in consideration of the mutual promises and conditions hereinafter set forth, and in order to assure and secure the benefits intended to be derived by the employees and the Employer under these articles of agreement herein, it is hereby expressly understood and agreed as follows:

**ARTICLE 1
RECOGNITION**

Section 1 The Employer recognizes the Union as the sole collective bargaining representative for all employees, employed at the Employer's plant at Longmont, Colorado; but excluding office clerical employees, sales employees, guards, professional employees, workers currently represented by the Engineer's Union, and supervisors as defined in the Act.

Section 2 All work or services performed within the bargaining unit shall be performed exclusively by bargaining unit members except in cases of absenteeism, emergencies, training purposes, or for special projects; however, such work shall not result in a loss of work to the bargaining unit members as a result of management working.

Section 3 The Employer agrees that during the term of this Agreement they will not request, require, coerce, recommend or enter into any individual agreement or contract with any

individual or group of bargaining unit employees, which in any way conflicts with the terms and provisions of this Agreement or in any way interferes with the rights or privileges of employees and the status and rights of the employee's bargaining agent who is a party to this Agreement.

Section 4 All employees covered by this Agreement shall, as a condition of employment, commencing thirty (30) calendar days after hiring or transfer into the bargaining unit, be required to share equally in the cost of maintaining and operating the collective bargaining agency in accordance with its rules.

Section 5 "On-call weekend staff" shall be covered by the terms and conditions set forth in Appendix B only.

ARTICLE 2 RIGHTS OF MANAGEMENT

The Employer retains the right of managing the plant, to direct the work force and to make necessary rules and regulations for the conduct of the business, provided that the rules and regulations are not in conflict with the terms of this Agreement in any way.

ARTICLE 3 NON-DISCRIMINATION

Section 1 **Non-Discrimination.** The Company and the Union are committed to maintaining a work environment that is free from discrimination. In the administration of this Agreement and, in accordance with applicable federal and state law, neither the Company nor the Union shall discriminate against any employee because of that employee's race, color, sex, religion, national origin, age, marital status, veterans status, or disability.

Section 2 **Harassment Prohibited.** Harassment of any employee due to that employee's race, color, sex, religion, national origin, age, marital status, veterans status, or disability is also prohibited by this Agreement as well as federal and state law. Harassment consists of unwelcome conduct, whether verbal, physical or visual, that is based upon a person's protected status, such as race, color, sex, religion, national origin, age, marital status, veterans status, disability or other protected status. The Company will not tolerate harassing conduct that affects tangible job benefits; that interferes unreasonably with an individual's work performance; or that creates an intimidating, hostile or offensive working environment.

- a. **Sexual Harassment.** Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other physical, verbal or visual conduct based on sex, when:
 - (i) Submission to the conduct is an explicit or implicit term or condition of employment;
 - (ii) Submission to or rejection of the conduct is used as the basis for an employment decision; or

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

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

Section 3 Complaint Procedure. If the employee feels they have been the subject of discrimination or harassment whether by other employees, supervisors, vendors, customers, or a Union agent or steward, they should immediately notify their immediate supervisor. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact their supervisor, the employee should immediately contact the Human Resource Department. The Company will investigate all such complaints thoroughly and promptly. To the fullest extent practicable, the Company will keep complaints and terms of their resolution confidential. If an investigation confirms that harassment has occurred, the Company will take corrective action, up to and including immediate termination of employment of any employee found to have violated the provisions of this Article. The Company forbids retaliation against anyone who has truthfully reported harassment.

Section 4 Reasonable Accommodation. In the administration of this Agreement, the Company and the Union will provide reasonable accommodations to qualified employees with a disability. Any employee who seeks such an accommodation must inform the Company, in writing, describe the requested accommodation and cooperate with the Company and the Union in seeking to identify reasonable alternatives. The need for and extent of such accommodations shall be determined by the Company in accordance with its interpretation of the requirements of the Americans with Disabilities Act and Title VII of the Civil Rights Act of 1964, even if such accommodations may be in conflict with another provision of this Agreement. However, in the event a reasonable accommodation may necessitate the modification or waiver of any provision of this Agreement, the Company and the Union will meet to discuss same.

Section 5 Union Responsibilities. The Union acknowledges the Company has a policy that prohibits discrimination or harassment of employees. If any bargaining unit employee notifies the Union of an alleged violation of this Article, the Union will encourage the employee to bring the matter to the attention of the Company in accordance with the Company's policy. Once a complaint has been presented to the Company, the Union will cooperate with the Company in its investigation.

ARTICLE 4 SENIORITY

Section 1 Employees seniority date shall be the date of their most recent hiring by the Employer, uninterrupted by a termination. Department seniority means the most recent continuous service date of an employee in a department. Plant seniority means the most recent hire date of an employee. Plant seniority shall prevail for earning vacation, bidding outside of the department, earning benefits and for volunteers. Beyond this, unless a specific provision is contrary, it is the intent to use plant seniority within departments.

Section 2 New employees shall be on probation for their first sixty (60) calendar days, during which time they may be discharged by the Employer for any reason whatsoever, and, during this period, they shall not acquire any seniority status. Employees retained in the employ of the Employer after said probation period, shall have their seniority date back to the first (1st) day of said probation period. The probationary period may be extended an additional thirty (30) calendar days by mutual agreement between the Employer, employee and the Union.

Section 3 No employee who falls within the bargaining unit shall be discharged, disciplined, or demoted without good and sufficient cause.

Section 4 Seniority shall terminate for any of the following reasons:

- A. Voluntarily quitting.
- B. Overstaying a granted leave of absence or vacation.
- C. Failure to report for work upon recall after layoff within four (4) working days after receipt of notification by certified mail to the last address furnished in writing by the employee to the Employer. Such recall notice shall not be required if the return to work date is given to the employee at the time of layoff.
- D. Discharge for just cause.
- E. Continuous layoff for a period in excess of twelve (12) months.
- F. Absence from work for a period of three (3) consecutive working days when such absence has not been reported by the employee.
- G. Employees accepting non-bargaining unit positions with the Employer for a period in excess of twelve (12) months.

ARTICLE 5 CHECK OFF

Section 1 **Employer Obligations.** On each payday the Employer agrees to deduct the weekly Union Dues and initiation fees from the net amount due each employee in the bargaining unit who has furnished the Employer (either directly or through the Union) with an individual

written and signed authorization form. It is understood that the check-off authorization is voluntary upon the part of each such individual employee and that any such employee may revoke the individual check-off authorization upon giving thirty (30) days written notice to the Employer and the Union.

Section 2 **Payment to Local Union.** The Employer agrees to remit to the applicable Local Union the amount of dues and initiation fees weekly within seven (7) days after each weekly pay period.

Section 3 **Failure to Pay Dues or Fees.** Before any termination of employment pursuant to this section becomes effective, the employee involved shall first be given written notice by the Union to pay his or her delinquent dues or fees. If the employee fails to pay such delinquency, the Union shall notify the Employer, in writing, of the delinquency and may request the termination of employment of such employee within seven (7) days in receipt of such letter. The Employer shall be required to terminate such employee unless the employee pays such delinquency within said seven (7) day period.

Section 4 **Changes in the Amount of Dues / Initiation Fees.** The Union shall be privileged to change the amount of weekly dues and initiation fees to be deducted by the Employer upon thirty (30) days written notification to the appropriate Human Resources Manager or Plant Manager.

Section 5 **Indemnification of the Employer.** The Union hereby agrees to indemnify and hold the Employer harmless from and against any loss, liability, damages, costs, attorney fees, penalties or interest arising out of the Employer's compliance with the terms of this Article.

Section 6 The Company agrees to deduct amounts designated by employees for the UFCW Active Ballot Club (ABC) when the Company has been furnished an individual written authorization for making such deductions. It is agreed that the ABC authorization is to be voluntary. The Company agrees to remit the ABC contributions in the same manner as the Union dues.

ARTICLE 6 PLANT VISITATION

During the term of this Agreement, no more than two (2) previously designated non-employee union representatives 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. In addition, the Union President and **Butterball, LLC** employees on leave of absence shall have access. Before entering the plant, such representative shall notify Human Resources. A Company representative has the option of accompanying the Union Representative while in the plant. Conferences between Union Representatives and an employee, or employees, shall be conducted so that there shall be no interference with, or interruption of, the Employer's production.

**ARTICLE 7
UNION STEWARD**

Section 1 The Union shall have the right to appoint a Chief Plant Steward as well as one (1) Steward per department who shall perform Steward duties in such a way as not to interfere with the service of the Employer.

Section 2 The Union must advise the Employer in writing of the designated representatives before they will be recognized as Stewards.

**ARTICLE 8
GRIEVANCES**

Section 1 A grievance is defined as an alleged violation of the specific terms of this Agreement, and shall be handled as stated below.

Section 2 Process

Step 1 The aggrieved employee and/or steward shall submit a written grievance to the immediate supervisor within four (4) working days of the occurrence of the event which gives rise to the grievance. If the employee so desires, a Steward may be present during this discussion. The immediate supervisor shall give an answer to the employee within three (3) working days of the discussion.

Step 2 If the grievance is not resolved under the procedure above, the grievance shall be presented to the Department Manager. A Step 2 meeting with the Department Manager shall be undertaken within ten (10) working days of receipt of the written grievance. The Department Manager shall give a written answer to the Union within five (5) working days of the meeting with the Union Representative.

Step 3 If the grievance is not resolved under the procedure above, the grievance shall, within ten (10) calendar days of the Department Manager's answers, be discussed by the Union Representative (and steward at the Union Representatives' discretion) and Human Resource Manager. The Employer shall give a written answer to the Union within five (5) working days of the meeting with the Union Representative.

Section 3

A. Written disciplinary notices and suspensions will be issued within four (4) working days of the date the employer gains knowledge of any alleged violation of Company rules.

- B. Attendance related discipline will be issued within four (4) business days, excluding weekends, and holidays.
- C. Suspensions shall be effective immediately and all days consecutive.
- D. The Company shall have either the department Union steward or the Chief steward present for any written disciplinary action, if so desired the employee may not have a steward present. The Union steward will be provided with a copy of such documents.
- E. Any grievance which cannot be satisfactorily adjusted by the parties can be taken to arbitration.

ARTICLE 9 ARBITRATION

Section 1 In the event a dispute, misunderstanding or controversy shall arise between the parties hereto during the life of this Agreement which cannot be settled in accordance with the grievance procedure as set forth above, then, and in that event the Union shall, within six (6) working days, exclusive of Saturdays, Sundays and holidays, after receipt of the Employer's written answer in the grievance procedure, notify the Employer of its desire to have the dispute processed through the arbitration procedure. The Chief Executive Officer of the Union shall have the exclusive right to determine whether or not the grievance shall be submitted to arbitration by the Union. The parties shall forthwith attempt to agree upon the selection of an impartial arbitrator.

Section 2 In the event the parties are unable to reach agreement upon the selection of an arbitrator within fifteen (15) days of the written request for arbitration, the party requesting arbitration will within seven (7) days request a panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service. From this panel of seven (7) names, each party shall alternatively strike three (3) names, the moving party striking first. The panel striking process shall be completed within fifteen (15) days from receipt of the panel. The remaining arbitrator from the list shall be the impartial arbitrator and shall be notified within thirty (30) days of the date of selection to schedule a hearing. A finding or award of the arbitrator shall be final and conclusive upon the Company, the Union and affected employees.

Section 3 Unless agreed to otherwise by the parties, any matter processed to arbitration will be heard in chronological order based upon the date of the step 1 written grievance submission as follows: first, discharge cases and next any other disputes, misunderstandings or controversies between the parties.

Section 4 The arbitrator shall have all the rights, power, and duties herein given, granted and imposed; but the award shall not change, alter or modify any of the terms and conditions set forth in this Agreement. The expense of the Arbitrator shall be paid by the losing party as determined

by the Arbitrator. All other expenses including attorney's fees shall be paid by the parties incurring them. The arbitrator will issue a decision within thirty (30) calendar days after the close of the proceedings. This thirty (30) day calendar time limit may be extended by mutual agreement between both parties.

ARTICLE 10 LINE SPEED

Line speed will not be effective during the life of this agreement and will not be reinstated unless and until the Company returns evisceration and deboning to the operations at the Longmont Plant. The parties agree that line speed Article 10 in its entirety only applies to evisceration and deboning and not any other operations.

Section 1 Concerns may be brought to the attention of the Company by employees, stewards or Union Representative.

The area or department supervisor and the union representative will meet and review any such concern. If there is a disagreement between the parties, the matter will be immediately brought to the attention of the Human Resources Manager and/or Labor Relations Manager prior to filing a grievance.

The Human Resources Manager and/or Labor Relations Manager will review the concern along with the area or department supervisor and union representatives(s) in an effort to appropriately resolve the matter.

It is expressly understood and agreed that the foregoing shall not affect the time limits set forth in the grievance procedure.

Section 2 The Industrial Engineers of the Union and Company may study and resolve the issue.

Section 3 If not resolved in Section 2, a mutually agreed upon qualified, professional industrial engineer will study the configuration. This 3rd party industrial engineer will make the final binding resolution.

Section 4 In the first (1st) instance, the Corporation shall determine the line speed and crewing. In the event the Union believes the same is unsafe, unreasonable or creates a job overload, it may grieve the same.

Section 5 The Corporation shall maintain, and provide to the Union, logs which document line speed and crewing. Further, the Corporation shall notify the Union of modifications to line speed and/or crewing.

Section 6 In the event the line speed and/or crewing is found to constitute a job overload, unsafe situation, is unreasonable, or varies from the mutually agreed to line speed and crewing standards (through arbitration or otherwise), the workers directly affected shall be paid an additional half time (½ x) pay for all such hours. In no event shall such time be less than ninety (90) minutes. The directly affected workers shall be those who are working in the jobs which are under crewed and/or which have line speeds in excess of the correct amounts. It is expressly understood and agreed the Corporation shall have a fifteen (15) minute grace period during start up on evis line and the boning line.

Section 7 Once crewing and/or line speeds are mutually established, through arbitration or otherwise, the same shall be binding upon both parties.

Section 8 In addition, either party may refer any grievance to a two (2) member Review Board within thirty (30) days. The Board will be comprised of the Local UFCW President and the Company Human Resources Director. Hearing participants will include the Local UFCW Director and the facility Human Resources Manager or Labor Relations Manager who shall make presentations before the Review Board. Hearings will be held at a mutually convenient date but not later than thirty (30) days following the referral for a hearing. Following the closing of a hearing, the Review Board will immediately deliberate in order to render a decision which will be final and conclusive upon the Company, the Union and affected employees(s). The Board shall have authority only to interpret and apply the Agreement.

ARTICLE 11 NO STRIKE - NO LOCKOUT

Section 1 The Union, on its behalf and on behalf of the employees covered by this Agreement, agrees that they will not authorize, encourage, engage or participate in any strikes, slowdowns, work stoppages or picketing during the life of this Agreement.

Section 2 The Employer agrees there will be no lockouts during the life of this Agreement.

ARTICLE 12 CLASSIFICATIONS AND RATES OF PAY

Section 1 The job classifications and minimum hourly rates of pay shall be set forth in Appendix A attached hereto and by this reference made a part hereof.

Section 2 The Employer shall notify the Union if any new bargaining unit job classification(s) is(are) created. The Employer shall set a wage scale for such new job classification, and such wage scale shall be consistent with those set forth in Appendix A. Such scale shall become effective on the date the new job classification commences operation. The Union retains the right to dispute through the grievance and arbitration procedures the question of whether or not the wage scale for the new job is consistent with those set forth in Appendix A.

**ARTICLE 13
NO PAY REDUCTION**

It is expressly understood and agreed that no current employee shall suffer a reduction in their regular rate of pay as a result of the adoption of this Agreement. This Article does not apply in cases of actual demotion as set forth in the Agreement.

**ARTICLE 14
SHIFT PREMIUMS**

Section 1 Employees scheduled to work the afternoon shift shall receive a premium of thirty-five cents (\$.35) above the normal rate per hour for all hours worked on that shift.

Section 2 Employees scheduled to work the graveyard shift shall receive a premium of fifty cents (\$.50) above the normal rate per hour for all hours worked on that shift.

Section 3 Shift premiums shall be figured into the hourly rate for overtime, holiday pay and vacation pay.

Section 4 Plant seniority will prevail in choice of start times or shifts when job openings occur, provided the employee is qualified to perform the necessary work. An employee's option to change shifts or start-times may be exercised only once during each four (4) months.

**ARTICLE 15
PAGER/ON-CALL**

An employee who is required to carry a pager unit or remain on-call during off-duty hours for shift stand-by to cover for unscheduled absences/emergencies shall be paid forty cents (\$.40) an hour premium for all hours paid during the work week in which the employee was required to carry a pager or remain on-call, exclusive of "on-call weekend staff" covered under Appendix B.

**ARTICLE 16
SPLIT SHIFTS**

The Employer agrees not to schedule split shifts, except for those situations covered by the Callback Pay Article.

**ARTICLE 17
JOINT LABOR MANAGEMENT COMMITTEE**

Section 1 Butterball, LLC and the United Food and Commercial Workers Local 7 agree to form a combined committee of bargaining unit employees and management. The purpose of this committee will be to discuss mutual solutions to issues affecting labor-management relations in an attempt to improve communications, relationships and to create a customer focused workplace.

Section 2 The committee shall meet monthly, unless otherwise agreed.

Section 3 Employer representation to the Committee shall include the Complex Manager or designee and representatives from Operations, Safety and Human Resources.

Section 4 Union representation to the Committee shall include the Local UFCW President or designee(s), and a combined total of three (3) Union appointed employee representatives. The employee representatives shall be paid for time lost from their regular shift. If the meeting is not held during their regular work shift, the employee will be paid for the actual time spent attending such meeting up to a maximum of one (1) hour.

Section 5 This committee shall cease to exist at the discretion of either the Union or Employer. However, before a decision is made to discontinue the committee, the Local UFCW President and the Human Resources Director will meet to discuss the reasons for the decision.

ARTICLE 18 SAFETY

Section 1 The Employer and the Union, on behalf of all employees, agree to cooperate fully in promoting safety and the use of proper safety equipment. It is the responsibility of all employees to follow and support the Employer's Safety related Policies and Programs.

Section 2 The Employer and the Union will establish a Central Safety Steering (CSS) Committee. The primary purpose of this Committee is to: promote and help monitor compliance with the Employer's Safety Programs, promote the use of safe operating procedures, recommend solutions to safety issues and to help educate employees on safe work practices. This Committee will consist of 4 Employer representatives (Complex Manager or designee, Safety Manager, Operations Manager, and the Human Resources Manager) and four (4) Union appointed bargaining unit members. The Union appointed employee representatives will be paid for time lost from their regular shift to attend such meeting up to a maximum of one (1) hour per meeting. It is the Complex Manager's or designee's responsibility to evaluate the CSS Committee's recommendations and to advise the CSS Committee, of the action taken, if any, at the next safety meeting.

Section 3 The Union agrees to cooperate fully with Management in the administration of the Company's safety policies. The Union agrees to immediately report to Management any potential safety hazard which come to its attention or the attention of its stewards in the plant, including information of employee illnesses arising out of workplace activities. The Union specifically agrees to provide any and all information it may have, whether through surveys by its engineers, employee surveys, or anecdotal information provided to supervisors or union officers concerning cumulative trauma disorders complained of or suffered by employees and reported either directly or indirectly to the Union, its stewards, agents and officers.

Section 4 A designated Union CSS Committee member shall be notified promptly of the occurrence of any work related illness or accident resulting in an OSHA Recordable injury/illness. The designated Union CSS Committee member and the Safety Manager or designee shall conduct a joint investigation of the incident and report their findings to the CSS Committee.

Section 5 Local 7 agrees to actively participate and support the reestablishment of OSHA VPP status at the facility to assure a safe and healthful workplace. It is understood that a cooperative relationship is required to meet OSHA VPP criteria and to support the Company's Health and Safety Programs, including but not limited to, ergonomics; employee education and training on safe work practices; accident investigation; and hazard analysis, recognition, and reporting.

ARTICLE 19 INJURY ON THE JOB

Section 1 When an employee is injured on the job, there shall be no deduction from the employee's pay for the day on which the employee was injured and reported for medical care.

Section 2 Employees shall be paid for all time spent receiving required medical attention, on site or at the Company doctors' clinic, resulting from an on the job injury.

Section 3 The employer will have first aid supplies available to injured employees and shall attempt to have personnel trained in first aid procedures on the premises.

Section 4 There will be a clearly established first aid procedure/policy for all shifts.

ARTICLE 20 HEALTH & WELFARE BENEFITS

Section 1 **Group Health & Welfare Benefits.** During the term of this Agreement, the Company will provide eligible bargaining unit employees with the following Group Health & Welfare benefits. The nature and level of benefits to be provided under the above Plans / Programs and the claims / dispute resolution procedure will be generally described in the applicable Summary Plan Description(s) (SPD). A copy of the SPD(s) will be made available to the Union and to employees.

1. Medical
Effective August 1, 2010, increase deductible:
 - a) **Individual from \$350 to \$500 in network**
 - b) **Family from \$875 to \$1,000 in network**
 - c) **Individual from \$350 to \$1,000 out of network**
 - d) **Family from \$875 to \$2,000 out of network**
 - e) **Increase physician office services copay from \$15 to \$25 for both primary and specialist, in network**

2. Dental – Increase annual maximum per person per contract year from \$600.00 to \$900.00
3. Prescription Drug
Effective August 1, 2010, increase minimum copay from \$7/\$20/\$30 to \$10/\$25/\$30
4. Life Insurance
5. Accidental Death & Dismemberment (AD&D)
6. Short Term Disability (STD)

Section 2 Employees Eligible for Coverage. Employees shall become eligible for the Employer’s Group Health & Welfare Benefits, on the 181st consecutive calendar day following their date of hire and in accordance with the applicable SPD. Employees must complete and return within the prescribed time, the required enrollment forms as outlined in the respective SPD(s) to receive the benefit(s). See SPD(s) for details.

Section 3 Employee Contributions. Eligible employees and the Employer will share the cost of providing medical and prescription drugs (Rx) benefits. Eligible employees shall continue to pay the below amounts toward medical and Rx benefits.

Type of Coverage	Employee Contribution		
	Effective 6/7/2010	Effective 4/11/2011	Effective 4/9/2012
Employee Only	\$12.00 per week	\$13.00 per week	\$14.00 per week
Family	\$28.00 per week	\$30.00 per week	\$32.00 per week

Employee contributions will be deducted from the employee’s weekly paycheck. If, for any pay period, there are insufficient wages due and payable to the employee to cover the Employee Contribution, the employee must, unless he/she is on an approved FMLA leave, pay directly to the Company, not later than the employee’s normal payday, the amount of the contribution owed by the employee.

Section 4 Benefit Claims and Disputes. Benefit claims must be submitted according to the claims procedure for the applicable benefit plan. No dispute over any benefits arising under or relating to this Article shall be submitted for consideration under the grievance and arbitration provisions of this Agreement, with the exception that the setting of employees current rates shall be subject to the grievance and arbitration provision of this agreement. All studies and reports related to changes in the employees contribution rate will be shared with the Union 15 days prior to implementation.

Section 5 Continuation of Coverage. In the event an employee eligible for benefit coverage above is unable to work:

- A. Because of illness or injury off the job for one month or more, supported by the written statement of a medical doctor, the Employer will pay for the cost of one

month's insurance premium / equivalent after the date of illness or injury. Monthly insurance premiums / equivalent contribution thereafter until return to work will be paid by the employee.

- B. Because of an on-the-job injury for one month or more, the Employer will pay up to two (2) months' insurance premiums / equivalent after the date of injury. Monthly insurance premiums / equivalent contribution thereafter until return to work will be paid by the employee.
- C. Subject to the approval of the insurance carrier, employees not eligible for Employer contribution may purchase the benefits of the Group Insurance and Dental Plan by payment of monthly premiums under the Group Plan.

Section 6 **Right to Change Provider.** The Employer reserves the right to contract with an insurance provider(s) or a plan administrator of its choice and/or to self administer a plan to provide benefit levels comparable to those that have been agreed to under this Labor Agreement. The Employer reserves the right to change such provider(s) during the term of this Agreement. Except as otherwise provided in this Article, nothing contained in this Agreement shall supersede the actual terms of the plan as described in the SPD nor prevent the Employer from making changes to the plan or SPD from time to time provided the benefit levels remain comparable to those that have been negotiated. However, it is agreed that should the employer change insurance providers or plan administrators, employees who are currently eligible for and receiving benefits for an existing condition, shall not be disqualified from being eligible for coverage by the new provider due to such pre-existing conditions during the conversion period. The method of funding for and the administration of the Health & Welfare benefits covered under this Labor Agreement are the sole responsibility of the Company.

ARTICLE 21

BUTTERBALL LLC HOURLY BARGAINING UNIT EMPLOYEE'S 401(K) PLAN

Section 1 The Company shall make available to all qualified employees (employees with one (1) year of service) the UFCW Local 7 401(K) Plan under the following general guidelines:

Employees may make 401(K) contributions on a pre-tax basis. Employees may save in whole percentages, from two percent (2%) to ten percent (10%) of their pay on a pre-tax basis. The pre-tax contribution cannot exceed ten percent (10%) of total compensation. Total compensation includes base pay plus overtime and any other cash compensation; it does not include sick leave pay. Contributions are made every pay period through payroll deduction. The Company will contribute twenty cents (\$0.20) to the employee's account for every one dollar (\$1.00) of the first five percent (5%) contributed by the employee.

ARTICLE 22
HOURS OF WORK AND OVERTIME

Section 1 The Employer will endeavor to furnish employees at least forty (40) hours of work each week. Nothing in the above sentence, however, shall be construed as any guarantee of any particular number of hours per day or per week. The work week shall coincide with the calendar week (Sunday through Saturday).

Section 2 Overtime pay at the rate of one and one-half times (1 1/2) the employee's regular straight-time hourly rate shall be paid under the following conditions:

- A. For all hours of work in excess of eight (8) hours per day, provided the employee works all hours made available by the Employer during the work week.
- B. For all hours of work in excess of forty (40) hours in any one (1) work week.
- C. For all hours of work performed on the sixth (6th) consecutive day of work, provided the employee works all hours made available during the week.
- D. Pay at the rate of time and a half (1½x) the employees' regular straight time hourly rate shall be paid for all hours of work on the fifth (5th) consecutive day of work for employees assigned to work four (4) consecutive ten (10) hour days, provided the employee works all hours made available during the week. Such premium rate shall not continue beyond the seventh (7th) consecutive day.
- E. Pay at the rate of two times (2x) the employees' regular straight time hourly rate shall be paid for all hours of work on the sixth (6th) consecutive day of work for employees assigned to work four (4) consecutive ten (10) hour days, provided the employee works all hours made available during the week. Such premium rate shall not continue beyond the seventh (7th) consecutive day.

Section 3 Pay at the rate of two times (2x) the employees' regular straight time hourly rate shall be paid for all hours worked on the seventh (7th) consecutive day of work for employees assigned to work five (5) eight (8) hour days or less provided the employee works all hours made available during the week. Such premium rate shall not continue beyond the seventh (7th) consecutive day.

Section 4 It is understood and agreed that daily overtime work will be offered in plant seniority order, within the affected department to those employees qualified to perform the jobs on which overtime is required. The Employer agrees to give notice of daily overtime no later than six (6) hours into the employees shift. Off-duty day overtime will be offered in plant seniority order to qualified employees who normally perform the work. In the event the Employers' need cannot be filled, the hours shall be assigned in reverse seniority order to those persons normally performing the work. However, in no event shall an employee be forced to

work more than twelve (12) hours in a day. Regardless of a past settlement, the parties will enforce as written.

Section 5 Employees shall not be required to work more than six (6) consecutive days, only in case of an emergency will employees be required to work on the seventh day. However, no employee will be required to work fourteen (14) consecutive days.

Section 6 Employees who are absent during the week may be forced to work the weekend.

Section 7 Working less than eight (8) hours.

- A. If employees must be sent home early, one (1) hour or less, the employees who have completed their work will be sent home.
- B. If employees must be sent home early, more than one (1) hour, those employees in the affected department who volunteer in order of seniority will be sent home first, then unqualified employees, finally the least senior employees.

Section 8 Step up pay will be awarded to the higher scale in situations where an employee is qualified to and is performing work normally performed by a higher classification provided the employee works on the job after one (1) continuous hour in a shift when assigned by the supervisor. The step up pay will not be paid for training for a higher classification position.

Section 9 There shall be no pyramiding of overtime payments.

Section 10 The Employer is required to give thirty-six (36) hours notice of mandatory weekend, or regularly scheduled off days overtime, except in cases of demonstrable emergency.

Section 11 Four (4) ten (10) hour days

- A. The Employer, at its discretion may assign employees or groups of employees to four (4) consecutive ten (10) hour day schedules in which hours shall be offered by seniority to those qualified to perform the work. In the event the Employers' needs cannot be filled, the hours shall be assigned in reverse seniority order to those persons who normally perform the work. In such cases the employer will give five (5) working days notice.
- B. Employees working four (4) consecutive ten (10) hour day schedules shall receive ten (10) hours of pay for holidays, funeral leave, and jury duty.
- C. Overtime to be paid for all time worked in excess of ten (10) hours in any one day.
- D. Pay at the rate of two times (2x) the employees' regular straight time hourly rate

shall be paid for all hours of work on the sixth (6th) consecutive day of work for employees assigned to work four (4) consecutive ten (10) hour days, provided the employee works all hours made available during the week. Such premium rate shall not continue beyond the seventh (7th) consecutive day.

ARTICLE 23 GUARANTEED WORK WEEK

Section 1 Employees who have completed their probationary period are guaranteed thirty-two (32) hours of work each week for **thirty-six (36)** weeks provided the employee reports to and works all hours as directed, excluding natural disasters defined by “Acts of God” such as, but not limited to, fire, flood, wind, tornadoes, earthquakes, snow, ice, lightning, storms, power failure, utility interruptions, explosions, or other causes beyond the Employer’s control.

Section 2 Eligibility is based upon being an active employee on the payroll, the employee works all hours available, employee works the first day of the scheduled week, the employee works the day before and after a holiday. This provision of this Article shall not apply in any work week during which normal plant operations are restricted due to causes beyond the reasonable control of the Company such as Acts of God, stoppages of work by any Union, fire, flood, or emergency causing damage to or breakdown of plant equipment or machinery.

ARTICLE 24 REPORTING PAY

An employee who reports for work at the beginning of a normally scheduled workday without having been advised previously by the Employer not to report for work, who is then denied employment on that day, shall receive four (4) hours of pay at the employees’ regular straight-time hourly rate of pay, unless the plant or any given unit thereof is not capable of operation due to conditions beyond the control of the Employer. It is understood and agreed that the employee must keep the Employer informed at all times of the employees’ current address and phone number, or the employee shall be ineligible for any reporting pay as set forth above.

ARTICLE 25 CALL BACK PAY

Section 1 An employee who has left the plant premises after completing a day of work and is recalled to work prior to the starting time of the employees’ next regularly scheduled workday shall be guaranteed a minimum of four (4) hours of work or pay at the rate of one and one-half times (1 1/2) the straight-time hourly rate. It is understood and agreed that a current address and phone number of the employee must be provided to the Employer at all times, or the employee shall be ineligible for any callback pay as set forth above.

Section 2 An employee recalled to work on the employees seventh (7th) day of the work week shall be paid for not less than four (4) hours at double time (2x) the straight-time hourly

rate. An employee recalled to work on a Holiday shall be paid for not less than four (4) hours at double time (2x) the straight-time hourly rate plus Holiday pay.

ARTICLE 26 REST/LUNCH PERIODS

Section 1 The Employer may implement any of the break/lunch options as described below provided the change in option is posted by Thursday noon of the week prior to the new scheduled start date. Breaks will be uninterrupted except in the case of emergency defined by “Acts of God” and emergencies related to the protection, health and safety of our employees and food products. However, should either rest or lunch period be interrupted, the Company shall provide another uninterrupted fifteen (15) minute or thirty (30) minute break of equal length and value.

- a) There will be a thirty (30) minute rest period every two and one-half (2 1/2) hours. The first thirty (30) minute rest period will be a paid break, and the second thirty (30) minute rest period will be an unpaid lunch.
- b) The Employer will provide one (1) fifteen (15) minute paid rest period during the first half of each shift and one (1) fifteen (15) minute paid rest period during the second half of each shift. The second rest period will be granted only when employees work seven (7) hours or more in a day.

Section 2 Only under emergency circumstances can a work period extend to three (3) hours. The ONLY reason a work period may extend to three and one-half (3 1/2) hours is under emergency circumstances, and the additional thirty (30) minutes is needed to complete the work day.

Section 3 Employees normally scheduled to work five (5) eight (8) hour days shall be provided an additional fifteen (15) minute rest period if they complete nine and one-half (9 1/2) hours of work and work is going to continue, likewise an additional fifteen (15) minute break will be provided after twelve (12) hours of work are completed.

Section 4 Employees scheduled to work four (4) ten (10) hour days shall be entitled to a third (3rd) fifteen (15) minute paid break after eight (8) hours of work, likewise an additional fifteen (15) minute paid break will be provided after ten and one-half (10 1/2) hours of work are completed.

Section 5 Employees will be given not less than thirty (30) minutes nor more than one (1) hour off without pay, for meal periods, once each full shift.

Section 6 The Employer will schedule the starting times for lunch periods and shall not deviate from such schedule in excess of thirty (30) minutes before or after the scheduled starting times. Such schedules may be revised by the Employer as the needs of the business dictate, but shall not be revised in a workweek once that workweek has begun, except for cases of emergency.

Section 7 If the rest or lunch period is interrupted and can not be re-scheduled and taken during the employee's shift, the Company shall pay the appropriate rest or lunch period.

ARTICLE 27 VACATIONS

Section 1 A regular full-time employee is an employee who has been scheduled to work (or be on vacation or be on authorized leave of absence granted by the Employer, or be on layoff because of lack of work) fifty-two (52) weeks during the employee's anniversary year.

Section 2 Vacation schedule

- A.** A regular full-time employee shall be entitled to one (1) week of paid vacation after completion of one (1) full year of service with the Employer.
- B.** A regular full-time employee shall be entitled to two (2) weeks of paid vacation after completion of three (3) full years of service with the Employer.
- C.** A regular full-time employee shall be entitled to three (3) weeks of paid vacation after completion of nine (9) full years of service with the Employer.
- D.** A regular full-time employee shall be entitled to four (4) weeks paid vacation after completion of fifteen (15) full years of service with the Employer.
- E.** A regular full-time employee shall be entitled to five (5) weeks paid vacation after completion of twenty (20) full years of service with the Employer.
- F.** Regular full-time employees who have completed twenty-five (25) full years of service with the Employer will receive a special vacation pay allowance annually, in recognition of their service. The payment will be \$400 (less applicable withholdings).
- G.** Employees eligible for three (3) weeks of vacation or more may take one (1) week of vacation, one day at a time. Single day vacations must be scheduled in advance by mutual agreement between the employee and the department head. If there is a dispute, plant seniority within the department shall govern. Pay for each such day will be calculated in accordance with the below Section 3.

Section 3 Computation of vacation pay will be the then current hourly rate of pay when the vacation actually starts times forty (40) hours for employees with a minimum of 1800 hours worked in the last anniversary year for each week of vacation. Those employees not satisfying this requirement will receive vacation based on gross wages earned in the last anniversary year divided by forty-six (46) weeks.

Section 4 The Company shall post a notice February 15th of each calendar year and the employees will sign the roster as to the choice of vacation. This list will remain posted for selection until April 1st of each calendar year. In cases of conflicting requests for vacation periods, plant seniority within the department shall prevail. The determination of the time of the year during which vacations may be scheduled, including the right to shut down for vacation purposes, remains the decision of the Employer. As business circumstances allow, the Company will not schedule less than one (1) person per department at any one time.

Section 5 All employees shall receive a copy of their vacation request after it is approved by their immediate supervisor.

Section 6 The Company shall post the approved vacation schedule of vacations requested between February 15 and April 1, by no later than April 15.

Section 7 Employees who voluntarily resigned or retire from their employment with the Company and who meet the eligibility requirement in either A or B below will be paid pro-rata vacation.

- A. Employees who have 25 or more years of service and are 55 years or older and resign voluntarily or retire from employment with the Company will receive pro-rata vacation if they are otherwise qualified.
- B. Employees who are determined by Social Security (SS) to be totally and permanently disabled at the time they ceased regular work with the Company will receive pro-rata vacation. The employee must provide the Company with proof from SS that they were deemed totally and permanently disabled as per the above.

Section 8 When requested by an employee in advance, vacation pay will be in a separate check prior to vacation except individual days will be included in the employee's regular pay check.

ARTICLE 28 HOLIDAYS

Section 1 Each non-probationary employee shall be paid for the following unworked holidays, whether or not they fall on what would normally be a workday for that employee: New Year's Day, Fourth of July, Thanksgiving Day, Employee's Birthday, Memorial Day, Labor Day, Christmas Day and One (1) Floating Day.

Section 2

- A.** Employees with four (4) years of service or more, will be granted one (1) additional floating holiday, on their anniversary date. These employees will have the option of not working the floating holiday, or working the holiday and being paid their regular straight-time hourly rate for eight (8) hours.
- B.** Floating holidays must be scheduled in advance by mutual agreement between the employee and the department head. If there is a dispute, plant seniority within the department shall govern.

Section 3 As pay for an unworked holiday, the regular straight-time hourly rate of the employee will be paid for the number of hours the employee would normally have worked on the day in question, but not to exceed eight (8) hours, except for employees scheduled four (4) ten (10) hour days as stated in Article 22, Section 11, part B.

Section 4 In order to qualify for pay for an unworked holiday, an eligible employee must work their regularly scheduled workday immediately preceding the holiday and the regularly scheduled workday immediately following the holiday.

Section 5 An unworked holiday paid for under the terms of this Article, shall be counted as a day worked for the purpose of computing overtime pay in a holiday workweek.

Section 6 In the event an employee's birthday falls on one of the other holidays observed here above, the next scheduled work day shall be observed as the birthday.

Section 7 In the event that one of the above-named holidays falls on a Sunday, the following Monday shall be observed as the holiday.

Section 8 If it is necessary that an employee perform work on one of the above-mentioned holidays, one and one-half time (1 1/2) the employee's regular straight-time hourly rate of pay shall be paid for all hours worked (exclusive of road drivers), in addition to the holiday pay. This section shall not apply to floating holidays.

ARTICLE 29 JURY DUTY

Section 1 Any employee who receives notice to report for any jury service must immediately show such notice to the Employer.

Section 2 An employee who has completed the probationary period and who is required to serve on a jury during regular working hours shall be paid the difference between the amount paid for serving on the jury and the amount the employee would have received from the

Employer in straight-time pay had said jury duty not prevented the employee from being at work, provided the employee meets the following requirements:

- A. The employee immediately showed the notice of forthcoming jury service to the Employer at the time it was first received, as set forth in the first paragraph of this Article.
- B. The employee turned in to the Employer the check or cash received for jury service, along with proper substantiation of the time required to be present for jury service.
- C. The employee reported for work the day after the last day of jury service.
- D. The employee notifies their supervisor when they are released from jury duty for the day, to determine whether the employee should report to work prior to the end of the working day.

Section 3 Payment for jury duty shall not exceed eight (8) hours pay per day missed less what is paid for serving on the jury, except for employees scheduled four (4) ten (10) hour days as stated in Article 22, Section 11, part B. The Employer may reschedule employee(s) required to serve on jury duty, including but not limited to, scheduling them five (5) eight (8) hour days.

Section 4 Afternoon and Graveyard 2nd and 3rd shift employees will be temporarily transferred to the day shift while serving on jury duty, provided the employee gives sufficient advance notice.

ARTICLE 30 FUNERAL LEAVE

Section 1 A non-probationary employee who promptly reports to the Employer the necessity of absence from work for the purpose of arranging or attending and/or grieving the funeral of an immediate family member will be paid three (3) days pay (not to exceed twenty-four (24) straight time hours) for such absence, except for employees scheduled four (4) ten (10) hour days as stated in Article 22, Section 11, part B.

Section 2 For attending out of state funerals, the employee may be granted two (2) extra non paid days. Prior to any such payment being made, the Employer reserves the right to request and receive from the employee verification of the death in the immediate family. Payment of funeral leave shall only be for normally scheduled work days, Monday through Saturday. In the event additional non-paid days are needed to attend an out-of-state funeral, the Company will accommodate employees' requests on a case by case basis.

Section 3 For the purpose of this Article, "immediate family" includes the employee's mother, father, spouse, son, daughter, step children, brother, sister, grandparent, mother-in-law, father-in-law, grandchildren, son-in-law and daughter-in-law.

Section 4 For attending and/or grieving the funeral of uncles, aunts, sister-in-law, brother-in-law, or grandparents of spouse, the employee will be given three (3) non-paid days off. In the event additional non-paid days are needed to attend an out-of-state funeral, the Company will accommodate employees' requests on a case by case basis.

Section 5 Nothing contained in the Article shall be construed to authorize funeral leave payment while an employee is on vacation, leave of absence, holiday or in the down season.

ARTICLE 31 WELLNESS DAYS

Section 1 Each employee who has completed probation may earn Wellness days. Wellness days shall be earned at the rate of 2 hours per calendar month of perfect attendance and can be taken in either four (4) or eight (8) hour increments.

Section 2 Perfect attendance shall mean working all available hours during the week unless departure is initiated by the supervisor or manager on duty. The Employer will exclude personal holidays, vacations, funeral leave, jury duty, and FMLA.

Section 3 Wellness hours will accrue each calendar month. Time will begin on the first day of the month and end on the last day of the month.

Section 4 An employee may carry over from the current calendar year to the next calendar year, a maximum of forty (40) hours of unused wellness time, regardless of when the hours were earned. All unused Wellness hours shall be paid to the employee upon termination of employment.

Section 5 Wellness hours earned will be distributed to all supervisors at the end of each tracking period, and will be posted in the departments.

Section 6 The employee may take pay in-lieu of time off by requesting same with 14 days notice to the Employer.

Section 7 Employees who have at least eight (8) Wellness hours accrued shall be allowed to use one (1) Wellness Day, at a time, for emergencies.

ARTICLE 32 JOB BIDDING

Section 1 Vacancies which occur in the bargaining unit as the result of an employee quitting or being discharged, or as the result of the establishment of a new job shall be posted. The Employer shall post the job vacancy notice the first Thursday morning after the vacancy, and it will remain posted until the following Wednesday morning. Employees interested in such

vacancy shall have until the end of their Tuesday shift to sign their name on the posted notice. Signing another name other than your own may result in discipline. If any holiday falls within the posting time period, the notice will remain available for an additional day. Upon request, the Employer will provide the Union with one (1) copy of the initial job posting and bidders. After the initial award is made, the Employer will display for a minimum of forty-eight (48) hours a copy of the original posting, which will include the employee(s) initially awarded the bid. All successful bid award employees shall be given a period of thirty (30) working days to demonstrate ability to satisfactorily performing the job. Employees, who do not perform satisfactorily, shall be returned to their former position/shift. Employees will also have fifteen (15) working days to evaluate the job and shall have the option to return to their former position/shift, once every twelve (12) months. Nevertheless, the vacancy shall be filled within thirty (30) working days as set forth below in accordance with plant seniority.

Section 2 In filling such vacancy, the Employer shall give the position to the senior bidding employee (except for jobs listed in Section 3 below) in the department where the vacancy occurs, provided they can perform the job. If not filled in this manner, the Employer shall give the position to employees from outside the department who have signed the job posting, in order of seniority (except for jobs listed in Section 3 below), provided such employee can perform the job. During the period in which the bidding procedure is taking place, the Employer retains the right to fill the job at its discretion.

Section 3 Employees bidding for the following jobs must have the pre-qualifying minimum qualifications listed on the job vacancy sheet and successfully complete an interview process. In the event of equally qualified employees, then seniority shall prevail. The jobs include: All Department Trainers and All Unit Clerks. Individuals who are employees on the date of ratification of this agreement are “grandfathered” for their current position.

Section 4 Employees who successfully bid a job shall be moved within thirty (30) days. Employees not moved within the thirty (30) days shall receive the higher rate of pay beginning with the thirty first (31st) day of the successful bid. Employees who are not moved within the thirty (30) day period shall receive 25 cents per hour above the rate for the job in question until they are placed on their bid job.

Section 5 An employee who successfully bids on a job shall not be allowed to exercise bidding rights during the next three (3) months.

Section 6 In the event the Employer deems it necessary to temporarily re-assign employees from their regular duties, the Company shall request volunteers from the affected departments. In the event there are no volunteers, the Employer shall use reverse seniority in re-assigning employees to other duties. Nothing herein shall be construed to prohibit the Employer from continuing these practices.

Section 7 A temporary work assignment is identified as any work assignment with a duration of four (4) calendar weeks for a non-probationary employee.

Section 8 The Employer retains the right to select leadpersons without consideration of seniority, and the Employer also retains the right to change leadpersons or discontinue the utilization of such jobs at any time.

ARTICLE 33 CLOTHING/EQUIPMENT PROVISION

Section 1 The Employer agrees to provide hairnets, gloves, aprons, frocks, coveralls and freezer coats where use of such clothing is required; coveralls for outside employees; provided the employee has signed a deduction authorization. Employees may get such equipment replaced by the Employer only by turning in equipment worn out by work on the Employer's premises.

Section 2 The Employer will continue the practice of laundering work clothing and the practice of selling boots to employees at the Employer's cost.

Section 3 The Employer will continue to provide all required safety equipment at no cost to the employee. Upon termination the employee must return all such safety equipment provided, or the replacement cost will be deducted from final pay.

Section 4 In the event any employee is required to work in the freezer area, regardless of length of time in the freezer, the Employer shall provide at no cost to the employee, proper freezer attire, which may include but is not limited to overalls, freezer boots, insulated gloves and face masks.

Section 5

- A. All employees will be required to wear ANSI approved safety footwear with non-slip soles, which are easily cleaned.
- B. Employees in their probationary period will be provided with basic approved footwear at the Employer's expense however, should they prefer a different type of footwear they may purchase, through a company provider, at their own expense other Company approved footwear. If the employee chooses to purchase the footwear they will receive their annual reimbursement upon completion of their probationary period.
- C. If a non-probationary employee should prefer footwear other than the basic approved footwear the Employer will provide for all or part of the cost of the footwear, through a company provider, that meets the Employer's requirements once per year. The cost paid by the Employer is based on the employee's job function.

- D. The Employer will provide a selection of at least two types of footwear at no cost to the employee annually, with other footwear available at an additional cost based on the employee's job function as listed below:

<u>Job Function</u>	<u>Maximum Amount Paid</u>
Utility Groups, Warehouse, Ovens	\$100.00
Employees Working Outdoors*, Coolers/Freezers, Material Handling	\$75.00
Production, Sanitation.....	\$60.00

(*Employees who work outdoors will continue to be provided winter footwear at the Employer's expense. To receive replacement winter footwear worn or damaged footwear must be turned in to the company.)

The Company will retain present language for the first year and should Company move to providing boots at no cost, then Section 5 D. will be deleted.

Section 6

- A. Should the Company require it, all employees will wear ANSI approved eye-wear.
- B. The Company will provide non-prescription protective eye-wear to all employees working within our facility.
- C. The Company will also provide one pair of prescription protective eye-wear, based on the following requirements:
 - i. Must have at least six months seniority.
 - ii. Must be purchased from an approved selection of eye-wear through either of two (2) Company approved vendors.
 - iii. Replacement only for normal work related wear and tear or prescription change.
 - iv. Eye examination is at the cost of the employee.
- D. The maximum amount paid by the Company is \$95.00.

Section 7 Tools and equipment required by the Employer shall be furnished by the Employer and remain the property of the Employer, but shall be furnished only after the employee has signed a deduction authorization.

Section 8 Employees who are required to provide their own personal hand tools and if such tools become worn out or broken, the Company agrees to replace such tools with tools of equal quality at no cost to the employee. Employees must turn in a receipt for the new purchase with the worn or broken tool.

Section 9 The Company will provide one (1) steel for employees doing knife jobs, and shall replace steels that are no longer serviceable due to normal wear and tear, and returned to the Company for replacement.

Section 10 The Company shall pay for knife sharpening.

ARTICLE 34 LEAVES OF ABSENCE

Section 1 When the circumstances of the business permit, the Employer may grant a leave of absence in writing for a period not to exceed thirty (30) consecutive days without pay to an employee who has completed the probationary period. When the circumstances of the business permit, and when an employee has made a request to the Employer for an extension prior to the expiration date of the initial leave, the Employer may grant an extension to the original leave for a period not to exceed an additional thirty (30) days. Employees may be granted one (1) personal leave (anything other than medical) each calendar year, except for the month of December.

Section 2 It is understood and agreed that leaves of absence in writing generally will not be granted to any employee unless replacement employees are available to work, but it is recognized that an unusually serious situation could result in deviation from this practice.

Section 3 The Employer agrees to grant the necessary time off, without pay or fringe benefit cost and without loss of accrued seniority, to any employee who is elected, appointed or designated by the Union to attend a labor convention or to serve in any capacity on legitimate official Union business provided, however, that advance notification is given the Employer in sufficient time to secure a relief worker for the job involved and provided that in no case shall there be more than **five (5)** employees off work simultaneously under this provision nor more than two (2) employees for extended periods of time.

Section 4 In the event of a documented and verifiable family emergency, employees shall be granted, once per the contract, five (5) consecutive work days off without pay and without incurring points. No employee will be forced to use vacation or floating holidays in place of these five (5) days.

Section 5 Employees shall, in addition to the above, be allotted one (1) personal day without pay to be used at their discretion, every anniversary year.

Section 6 **Family & Medical Leaves (FMLA)**

- A. Leave Entitlement.** An employee who has been employed by the Company for 12 months and who has completed 1,250 hours of work during the 12-month period immediately preceding the commencement of such leave, will be entitled to leave under the Family and Medical Leave

Act of 1993 (“FMLA”) in accordance with its provisions and the provisions of this Section 6.

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

C. Employee Responsibilities

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

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

(iii) **Cooperation.** An employee on an approved FMLA must provide periodic reports as requested by the Company in order to keep the Company informed as to the employee’s status and expected date of return. A returning employee must provide the Company with a minimum of 3 work days of notice of his or her expected return date.

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

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

D. Applicability of Grievance Procedure. Alleged violations of this section shall be subject to the grievance procedure of this Agreement.

Section 7 Non-FMLA Qualified Medical Leaves of Absence. A request for an unpaid non-FMLA qualified medical leave of absence due to illness or accident may be granted to a non-probationary employee whose disability prevents the employee from performing his/her regular duties or other duties to which he /she may be assigned and who plans to return to work. The employee may be required to furnish a certificate from a physician verifying the reason for the medical leave of absence and the scope of the employee's limitations as they relate to performing duties within the Plant. Such physician's statement must state the approximate length of absence from work that the employee requires, not to exceed thirty (30) calendar days. Leave can be extended with supporting medical verification of the employee's status for up to sixty (60) calendar day intervals. Employees so required must also submit to the Human Resources Manager or designee a physician's release statement prior to returning to work. Employees who desire to return to work prior to expiration of an approved leave must notify the Company of their desire to return to work no later than 12 noon the previous day. Failure of an employee or a member of his immediate family to promptly furnish such certificate and release shall result in his immediate discharge.

Section 8 Employees on medical leave must provide periodic updates of their recovery progress and anticipated return to work dates.

Section 9 An employee who is absent from work for a period of twelve (12) consecutive months shall have his seniority terminated.

Section 10 It is specifically understood that when an employee incurs a work related injury/illness while on duty: that his seniority shall not be limited; that he can be required to provide a certificate from the attending physician; that the Company shall furnish transportation to and from the place of medical treatment when determined necessary by the Company for the day of the injury and that in such case, the employee shall be paid for the balance of the regular shift if unable to return to work on the day of the injury/illness.

ARTICLE 35 LAY-OFF

Section 1 In case of layoffs within a department the least senior, by plant seniority, shall be laid off first, provided the remaining employees can perform the required functions of the department. Employees laid off from their department shall be given preferential consideration for any job vacancy which exists at the time of their layoff, provided they are qualified to perform same to the satisfaction of the Employer. If no job vacancy exists at the time of the layoff, the employees shall have the option to displace the shortest service employee in their jurisdictional union whose job they are qualified to perform to the satisfaction of the Employer, or accept the lay off. An employee who elects to refuse the aforementioned opportunities to fill job vacancies shall be considered to have voluntary quit.

Section 2 For Layoffs of forty-five (45) days or less, lead-persons and employees in positions listed in Article 32 Section 3 shall be considered a separate classification, however, the Company shall not use this classification to circumvent the contract.

Section 3 Employees who are displaced from their original job shall retain the right to be recalled to that job prior to any other employee being assigned thereto; however, such employees who elect to bid on a job vacancy during this period shall forfeit their right to recall to their original job.

Section 4 If the job of an employee is eliminated permanently, the employee shall displace the shortest service employee in accordance with plant seniority within the department whose job the employee is qualified to perform to the satisfaction of the Employer. The shortest service employee in the department who is thereby displaced shall be treated the same as any other laid off employee, under the procedures set forth previously in this Article.

ARTICLE 36 SUBCONTRACTING

Section 1 There shall be no subcontracting of bargaining unit work unless the Employer first meets with the Union representing the employees involved. At such a meeting, the Employer will set forth the reasons for the subcontracting and the goals to be achieved by such action. The employer will give serious consideration to alternative solutions offered by the Union.

Section 2 There shall not be any subcontracting of work within the plant premises except for special projects which the bargaining unit members are not qualified to perform.

ARTICLE 37 JURISDICTION

Section 1 There shall be no interchange between employees represented by the Operating Engineers and those represented by the United Food and Commercial Workers. If any employee leaves the jurisdiction of one Union and goes to a job within the jurisdiction of the other Union because of a successful job bid, the employee shall retain all benefits, except seniority.

Section 2 Departments are as set forth below:

UNITED FOOD AND COMMERCIAL WORKERS:

- i. Ovens
- ii. Further Processing - Packaging, Box Packaging and Palletizing
- iii. Boxing

iv. Raw Manufacturing

v. Warehouse

Section 3 It is understood that the Employer has a past practice of temporarily assigning an employee from one jurisdiction to another.

ARTICLE 38 VARIOUS PROVISIONS

Section 1 **Locker Inspections:** The Company shall advise all employees one (1) week in advance of any locker changes or sprays. If the USDA requires an inspection with less than a one (1) week notice, a Union Steward must be present.

Section 2 **Pay Day:** The Employer will issue paychecks before lunch breaks, barring Acts of God or equipment breakdowns.

Section 3 **Departments:** Department as referred to in the agreement shall be the departments specified in Appendix A.

Section 4 **Physical Examination:** In the event the Employer requires an employee to have a physical examination by a Company doctor, the Employer will pay for the cost of said examination.

Section 5 **Bulletin Board:** The Union(s) may place material on the designated bulletin boards. This material shall be limited to Union notices for social and recreational events, Union meetings, elections, and appointments. A Union officer must sign all posted items. Notices shall not include advertising, political notices, nor documents which are derogatory and/or inflammatory towards the Company in any manner. The Union will be provided keys for the locked bulletin boards. Notices which comply with the above may also be distributed within the Company's non-work areas, but only after obtaining the approval of the Human Resources Manager or designee.

Section 6 **Gifts:** The Employer at its sole discretion may determine whether any gifts of any value are to be given bargaining unit employees. It is understood that the gift and its value are determined at the sole discretion of the Employer.

Section 7 **Excused Attendance Points:** An employee who is verified to be ill and is sent home by the medical staff shall not be subject to points under the attendance policy.

Section 8 **Freezer Premium:** Walkie Operators and Product Stager (Lower 20) employees who are regularly assigned to the freezer shall receive seventeen cents (\$0.17) per hour added to their hourly rate in Appendix A.

**ARTICLE 39
SEPARABILITY**

The provisions of the Agreement are deemed to be separable to the extent that if and when a court of competent jurisdiction adjudges any provision of this Agreement in its application and the Employer to be in conflict with applicable laws. Such decision shall not affect the validity of the remaining provisions of the Agreement, but such remaining provisions shall continue in full force and effect; provided, further, that in the event any provision or provisions are so declared to be in conflict with applicable law, both parties shall meet within thirty (30) days for the purpose of renegotiating an Agreement on the provisions so invalidated.

**ARTICLE 40
NO INTERFERENCE LANGUAGE – NEUTRALITY**

The Company shall do what is necessary to ensure its officers, representatives, supervisors and/or agents shall not attempt to influence a Colorado Labor Peace Act election or any internal Union election campaign and/or vote.

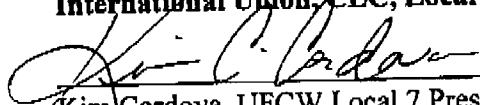
**ARTICLE 41
TERM OF AGREEMENT**

Section 1 The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement. “Part-time weekend staff” shall not apply to the statements above, and may be modified to the extent described in the appropriate Article or Appendix.


Section 2 The Agreement shall be in full force and effect from the **12th day of April, 2010** and shall remain in full force and effect until midnight the **12th day of April, 2013**, and shall automatically be renewed from year to year thereafter unless either party desires change or termination at the expiration of said Agreement. In such event, the party desiring such change or termination shall notify the other party in writing at least sixty (60) days prior to the expiration date specifying changes desired. Changes in the Agreement shall be limited to those outlined in writing by either party, and the negotiations shall begin within fifteen (15) days after the receipt of such notice.

Section 3 IN WITNESS WHEREOF, the parties above named have signed their name and/or affixed the signatures of their authorized representatives this 12th day of April, 2010.

**United Food and Commercial Workers
International Union, CLC, Local No. 7**



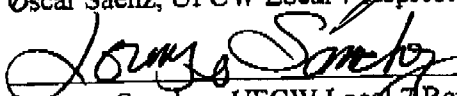
Kim Cordova, UFCW Local 7 President



Mark Nemitz UFCW Local 7 Representative



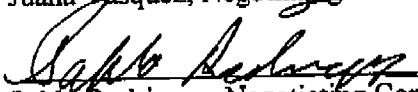
Oscar Saenz, UFCW Local 7 Representative



Lorenzo Sanchez, UFCW Local 7 Representative




Juana Vasquez, Negotiating Committee



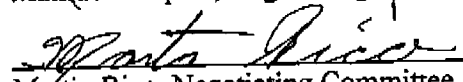
Pablo Rodriguez, Negotiating Committee



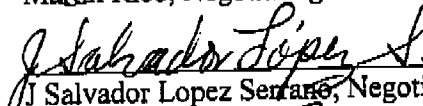
Eliodora Garcia, Negotiating Committee



Matilde Vasquez, Negotiating Committee



Martin Rico, Negotiating Committee

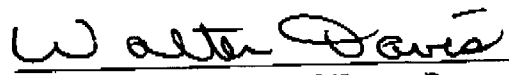


J Salvador Lopez Serrano, Negotiating Committee



Abundio Canales, Negotiating Committee

Butterball, LLC



Walter Davis, Director of Human Resources



Jodi Klecker, Human Resources Manager



Miguel Ramirez, Operation Manager, FP



Linda Thomas, HR Generalist

**APPENDIX A
CLASSIFICATIONS AND RATES OF PAY**

Section 1 The following classifications and minimum hourly rates of pay shall be in effect for the following classifications on the dates indicated. It is understood the Employer specifically retains the right to pay above the rates set forth herein.

Section 2 The starting wage rate progression is as follows:

	<u>Start</u>
04/11/2010	\$9.20
04/11/2011	\$9.20
04/09/2012	\$9.45

Section 3 All active employees on the payroll as of April 11, 2010 will receive a one-time lump sum payment of \$350.00. All wage progressions shall be increased by \$0.25 effective April 9, 2012.

Department	Pay Groups	4/11/10	4/9/12	Job Classifications
Lower 14		UFCW		
	Base	\$11.05	\$11.30	General Labor-Sample Tasks:(Frank Hanger, Oven Loader)
	Operator	\$11.25	\$11.50	Frank Blender Operator, Frank-a-matic Operator, N. Shirmatic Blender Operator, Shirmatic Operator, Square, Walkie Operator
	Skilled Operator	\$11.60	\$11.85	Batcher/ Grinder/Mixer
	Facilitator	\$11.75	\$12.00	Lead, Trainer, SPC, PC, Production Clerk
Upper 14 – South		UFCW		
	Base	\$11.05	\$11.30	General Labor-Sample Tasks: (Netters, Pocket Loaders, Rack/Tank Pullers, Rack Unloader, Box Maker, Code Dater, Scaler/Palletizer/ Scanner)
	Operator	\$11.25	\$11.50	Roll Stock Operator, Walkie Operator
	Skilled Operator	\$11.60	\$11.85	8490 Operator
	Facilitator	\$11.75	\$12.00	Lead, Trainer, SPC, PC, Production Clerks
Upper 14 – North		UFCW		
	Base	\$11.05	\$11.30	General Labor-Sample Tasks: (Batcher)
	Operator	\$11.25	\$11.50	Injector Operator, Pickle Makers, Walkie Operator
	Skilled Operator	\$11.60	\$11.85	Tumbler Operator, Stuffer Operator, Tipper Tie, Grinder/Mixer Operator
	Facilitator	\$11.75	\$12.00	Lead, Trainer, SPC, PC, Production Clerk

Department	Pay Groups	4/11/10	4/9/12	Job Classifications
Upper 20		UFCW		
	Base	\$11.05	\$11.30	General Labor-Sample Tasks: (Rack Unloader, Box Maker/Packer, Palletizer, Rack Puller, Casing Stripper, Racker, Net Stripper, Bagger)
	Operator	\$11.25	\$11.50	Fryer Operator, Walkie Operator BCE Scale, RTE Sanitarian
	Skilled Operator	\$11.60	\$11.85	8600 Operator
	Facilitator	\$11.75	\$12.00	Lead, Trainer, SPC, PC, Production Clerk
Lower 20		UFCW		
	Base	\$11.05	\$11.30	General Labor-Sample Tasks: (Rack Unloader, Box Maker/Packer, Palletizer, Inspect/Line Stacks, Tub Mover/Multivac Loader)
	Skilled	\$11.20	\$11.45	Check Weigher
	Operator	\$11.25	\$11.50	Product Stager, Roll Stock Operator, Walkie Operator, Janitor, RTE Sanitarian
	Skilled Operator	\$11.60	\$11.85	Slicer Operator
	Facilitator	\$11.75	\$12.00	Lead, Trainer, SPC, PC, Production Clerk
Frank Pack		UFCW		
	Base	\$11.05	\$11.30	General Labor-Sample Tasks: (Check Weigher/Packer, Palletizer, Box Maker, Frank Sorter/Keyboard)
	Operator	\$11.25	\$11.50	Roll Stock Operator, Walkie Operator
	Skilled Operator	\$11.60	\$11.85	Peeler Operator
	Facilitator	\$11.75	\$12.00	Lead, Trainer, SPC, PC, Production Clerk
Spice		UFCW		
	Base	\$11.80	\$12.05	General Labor
	Operator	\$12.00	\$12.25	Mixer Operator, Walkie Operator
	Skilled	\$12.45	\$12.70	Fork Lift Operator
	Facilitator	\$12.95	\$12.20	Lead, Trainer
Box Making		UFCW		
	Base	\$11.05	\$11.30	General Labor-Sample Tasks: (Box Truck Unloader, FP Transport, Labeler)
	Operator	\$11.25	\$11.50	Tray Form Operator
	Facilitator	\$11.75	\$11.00	Lead, Trainer
Ovens		UFCW		
	Operator	\$13.48	\$13.73	Oven Operator
	Facilitator	\$13.98	\$14.23	Lead, Trainer, HACCP Verifier
Quality Assurance		UFCW		
	Facilitator	\$11.75	\$12.00	Lab Tech, SPC

Department	Pay Groups	4/11/10	4/9/12	Job Classifications
Warehouse	UFCW			
	Base	\$11.05	\$11.30	General Laborer
	Operator	\$11.25	\$11.50	Walkie Operator
	Skilled Operator	\$12.45	\$12.70	Forklift Operator

**APPENDIX B
ON-CALL WEEKEND STAFF**

Section 1

- A. When weekend work (Saturday and Sunday) is not able to be appropriately staffed from the regular full time work force, "On-call weekend staff" may be utilized. The Company will first ask for volunteers from the regular full time staff, before scheduling on-call staff.
- B. The Company shall post every Monday, a Saturday and Sunday volunteer sign up sheet that will remain posted until 8:00 a.m. Wednesday. Employees who wish to work on Saturday and/or Sunday will sign.
- C. On-call staff will be limited to work on Saturday and Sunday only, and will not exceed twenty (20) hours in those two (2) days.
- D. No on-call staff may be utilized during any lay off period, or when there is a reduction in work force.

Section 2 On-call staff shall be entitled to the following benefits: Qualified employees shall receive wage scales in Appendix A, Night shift premiums, Daily overtime, Reporting pay, and Clothing.

Section 3 If on-call employees roll over to regular full time status, all days worked shall be counted toward time periods specified to receive benefits. Once employees are rolled over to regular full time status they shall become active members in good standing.

Section 4 This on-call staff program can be eliminated by either Union with a one hundred and twenty (120) day written notice if:

- A. Either International office or Local Union Executive Board deems that this program violates the Union constitution, bylaws, policies or,
- B. This program is not serving its purpose and/or intent.