

June 8, 2024 – June 8, 2027
COLLECTIVE BARGAINING
AGREEMENT

BETWEEN

PILGRIM'S PRIDE CORPORATION
LUFKIN, TEXAS

AND

UNITED FOOD AND COMMERCIAL
WORKER'S UNION
AFL-CIO, DISTRICT LOCAL
UNION 540

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Article 1 Agreement

On this 8th day of June, 2024 the Pilgrim's Pride Corporation located at 1710 West Frank Street, Lufkin, Texas, 75901 hereinafter designated as the "Company" and the United Food and Commercial Worker's Union, AFL-CIO, CLC, District Union 540 hereinafter designated as the "Union" agree as follows:

Article 2
Purpose of Agreement

It is the intent and purpose of the parties to this Agreement to promote and improve all industrial and economic relations between the Company and the employees covered by this Agreement and to set forth the basic agreements covering rates of pay, hours of work and conditions of employment to be observed.

Article 3 Recognition

1. The Company recognizes the Union as the sole collective bargaining agency for hours, wages and other conditions of employment, for all production, warehouse, shipping, sanitation, excluding maintenance, quality control, drivers, office clerical, watchmen, guards, salaried supervisors, hourly forepersons, leads, shipping clerks, purchasing clerks, and cafeteria employees at its 1710 West Frank, Lufkin, Texas plant (and at no other geographical location).
2. The specific terms of this contract shall be the sole source of any rights that may be asserted by the Union against the Company.
3. The Company will not enter into any agreement on an individual basis with any employee.

Article 4 Management Rights

1. Except to the extent expressly abridged by a specific provision of this Agreement, the Company reserves and retains, solely and exclusively, its common law rights to manage its business as these rights existed prior to recognition of the Union, which includes the right to determine the facts or nonexistence of facts. The listing of specific rights in this Agreement is not intended to be nor shall be restrictive of or a waiver of any of the rights of management not listed and specifically surrendered herein, whether or not such rights have been exercised by the Company in the past.

In addition to the following matters, the Company, when in its sole discretion, may determine it advisable to do any of the following: to manage its business generally; to decide the number and location of plant and other facilities; to decide all machines, tools and equipment to be used; to decide the products to be manufactured; to move or remove the plant or any of its parts to other areas; to decide the method and place of manufacture; to determine the schedules of production; to maintain order and efficiency in its plants and operations; to hire, layoff, assign, transfer and promote employees; to determine the qualifications of employees; to determine and re-determine job content; to determine the starting and quitting time; to determine the number of hours to be worked; to make such rules and regulations, not in conflict with this agreement, as it may from time to time deem best for the purposes of maintaining order, safety and/or effective operation of Company plants and after advance notice thereof to the Union and the employees, to require compliance therewith by employees; to discipline and discharge employees for just cause; to determine the processes of manufacturing and/or assembling, together with the designing, engineering and the control of raw materials, semi-manufactured and finished parts which may be incorporated in the product manufactured; to introduce new or improved production methods or facilities; to eliminate product lines.

Failure of the Company to exercise rights herein reserved to it or exercising them in a particular way shall not be deemed a waiver of said rights of the Company's rights to exercise said rights in some other manner not in conflict with the terms of this Agreement.

All functions of management not herein otherwise relinquished or limited shall remain vested in the Company. The listing of specific rights in this Article is not intended to be nor shall be restrictive of or a waiver of any rights of management not listed, whether or not such rights have been exercised by the Company in the past.

2. The Company may subcontract sanitation work provided the union is given sufficient notice of the change and had the opportunity to offer additional options that would meet the same competitive, productivity and efficiency objectives. If the union offers options and the parties agree they may meet the same objectives as subcontracting the work, the Company agrees to give the options reasonable time to demonstrate the

effectiveness. If the parties are unable to reach agreement on viable options, the Company will work closely with the Union to find positions for the affected employees in other bargaining unit positions, if such positions are available. In addition, the Company will request the contractor consider for employment any of the affected employees who apply for employment with the contractor.

If at the time of such notice outlined above and the subsequent discussion, the Union disagrees that the subcontracting would not meet the competitive, productivity and efficiency objects, it may challenge the decision through the grievance and arbitration procedure. The decision to subcontract and the award of the arbitrator shall be based solely on the competitiveness, productivity and efficiency of subcontracting verses performing the work in-house.

Article 5 Union Dues

A. Check-off Authorization

1.) The Company shall deduct, as to each employee who shall authorize it in writing on a proper and lawful form as submitted by the union to the Company, Union Representation Fees, Union Dues and Initiation Fees as certified by the Union and owing on a weekly basis, bi-weekly or monthly basis as requested by the Union. Upon written authorization by the employee and submitted on the proper authorization form submitted by the Union to the Company, the Company shall deduct from the employee's weekly pay, contributions to the Active Ballot Club (ABC). Such deductions shall be remitted to the Local Union no later than the 15th in the month following the month in which the deductions are taken.

2.) The weekly deductions will be remitted by the Company to the Union during the following month. The Company will send this remittance to the Union by no later than the 15th of the following month.

3.) The Union agrees to indemnify and save the Company harmless against any and all claims, suits or other forms of liability arising out of the deductions of money for Union dues from any employee's pay. The Union assumes full responsibility for the disposition of the monies so deducted once they have been turned over to Local Union No. 540.

4.) In the event said initiation fee exceeds \$10.00, the initiation fee will be deducted in such amount (monthly or bi-weekly or weekly) as may be requested in writing by the appropriate Union official until the full amount has been deducted; provided, no such amount shall be less than \$5.00. The Union shall notify the Company of the name of each such Financial Secretary and the address to which such dues collections shall be sent. Such notification shall bear the signature of the President or the Secretary/Treasurer of the Union and shall be impressed with the seal of the Union. In the event of any change of the Financial Secretary, the Company shall be notified of such change by the same method as provided above.

5.) Employees who have authorized such deductions and who are not at work in any week shall have their union dues or representation fees, initiation fees (full or installment) or uniform assessment deductions made in the next payroll week they work.

6.) Concerning new members of the Union who have executed the required dues deduction authorization, the Union must submit to the employer a list showing the names of new Union members with a copy of the required dues deduction authorization for each new member and the amount of the dues, initiation fees or uniform assessment to be deducted from the wages of each named employee before the Company is required to deduct dues from such employees. Upon receipt of this list with the required information, the Company shall deduct such amount from the paycheck that issues for the payroll

period following receipt of such list.

7a.) Concerning rehired employees who had Union dues deducted at the end of their immediate past employment, the Company will deduct Union Representation Fees, Union dues and initiation fees from the rehired employee, provided all the following conditions are met:

- (1) Deductions were being made during the past employment based on a deduction authorization, which clearly states that the authorization will continue in effect when rehired if the employee's employment relationship is interrupted and the employee is rehired.
- (2) Prior to deducting dues from a rehired employee, the Union must inform the Company that the rehired employee has executed an authorization as defined in Article V, Section 7, subsection a(1) above and after the rehire, the Union must provide the Company with a copy of such authorization.

7b.) The Company will begin to make deductions from a rehired employee starting the payroll period after the two above conditions have occurred.

8.) No grievance will be entertained alleging the failure of the Company to deduct dues unless the grievance names the employees who the Company failed to deduct dues and specifies the dates that dues should have been deducted and were not.

Article 6
No Discrimination

It is agreed that there shall be no discrimination by the Company or the Union or by the agents of either, against any employee for said Union membership or non-membership, or because of race, sex, disability, national origin, color, creed or age, or veteran status or against any employee for attempting to enforce the provisions of this Agreement against either the Company or the Union.

Article 7 Union Business

1. The Union shall be entitled to post regular Union notices on the Union bulletin board located at the cafeteria. This bulletin board shall be designated for Union notices only. Such notices shall be confined to Union business and shall be presented to the Personnel Manager before posting.

2. During the term of this Agreement, designated union representatives may be provided access to the plant for the purpose of observing compliance with the terms of this agreement as well as to adjust any grievances or complaints arising under this Agreement. Prior to entering the plant, however, said representative(s) must notify Human Resources or whomever Human Resources shall designate. At all times while on the Company's premises, union representatives shall comply with the Company's safety and security policies and practices. The Company has the option of accompanying any union representative while in the plant production or operating areas. Conferences or meetings between union representatives and employee(s) shall be conducted in non-working areas and on non-working time so that there shall be no interference with, or interruption of normal operating conditions.

3. In the interest of having an educated and stable workforce, along with continuing to improve the bargaining process between the parties and promoting cooperative relations, the parties agree to the following:

The Union Stewards or Union Representative from UFCW Local 540 will be allowed to attend all new employee orientation meetings. The Union Stewards or Union Representative from UFCW Local 540 will be allowed to discuss the benefits new employees receive due to the collective bargaining process and the benefits of union membership. The Union Stewards or Union Representative from UFCW Local 540 will be allowed up to thirty (30) minutes, as needed, to address employees in the Company Orientation Program. This shall be uninterrupted and during or at the end of the first day of the Company Orientation Program.

The Company and its supervision and UFCW Local 540 and its agents in units covered by this Agreement, agree to treat each other with mutual business respect. When agents of UFCW Local 540 are in the plant they will respect the Company's need to service customers, and the Company will respect the need of the agents to service their members. The Union Steward or Union Representatives from UFCW Local 540 will be notified in advance of any changes to the orientation schedule of all new hires.

4. Unpaid leave of absence shall be granted upon written request by the Union for up to two employees at one time for the purpose of conducting Union business. Leave, should it be granted, shall be limited to the duration of this labor agreement. Seniority shall accrue during this leave.

Unpaid leave of absence shall be granted for Union Stewards, upon written request by the Union and such leaves will not be unreasonably denied for the purpose of attending steward seminars.

Leave shall be granted for up to ten (10) employees for the purpose of Collective Bargaining, and shall be at the expense of the individual(s) or the Union for whom such leave of absence has been requested.

5. In the event that an employee asks for a Local 540 Union Representative to be a witness during an investigatory interview of that employee by a supervisor or management official of the Company that may lead to the discipline of that employee, an authorized representative of the Union who has been assigned to serve the bargaining unit covered by this Agreement, shall be permitted to enter the Company's premises to be present at such investigatory interview, provided that:

- a. The Manager of Human Resources, or their designated representative, has been notified.
- b. Such visit does not in any manner interfere with or cause a business disruption or interruption of the Company's production or other business operations.
- c. The Union representative must abide by all rules and regulations required of all visitors to the Company premises.
- d. The Union representative will confine any discussion with bargaining unit employees to the employee's break times or lunch times.
- e. The Union representative shall, at all times, be accompanied by a representative of management, in working areas.

In the event that an employee requests a Local 540 Union representative as a witness during an investigatory interview as described above, it is understood that it is the employee's responsibility to contact the Union representative to arrange for his/her presence at the plant. It is further understood that the Company will not delay holding such an investigatory meeting when a Local 540 representative has been requested for more than 24 hours from when the employee asked for the Local 540 Union representative as a witness. Provided, however, that nothing set forth above prevents the Company from taking immediate disciplinary action against the employee if it so desires or prevents the Company from deciding not to interview the employee.

6. Employee Representatives, Stewards, Orientation and Bargaining Unit Information.

The Union may designate one (1) Walking Steward to cover A and B shifts among the Company's employees who shall have as their job duties administration of the agreement including safety assignments and the processing of grievances. The Company will pay the Walking Steward their regular rate of pay, up to forty (40) hours on a weekly basis upon receiving a signed and dated form from the Walking Steward setting forth as summary of issues addressed and with the status. The Walking Steward will

punch in and out for attendance purposes. The employee will continue to receive benefits on the same terms following designation as a Walking Steward.

The Walking Steward program shall be reviewed by the Company and the Union as needed to recommend needed adjustments, if any. If the program has not served the intent and purpose outlined above, the Company may discontinue the program with a ninety (90) day written notice.

1) The Company shall allow the Stewards to wear hard hats designating them as official Union Stewards.

2) It is agreed that the Union may appoint additional department stewards consistent with current agreements from the bargaining unit to conduct Union business.

The Company agrees to provide a union workspace to be used during the forty hour period described in paragraph 1 above or during visits by Union Representatives. The workspace, wherever it is located shall be reasonably accessible to employees depending upon available space at each facility. The workspace location shall not interfere with production operations and shall be reasonably isolated from distractions to the extent possible. In the event of a change in the location of the workspace becomes necessary, the Company will inform the Local Union.

7. Written warning notices shall not be referred to for the purpose of progressive discipline after twelve (12) months from the date of issue.

7a. The Company agrees that any disciplinary action issued to employees shall be in the presence of a Union Steward (if requested) with a copy of such disciplinary action given to the employee and the Union.

Article 8 Safety

1. There shall be a safety committee consisting of the Local 540 Union Representative or their designated Representative. The company manager or their designated Representative and a minimum of eight (8) employees from each shift a minimum four (4) appointed by the Union and a minimum four (4) appointed by the Company. This committee will meet at least once a month on Company time for the purpose of improving the safe operation of the plant and its equipment. Employees shall be selected annually on a revolving basis from the various work areas to participate in this safety committee. During the time of their participation in the functions of this committee they shall be paid their normal hourly rate of pay.
2. As a part of their duties, the Safety Committee will tour the facility to identify any hazards or behaviors. These tours will be conducted as a group and in the normal course of the Committee's duties. It is agreed the Company alone bears the responsibility for correcting hazards identified and in providing a safe and healthy workplace. It is further agreed, that nothing in this agreement suggests that the Union has undertaken or assumed any part of that responsibility.
3. Upon request, the Company will make available to the committee a list of hazardous chemicals used in the facility, Material Safety Data Sheets, air or noise monitoring results, the OSHA 300 log and 301 forms in order to review injury and illness trends.
4. The Company will furnish, at its expense, all safety and personal protective equipment that the Company requires for the each position. However, the employees shall be responsible for the safe and efficient use of all equipment furnished by the Company, and if lost or maliciously damaged or destroyed, the employee shall be accountable and the Company may then charge the employee and deduct the cost from the employee's wages.
5. The Company, in coordination with the Union, will conduct a minimum of four (4) hours of health and/or safety training annually for all members of the Safety and Health committee. The Company will cover expenses resulting from this training for the Committee members.

Article 9 Working Environment

There shall be a working environment committee consisting of representatives of management and duly designated employee representatives which shall meet on a regular basis for the purpose of improving the work environment of the plant. Employees shall be selected by the Company on a revolving basis from the various work areas to participate in this committee. During the time of their participation in the functions of this committee they shall be paid their normal hourly rate of pay. The implementation of any recommendation shall be solely at the discretion of the Company and not subject to any grievance.

Article 10
Joint Labor/Management Committee

A joint labor/management committee shall be established for the purpose of discussing and attempting to resolve work-related issues. The scheduling of such meetings is the responsibility of the Union by writing the Company a letter setting forth suggested dates covering at least two weeks. The Company will make a reasonable effort to pick one of the suggested dates. The committee will meet no more than every three months and shall consist of three representatives designated by the Company and three designated by the Union. The implementation of any recommendation shall be solely at the discretion of the Company. If the union disagrees with the Company's decision on an issue that is subject to the grievance procedure, the Union may process the issue through the grievance process. Time spent during this meeting shall be considered working time and paid as such. At least one week before the meeting is held, the Union will provide the Company with an agenda setting forth the specific work-related issues to be discussed. Only the issues set forth on the agenda will be discussed.

Article 11
Miscellaneous Provision

1. On the first (1st) workday of each month, the Company shall supply to the Local Union a list of all employees covered by this Agreement in an Excel Spreadsheet. This list shall contain the following up-to-date information on each employee, as recorded in the employee's personnel file: Last four (4) digits of the social security number, First Name, Last Name, Sex, Date of Birth, Full Address, Home Telephone Number, Department, Job Classification, Date of Hire, Full or Part Time Status, Rate of Pay and whether the employee has authorized the deduction of union dues. This would replace any information currently being provided.
2. The Company agrees to furnish each employee with a printed copy of their rules and benefits which shall not be in conflict with this Agreement or discriminatory to any individual or group of the Company's employees. The Union shall also be furnished with copies of such rules and benefits.
3. The Company and the Union for the life of this Agreement, each voluntarily and unqualifiedly waive the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in the Agreement.
4. Nothing contained in this Agreement is intended to violate any federal or state law, rule or regulation made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part alone shall be made null and void. The parties also agree, at the request of either party to renegotiate on any Article, part or paragraph of this Agreement that has been declared unlawful, invalid, ineffective or unenforceable as specified above. The balance of the Agreement shall remain in full force and effect.
5. The Company agrees to furnish the Union each week a list of names and last four digits of social security numbers of bargaining unit employees who left the Company during the prior week.
6. E-Payroll.
It is agreed the method with which the Company pays the employees will state all deductions, hourly rates, hours worked, straight time and overtime. It is understood and agreed that the employees shall be paid on a weekly basis. It is agreed the method by which the Company can pay employees may include any acceptable means, to include, paychecks, cash, direct deposit, pay cards, debit cards, etc. If the Company elects to change its method of payment, they will first meet with the Union and discuss the change. Employees may choose any bank or financial institution for their

direct deposit. The Company agrees that representatives from the union's endorsed financial institution(s) shall be granted access to all bank fairs hosted by the Company.

7. Temporary Workers

1) The Company has/will cease the use of part-time workers to fill in for weekend work vacancies.

2) The Company will continue to utilize a staffing agency as a resource to provide additional labor.

3) Workers provided by the staffing agency or agencies will be utilized for a determinate period of time (90 days), all of which need not be consecutive. Following a period of 90 days of employment, in order to continue working at our facility, the worker must be willing to become an employee of Pilgrim's Pride and will then be hired the same as any new hire. The 90 days spent working through the staffing agency will be credited towards the completion of the probationary period required for any new hire. Employees hired under these conditions are eligible to be recruited for membership by Local 540 and become members of the bargaining unit following the 90-day period outlined above.

4) The parties agree that no bargaining unit employee will be displaced or laid off until all temporary employees are laid off.

5) Bargaining unit employees will have first choice of all overtime opportunities before any temporary employee is retained to work the overtime.

6) The Company will provide to the Union a list of all temporary employees upon request but not more often than two (2) times per month.

7) The Company will provide to the Union weekly a list of all temporary employees hired for regular full time employment.

8) The Company agrees to provide a readily visible means of identifying temporary employees while working in the plant,

9) Temporary workers shall not exceed five percent (5%) of the bargaining unit workforce.

8. Multi-Cultural Educational Program

Multi-Cultural Educational Program – During the initial year of this Agreement the Company will make \$5,000 available for use as part of the

Multi-Cultural Educational Program. Each contract year thereafter, the Company agrees to make an additional amount available, up to \$5,000, to bring the unused committed balance to \$5,000. This program will be jointly administered by the Company and the Union and no monies shall be spent without the mutual agreement of the parties.

Article 12
National Guard or Reserve

1. An employee who is a member of the National Guard or active Reserve shall be granted in addition to any paid vacation to which they may be entitled, an excused unpaid absence as required by law for annual encampment, reserve training meeting or cruise, or local or state emergency when required to serve.
2. The Company will grant time off (excused absence) to employees for regular meetings of the National Guard or Military Reserve when such regularly scheduled meetings fall on the employees' sixth (6) or seventh (7) work days (Saturday or Sunday).
3. Appropriate documentation will be furnished to the Company by employee to validate the leave.

Article 13 Seniority

1. Seniority, for the purpose of this Agreement for all present employees of the Company, shall date back and be determined by the date of their last employment. A seniority list shall be provided to the Union at the date of the signing of this Agreement; if no objections are made and sustained to the Seniority List within thirty (30) days after the posting thereof, the seniority of each employee reflected thereon shall not be subject to question. The seniority list will be updated monthly as provided in Article XI, section 1 (Miscellaneous Provisions).

2. The principal of seniority shall prevail in layoffs, recall, and reduction in force.

The Company shall determine which department, shift, classification and the number of employees to be laid off or reduced.

A layoff is defined as a reduction in the workforce and all affected employees may exercise their seniority, by displacing other junior employee or fill an open position in the plant before being laid off. The Union will be notified prior to any anticipated layoff.

The parties agree that prior to any layoffs as defined above taking place, the Company will ask for volunteers within the affected departments and shifts. In the event there are not enough volunteers to cover the layoff, the Company at its sole discretion may ask for volunteers from other departments and/or shifts, and the Company at its sole discretion may accept such volunteers. Those allowed to voluntarily be laid off will be chosen from the volunteer' list by plant seniority. If there are an insufficient number of volunteers, the layoff procedure outlined below will apply. Those who take voluntary layoffs will also have recall rights as set forth in this section below.

The employees displaced shall be those with the least plant seniority within the department being reduced. Affected employees may displace other junior employees in other departments provided the employees can perform the job or learn to do the job within a reasonable period of time.

Employees displacing other junior employees must make their decision within twenty-four (24) hours after being informed of their displacement rights.

An employee who is displaced from their premium job classification due to reduction of force will retain their recall rights thereto unless the employee wins a permanent bid into another premium classification.

Recall to work will be in inverse order of layoffs. In order to be eligible for recall, the employee must keep the human resources department informed of a correct address and telephone number where the employee can be contacted. Recall will be by certified

mail (return receipt requested) to the last known address. Employee must return to work within seven days from receipt of notice.

When an operation requires highly skilled or trained persons and skill levels are the same, then seniority will be the prevailing factor.

3. All new employees shall be considered as probationary employees for their first ninety (90) days of service (reference to "probationary period" as it appears in any provision of this agreement incorporates this 90 day probationary period), during which time they may be dismissed at the discretion of the Company without recourse by the Union under any provision of this Agreement. After completing the probationary period, the employee's seniority shall date from the first day of employment.

4. Notwithstanding any of the foregoing provisions of this Article, all seniority rights and all other rights under this Agreement shall be lost if any of the following occurs:

- (a) an employee quits of his own accord;
- (b) an employee is dismissed for just cause;
- (c) an employee does not return to work when recalled after layoffs within seven (7) days from receipt of notice to return to work, unless excused for illness or other reason in the Company's sole discretion;
- (d) an employee is absent from the payroll due to layoff continuously for 365 days or more;
- (e) an employee is absent from work three (3) consecutive days without a reasonable excuse.
- (f) Employees accepting a position in supervision or management outside the bargaining unit for more than six (6) months.

5a. Premium job vacancies within the bargaining unit shall be posted for a period of three (3) days for bid by employees working in the plant. To be eligible, an employee must have completed the new hire probationary period. The bidding employee with the highest plant seniority shall receive the job providing he/she is qualified to perform the job, or learn to do the job within a reasonable period of time. Copies of the job postings will be provided to the Union upon request.

5b. Employees awarded a posted position will be provided a maximum of thirty (30) working days trial period, in order for management to determine the ability of the employee to do the job. Employees disqualified by the Company during the trial period will be allowed to return to their previous classification and shift, if available. If a prevailing bidder does not successfully complete the trial period, the position will be awarded to the subsequent bidder.

5c. Employees bidding upward shall be eligible to bid at any time after the new hire probationary period.

5d. Employees may be allowed to bid laterally for a posted position other than their current classification, but may not successfully bid again for six (6) months in the same

department and the same shift.

5e. Employees who successfully bid downward may not bid again for six (6) months.

5f. Job bid notices shall contain the following information:

1. Organizational Assignment
2. Job Title
3. Premium Amount
4. Job Requirement
5. Shift/Hours
6. Previous Job Holder

6. An employee who is promoted or transferred out of the bargaining unit shall retain and accumulate seniority, as if he/she had never transferred or was promoted. Except as provided in Section 4(f) of this Article.

7. Employees who have completed at least three (3) months of continuous service who wish to transfer to any non-premium job in any department or shift may sign their name to a list retained in personnel and will be given job openings as they occur in the department or shift of their choice. The job opening will be granted based on seniority and ability to perform or learn to perform the job.

Article 14

Grievance Procedure and Arbitration

In the event of any controversy concerning the meaning or application of any provision of this Agreement, there shall be no suspension of work, but such controversy shall be treated as a grievance. Any employee, group of employees, the Union, or the Company may file a grievance in the following manner:

A. Step 1

The grievance shall be presented in writing to the Company within five (5) days of the alleged grievance. The grievance shall be discussed by the department head, the aggrieved employee, and the aggrieved employee's steward, who filed the grievance, who shall represent the employee if the employee so desires, in an earnest attempt to settle the matter. Provided the Company will not solicit another steward to settle the grievance unless the employee's steward who filed the grievance is not at work, in which case the chief steward will serve or designate another steward to serve. Provided, however, the Local 540 representative or his designee may be the aggrieved employee's representative if that Local 540 representative filed the grievance and the aggrieved employee so desires. This meeting shall occur within five (5) days of the Company's receipt of the grievance at this step. The department head shall submit his written answer to the Union Steward, and a copy to the Business Agent of the Union no later than **five (5)** days after the Step 1 meeting. The Step 1 meeting shall be held in a meeting room during the employee's working hours and the starting time and date of the Step 1 meeting shall be at the sole discretion of the Company within the above mentioned five (5) days.

B. Step II

If not settled in Step 1, the grievance shall be submitted in writing to the Plant Manager's designee within three (3) days after the Union's receipt of the Step I reply. A meeting between the Plant Manager's designee, the aggrieved employee, and the aggrieved employee's steward, who filed the grievance, who shall represent the employee if the employee so desires, shall be held within seven (7) days following the Company's receipt of the written grievance in Step II. Provided however, the Company will not solicit another steward to settle the grievance unless the employee's steward who filed the grievance is not at work, in which case the chief steward will serve or designate another steward to serve. Provided however, the Local 540 representative or his designee may be the aggrieved employee's representative if that Local 540 representative filed the grievance and the aggrieved employee so desires. A reply in writing shall be given by the Plant Manager's designee to the Business Agent of the Local Union, with a copy to the Union Steward, no later than five (5) days after the Step II meeting.

The Step II meeting shall be held in a meeting room during the employee's

working hours and the starting time and date of the Step II meeting shall be at the sole discretion of the Company within the above mentioned seven (7) days.

C. Step III

If not settled at Step II, the grievance shall be delivered in person to the Complex Manager or his designee and postmarked within five (5) days after the Union's receipt of the Company's answer. A meeting between the Business Agent of the Local Union and the Complex Manager or his designee shall be held within seven (7) days following the Company's receipt of the written grievance in Step III. The Complex Manager or his designee's reply shall be mailed to the Business Agent of the Local Union, with a copy to the Union Steward, no later than ten (10) days after the Step III meeting.

D.

Failure of either the Company or the Union to comply with the time periods in either presenting grievances and/or answering grievances shall constitute a forfeiture of the failing party's position in the grievance.

E.

The time limits set forth herein may be extended by either party, by mutual agreement in writing between the Plant Manager and the Local Union Business Agent.

F.

It is agreed that the Union shall be furnished with any pertinent information requested for the study and processing of grievances.

G.

In grievances involving a suspension of an employee or termination of an employee, the Union may present the grievance directly to Step III. Provided, however, the Company retains the sole discretion to remand the grievance to Step I to be processed as any other grievance through the steps in the grievance procedure.

Arbitration

Section A

Should any grievance remain unsettled after exhausting the aforementioned procedure, either party hereto shall, if the party desires, demand arbitration within ten (10) days after the date the Company electronically mails its answer to the Union as set forth in Step III of the Grievance Procedures, otherwise, the grievance shall be considered settled. In the event that the parties are going to agree to an arbitrator, the parties must so agree within seven (7) days after the arbitration has been demanded.

In the event the parties are unable to agree upon any arbitrator within fourteen (14) days

after demand for arbitration has been requested, the party demanding arbitration must within fourteen (14) days of the demand for arbitration petition the United States Federal Mediation and Conciliation Services, with a certified copy to the other party to this agreement, to submit a panel of suggested arbitrators from which the selection shall be made by the Union striking two names from the list submitted and thereafter the Company striking two names. The individual whose name remains on the list will be the impartial arbitrator in the dispute. Unless otherwise agreed, the hearing will be held within forty-five (45) days from selection of an arbitrator, consistent with the arbitrator's schedule. The decision of such arbitrator shall be final and binding upon both parties. The fees and expenses of the arbitrator shall be borne equally by the parties hereto.

Section B

Grievances within the meaning of the grievance procedure and of this arbitration clause shall consist only of disputes about the interpretation or application of particular clauses of this Agreement and about alleged violations of the Agreement. The arbitrator shall have no power to add to, or subtract from, or modify any of the terms of this Agreement, nor shall it substitute its discretion for that of the Company where such discretion has been retained by the Company, nor shall it exercise any responsibility or function of the Company. No question affecting the wage structure of the Company shall be considered arbitral.

Section C

Issues arising out of the exercise of the rights reserved to management under Article IV Management Rights above, including management's determination of the facts underlying its exercise of such rights shall not be subject to arbitration. Past practice and the "common law of the plant" may not be used in interpreting this Agreement or considered part of this Agreement. The question of arbitrability of any issue shall, if the Company insists, be determined by a court and not the arbitrator. Issues subject to arbitration shall be submitted under the Voluntary Labor Arbitration Rules of the American Arbitration Association. Only a single grievance may be heard by the arbitrator at one time. The Union may refuse to process, abandon or may settle a grievance irrespective the grievant's wishes.

Section D

The grievance and arbitration procedures of this clause shall not be applicable to grievances arising in the period between the termination of this Agreement and the effective date of its successor. Such clauses shall not be binding on a successor Company.

Article 15

Strikes and Lockouts

The Company agrees that so long as this Agreement is in effect there shall be no lockouts. The closing down of the Plant or any part thereof or curtailing any operations for business reasons shall not be construed to be lockout. The Union, its officers, agents, members and employees covered by this Agreement agree that so long as this Agreement is in effect, there shall be no strikes, sympathy strikes, picketing, sit-downs, slow-downs, stoppages of work, boycott or any unlawful acts that interfere with the Company's operations or the production or sale of its products. In the event of any violation of this article by the union or employees, the union shall:

1. Declare publicly that such action is unauthorized.
2. Promptly order all employees to resume their normal duty.
3. Not question the right of the Company to discipline or discharge employees engaged in or encouraging such action.

Article 16 Leave of Absence

1. Eligibility.

All full-time employees who have completed their probationary period may be granted a leave of absence protecting the employee's seniority. Leaves of absence are to be requested in advance, or in emergency situations as soon as practically possible. All leaves of absence are to be made on the leave of absence application provided by the Company. Leaves will not be granted for the purpose of trying out, or venturing into self-employment, another job, or in any situation deriving income or for serving time while in jail or prison.

2. Length of Leave of Absence.

Eligible employees with over one (1) year seniority, up to one (1) year. Eligible employees with less than one (1) year seniority, up to thirty (30) days, except for medical leave which shall be one (1) year for all employees who have completed their probationary period.

3. Personal.

Employees may apply to the Company for a leave of absence for personal reasons, and the granting and duration of such leaves will be discretionary with the Company, which will consider both the needs of the employee and the operational needs of the Company. All such leaves that are granted will be without pay.

4. Medical.

Eligible employees who are unable to work due to illness or in injury (including pregnancy) shall be entitled to a medical leave with proper medical documentation from a physician.

5. Family.

An employee who has been employed for at least twelve (12) months by the Company and at least twelve hundred fifty (1250) hours during the previous twelve (12) months may be granted a family leave of twelve (12) work weeks within any twelve (12) month period because of the birth of the employee's son or daughter and to care for said son or daughter or because of the placement of a son or daughter for adoption or foster care.

Similarly, an employee may be granted up to twelve (12) weeks of unpaid family leave during a twelve (12) month period to care for the employee's spouse, son, daughter or parent if such family member has a serious health condition. This provision is intended to be in conformance with the Family and Medical Leave Act of 1993.

6. Jury or Court Appearances.

(a) An employee summoned to serve as a juror or an employee who is subpoenaed or served notice to testify in which neither he nor the Company is a party, shall be granted time off and paid his hourly rate (not to exceed 40 hours in any 12-month

period) to fulfill such obligation.

- (b) An employee who is required to appear because of paragraph 6(a) shall still be required to work on any day that such appearance does not necessitate full-time absence from work unless eight (8) hours remain between dismissal from his appearance and the beginning of the employee's scheduled shift, nor shall the employee be required to work in the eight (8) hours prior to such jury or court appearance.
- (c) Employees who work their regular jobs while also serving in court will have all hours actually in court counted as working hours in calculating overtime pay. Time spent in court will be combined with hours worked in calculating over-time pay.
- (d) An employee must notify his/her supervisor as far as possible in advance of any absence for such purpose. The supervisor may require the employee to show the summons, subpoena, or written evidence requiring the court appearance.
- (e) To receive pay from the Company, the employee must provide a statement certified by a court representative stating the type of service rendered and the dates and hours of service. The employee will relinquish to the Company any compensation (excluding mileage reimbursement) received from the court for jury service.

7. Funeral Leave.

A full-time employee who has fulfilled his or her probationary period (a qualified employee) who is absent due to death in their immediate family (immediate family is defined as spouse, parents, children, brother, sister, step-brothers, step-sisters, step-mother, step-father, and step-children) will receive three (3) days pay so long as days paid are consecutive and involve regular work days between the day of death and day following the burial. A qualified employee who is absent due to the death of a grandparent, grandchild, brother-in-law, sister-in-law, mother-in-law or father-in-law will receive one (1) days pay if absent between the day of death and the day following the burial on a scheduled work day. Employee shall furnish appropriate documentation to validate the leave.

Article 17
Drug/Alcohol Abuse

The Company has the right to test employees for drugs and/or alcohol. Employees in the bargaining unit are covered by the Company's corporate wide Drug/Alcohol Abuse and Treatment Plan. It is understood by the parties that this corporate wide plan is subject to being modified corporate wide unilaterally by the Company. The Company will not be required to bargain with the Union concerning a decision to modify the plan, a modification of the plan, nor the impact or effects of such decision or modification and such action shall not be subject to the grievance/arbitration procedures set forth in Article XIV, (Grievance Procedure and Arbitration) of the agreement. The Company will notify the Union of any modification made in the Drug/Alcohol Abuse Treatment Plan. The Union can grieve application of the Drug/Alcohol plan to ensure that all employees are treated fair and equal under the policy.

Article 18 Hours of Work

1. The provisions of the Article shall not be construed as a guarantee to such employee of any specified number of hours of work either per day or per week or as a limitation of the Company to fix the number of hours of work (including overtime) either per day or per week for such employee.
2. Standardization of Pay Week. The pay week shall begin at 12:01 a.m. each Sunday and end at 12:00 midnight the following Saturday. Pay for all hours worked during such week shall be available on the following Friday.
3. Time and one-half (1-1/2) shall be paid for all hours worked in excess of forty (40) in any one work week. Time and one-half the employee's regular straight-time hourly base rate of pay will be paid for all hours worked in excess of ten (10) hours in any one workday provided however, that the employee works all scheduled hours in the workweek. If all scheduled hours are not worked, then overtime shall be calculated on the basis of hours worked in excess of forty (40) hours in that workweek. It is understood that this section is only intended to provide a basis for calculating overtime and shall not be construed as a guarantee of hours on a daily or weekly basis.
4. A paid holiday shall be considered as a day of work. The work week shall be scheduled by the Company in such a manner, if it is at all practicable to provide for a shortened work day on Saturday. The starting time for the employees may be altered to accommodate this objective. There shall be no pyramiding of overtime and it is understood that employees will not be paid both daily and weekly overtime for the same hours worked. Hours paid but not worked shall not count as time worked in the calculation of overtime. Hours spent on jury duty shall be counted as time worked in the calculation of overtime in the week in which the hours spent on jury duty occurs,
5. All employees who report for work at the commencement of a scheduled shift without having been given notice of a change in schedule shall be given a minimum of four (4) hours work or pay in lieu thereof.
6. When business necessity requires, the Company shall in its sole discretion have the right to require any of its employees to work on Saturday or Sunday or the sixth and seventh consecutive days in the workweek. In the event a full or partial weekend (Saturday and/or Sunday) production is scheduled, the Company shall notify bargaining unit employees of the work necessary by posting a notice near the time clocks. The Company will attempt to post the weekend schedule on or before 11:30 a.m. on Friday. Provided, however, if the Company after 11:30 a.m. on Friday discovers that it needs to work during the weekend, the Company has the right to post said notice on or before the end of the affected department shift.

7. The Company shall have two (2) thirty (30) minute unpaid breaks during each shift. In the event the shift is less than six (6) hours, one (1) thirty (30) minute unpaid break will be given. In the event an employee is required to work more than ten (10) hours consecutively, excluding the above unpaid breaks, that employee shall be entitled to an additional ten (10) minute break, but not necessarily immediately at ten (10) hours. An additional ten (10) minute break will be given every two and a half (2 ½) hours until such time that the shift is completed.
8. The Company agrees to pay employees for all hours worked and to comply with Department of Labor standards.
9. In the event the workday on the last shift of the week (Friday or Saturday) is going to be extended beyond the normal work schedule, production management will make it known to employees of the need to work the additional hours as soon as practically possible after management becomes aware. Employees needing to make personal arrangements due to the requirement to work the additional hours will seek the permission and approval of their department supervisor. The supervisor will make every reasonable effort to accommodate such requests without disrupting production.
10. Consecutive Days of Work. No employee shall be required to work more than fourteen (14) consecutive days without a scheduled day off. This provision shall not be applicable in the event the decision to work more than fourteen (14) consecutive days is voluntary on the part of the employee.
11. The Company shall not require any employee to work more than or a total of **twelve (12) consecutive hours, unless due to operational necessities, or unexpected issues that impact production.** Work in excess of **twelve (12) consecutive hours** shall be permitted on a voluntary basis. **In the event employees are to work more than twelve (12) hours, the Company will make every effort to notify employees as soon as practically possible.**
12. The Company agrees that jury duty, funeral pay and holiday pay will count toward hours worked for the purposes of weekly overtime.

**Article 19
Wage Rates**

Effective on **June 8, 2024** the below pay grade structure shall be increased to:

Grade	Rate
1	\$15.70
2	\$16.05
3	\$16.55
4	\$17.05
5	\$18.80
Sanitation	\$17.75

All jobs covered by this agreement shall be assigned a regular straight-time hourly rate of pay, based on a defined pay grade. The Company may add additional pay grades to those specified above and assign jobs to those grades, providing that doing so will not result in a loss of pay to employees currently holding a position affected by such change.

The Company shall have sixty (60) calendar days from the ratification of this agreement to implement the changes to employees' wage rates.

Effective ~~June 15, 2025~~, the job grades listed above shall be increased ~~twenty five cents (\$0.25)~~.

Effective **June 14, 2026**, the job grades listed above shall be increased ~~twenty five cents (\$0.25)~~.

Wage rates and progressions set forth in this agreement are minimums. Prior to increasing rates, modifying progressions, or the implementation, change or deletion of incentive plans, the Company will first meet with the Union to discuss the change.

The Company reserves the right to increase the starting rate due to competitive needs. The Company will advise the Union of any such change. Upon demonstrating proficiency in their job, to the satisfaction of the Company, an employee will receive the grade of pay for their position. Following the probationary period all employees shall be paid at least Grade 1.

All production employees assigned to the second (2nd) shift shall receive a premium of one-dollar (\$1.00) dollar per hour for all hours worked.

Article 20 Vacations

1.
 - (a) All employees, upon completion of one (1) year of continuous service from date of employment, shall be entitled to one (1) week of vacation with pay.
 - (b) All employees, upon completion of three (3) years continuous service from date of employment, shall be entitled to two (2) weeks vacation with pay.
 - (c) All employees, upon completion of nine (9) years of continuous service from date of employment, shall be entitled to three (3) weeks of vacation with pay.
 - (d) All employees, upon completion of 20 years of continuous service from date of employment shall be entitled to four (4) weeks of vacation with pay.
 - (e) Upon completion of required years of service, the vacations shall be taken during the year immediately following the completion of such terms of service and at a time mutually satisfactory to Management and the Employee and may not be carried over from one year to the next.
2. Continuous service is defined as a service of an employee who has been on the payroll and who has performed work during each of the forty-four (44) weeks during the previous fifty-two (52) weeks immediately preceding the anniversary date of employment each year. This minimum of forty-four (44) weeks need not be consecutive.
3. Absence from work because of sickness or other unavoidable cause will not count against vacation rights, provided the employee meets the requirements of having performed service at least forty-four (44) different weeks during the year.
4. Employees voluntarily breaking their service by quitting or absenting themselves from duty without good cause or accepting other employment automatically disqualify themselves from vacation privileges. Employees with five (5) years or more of continuous service with the Company shall receive prorated vacation pay if they leave the employment of the Company for any reason.
5. Pay for employees entitled to a full vacation will be computed on the basis of forty (40) hours for each week of full vacation at the regular rate of hourly pay not including overtime pay. Pay for employees entitled to two (2) weeks of vacation will be computed at two (2) times this basis. Pay for employees entitled to three (3) weeks vacation will be computed at three (3) times this basis. Pay for employees entitled to four (4) weeks vacation will be computed at four (4) times this basis.

6. Employees whose anniversary date occurs on or after the effective date of this Agreement who have not performed services in at least forty-four (44) different weeks throughout their anniversary year, shall receive vacation pay based on two percent (2 %) of their earnings during the anniversary year for each week of vacation to which they are entitled.

7. Employees eligible for vacation shall be allowed to take vacation time off one (1) full day at time. Employees scheduling a single day of vacation on Friday will not be required to work on Saturday or Sunday. **Employees who have submitted a vacation request shall expect a response, if practicable, within twenty-four (24) to forty-eight (48) hours upon the date/time of the request, or up to four (4) business days.**

8. Employees entitled to full vacation shall receive their vacation pay on a separate check, not together with the regular weekly payroll check.

Article 21 Holidays

1. The following holidays shall be observed by the Company:

Fourth of July	Labor Day
Christmas Day	Employee Birthday
Thanksgiving Day	Memorial Day
New Year's Day	Dr. Martin Luther King Jr. Birthday

with pay computed as provided for elsewhere herein, for which pay will be granted.

The birthday holiday may be taken on the employee's birthday or during the 30 calendar days following the employee's birthday if all of the following conditions are met.

- (a) The employee must notify the Company in writing at least 48 hours before the date of the employees' birthday that the employee wants to take the Birthday Holiday on a day other than the employee's birthday;
- (b) The employee must in writing to the Company request the alternative date the employee wants to take the Birthday Holiday within the 30 calendar day period and this request must be made at least 48 hours before the requested alternative date;
- (c) The employee must receive the approval of the appropriate supervisor to take the Birthday Holiday on the alternative date and the appropriate supervisor shall base approval on staffing considerations;
- (d) In the event that the employee and supervisor are unable to reach a mutually agreeable day off in lieu of their birthday, the employee may seek assistance from a union representative and human resources department to find a mutually agreeable day off in lieu of their birthday.
- (e) The Company and the Union agree that an employee that is eligible for the Birthday Holiday will be allowed to take their actual birthday and nothing in the contract or Company policy will require them to take an alternate day unless they choose to do so.

2. To be eligible for holiday pay, the employee must have been on the payroll at least thirty (30) days prior to the holiday, and also must be present on the work day scheduled immediately prior to the holiday and the work day scheduled immediately following the holiday unless excused for either of such days in writing by the Company.

3. If a holiday occurs within an employee's vacation period he shall be paid eight (8 hours' pay at his basic rate of pay in addition to his vacation pay.

4. The Company may require certain departments to work on a holiday but will give employees prior notice. Any employee refusing to work in their own department on a required holiday will lose their holiday pay. The Company may ask for employees from a non-working department to volunteer to work on a holiday in a working department.

Employees in other departments refusing to volunteer will not lose their holiday pay provided they are otherwise qualified.

5. Holiday hours consist of a shift beginning on a recognized holiday.

Article 22 Tuition Reimbursement

Suspension of the Tuition Reimbursement Program

The Company shall suspend the Tuition Reimbursement Program until the Plan of Reorganization (related to the bankruptcy filing) becomes effective. This provision does not apply to Company sponsored and approved training programs for maintenance mechanics and truck drivers.

1. Pilgrim's Pride offers financial assistance to all full-time employees for Company approved degree programs, college course work, certification tests and external seminars after one year of service with the company.
2. For Company approved degree programs and college course work, the employee may receive one hundred percent reimbursement for a grade of C or better. The reimbursement applies to tuition, books and fees.
3. Employees receiving reimbursement for educational expenses must submit a certified transcript of their grades and receipts for the expenses incurred.
4. Employees receiving reimbursement from any outside sources, such as the veteran's administration or scholar ships, may use the above formula, but the Company's portion may not make the total exceed 100% of the reimbursable cost.
5. Employees are expected under normal circumstances to schedule class attendance and the completion of study assignments outside of their regular working hours.
6. Employees who are terminated during enrollment because of a reduction in work force or elimination of their job, or who are unable to complete an approved course because of transfer within the Company, will be reimbursed for the full amount of the costs incurred up to the date of termination or transfer.
7. Certification test fees will be reimbursed at 100% if Pilgrim's Pride is required to have the certification on the premises.
8. Certification test fees (GED) will be reimbursed at 100%.

Article 23
Health, Life, Dental, Vision, STD Plan
Pilgrims Standard Medical Plan

1. The Company will offer eligible employees the Pilgrim's Pride Standard Medical Plan(s). The Company will also offer eligible employees fully insured 100% employee paid dental and vision coverage. The Pilgrim's Pride Standard Medical Plan(s) shall be the same for both management and bargaining unit employees. An employee shall be eligible for any medical, dental, vision, or life insurance option(s) on the sixtieth (60th) day of employment from their most recent hire date. Medical, Vision, and Dental coverage is available to the employee and family if the employee is enrolled; all other benefits are available for employee participation only.
2. The Company shall continue to maintain the right to unilaterally change any or all provisions, or raise or adjust the total cost of the Pilgrim's Pride Standard Medical Plan(s), to select all vendors, third party administrators, service providers, provider networks, and control over all administrative matters relating to the plans, and modify the terms and conditions for each benefit plan.
3. Issues concerning the medical and life insurance provisions shall be governed by the applicable summary plan description. To that end, it is agreed that all disputes arising under the group insurance program in so far as they relate to coverage will be determined as set forth in the group insurance plan and as allowed by ERISA and no such dispute will be subject to the grievance and arbitration provisions of this agreement.
4. In the event any future or further Health Care Reform legislation or regulations are enacted or adopted, representatives of the Company and Union will meet to determine the impact of such legislation or regulations on the Pilgrim's Pride Standard Health Plan(s).
5. Health Care Costs for the Pilgrim's Pride Standard Plan(s) – The Company will contribute seventy-five percent (75%) of the cost for employees who enroll in the Pilgrim's Pride Standard Plan(s). Employees who enroll in the Pilgrim's Pride Standard Plan(s) will contribute twenty-five percent (25%) of the total cost for the duration of the contract.

6. Short Term Disability Pay Policy

The Company will provide short term disability pay under the Company's short term disability pay policy. Provisions of the policy are below. Employees eligible for short term disability pay under the policy following one year of service, if he or she:

- (1) Is either-
 - (A) On Medical Leave; or
 - (B) On Occupational Injury Leave and
 - (1) If a Texas Employee, has elected any available Premium Benefits under the Employee Protection Plan
- (2) And enrolled in a medical plan.

An eligible employee must contact the Short Term Disability Third Party Administrator (STD TPA) to provide any required health care provider information to certify his or her claim prior to receiving short term disability pay.

Service as of Disability	Elimination Period		60% Benefit†
	Injury	Illness	
< 1 year of service	N/A	N/A	N/A
1-2 years of service	Day 1 (no wait)	*After 7 days	Up to 13 weeks
2 or more years of service	Day 1 (no wait)	*After 7 days	Up to 26 weeks

†Employee must be in a medical plan to be eligible for STD benefits.

* An eligible employees may elect to use vacation days in order to receive pay during the 7 day elimination period.

7. Life Insurance:

The Life insurance benefit for employees shall be an amount equal to 100% of their annual salary, subject to a maximum of \$1,000,000 dollars. The accidental death and dismemberment (AD&D) benefit shall be an amount equal to the life benefit. The amount of insurance benefits shall be rounded to the next multiple of \$1,000 if not already an exact multiple.

8. Plant Health Education Committee

The Company and Union may form a joint Plant Health Education Committee. This committee will have six (6) union and six (6) management representatives. Any lost time for attending the meeting will be paid for by the Company. The committee will follow the guidelines listed below:

- Transparency of information in full compliance with HIPPA

- Joint definition of facility specific opportunities and development of strategy to address:
 - Non-Plan design initiatives;
 - Health education programs;
 - Wellness initiatives;
 - Benefits education programs.

Article 24
Retirement Savings Plan

1. Bargaining unit employees shall be eligible to participate in the Pilgrim's Pride Retirement Savings Plan which is a plan covering facilities other than the Lufkin facility, on the same basis as all other employees of the Company. The administrative details of the plan is covered in the Summary Plan Description.

2. As the corporate Retirement Savings Plan is a plan covering facilities other than the Lufkin facility, it is understood that the Company may unilaterally, without bargaining or negotiating with the Union, change any or all provisions of the Plan and that the Union has also waived its right to bargain concerning the impact or effects on employees concerning such changes.

Article 25
Pilgrim's Pride Corporation Employee Protection Plan
For Texas Employees

1. The Company is not a subscriber to the State of Texas Worker's Compensation System. In view thereof, bargaining unit employees shall be covered by the Pilgrim's Pride Corporation Employee Protection Plan (For Texas Employees) which is a plan also covering employees at the Lufkin facility who are not in the bargaining unit and employees at other Company facilities in the State of Texas.
2. As the Pilgrim's Pride Corporation Employee Protection Plan (For Texas Employees) covers employees and Company facilities not included in the bargaining unit, it is understood that the Company may unilaterally, without bargaining or negotiating with the Union, change any or all provisions of this plan or abolish the plan and elect coverage for its Texas employees under the Texas Workers' Compensation Security Act, effective as of January 1, 1997, and that the Union has also waived its right to bargain concerning the impact or effects on employees concerning such changes.
3. All matters dealing with this Article and the Pilgrim's Pride Corporation Employee Protection Plan (For Texas Employees) are not subject to the grievance/arbitration procedures of this contract.

Article 26
Protective Clothing

1. The Company shall, at its own expense, maintain a supply room where the employees may purchase such items of working apparel as the Company chooses to select and stock.
2. For all newly hired employees, including rehires, the Company will furnish, at no cost to the employee, the first issue of needed items of working apparel. Depending upon the work area, this could include the following: hair net, rubber gloves, cotton gloves, apron, smock, hearing protection, sleeves, safety glasses, and bump cap. All employees will be responsible for the purchase of rubber boots which will be available to them at the Company's cost. The Company will comply with O.S.H.A. regulations on all protective equipment.
3. Back dock working apparel will be at no cost except for boots.
4. Employees temporarily transferred from one area to another will have equipment provided to perform the job as needed at no charge to the employee.

**Article 27
Duration**

This agreement shall become effective on **June 8, 2024** and shall continue in full force and effect until midnight **June 8, 2027** when it shall terminate. If either party desires to renegotiate this agreement, they shall give the other party written notice to that effect not less than sixty (60) nor more than, ninety (90) days prior to **June 8, 2027**. In any event, this Agreement shall not extend beyond **June 8, 2027** except by written consent of the parties.

FOR THE COMPANY:

FOR THE UNION:

**Benefit Exhibit
Pilgrim's Pride Corporation
Lufkin, TX**

Benefit Line Up	Enrollment Eligibility	Cost Share	
Health Insurance			
		Cost Share	
Medical PPC Standard Plan	1 st of the month following 60 days	25% EE 75% ER	
Dental	1 st of the month following 60 days	100% Employee Paid	
Vision	1 st of the month following 60 days	100% Employee Paid	
Life Insurance			
Basic & AD&D	Enrollment Eligibility	Cost Share	Benefit Option
	1 st of the month following 60 days	100% PPC	1x Base Pay 1x Base Pay (AD&D)
Disability Insurance			
Short Term Disability *Must be enrolled in medical plan	Enrollment Eligibility	Cost Share	Benefit Option
	First day following 1 year anniversary	100% PPC	< 1YOS = No Benefit 60% of base pay 1-2 YOS = up to 13 weeks 2+ YOS = up to 26 weeks
Retirement			
401(k)	Enrollment Eligibility	Cost Share	Benefit Option
	First day following 1 year anniversary	Employee can contribute up to 20% on pre-tax basis	30% company match on employee's first 6%

Health Insurance coverage is available to employee and family if employee is enrolled; all other benefits are available for employee participation only. Any plans not listed on this chart are no longer offered.

The Company will offer the same health plans offered at other Pilgrim's facilities. As the corporate health plan covers facilities other than the Mayfield, KY facility, it is understood that the Company may unilaterally, without bargaining or negotiating with the Union, change any or all provisions of the health plans.

Issues concerning the medical and life insurance provisions shall be governed by the applicable summary plan description and shall not be subject to the grievance and arbitration provision of this Agreement.

Pilgrim's Medical Rate Calculation -- Letter of Understanding

This Letter of Understanding is made and entered into by and between Pilgrim's Pride Corporation for its Lufkin, TX poultry processing facility (the "Company") and the United Food and Commercial Worker's Union, AFL-CIO, CLC, District Union 540 (the "Union").

The parties have reviewed the Company's methodology for calculating the cost of its medical plans and agree that this methodology continues to be satisfactory. During this review, the parties have agreed to continue to use this methodology, set-forth generally below, to calculate the increase or decrease in the cost of the Company's medical plan(s) from one year to the next.

The starting point for the claim cost projection is the most recent 12 months of claims data, typically June through May of a given year and including all applicable costs of administration. From this starting point, the Company projects claim costs from the experience period through December 31 of the year being rated by making a series of adjustments. First, the Company applies medical inflation or "trend." The Company determines medical trend by making actuarial assumptions based on, among other items, medical cost inflation, the Company's historical claims experience, any anticipated increases in administrative costs, and the length of time between the experience period and the rating period (e.g. projecting 18 months may require application of an annual trend figure multiplied by 1.5). Second, the Company applies the estimated impact of any changes to its benefits plan design and/or any other initiatives that might affect claim costs. Third, the projected amount of surcharges (i.e., tobacco, spousal, etc.) will be deducted from the projected claims cost resulting in the "Adjusted Projected Claims Cost". Fourth, the Adjusted Projected Claims costs are then converted to a PEPM (per employee per month) cost and allocated among a 4-tier structure based on relative cost of the 4-tiers and actual enrollment by tier.

The employees' weekly contributions by tier shall, in the aggregate, equal twenty-five percent (25%) of the projected plan costs. ("Weekly Contribution Rate").

The parties will meet in July of each year to review the calculations and actuarial assumptions used to arrive at the employee's weekly contributions. The projections may be reviewed to ensure they have been performed in accordance with the prevailing Actuarial Standards of Practice. All information including projected claims, trend calculations, plan design changes, benefit initiatives, or other relevant information used in the Company's calculations may be reviewed during this meeting. When possible, the Company will make this information available to the union one week prior to the meeting. Whether the information is provided one week before the meeting or at the meeting, the union has one week after the date the information is initially provided to contest the

following exhaustive list of issues: (i) whether the method described herein for calculating employee contributions was followed, and/or (ii) whether the prevailing Actuarial Standards of Practice were applied (the "Contestable Issues").

In the event of a disagreement regarding a Contestable Issue(s) that cannot be remedied by informal mediation, the parties shall jointly agree upon a third party mediator/arbitrator deemed an expert in this field to hear evidence and make a final determination on said Contestable Issue(s).

In addition, the parties will meet on one more occasion to discuss benefits utilization, benefit initiatives, and other cost saving measures.

Beginning on January 1, 2017, the Company will make a flexible spending account (FSA) option available to employees covered by a collective bargaining agreement between the Company and the Union. Employees will be given the opportunity to elect an amount to contribute to their FSA during the regular open enrollment period.

Letter of Understanding – Clinics

The Company has agreed to pilot, at two (2) Pilgrim's locations represented by the United Food and Commercial Workers (UFCW) or the Retail, Wholesale, and Department Store Union (RWDSU), a free non-occupational clinic model to provide primary care medical services to the eligible employees and their dependents who enroll and remain engaged in the clinics' plans, subject to certain conditions. Employees who enroll in the clinic model will be required to use this facility(s) for primary care services, in order to have any such services covered by the Plan.

During the term of the pilot program, the Company and the clinic providers will continually evaluate the effectiveness of each clinic, its cost saving properties. Should a clinic program be a cost savings or cost neutral to the Company, it will remain available for eligible employees and their dependents use.

Implementation and continuation of a clinic is contingent on the Company reaching an agreement with a primary care clinic provider on an initial roll-out and on continuing arrangements thereafter.

The Company will review the economic feasibility of each clinic annually, should it not remain cost savings or cost neutral the Company may make a determination as to whether in its sole judgment it shall continue the operations of the clinic.

If during the term of this collective bargaining agreement the Company, alone, determines that this model will result in reduced healthcare costs, the Company may implement the clinic model at this location.

Once the Company has implemented a free primary care clinic model at two (2) Pilgrim's locations, it is agreed that the Company has met its obligation under this agreement.

LETTER OF UNDERSTANDING

This Letter of Understanding is entered into by and between Pilgrim's Pride Corporation for its Lufkin, TX facility and United Food and Commercial Workers International Union, Local Union 540, and is incorporated and made part of the agreement dated June 13, 2021.

During the negotiations that led to this Agreement, the parties identified the following employees who shall have their regular, straight-time, hourly rate of pay, that was in place prior to the ratification of this Agreement, increased by one dollar and thirty five cents (\$1.35) and will be "red circled". These employees will maintain this new rate of pay and participate in contractual increases until such time as one of the following occurs:

1. Termination of employment; or
2. They successfully bid another position; or
3. The rate of pay of their job becomes equal to or greater than their red circle rate; or
4. They become physically unable to perform the essential functions of the job they were red circled at;

If any of these employees would vacate current position for any of the above reason, the open position will be paid at current contractual rate.

Red Circled Employees:

FRIAS	ALICIA
GARCIA	DORA
PADILLA	GREGORIA
SANTANA	IMELDA
MADERA	JOSE
RIOS	DIONCIL
BARRON	MARIA
JAIME	MARTINA
MORALES	MARIA
CORTES	
SUAREZ	MARIANO
CHAVEZ	ESTEBAN
SEVILLA	PASCUAL
ROJO	HECTOR
HUERTA	MARIO
CASTILLO	FRANCISCO
CASTILLO	OCTAVIO
SILVA	ESTEBAN
GUTIERREZ	SYLVIA
MENDOZA	SAUL
CARO	FERNANDO