



**AGREEMENT**

BETWEEN

**Swift Beef Company  
CACTUS, TEXAS**

AND

**LOCAL UNION #540  
UNITED FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNION AFL-CIO & CLC**

**EFFECTIVE 6/9/2024 THROUGH 6/14/2026**

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## **ARTICLE 1 RECOGNITION**

The Company, Swift Beef Company and JBS USA Sanitation Corporation, Schroeder Industrial Park, Cactus, Texas, recognizes Local Union 540, United Food and Commercial Workers International Union, AFL-CIO and CLC (hereinafter called the Union) as the sole and exclusive bargaining agent for all Production, Maintenance, and Sanitation employees defined as follows:

**Include:** All regular Production, Maintenance, and Sanitation employees of JBS's Beef Plant and Hide/Tannery Plant, Schroeder Industrial Park, Cactus, Texas.

**Exclude:** general manager, operations manager, plant controller and assistant plant controller, superintendents, chief engineer, department managers, salespersons, beef commercial employees, quality assurance employees, computer operators, programmers, panel board operators, logic system operators, manifestors, checkers, dispatchers, office clerical employees, livestock buyers, management livestock buyers, management livestock handling employees, medical department employees, laboratory employees, drum operator, chrome recovery operator, splitting feeder, shaving feeder, cleanup and janitorial service employees, trailer washing facility employees, professional employees, plant protection employees, blender operators, beef cookers lab technician, all supervisory employees as defined in the Act and all other employees.

## **ARTICLE 2**

### **PURPOSE OF AGREEMENT**

**Section 1.** It is the intent and purpose of the parties hereto that this Agreement shall promote and improve the industrial and economic relationships between the Company and the Union and its members as set forth herein, and to set forth herein rates of pay, hours of work, and other conditions of employment to be observed between the parties hereto.

**Section 2.** It is recognized by both parties that they have a mutual interest and obligation in maintaining friendly cooperation between the Company and the Union which will permit safe, economical, and efficient operation.

## **ARTICLE 3 MANAGEMENT RIGHTS**

**Section 1.** It is understood and agreed by the Union that the Company reserves the right of management at all times and that, except otherwise specifically provided in this Agreement, the Company has the sole and exclusive right to exercise all of the rights of functions of management. These rights or functions include, but are not restricted to: The right to direct the work force, including the right to hire, discipline, suspend, discharge for cause, control the quality of work, transfer, promote, demote, or lay-off employees; the right to schedule work hours; to establish schedules and standards, determine the location of the business products to be manufactured or services rendered; place maintenance or mechanical work with outside contractors or subcontractors where employees are not trained to do the work or the Company does not have equipment with which to do the work; and determine those with whom it will do business.

Section 2. For Sanitation team members, notwithstanding the other provisions of this Article, The Company shall not perform bargaining unit work with non-bargaining unit personnel for the express purpose of avoiding overtime or to permanently displace bargaining unit employees.

The Company may subcontract sanitation work at any time.

**Section 3.** Supervisors or other non-unit personnel shall not perform bargaining unit work except in such situations as instructing an employee or in case of emergency.

**Section 4.** The Company may institute, add to, modify or change drug screen programs subject to the Union's right to utilize the grievance and arbitration provisions of the contract. Copies of the foregoing will be provided to the Union at least ten (10) days prior to being implemented or changed.

## **ARTICLE 4**

### **COMPANY AND UNION RESPONSIBILITY**

**Section 1.** During the term of this Agreement, there shall be no strike, stoppage, picketing, honoring of any picket line, sympathy strike, slowdown, deliberate withholding of production or suspension of work on the part of the Union, its members, or any individual covered by this Agreement for any reason whatsoever. In the event of a breach of this provision, the Union shall immediately declare publicly that such is unauthorized and shall promptly order its members to resume their normal duties notwithstanding the existence of any picket line. The Union further agrees that it will in no way interfere with the business of the Company by sanctioning or conducting a boycott on the handling of goods procured from a source or destined to a point where a labor controversy or dispute may exist.

**Section 2.** The Company shall have the right to determine the discipline given an employee or employees for breach of this Article. The severity of the discipline imposed for such violation shall not be subject to arbitration; the Union shall, however, have the right to grieve the question of fact as to whether or not an employee or employees have breached any provisions of the Article.

**Section 3.** The company agrees that neither it nor its representatives will put into effect any lockout during the term to this Agreement.

**Section 4.** The Company will not enter into any agreement on an individual basis with any employee.

**Section 5.** The Company and the Union agree that the English language agreement shall be the controlling document for legal and administrative purposes.

The Company and the Union will split equally the cost of translation of the Agreement, and each will pay proportionate costs for printing of the Agreement.

The agreement and key policies shall be published in translation to Spanish.

## **ARTICLE 5**

### **STATE OR FEDERAL STATUTES**

**Section 1.** Nothing in the Agreement shall require the Company or the Union to take any action which shall be unlawful because of any applicable present or future local, state, or federal statute.

**Section 2.** If any provision of this Agreement is rendered inoperative by reason of any applicable present or future state or federal law or regulation, the remainder of this Agreement shall not be affected and shall remain in full force and effect.

## **ARTICLE 6**

### **CHECK-OFF**

**Section 1.** The Company, upon written authorization of the employee, in the appropriate form, shall deduct from each weekly pay, Union dues, initiation fees, ABC contributions and special assessments and promptly remit the same on a weekly basis to the appropriate officer of the Union. If Union dues or assessments are not deducted from an employee due to absence from the payroll and the Union so requests in writing, Back-Union dues or assessments will be deducted from the employee's pay on bi-weekly basis as outlined in the Union's written request.

**Section 2.** The Union shall indemnify and save the Company harmless from any claims, suits, judgments, attachments, and from any other form of liability as a result of making any deduction in accordance with the foregoing authorization and assignment.

**Section 3.** In the event that the applicable laws concerning union security are changed during the Life of this Agreement, the parties will reopen this Article 6 of the contract for the purpose of negotiations for a union shop, agency or other such clause which will comply with such change in applicable law, the provisions of Article 4 of this Agreement shall apply to the negotiations provided herein.

**Section 4.** Upon written request by the employee, on a proper form, the Company shall deduct each week employee's authorized Credit Union deductions and remit same promptly to said Financial Institution, as specified by the Union.

**Section 5.** During the beginning of new employee orientation, the Company agrees to allow Union Representatives the opportunity to discuss the positive relationship between the Union and the Company and present employees with Authorization Cards. Such presentation will last no longer than an appropriate amount of time.

## **ARTICLE 7 NO DISCRIMINATION**

**Section 1. No Discrimination.** The Company and the Union are committed to maintaining a work environment that is free from discrimination. In the administration of this agreement and, in accordance with applicable federal and state law, neither the Company nor the union shall discriminate against any employee because of that employee's race, sex, color, creed, religion, national origin, age, marital status, veteran's status, sexual orientation, gender identity and expression, disability or membership/non-membership in the Union.

**Section 2. Harassment Prohibited.** Harassment of any employee due to that employee's race, color, sex, religion, national origin, age, veteran's status, or disability is also prohibited by this Agreement as well as federal and state law. For purposes of this section the term "employee" is intended to include all employees (regardless of classification), vendors, contractors, visitors or others conducting business on Company premises. Harassment consists of unwelcome conduct, whether verbal, physical or visual, that is based upon a person's protected status, such as sex, race, color, ancestry, religion, national origin, age, disability, marital status or other protected status. The Company will not tolerate harassing conduct that affects tangible job benefits; that interferes unreasonably with an individual's work performance; or that creates an intimidating, hostile or offensive working environment.

1. Sexual Harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other physical, verbal or visual conduct based on sex, when:
  - (i). Submission to the conduct is an explicit or implicit term or condition of employment;
  - (ii). Submission to or rejection of the conduct is used as the basis for an employment decision; or
  - (iii). The conduct has the purpose or effect of unreasonably interfering with an individual's work performance, or creates an intimidating, hostile or offensive working environment.

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

**Section 3. Use of Grievance Procedures.** If any employee feels that they have been subjected to prohibited discrimination, including harassment, they may file a grievance under the grievance and arbitration provisions of this Agreement. If the employee feels they have been the subject of discrimination or harassment they should immediately notify their immediate supervisor. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact their supervisor, the employee should immediately contact the Human Resource Department. The company will investigate all such complaints and keep 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 provision of this Article. The company forbids retaliation against anyone who has truthfully reported harassment.

**Section 4. Waiver of Contractual Rights.** If any employee claiming a violation of this article elects to proceed to an administrative agency or to court during the pendency of the grievance or at any time prior to the issuance of the written opinion and award of an arbitrator, the grievance will be considered to have been withdrawn without prejudice.

**Section 5. Contract Remedies.** An arbitrator hearing a grievance that alleges a violation of this Article has no authority to award compensatory, punitive or any monetary damages other than back pay.

**Section 6. Reasonable Accommodation.** In the administration of this agreement, the Company and the Union will provide reasonable accommodations to qualified employees with a disability and to employees based upon their religious tenets. Any employee who seeks such an accommodation must so inform the company, in writing, and cooperate with the Company and the Union in seeking to identify reasonable alternatives. The need for the extent of such accommodation shall be determined by the Company in accordance with its interpretation of the requirements of the Americans with disabilities Act and Title VII of the Civil Rights Act of 1964, even if such accommodations may necessitate the modification or waiver of any 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.

## **ARTICLE 8**

### **ADJUSTMENT OF GRIEVANCE**

**Section 1.** A grievance committee of not more than five (5) members will be established. The Union shall advise the Company of the names of the members of this committee in writing. Union representatives shall be permitted time off with pay, except for arbitration, to attend any regular scheduled meetings with the Company's designated representatives as provided herein.

**Section 2.** The Local Union shall designate a reasonable number of stewards in writing and the section each steward will represent. Only such stewards as are so named will be recognized.

**Section 3.** Stewards and the grievance committee will not waste time or abuse the grievance procedure.

Within a reasonable period of time, the Company must provide the Union Stewards with access to records, postings or policies they request, only if the requested information is applicable to and necessary to conduct an investigation into a matter pertaining to this Agreement or incident to the employment relationship and the request is not too onerous or involves confidential or proprietary information. If the request is for a specific employee's personal or medical information, the Steward must present a signed authorization from the employee that must specify what records or information is to be released. The Company will not be expected to make copies of any documents unless the request only involves a few pages.

**Section 4.** Should grievances arise between the Company and the Union, or between the Company and the employees, pertaining to matters involved in this agreement or incident to the employment relationship, the following procedure shall apply:

**First:** The aggrieved employee or employees, with or without the section steward, shall within five (5) working days of the knowledge of the incident, discuss the matter with the work group supervisor for the purpose of resolving the grievance, or the matter will be considered closed. Grievances in this step may or may not be presented in writing. If, or once the grievance has been submitted in writing and presented to the Supervisor or any Company Representative at any step of the grievance procedure, the Supervisor or Company Representative must initial and date the actual grievance only as proof of receipt of such document. The Supervisor's verbal answer is due within two (2) working days of being presented with the grievance.

**Second:** If the grievance is not resolved at the First Step it may be presented to the Second Step within five (5) working days from the date of the Company's answer in the First Step. Grievances in this step must be in writing. In this step the section steward, with or without the aggrieved employee or employees, shall present the matter to section Superintendent for purpose of resolving the grievance.

The Superintendent's written answer is due within two (2) working days of being presented with the grievance.

The Company agrees to prioritize any and all pay issues to insure proper pay to all employees without the necessity of utilizing the grievance procedure. If the parties cannot agree, pay issues will be taken to the second (2<sup>nd</sup>) step of the grievance procedure.

**Third:** If the grievance is not resolved at the Second Step it may be presented to the Third Step within five (5) working days from the date of the Company's answer in the Second Step. The Grievance Committee, with or without the aggrieved employee or employees and the Local Union representative shall meet with the Human Resources Director or their designee and the appropriate Section Manager, i.e., Slaughter Operations Manager, Fabrication Operations Manager, Material Handling Manager, Plant Engineer or Hides/Tannery General Manager, within ten (10) working days of when the grievance was presented to the Human Resources Director or their designee. In this step the parties may call witnesses or visit the department involved in order to gather all pertinent evidence. The Company's written answer is due within five (5) working days of the Third Step Meeting.

In the case of a termination or suspension, the grievance shall be submitted directly to the Third Step of the grievance procedure

**Fourth:** If the grievance is not resolved in the Third Step it may be presented to the Fourth Step. The Union's decision to continue a grievance to the Fourth Step must be made and delivered in writing to the Human Resources Director or their designee within ten (10) working days from the Company's written answer in the Third Step. Grievances in this step will be presented to the Vice President of Labor Relations or their designee and the Union representative or their designee. The Union will notify the Company if a meeting is required to address pending grievances

**Fifth:** If the grievance is not resolved in the Fourth Step it may be presented to arbitration. Any decision to continue a grievance to arbitration must be made and the Company's Vice President of Labor Relations or their designee notified in writing of such decision with fifteen (15) working days of the deadlock at the Fourth Step. The Union shall have the sole authority to process the grievance to arbitration.

Within fifteen (15) working days of the decision to continue the grievance to arbitration the Union shall submit a written request for a list of seven (7) arbitrators from the Federal Mediation and Conciliation Services (FMCS). Within Fifteen (15) working days of receipt of the FMCS list, the parties will select an arbitrator by alternately striking names until only one name remains. The remaining name will be the arbitrator to hear the grievance. If either party should refuse to strike names within fifteen (15) working days of receipt of the FMCS list, the party refusing to strike names shall lose the grievance by default without recourse to any other procedure.

By mutual agreement of the parties, a request of the arbitrator for a "Bench Decision" is allowed and shall be mandatory upon the arbitrator if so notified upon acceptance of the dispute. The arbitrator's fees and expenses, the cost of the hearing room, and the cost of a court reporter, if requested by the arbitrator, shall be borne equally by the parties. All other expenses will be borne by the party incurring them.

The Company and the Union have agreed that the time limits outlined above are adequate to process grievances. Any request to extend the time limits must be mutually agreed on in writing and signed by both parties. Failure by the company to answer a grievance in accordance within the time limits set forth shall cause the grievance to be automatically appealed to the next higher step of the grievance procedure. Failure by the Union to process a grievance within the time limits set forth shall cause the grievance to be ended.

**Section 5.** It is recommended that the arbitrator shall submit his decision, in writing, within thirty (30) days and at the end of forty-five (45) days after the conclusion of the hearing, or hearings, as the case may be. At the end of forty-five (45) days, the Union and the Company will in writing, request the arbitrator's decision.

**Section 6.** A settlement arrived at in the Second Step and above of the grievance procedure will be reduced to writing and signed by both parties. Such settlement will be final and binding upon the parties.

**Section 7.** No employee shall leave the job to handle grievances without first obtaining permission from their supervisor. All grievances are to be presented and grievance meetings held at times causing the least inconvenience to operations and involving the least possible amount of lost time or the Company must grant time before or after the shift with pay.

**Section 8.** In cases of discipline involving a suspension which may result in a discharge, the Company will arrange to have the section steward present before the actual interview with the employees to be suspended. Provided, (i) if the section steward is not present on the premises, the Company shall arrange for another Union steward to be present, and (ii) the employee to be disciplined does not object to the presence of a Union steward.

**Section 9.** Upon expiration of twelve (12) months from the date of the occurrence upon which a disciplinary entry was entered in the employee's personnel file, the Company will be precluded from using such entry in any disciplinary action. However, it is agreed that incidents involving sexual harassment, discriminatory treatment, aggressive behavior or drug/alcohol abuse will be excluded from this time limit. A copy of employee disciplinary action will be provided upon request by the individual employee.

## **ARTICLE 9**

### **EQUIPMENT FURNISHED BY THE COMPANY**

**Section 1.** The Company will furnish knives and steels to employees using them. These are in addition to safety devices deemed necessary by the Company which when furnished must be worn as a condition of employment.

**Section 2.** The Company will furnish cotton gloves, aprons, rubber gloves, and wet suits when they are deemed necessary by the Company.

The Company will furnish rubber gloves and rubber aprons to those employees who are on the chuck line who request them, providing that they wear them.

The Company will furnish boots for Load Out and Shackler employees. (If the Company ever requires safety-toe boots the Company will furnish them).

The Company agrees to provide a \$125 per contract year boot allowance for maintenance employees. This allowance may be used to purchase leather or rubber boots that meet the Company's safety and health standards. Should the nature of our business change, employees may be required to wear rubber boots only.

The Company will provide frocks for the Fabrication Section, Transfer Chain and Carcass Loadout and within six (6) months of ratification, the Company will begin providing uniforms for the Slaughter, Maintenance and Hides/Tannery Sections at no cost to the employee. The Company will launder these items at no charge to the employee.

Extreme cold weather gear requirements will be addressed by the safety and Ergonomics Committees. Such Equipment will be furnished to the employee at no cost.

Cold weather boots will be provided for selected livestock yard employees who are affected by outdoor winter conditions. Boots will be provided on as needed exchange basis.

**Section 3.** 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. The company will periodically check the condition of all equipment furnished by the employer, and at its own expense replace items which are no longer protective or worn out.

## **ARTICLE 10**

### **UNION NOTICES**

A bulletin board shall be made available at the job site at all times for the exclusive use of the Union. Notices may be posted on such bulletin board for matters such as union meetings, social affairs, union elections, and other internal union affairs. Other notices may be posted subject to the approval of Management as to their contents.

## **ARTICLE 11**

### **SENIORITY**

**Section 1.** An employee shall be a probationary employee for a period of thirty (30) calendar days from the date of last employment. An employee's probationary period may be extended to sixty (60) calendar days for job performance purposes by mutual agreement with the Union. The Company may at its sole discretion discipline or terminate a probationary employee and no grievance shall be filed or processed on their behalf. At the end of the probationary period, an employee shall become a regular full-time employee and shall have seniority commencing as of the last date of employment.

**Section 2.** Seniority shall be established on the basis of continuous service with the Company and shall accumulate from the last date of hire and shall be applied on the following basis within the plant.

There will be seven (7) Seniority Sections.

- Slaughter Section
- Rendering Section
- Fabrication Section
- Material Handling Section
- Maintenance Section (Beef Plant)
- Hides/ Tannery Section (Including Maintenance)
- Sanitation

Except for alternate duty jobs, all regular job vacancies, including new jobs, will be posted for bid in a conspicuous location in the plant HR Office and Union Office for a period of five (5) working days. The employee with the most plant seniority within the section where the vacancy exists will be given first preference. If no one within the section bids the job, the employee with the most plant seniority who bids the job will be awarded the position. However, any bidder who has four (4) attendance points or more will disqualify themselves from being awarded any job bid. In the case of any maintenance vacancy (beef plant or tannery), second priority will be given to employees who are in the other maintenance section before moving to plant wide seniority. Employees with twenty-five (25) years of service or more may use their plant seniority to bid on any open regular job within the plant. Janitor, laundry, and outside clean-up positions will be awarded by plant seniority.

An employee who successfully bids into another section will not be eligible to bid again for a period of twelve (12) months. There will be a maximum of five (5) jobs per calendar year awarded to tannery employees for job bids at the beef plant. Employees who crossover from one section to another will have their plant seniority established in the new section.

Jobs will be posted when they become vacant. The Job will be awarded to the senior eligible bidder as outlined above. If the senior bidder turns down the job or does not qualify, the Company will not re-post the bid, but will award it to the next

senior bidder on the posting. The job bid list posting will be capped at a maximum of four (4) bidders. If those bidders do not qualify on the position, the position will be assigned by management. If an employee accepts a job and subsequently turns it down, they will still be considered to have been a successful bidder. If there are no successful bidders, the job may be assigned to the least senior employee working in the section, who has no job ownership, who is capable of performing the work. All job posting notices will have the following information:

- Job Title:
- Section:
- Shift:
- Pay for such job:
- Job Requirements:
- Former job holder:

Employees, who happen to have the same seniority date, shall have their seniority established in alphabetical order to determine who is the most senior.

A minimum of five (5) jobs per month will be awarded to the most senior employee bidding to change between a-shift and b-shift for each fabrication, slaughter, maintenance and hide/tannery sections. A vacancy will occur when an employee leaves their position to accept assignment in the Career Leadership Opportunity (CLO) program.

Section 3. Employees in Sanitation shall be eligible to bid into other bargaining unit positions as outlined in the current collective bargaining agreement. However, the Company shall not be required to award bids to more than twenty (20%) of the sanitation workforce in the first (1st) year of this agreement and not more than forty percent (40%) the sanitation workforce in the second (2<sup>nd</sup>) year of this Agreement.

The Company shall endeavor to move employees to their awarded bid job in a timely manner. In the event this takes more than ninety (90) days, the Company shall be subject the bid penalty specified in this Agreement.

Employee who bid into Sanitation shall be ineligible to bid or transfer for twelve (12) months from the date they are moved into sanitation

Section 4. The work groups for job bidding and all other purpose except vacation scheduling shall be:

Fabrication Section

- Group 1 (A- shift and B-shift)  
Breaking chain, chuck lines, rough cuts, rib line, whizzards, strip line, butts line, tender trimmers, rounds line, and pack 1 and 2.
  
- Group 2 Box make-up, sortation and box warehouse (all shifts)

	Group 3	Ground Beef (all shifts)
Material Handling	Group 1	Loadout (all Shifts), Box Storage and Freezer
Slaughter Section	Group 1	(A-shift and B-shift) Kill and dress, variety meats, trolleys, janitors, pens and laundry.
	Group 2	(Transfer chain and carcass load out-all shifts)
Rendering	Group 1	Edible and Inedible Rendering (all shifts)
Maintenance Section (Beef plant)	Group 1	(All shifts)
(Hide/Tannery Section)	Group 1	Operations (all shifts)
	Group 2	Maintenance (all shifts)

**Section 5.** An employee shall have a maximum of thirty (30) days from the time they are placed on the job to qualify for such job. All assignments will be based upon seniority and ability to perform the job. Employees who win a job of higher pay will be placed on such job within thirty (30) days of the award, or be paid the higher rate of pay, or be paid twenty-five (25) cents per hour more, whichever is higher, until they are placed on such job. Employees who win a job of lower or equal pay will be placed on such job within thirty (30) work days of the award, or be paid twenty-five (25) cents per hour above the employee's regular rate of pay until the employee is placed on such job. Notwithstanding any of the above, an employee will be moved to their new job no later than ninety (90) days after the employee has won the job through the bid procedure. A vacancy which results from the filling of a regular job vacancy will be filled by assignment until the prior holder has qualified on the new job. Copies of job awards will be given to the Union.

A list of terminations will be provided to the Union on a monthly basis.

**Section 6.** An employee who fails to qualify on their bid job shall return to the job for which the employee was last qualified. An employee who was previously qualified on their job, and who in the judgement of the Company is no longer qualified to perform their job, may be disqualified. The employee will have any bid restrictions removed and be assigned to available work at the discretion of the

Company. Such disqualification decision is subject to Article 8 – Adjustment of Grievance within this agreement.

Employees who do not complete the Management Trainee program or are not promoted to supervisory positions within ninety (90) days as anticipated may return to their previous job as their seniority permits. After ninety (90) days, the employee will be returned to an open position in their previous department.

Except for health reasons affecting the employee's ability to perform the job, employees may be a successful bidder on a downward bid only once in any six (6) month period or a lateral bid once in any six (6) month period.

**Section 7.** Layoff within a section caused by a reduction in work force will be done according to plant seniority among employees working in the section, provided the employees who remain are capable of performing the remaining jobs.

An employee who is displaced by a reduction in force will move to the job held previously, provided the employee has more plant seniority than the employee they displaced, and is able to perform the job. In the case of a mass layoff totaling twenty-five percent (25%) of the work force or more, in order for the company to operate effectively, the company may temporarily layoff the employees so effected up to two weeks before they can exercise their displacement rights and thereafter start recalling employees from layoff and offering employees so effected displacement rights as outlined in Article 11 Section 6.

If an employee's plant seniority will not allow the displacement of an employee in a previously held job in the section, the employee shall be assigned to a job in the section consistent with their seniority and ability to perform the job.

An employee who is displaced from their section may displace the most junior employee in another section provided the employee is senior to the displaced employee and able to perform the job.

No Hides\Tannery section employee may exercise seniority to displace employees working in the other five (5) sections of the agreement, and no employee of the fabrication, slaughter, or maintenance sections (beef plant) may exercise seniority to displace employees working in the Hides\Tannery section.

An employee who displaces into another section shall have a one-time opportunity to return to the former section upon recall as provided below, or shall be allowed to bid within the new section.

Employees laid off for less than five (5) working days (Saturday is a work day) shall be entitled to guarantee pay in the week(s) of layoff and recall. Employee shall receive the rate of pay for the job where they are retained by their seniority.

In a recall, employees who are laid off from a section will be recalled to their former section in order of their plant seniority, provided they are qualified to perform the jobs available.

Employees shall furnish their address in writing to the Company for notification purposes. All notices shall be considered delivered to the employee when mailed to the last address furnished. Employees recalled from layoff will be sent a certified letter to their last known address on the Company records. Notification will be considered to have been made based on the mailing date. Employees who anticipate leaving the area must notify the Human Resources department, providing alternant contact information, to insure timely notification. Employees recalled from layoff will have five calendar days from the certified mail date to return to work. Employees who do not return within the five- (5) day period will be passed over and the next senior employee will be notified.

**Section 8.** An employee shall lose his seniority and employment rights for the following reasons:

- (a) Voluntarily quitting,
- (b) Job Abandonment – Three (3) days No Call, No Show.
- (c) Discharge for cause.
  
- (d) In layoff for a period of more than one (1) year.
  
- (e) Those employees who fail to return from layoff beyond five (5) calendar days after the date of the second delivery attempt of the original certified letter notice.
  
- (f) If the employee is off the active payroll for twelve (12) consecutive months. While the employment relationship will be terminated after twelve (12) months an employee shall be reinstated from a medical leave if they are able to return to their previous job or return to an available position within a total of eighteen (18) months.
  
- (g) An employee who leaves the Bargaining Unit to accept a position with management will lose bargaining unit seniority rights only for bidding, layoffs and recall.
  
- (h) With regard to employees in a Management Trainee program, the employee will be considered to have left the bargaining unit on the first day they are promoted to the anticipated position as a supervisor. Or if they remain in a Management Trainee program for more than ninety-one (91) days, they will lose all Bargaining Unit seniority rights at that time.

**Section 9.** Seniority lists shall be maintained by the Company and shall be posted every ninety (90) days, and a copy shall be furnished to the Union. Any protest as to the correctness of the seniority list must be made in writing to the Company within thirty (30) days after the list is posted and delivered to the Union or the list will be deemed final.

An employee who is absent from work for the entire thirty (30) day period following posting of the seniority lists because of illness, vacation, or leave of absence shall have an opportunity to protest the correctness of the seniority list within two (2) workdays after he returns to work. Additions and deletions to the seniority list shall be furnished to the Local Union monthly.

**Section 10.** When an opening occurs in a Team Leader position, an informational posting will be posted. Interested employees may complete an application for the position at the Human Resources Office. The vacancy will be awarded to the best qualified employee as determined by the Company. The Company will seek input from Union Representatives when awarding these positions. Evaluation criteria when awarding these positions will include work skills, work record, work experience, attendance, safety, communication, and education or training which is related to the position. If the Company determines that all qualifications are equal, then the most senior employee shall be awarded the job. This same process would apply to any trainer or lead person positions if implemented.

**Section 11.** Selection of Electronic Technician Positions. The Company and Union agree there is a need for additional minimum qualifications for these positions.

Minimum qualifications for successful bidders will be as follows:

1. Successful completion of Electronic Technician examination.
2. Good Attendance. An employee with either an excessive absence letter or an active suspension (less than one year) under the unexcused absence policy will not be awarded the job.
3. An employee with an active (less than one year) suspension for work performance, failure to follow instructions, etc., will not be awarded the job.
4. Excellent Safety Habits. An employee with an active (less than one year) disciplinary action for a safety violation will not be awarded the job.

The Company agrees to post Electronic Tech positions in accordance with the provisions of this contract. The above criteria will be used to identify candidates that meet the minimum qualifications. Seniority will be the determining factor in employees who have met the minimum qualifications.

## **ARTICLE 12 GUARANTEE**

**Section 1.** The Company will provide each regular full-time employee at least thirty-six (36) hours of pay at the employee's straight-time hourly rate during the workweek. Hours employees are absent for any reason will be deducted from such thirty-six (36) hours. The guarantee will also be reduced by six (6) hours for each full time shift in which the plant is unable to operate because of storm, flood fire, explosion, power failure, strikes or boycotts by any labor union, or other unusual emergencies.

**Section 2.** The guaranteed workweek shall apply only to those regular full-time employees who have completed thirty (30) working days of employment prior to the commencement of that payroll week.

**Section 3.** Regular full-time employees called to work will be provided with a minimum of four (4) hours of work or pay in lieu of work unless the plant is unable to operate because of contingencies enumerated in section 1 above.

**Section 4.** Employees called to work after leaving the plant and before their next scheduled workday shall receive four (4) pay at time and one-half (1-1/2).

**Section 5.** Employees displaced or recalled because of the seniority provisions of this Agreement shall receive pay for only those hours worked in the week of such displacement or recall.

**Section 6.** The Company may notify employees of a shorter work week on or before Friday of the prior week, in which event the guarantee shall, up to a maximum of thirteen (13) weeks during each contract year, be reduced to thirty-two (32) hours of pay at their regular straight-time rate of pay, to be accomplished in a maximum of five (5) consecutive days (Monday through Friday or Tuesday through Saturday) unless the plant is unable to operate because of contingencies enumerated in Section 1. Fabrication Section Group 3 (All Shifts) may have short work weeks scheduled independently from the rest of the plant, provided that such reduction be no less than thirty-two (32) hours of pay per week to be accomplished in a maximum of five (5) consecutive days (Monday through Friday or Tuesday through Saturday) not more than thirteen (13) weeks during each contract year. In those weeks in which the plant has posted a short work week, if thirty-six (36) hours of pay are completed, that week will not count toward the maximum thirteen (13) weeks for the contract year.

**Section 7.** For Sanitation team members, notwithstanding the other provisions of this Article the Company shall provide each regular full-time employee at least six (6) hours of work or pay at the employee's straight-time hourly rate during each scheduled workday. The hours employees are absent for any reason will be deducted from such six (6) hours. The Guarantee will also be reduced by six (6) hours for each shift in which the plant is unable to operate because of the

exclusions to the guarantee stated in this Article for employees who receive a weekly guarantee.

## **ARTICLE 13**

### **HOURS OF WORK**

**Section 1.** The payroll week for payroll purposes shall start at 12:01 A.M. on Monday and end at midnight Sunday evening. It is agreed the Company may change the workweek to begin at 12:01 a.m. on Sunday and end at midnight on Saturday.

**Section 2.** The basic workday of an employee shall be eight (8) hours, except for certain maintenance & technician employees who work ten (10) hours a day, four (4) days on and three (3) days off. The language regarding four (4) ten-hour days refers to maintenance employees only.

The basic workweek of an employee will be forty (40) hours. It is understood and agreed that the basic workday or the basic workweek are not to be interpreted as either a daily or weekly guarantee nor does it restrict the amount of time an employee can be required to work.

For Sanitation team members, notwithstanding the other provisions of this Article Employees covered by this Agreement shall not be tied to the basic workday or workweek provisions outlined in the production employee collective bargaining agreement.

In the interest of health and safety, employees who are required to work in excess of twelve (12) hours per day for a continuous period of time, who object to working extended hours may take these issues up through the Safety and Ergonomics Committees.

When there is overtime at the end of a scheduled shift, the assignment of that overtime will be handled as follows:

- If work is required for a specific job and all employees who are performing the job are not required to stay, the Company will recognize the rule of senior may, junior must in determining the employees to stay for the overtime.
- If work is required and the work is a result of “rework,” the employees performing the job that resulted in the “rework” may be required to stay. If all the employees performing the job that resulted in the “rework” are not required, the Company will recognize the rule of senior may, junior must in determining the employees who stay for the overtime.
- If work is required and the Company decides to use more employees than those who are performing the job required to work overtime, the Company will seek additional employees from the qualified employees within the “crew” on the basis of senior may, junior must. For purposes of this Section, the term “crew” is the same as defined under Article 16, Section 8 of this Agreement. If the Company needs help beyond the “crew,” they may seek help from any crew within any Seniority Section of the plant and on any basis it chooses.
- An employee who wants to “double shift” will notify their Area Superintendent of their desire prior to the lunch period of their shift. If “doubles” are required, the

Company will first select from those qualified employees who notified their Area Superintendent on the basis of senior may, junior must and second based on whatever means it chooses. However, the Company will not require an employee to double over into the next shift except for emergencies. For the purpose of this section only the term emergency relates to issues of product integrity and perishability.

**Section 3.** One and one-half (1-1/2) times the regular rate of pay shall be paid for all hours worked in excess of eight (8) hours in any day or forty (40) hours in any one week provided that those employees (as defined in Section 2 above) who work ten (10) hours a day, four (4) days on and three (3) days off, shall be paid such rate for all hours worked over ten (10) in one work day.

Time and one half (1-1/2) the regular rate of pay will be paid for all hours worked on an employee's sixth consecutive day of actual work during the work week provided that employee must have worked all hours as directed on the first five (5) days of that work week. Unscheduled work days do not count as a day worked for purposes of computing overtime. Holiday, vacation or any other pay for time not worked will not qualify as time or days worked. Effective May 26, 2003 hours paid for Holiday Pay will count as hours worked for the purpose of computing overtime

**Section 4.** Double the regular rate of pay shall be paid for all hours worked on Sunday (see Section 6) except those employees regularly scheduled to work on Sunday and so are given a scheduled day off in lieu of Sunday. However, if required to work on their scheduled Sunday lieu day, the hours worked will be paid at double their regular hourly rate.

Section 5. Sanitation employees shall only be entitled to overtime, at a rate of one and one-half (1 ½) times their regular rate of pay, after forty (40) hours of actual work in the workweek.

Following six (6) months from the date a facility begins full sanitation operations through the use of bargaining unit employees and without the use of a third party, employees covered by this agreement shall be entitled to daily overtime in accordance with the Production Employee Collective Bargaining agreement.

Double the regular rate of pay shall be paid for all worked on the seventh (7<sup>th</sup>) consecutive day of work in the work week providing employees work all scheduled hours in the work week.

There shall be no pyramiding of overtime.

**Section 6.** All regular full-time employees will be paid the following shift differentials:

**Second Shift** - All regular full-time production employees will be paid ten cents (10c) per hour over their regular rate for the entire second shift. Such pay starts at

the employees starting time when the job is classified as a second shift position and continues through the shift. All regular full-time maintenance employees meeting the above requirements will be paid twenty-five cents (25c) per hour on the second shift.

**Third shift** - All regular full-time fabrication, material handling and inedible and edible rendering production employees will be paid twenty cents (20c) per hour over their regular rate for the entire Third shift. Such pay starts at the employees starting time when the job is classified as a Third shift position and continues through the shift. All regular full-time maintenance employees meeting the above requirements will be paid fifty cents (50c) per hour on the Third shift.

The provision of this section will not apply to any day crew regardless of starting time.

**Section 7. a.** For the purpose of computing pay for hours worked on a Sunday or Holiday where the shift cuts across two (2) calendar days, such hours shall be treated as work on the day in which the shift commenced.

**b.** For shifts that cut across from Saturday to Sunday, employees will be paid double the regular rate of pay if the number of hours worked on Sunday exceeds three (3) hours.

**Section 8.** There shall be no pyramiding of overtime.

**Section 9.** For employees who normally are scheduled off on Saturday, the Company will post Saturday production by the end of the lunch period on Friday. Otherwise the employees will not be required to work on Saturday, except in cases of emergency.

For employees who normally are scheduled off on Sunday, the Company will post Sunday production by the end of the lunch period on Saturday. Otherwise the employees will not be required to work on Sunday, except in cases of emergencies.

**Section 10.** No employee shall be required to work on their fourteenth (14<sup>th</sup>) consecutive scheduled day, unless the employee volunteers to do so and in cases of emergencies. The fourteenth (14<sup>th</sup>) day will be scheduled off.

**Section 11.** The Company will compensate employees in accordance with applicable law.

**Section 12.** During the negotiations that led to this Agreement, the parties had considerable discussion regarding various work schedules. As a result of these discussions the parties agreed that some departments may operate on a "Tour Schedule." Due to the nature of these schedules, the parties agreed that such schedules must include a premium time and one-half day and a Sunday lieu day. While these days are scheduled in-advance, they will change from week to week. It

is agreed, should the Company work an employee who works a "Tour Schedule" on their time and one-half day or Sunday lieu day, the Company will be required to pay all hours worked on the day at the appropriate premium rate.

The parties agree that the Company retains the exclusive right to schedule and changes work hours, establish all work schedules according to business needs. The Company agrees to notify the Union of any extended changes to work schedules for the purpose of discussing, receiving input, and or suggestions to any possible modifications to said schedules.

## **ARTICLE 14**

### **MEAL PERIODS AND REST PERIODS**

**Section 1.** Employees will be granted a rest period of fifteen (15) minutes during the first portion of their shift. Such rest period will be scheduled no earlier than two (2) hours after the start of such work period. A second rest period of the same duration will be granted if the day's work schedule exceeds eight (8) hours.

**Section 2.** When it becomes evident that the work will not be completed within twelve (12) hours, the Company will grant a paid fifteen (15) minute rest period at about ten and one-half (10-1/2) hours for those required to work.

**Section 3.** Employees required to work over ten and one-half (10 ½) hours will be given a meal allowance of \$7.00.

Section 4. Sanitation employees who are regularly scheduled to work at least four (4) hours in any day shall receive one fifteen (15) minute paid break no earlier than one (1) hour into their shift.

Sanitation employees who are regularly scheduled to work at least eight (8) hours of actual work in a day shall receive one (1) unpaid meal period of at least thirty (30) minutes.

In the event that a state or local law or regulation requires more frequent breaks than those specified herein, the breaks shall be modified to be in compliance with such law.

All hours worked shall be considered to have occurred on the day the shift commenced.

Sanitation employees will not be required to work in excess of three and one-half (3 ½) hours without a meal or rest period unless three and three-fourths (3 ¾) hours complete the workday.

**Section 5.** A lunch period of at least thirty (30) minutes but no longer than thirty-five (35) minutes (without pay) shall be scheduled five (5) hours from start of the employees shift and may be advanced not more than thirty (30) minutes, unless by mutual agreement by the Company and Union. The Union will not unnecessarily delay approval. If no such lunch period is scheduled by the end of five (5) hours all time worked beyond five (5) hours and until a meal period is granted, shall be compensated for at time and one-half (1-1\2) except that employees may be required to work six (6) consecutive hours to finish a day's work. Should a governmental agency enact or change laws, regulations, guidance or rules regarding lunch break duration the Company will meet with the Union prior to adjusting the length of the unpaid lunch break accordingly.

Maintenance employees required to return to work after starting their unpaid lunch period, but before the lunch period is finished, will be paid straight through as if they had not started their unpaid lunch period and will be allowed a thirty (30) minute unpaid lunch later in the shift.

**Section 6.** Times referred to in this article are exclusive of the time paid for donning and doffing of personal protective equipment.

## **ARTICLE 15 HOLIDAY PAY**

**Section 1.** The following will be observed as paid holidays in each calendar year:

- New Year's Eve Day (A shift)
- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Eve Day (B shift)
- Christmas Day

Personal Holiday - Each calendar year regular-full time employees shall be provided a personal holiday with pay of eight (8) hours at their straight time hourly rate. The personal holiday must be scheduled at least one (1) day in advance and be approved in writing by the supervisor. The personal holiday cannot be carried over from one calendar year to the next. (To start January 1, 2017.)

C shift schedules will be assigned in advance with employees distributed as necessary between the two holidays (New Year's Eve Day and Christmas Eve Day).

Section 2. For Sanitation team members, notwithstanding the other provisions of this Article the date of the holiday may be modified by twenty-four (24) hours (either earlier or later) based on the sanitation schedule. Notification of the change in holiday shall be made to the Union no later than seven (7) calendar days in advance of the holiday.

**Section 3.** To be eligible for holiday pay, an employee must work his full scheduled day or be on an excused absence the scheduled workday before and the scheduled workday following a holiday, provided the employee has been in continuous service of the Company for a period of thirty (30) days. An employee who is late less than one (1) hour or leaves work with approval less than one (1) hour will be eligible for holiday pay. If an employee has a doctor's note and the note can be verified as an acceptable reason to miss work; the employee will be eligible for holiday pay.

When a holiday falls on Sunday, the following Monday shall be observed, except for employees who are regularly scheduled to work Sunday.

In any event, to be entitled to holiday pay an employee must actually work a minimum of eight (8) hours during the week in which the holiday occurs, except employees on vacation or jury duty, and employees under Section 5 of this Article.

**Section 4.** Holiday pay will be calculated at eight hours straight-time pay and eight (8) hours may be considered part of thirty-two (32) or thirty-six (36) hours guaranteed pay, whichever is applicable. For certain maintenance employees who

work ten (10) hours a day, four (4) days on and three (3) days off, holiday pay will be calculated at ten (10) hours straight time pay and ten (10) hours may be considered part of thirty-six (36) hours guaranteed pay.

**Section 5. A.** Work performed on a holiday shall be paid at two (2) times regular straight-time pay for hours worked plus eight (8) hours holiday pay (or ten (10) hours for certain maintenance employees who work ten (10) hours a day as defined in Section 3 above.)

**B.** If the Company changes the normal scheduled hours for employees, surrounding the observance of a recognized holiday, the Company agrees to grant employees a continuous twenty-four (24) hour period off with pay, to be taken before, on or after the holiday, otherwise the Company agrees to pay the double time.

**Section 6.** Employees absent from work on a holiday on account of sickness or accident who are entitled to sickness and accident benefit payments for the week in which such holiday occurs, or who during such week are in the waiting period shall be paid for eight (8) hours at their regular rate of pay, less the amount of sickness and accident benefit payments actually paid for that holiday.

**Section 7.** If one of the holidays covered by Section 1 above occurs within an employee's vacation period, he shall be paid eight (8) hours pay at his regular rate of pay in addition to his vacation pay.

**Section 8.** If an employee fails to report for work or fails to work the hours as ordered on a holiday and such absence is not excused, he shall receive no pay for not working on that holiday. If work is not regularly scheduled or the entire crew is not needed for work on a holiday the Company will post notice of such work for the purpose of soliciting names of employees willing and qualified to do that work. Employee selection will be based on the "senior may/junior must" principle.

## **ARTICLE 16**

### **VACATIONS**

**Section 1.** Vacation eligibility requirements are based upon credited service. For employees hired prior to February 11, 1988 the period October 24 through the subsequent October 23 shall be considered the vacation year.

An employee hired prior to February 11, 1988 is eligible for annual vacation on October 24 provided they have been credited for working 40 of the preceding 52 weeks.

**Section 2.** Vacation eligibility requirements are based upon credited service. Employees hired on or after February 11, 1988 become eligible for a vacation each year after passing their anniversary date if they have been credited with working 40 of the preceding 52 weeks at work.

For scheduling purposes only, such employee shall be scheduled for their vacation time off the same as employees hired prior to February 11, 1988, However, such employee hired after February 11, 1988, will receive vacation pay only on or after the anniversary date of their employment. Employees who take vacation prior to their anniversary date will do so without pay and on voluntary basis. Otherwise the employee must wait to schedule their vacation with pay in conjunction with their anniversary date.

**Section 3.** Credit for a week worked in Sections 1 and 2 above shall be given in any week in which at least one hour of compensable work was performed. In addition, credit will be given in any one (1) anniversary or vacation year for up to twelve (12) weeks for Workers Compensation or qualifying FMLA leave provided the employee returns to the active payroll during the vacation year.

**Section 4. Length of Vacation:**

One (1) week vacation annually commencing with the first vacation for which the employee qualifies.

Two (2) weeks' vacation annually commencing with the third vacation for which the employee qualifies.

Four (4) weeks' vacation annually commencing with the tenth vacation for which the employee qualifies.

Five (5) weeks and one (1) day of vacation annually, commencing with the employees twenty-fifth (25) anniversary date.

Employees eligible for two (2) or more weeks' vacation may take one (1) week, one (1) day at a time with the prior approval from their supervisor. One (1) day vacation requests must be submitted in writing at least one (1) day in advance of the requested date. Written requests approved by the supervisor in writing will not be canceled, except by mutual agreement between the supervisor and employee. Pay for each day will be calculated on eight (8) hours straight time pay based on the employee's regular hourly rate at the time of the one (1) day vacation. Maintenance employees regularly scheduled to work four (4) ten (10) hour days will be eligible to take five (5) days at eight (8) hours straight time pay. Vacation pay will not count toward the calculation of overtime.

**Section 5. Vacation Pay** Vacation pay shall be calculated on a forty (40) hour work week times the rate of pay based on the employee's regular hourly rate at the time of the vacation or two (2%) percent of the employee's prior years w-2 earnings with JBS, whichever is greater.

**Section 6.** If an individual leaves the employment of the Company for any reason, they shall receive payment for any unused vacation for which they have qualified. In the event of the employee's death, any vacation pay due will be paid to their designated beneficiary.

**Section 7.** The following crews within each department are for vacation selection only.

**Fabrication Section**

Breaking Chain

Chuck Lines #1 & # 2

Rough Cuts

Ribs

Trim area whizzard operators (whizzard operators on other lines will be scheduled with their respective departments and crews)

Strips

Butt line

Rounds

Packing # 1

Packing #2

Box makeup, lid room, sortation and box warehouse

Loadout

Further Processing

Tender line

**Slaughter Section**

1. Kill & Dress

2. Variety Meats

3. Edible Rendering

4. Inedible Rendering

5. Transfer Chain

6. Carcass Load out
7. Freezer
8. Pet Food

### **Maintenance Section Vacation Scheduling Groups**

#### **Slaughter (4 Groups)**

1. A-Shift
2. B-Shift
3. C-Shift
4. Central Shop, Machinist and Forklift (All One Group)

#### **Fabrication (3 Groups )**

1. A-Shift
2. B-Shift
3. C-Shift

#### **Material Handling (3 Groups)**

1. A-Shift
2. B-Shift
3. C-Shift

#### **Technicians (2 Groups )**

1. Plant Technicians (2 Groups) (4/10 crews all crew one group)
2. B&E-Plant Technicians (one group)

#### **Rendering (3 Groups)**

1. A-Shift
2. B-Shift
3. C-Shift

#### **Hide/Tannery Section**

1. Operations-Each shift is a separate group
2. Maintenance-Each shift is a separate group

**Section 8.** Employees will indicate their vacation choices beginning August 15 for vacations to be taken for the year beginning October 24 of each year.

Management will schedule vacations within the employee's work groups according to plant seniority. Employees will be permitted to select the full allotment of their vacation entitlement. Resulting vacation schedules will be posted no later than October 1 of each year.

Once the vacation is scheduled, no employee will be required to change their vacation, unless mutually agreed to by the employee and the Company. Copies of such changes will be forwarded to Union.

**Section 9.** Management may elect to close the plant for a vacation period whereby all employees will take their earned vacation at one time.

## **ARTICLE 17**

### **HOSPITAL-MEDICAL-SURGICAL**

#### **Section 1.**

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

#### **Section 2.**

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

#### **Section 3.**

As in the past, the Company retains the right to select all vendors, third party administrators, service providers, provider networks, and control over all administrative matters relating to the plans, and modify the terms and conditions for each benefit plan unless otherwise stated in the Benefit Exhibits provided to the Union.

The Company may add, modify, delete or amend any of the benefit initiatives listed below. The Company will discuss any addition, modification, deletion or amendment of a benefit initiatives with the Union prior to any change.

Pregnancy Care Initiatives  
Radiology Networks & Utilization  
Referenced Based Pricing (RBP)  
Benefits Value Advisors (BVA)  
Brand Buy Up / Mandatory Generic Utilization  
Alternative Tiered Network  
High Performance Networks  
Prescription Drug Plans  
Voluntary Products

Additionally, the Company may add other benefit initiatives by mutual consent of the Company and the Union. Should the Union not agree with the initiative, the Company and Union's benefit actuaries will meet and review whether the initiative will provide a cost savings for the plan and the employees. In the event the actuaries agree that the initiative will provide a cost savings for the plan and the employees, the Company shall have the ability to implement the initiative; if the actuaries cannot agree that it will provide cost savings to the plan and employees, the matter may be referred to an arbitrator where the only matter to be

decided is whether the addition, modification, or amendment of the other benefit initiative will provide cost savings for the plan and the employees. If the arbitrator rules that it will provide cost savings, the Company may enact the initiative; if the arbitrator rules that it will not provide savings, the Company may not enact the initiative. To that end it is agreed that all disputes arising under the group insurance program in so far as they relate to coverage will be determined as set forth in the group insurance plan and as allowed by ERISA and no such dispute will be subject to the grievance and arbitration provisions of this agreement.

**Section 4.**

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

**Section 5.**

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

**Section 6.**

The Company will provide to eligible employees a term group life insurance policy in the amount of fifteen thousand dollars (\$15,000) fully paid by the Company. Employees may, at their option, purchase additional life insurance in accordance with the terms of the plans established by the Company. Optional life insurance premiums will be handled on a payroll deduction plan.

**Section 7.**

Long Term Disability – Regular, full time employees will become eligible on the first day of calendar month, after completing six (6) months of service, to enroll in the Long Term Disability Insurance Plan.

Employees who elect to enroll for coverage will pay, by payroll deduction, the premium cost for the coverage they select.

**Section 8.**

If covered services are not available through the network, they will be processed as an in-network claim. If the services are available through the network and the services are provided outside of the network, regardless of a referral, the services will be processed as an out-of-network claim.

<b>Benefits Plan</b>		
Medical	In-Network	Out-of-Network
Calendar Year Deductible	\$1,600 / \$3,200	\$4,000 / \$8,000
Company Funded HRA <sup>1</sup>	\$500 / \$1,000	Same as In Network HRA
Coinsurance	80%	50%
Out-of-Pocket Maximum	\$5,000 / \$10,000	\$12,500 / \$25,000
PCP Copay	Ded. and Coin.	Ded. and Coin.
Specialist Copay	Ded. and Coin.	Ded. and Coin.
Emergency Room	Ded. and Coin.	Ded. and Coin.
Urgent Care	Ded. and Coin.	Ded. and Coin.
Preventive Care	100%	Ded. and Coin.

<b>Contributions</b>	
Tier	2016
EE Only	\$18.00
EE+S	\$36.00
EE+C	\$29.00
EE+F	\$43.25

- If economically feasible, the Company will establish a medical clinic for the Cactus facility. The Company will review the economic feasibility of the clinic annually and make a determination as to whether in its sole judgment to continue the operations of the clinic. 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.
- The Company will conduct an “Open Enrollment” after ratification to allow employees to reelect their coverage levels. The medical changes and the employee contributions will be effective on Monday, September 5, 2016.
- The September 5, 2016 employee contribution rates will remain in effect for the balance of 2016 and all of 2017.
- During the term of the agreement, the Company and the Union may reach mutual agreement on changes in plan design (items above) in an effort to curb increases to employee’s weekly contribution while maintaining net cost.
- Employees, who enroll and engage in the primary care clinic model, if available, will have their weekly contribution reduced by at least one dollar (\$1.00) for “Employee Only” and actuarially tiered for the remaining employee contribution options.
- The Company will review the economic feasibility of the clinic annually and make a determination as to whether in its sole judgment to continue the operations of the clinic.

- Spousal Surcharge - If members choose to elect spousal coverage for a spouse who is eligible for coverage under his or her employer's health plan, they will pay an additional twenty-five dollars (\$25.00) per week.
- Tobacco Surcharge - If a member or a covered dependent uses tobacco products, medical premiums will be an additional ten dollars (\$10.00) per week.
- Unused HRA funds shall rollover from one year to the next.
- Beginning on January 1, 2018 and through the expiration of this Agreement, the weekly contributions paid by employees covered by this Agreement shall not exceed twenty-five percent (25%) of the cost of the Company's medical plan. The Company shall determine the cost of its medical plan consistent with past practice (See Separate Letter of Understanding).

**Pharmacy Plans 2016**

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

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

## **ARTICLE 18**

### **SICKNESS AND ACCIDENT POLICY**

**Section 1.** When employees are absent because of disability due to sickness or accident not covered by Worker's Compensation and when such absences and their continuation are supported by acceptable medical evidence, part wage payments shall be made in accordance with the terms and conditions hereinafter set forth.

**Section 2.** All absences shall be considered as starting with the loss of the eight (8<sup>th</sup>) full day on which the employee was scheduled to work or the second (2<sup>nd</sup>) day if hospitalized.

**Section 3.** An employee will qualify for payment if at the onset of his disability:

- (a) The Company's employment records show that he has one (1) year's credited service, and
- (b) He is being credited with service, and
- (c) Has provided the Company with acceptable medical evidence.

**Section 4.** The amount of payment shall be \$425

Payment will begin with the eight (8<sup>th</sup>) scheduled workday of disability, or on the second (2<sup>nd</sup>) day if employee is hospitalized, up to maximum of thirteen (13) weeks for any one (1) absence reduced by the payments made for other absences during (12) months immediately preceding the onset of the current absence.

**Section 5.** It is agreed that it is the purpose of this policy to provide income for the employees who qualify hereunder only when they are physically unable to work.

**Section 6.** No employees shall be eligible for benefits under this paragraph unless he notifies the Company promptly when he is unable to report for work.

**Section 7.** In the event of a compensable accident an employee who would qualify for S & A will receive the difference between compensation and S & A for which he had qualified.

**Section 8.** Should any local, state, or federal law, rule, regulation, or ordinance exist or come into existence during the term of this Agreement, granting paid time off that may be used for sickness, illness, family medical leave, or similar reasons, employees shall not be able to take paid time off and Short Term Disability/Sickness and Accident pay as outlined in this Agreement concurrently. Further, the maximum amount of paid time off an employee may be eligible for regarding Short Term Disability/Sickness and Accident pay or other forms of pay (included government paid leave) for like events shall not exceed thirteen (13)

weeks. The employee may select whether they wish to use the Sickness and Accident provisions of this Agreement or the benefit provided by the state.

## **ARTICLE 19**

### **SAFETY**

The Company and the Union recognize the priority and need for an effective safety and ergonomic program to provide safe working conditions for all employees.

The Company will furnish, at no cost to the employee, personal protective equipment for the safety of the employees in accordance with OSHA regulations.

The Joint Safety & Ergonomic Program is designed to address safe working conditions within the plant.

The Company will provide and pay employees to attend appropriate orientation and training, as required by the Company, to perform their jobs safely. Such training shall include instruction in proper work methods and proper use of personal protective equipment. Employees will not be asked or allowed to work on or operate any equipment they are not properly trained on.

The Union specifically agrees, if requested by the Company, to provide any and all information it may have whether through surveys by its engineers, employee surveys or other formal means concerning cumulative trauma disorders and work injuries within the workplace.

While the Company fully retains the right to select and utilize such outside consultants as it deems, in its sole discretion, to be needed, the Company and the Union may discuss, and if mutually agreed, select consultants to assist the parties in safety matters.

A Joint Company-Union Safety & Ergonomic Committee shall be established at the plant and shall meet monthly. Membership in the Safety & Ergonomic Committee shall be based on criteria agreed upon by the Company and the Union. Meetings of the Committee shall be scheduled at such times, and in such a manner, as not to interfere with the orderly operation of the plant, but during normal working hours.

The Safety and Health Committee at the processing facility will consist of a minimum of five (5) management members, the Union and the Company will mutually appoint a minimum of nine (9) bargaining unit employees (3-Slaughter, 3-Processing, 1-Maintenance, 2-Shipping) and up to three (3) Union Representatives.

The Safety & Ergonomic Committee shall convene once each month and at such other times as the Safety Manager of the facility shall determine in order to carry out its functions. The duties of the Committee shall include the review and investigations of safety & ergonomic complaints, ergonomic recommendations and review of data analysis. Any member of the Committee may introduce items concerning health and safety to the Committee's agenda.

The Company shall cooperate in including a representative designated by the Union in all OSHA inspections, to the extent required by law or mutually agreed as beneficial to the safety effort. Any member of the Committee may introduce items concerning health and safety to the Committee's agenda.

Prior to such monthly meetings, each employee Committee member will be permitted to make an inspection of their assigned area of the plant for safety related issues. Additional inspections may be scheduled subject to such controls as the Safety Manager may impose.

The Safety & Ergonomic Committee shall review safety concerns and make recommendations to management as promptly as is feasible. The Company will give reasonable consideration to these recommendations and provide feedback to the Safety & Ergonomic Committee.

Hours spent by employee Committee members in the performance of their duties as members of the Committee shall be compensated by the Company at their regular hourly rates. The Company will pay lost working time for bargaining unit Safety & Ergonomic Committee members as they may be necessary to attend safety training programs or seminars scheduled by management.

The Company's Safety Manager shall verbally notify a designated Union Safety & Ergonomic Committee member of the occurrence of any accident resulting in an injury causing an employee to be hospitalized overnight or notification to OSHA. The designated Union Safety & Ergonomics Committee member and the Company's Safety Manager shall upon request review the circumstances causing the accident.

The Company will make available to the committee a trend analysis, air or noise monitoring results, list of hazardous chemicals used in the facility, Safety Data Sheets. In addition, upon request the Company will make available the OSHA 300 log and 301 forms.

The Company in coordination with the Union will conduct a minimum of one (1) day of health and safety training annually for all members of the Safety and Health committee.

The Company will cover expenses resulting from training of the Committee Members.

The Company will pay lost working time for bargaining unit employees to attend training in occupational safety and health. The details of the training and the number of employees attending must be mutually agreed upon. The Company and the Union recognize the complexity and importance of ergonomic issues in the meat industry.

The Company has indicated its support for progress in this area and that significant attention will be given to this concern by Management.

The Company and the Union agree that the Sanitation department shall be included in the Safety Committee as soon as practical.

## **ARTICLE 20**

### **BEREAVEMENT LEAVE**

**Section 1.** When a regular full-time employee is absent from work for the purpose of arranging for or attending the funeral of a member of the employee's immediate family, the Company will pay the employee for eight (8) hours at the employee's regular rate of pay (except that for certain employees who work ten (10) hours per day, four (4) days on and three (3) days off, pay will be calculated at ten (10) hours at straight time rate) for each day of such absence up to a maximum of five (5) consecutive scheduled workdays, provided that:

- (a) The employee is on the active payroll on the date of the death of the member of the employee's immediate family; and
- (b) The employee notifies their supervisor of the purpose of their absence no later than the first day of such absence; and
- (c) Payment will be made for a day of absence only if such day is one of five (5) days either commencing with the day of such death or with the day of the funeral and is a day during which the crew in which the employee is employed did work, or on which the employee would have worked had it not been for the absence; and
- (d) No payment will be made for any day of absence which is later than the day of such funeral, except where the employee attends the funeral at a location where the necessary time for travel extends the absence beyond the day of such funeral; and
- (e) The employee, when requested, furnishes proof satisfactory to the Company of the death, the employee's relationship to the deceased, the date of the funeral, and the employee's actual attendance at such funeral.
- (f) Employees who suffer the loss of an immediate family may have one (1) day considered as bereavement pay to be scheduled on the first workday following notification of the death. The requirements of (e) above will apply except for the employee's actual attendance at a funeral.

**Section 2.** For purposes of this paragraph, a member of an immediate family means only the employee's spouse, child, parents, sister, brother, mother-in-law, and father-in-law; and in addition stepmother, stepfather, guardian, grandchildren, grandmother, and grandfather.

**Section 3.** Employees may utilize leave under this Article for an individual who is not their biological parent that acted in a parental capacity in the same way as they would utilize leave for a parent. In the event an employee requests leave under the provision of this Article for an individual who acted

in a parental capacity who is not their biological parent, they shall not be able to use leave under this provision for their equivalent biological parent.

**Section 4.** In the event of the death of an employee's brother in-law or sister in-law, the regular full time employee will receive one (1) day's pay as described in Section 1 above, provided the employee attends the funeral and the employee's crew worked the day of the funeral.

**ARTICLE 21**  
**LAUNDRY**

Laundry required shall be furnished by Management free of charge to the employees.

## **ARTICLE 22**

### **UNION BUSINESS**

**Section 1.** Employees, not exceeding a number agreed upon by the Company, chosen by the Union to attend Union business, shall be granted permission to be off upon one (1) week's advance written request to the Plant Operations Manager for periods not to exceed two (2) weeks. Such absences shall be without pay.

**Section 2.** Full Time Union Position. In the event the Union appoints or elects an employee to a full-time position with the Union, the Company upon proper notification shall grant a leave of absence without pay not to exceed the life of this Agreement.

No such employee will be granted a vacation or be eligible for vacation pay while in the service of the Union except where the employee qualified and became eligible for a vacation prior to the leave. Any unexercised vacation rights shall be satisfied by a cash payment equal to the amount the employee would have been paid for the vacation. If the employee desires to return again to work, the Company must be notified within seven (7) days after termination of his appointment or election and the employee shall be placed on the job previously held or one of equal pay with no loss of seniority or vacation rights provided they are capable of performing the job.

## **ARTICLE 23**

### **JURY DUTY**

**Section 1.** When an employee is called for jury service, he shall be compensated for time lost from their job at his regular hourly rate less the compensation received for jury duty, but in no case more than eight (8) hours per day or forty (40) hours per week (except that for certain employees who work ten (10) hours per day, four (4) days on and three (3) days off, pay will be calculated at no more than ten (10) hours per day or forty (40) hours per week at the straight-time rate, Monday through Friday).

**Section 2.** Employees shall not be required to report for work on their job if they are required to report for jury duty or jury selection in the morning or afternoon. In the event they are excused from jury duty prior to noon and are not required to report back after noon they shall report for work as soon as possible after being released from jury duty or jury selection, and work all hours available. If released after noon, they will not be required to work that scheduled workday.

**Section 3.** Any employee working on the night shift who is called for jury duty and who reports and serves on the jury shall not be required to report on his regular night shift. However, he shall inform the employer as to whether or not he is serving on a jury.

## **ARTICLE 24 WAGE RATES**

### **Section 1-Base Labor Rate:**

Wage rates and progressions set forth in this Agreement are minimums. Prior to increasing the base rate, group rate, specific job rate, other rates, or the creation, modification, or deletion of an incentive program, the Company shall first meet with the Union to discuss such change.

Effective June 9, 2024, the base labor rate will be \$23.10.

The First Monday following the one-year anniversary of the last general wage increase (June 15, 2025), wage rates shall be increased by thirty cents (\$0.30) per hour for all hours worked.

The Company shall have ninety (90) calendar days from the date of ratification to implement all wage changes and process the first one-time payment specified in this agreement. The wage changes shall be retroactive under the above terms. An employee must be employed in a bargaining unit position at the time of ratification and the time of retroactive payment to be eligible to receive the retroactive payment.

The Company shall make a one-time payment of seven hundred fifty dollars (\$750.00) less applicable taxes and authorized deductions to employees who are employed at the time of ratification. The Company shall have ninety (90) days to make this payment. Employees must be employed in a bargaining unit position at the time of ratification and time of payment to receive the payment.

On June 15, 2025, the Company shall make a one-time contribution of five hundred dollars (\$500.00) to the VAP plan for those employees who were employed in a position covered by this Agreement at the time of ratification and who remain in a position covered by this Agreement at the time of the contribution.

The Company shall have ninety (90) calendar days from the date of ratification to implement all wage changes and process the first one-time payment specified in this agreement. The wage changes shall be retroactive under the above terms. An employee must be employed in a bargaining unit position at the time of ratification and the time of retroactive payment to be eligible for the retractive payment.

### **Section 2 - Starting Rate**

The Starting Rate for all job classifications will be a minimum of \$9.40, and after thirty (30) days \$9.60, after sixty (60) days \$9.80 and after ninety (90) days base rate.

### **Section 3 - Rate for new jobs.**

Jobs not appearing in the wage schedule of this Agreement shall be deemed a new job. The Company will advise the Union of any rates which may be established by the Company covering new jobs, and will negotiate with the Union concerning such rates, provided the Union advises the Company of its desire to do so within ten (10) days from the date the Company advises the Union of the establishment of such rates. In the event the Company and the Union cannot agree on a wage rate, such issue shall be handled through the grievance procedure in Step 4, and if no agreement is reached, the issue may then be submitted to arbitration.

The test of fairness of the Company's rate determination is whether it is in line with the existing rate structure of other jobs in the department giving proper consideration to the job context and shift involved.

**Section 4 - Quick Start**

Upon qualification on any job, the employee will receive base rate plus the appropriate grade pay, if any, for that job.

**Section 5:** The parties agree, the employees in the Hide/Tannery Section who rotate on jobs said employees will be compensated at the grade 2 rate of pay, unless specified otherwise in Article 26.

**ARTICLE 25**  
**RATES FOR SLAUGHTER DEPARTMENT**

**Base Labor**

WASH CATTLE - Outside  
APPLY LABELS  
BAG BUNG  
BAG LIVER  
BAG TAIL  
BAG/BOX KIDNEY  
BAG/BOX TAIL  
BLOW OFF HOCK  
BOX FRESH OFFAL  
BOX LIVER  
BOX/BAG OMASUM  
CHECK FOR SHEATH  
CLEAN UP  
CLIP TAIL SWITCH  
COVER BRISKET  
CUSTODIAN  
Cut Hole For Bungee  
HANG CARCASS TAG  
HANG EAR TAG  
ICE BOXES/CRYO VAC  
Insert Bungee Cords  
INSPECT & BOX ABOMASUM  
LAUNDRY OPERATOR  
LOAD RAPID PACK  
MISSPLIT/30+ SPINAL CORD  
MONITOR DC LINES  
OFFAL BOX WEIGHER  
OPEN PAUNCH  
PREWASH TONGUES/BAG HEADS 30+  
REMOVE BONE DUST (1 Reg, 1 WC)  
REMOVE SHACKLE  
REMOVE SPINAL CORD  
REMOVE WAX PAPER  
REMOVE WAX PAPER FROM BUNG  
RINSE ABOMASUM  
RP BOXER  
SCALE/BOX HEAD PRODUCTS  
SCALE/BOX TRIPE  
SEPARATE PAUNCH  
SQUEEGE  
SQUEEGEE  
STAGE BOXES FOR AQL

STAMP 30+/STAMP ANGUS  
STEAM VAC BUNG/ROUND  
STUFF BUNG  
Transfer Bungee  
TRANSFER INTESTINE BOXES  
TRANSFER INTESTINES TO BAGGING  
TABLE  
TRANSFER PRODUCT TO RAPID PACK

**Grade 1 \$.50 OVER BASE LABOR**

1ST LEG HANG OFF  
1ST LEG PATTERN TRIMMER  
2ND LEG HANG OFF  
2ND LEG PATTERN TRIMMER  
BAG SMALL INTESTINES  
BONE SLICER OPERATOR  
BOX SMALL INTESTINES  
CLEAR STICK WOUND  
CUT ABOMASUM FROM FAT POCKET  
CUT INTESTINE TO LENGTH  
CUT OFF 1ST HIND LEG  
CUT OFF 2ND HIND LEG  
CUT OFF DEW CLAW  
CUT OFF FRONT HOCKS  
DEHORN  
DEHORN-AREA 3  
FLUSH HEAD  
FLUSH LARGE INTESTINE  
FLUSH MOUTH  
FLUSH SMALL INTESTINE  
HANG HEART/TAIL  
HANG PAUNCH  
INSPECT BEEF LIPS/CHEEK MEAT  
INSPECT HEADS AFTER PREWASH  
INSPECT/TRIM/PACK WEASAND  
MARK BRISKET  
MARK FORESHANK  
MARK ROUND HOT  
MARK/CLIP IDLE BONE  
OPEN & TRIM ABOMASUM  
OPERATE MISSPLIT SAW  
POP KIDNEY  
PRESENTER (USDA)  
PULL BILE BAG/DEVEIN LIVER/HANG

LIVER  
PULL FAT/SEPARATE STOMACH  
PULL PAUNCH  
PULL PEN CIRCLE - Outside  
RAMP - Outside  
RECEIVE CATTLE - Outside  
REMOVE BUNG BAG/SEPARATE  
PRODUCT  
REMOVE EYE/OPEN OMASUM  
REMOVE GULLET  
REMOVE HONEYCOMB/BAG TRIPE  
REMOVE IDLE BONE  
REMOVE TAIL BAG/CUT HOLE  
REMOVE/TRIM TAIL  
RP Palletizer (Trays)  
SANITIZE 1ST LEG  
SANITIZE 2ND LEG  
SANITIZE FRONT HOCK  
SAVE 1ST TENDON  
SAVE 2ND TENDON  
SAVE FRONT TENDON  
SAVE KIDNEY  
SAVE SWEET BREAD  
SCALE LARGE INTESTINE  
SCALE/PACK SMALL INTESTINE  
SEPARATE HEART/LUNG – BONE  
HEART  
SEPARATE OMASUM  
SLICE LIVERS  
SPLIT OMASUM  
STRAPPER  
STRIP WEASAND  
STRIPPER/SPLITTER OPERATOR  
TIP TAIL  
TRANSFER TRAYS  
TRIM & PACK AORTA  
TRIM AORTA  
TRIM HEAD  
TRIM OMASSUM  
TRIPE WASHER  
TROLLEY ROOM OPERATOR  
UROLL LARGE INTESTINE  
WASH/PACK TONGUE  
WHIZ HEART VAIN  
WHIZ JAW BONE  
WHIZ PELVIC FAT  
WHIZZARD KNIFE - BUNG AREA

**Grade 2 \$1.50 OVER BASE LABOR**

CAP BUNG  
CLEAR NECK  
CUT OFF EYELIDS/EAR CARTILIGE  
DEJOINT HEAD (DROP HEAD)  
DEJOINT HEAD (PIFFER)  
FORKLIFT OPERATOR  
LIPPER  
LOW NECKER  
MAKE BOXES  
NOTCH TAILS  
OPERATE CR MULTIVAC  
OPERATE KNIFE ROOM  
OPERATE SKINNER (LIVER) (A-SHIFT)  
OPERATE TONGUE SKINNER  
OUTRAIL  
PRE-GUTTER  
REMOVE SALIVARY GLANDS  
RIM OVER BRISKET  
RIP BELLY  
ROUND RUNNER  
RP BOX MAKER  
SAW BRISKET  
SEPARATE LARGE INTESTINE  
TEAM LEADER (MV)  
TEMPLE HEAD  
TRANSFER BOXES  
TRANSFER HIND TENDONS  
TRANSFER HIND TENDONS (BOTH  
Front and Hind)  
TRANSFER  
SWEETBREAD/TENDON/SPINAL  
TRIM - PIZZLE CORD  
TRIM - PREWASH  
TRIM BACKS  
TRIM BACKS - WINTER CREW  
TRIM COLLAR FAT  
TRIM CONTAMINATION - MIDLINE  
TRIM FACEPLATE  
TRIM FORESHANK  
TRIM HIGH QA  
TRIM HIND SHANK  
TRIM HIND SHANKS/ROUNDS - WINTER  
CREW

TRIM INSIDE CAVITY  
TRIM LOW QA  
TRIM MIDLINE AFTER SIDE PULLER  
TRIM PIZZLE/UDDER  
TRIM SALIVARY GLANDS  
TRIM TONGUE REMOVE INEDIBLE  
GLANDS

**Grade 3**     \$2.50 OVER BASE LABOR

**CHEEKER  
CHISEL HEAD  
CUT OFF CARCASS EAR/HORN  
CUT OFF EAR/EAR TAG  
DEFAT TONGUE  
DOWN PULLER  
DROP/HANG TONGUE  
MARK JAW  
MARK PATTERN COD FAT TO NAVEL  
MARK PATTERN TAIL TO COD FAT  
OPERATE SIDE PULLER  
OPERATE TAIL PULLER  
RUMPER  
TRIM FOR USDA  
TRIM HEAD (USDA)  
TRIM TAIL FAT/DEJOINT A SHIFT  
TRIM TONGUE REMOVE TONGUE  
ROOT  
TRIM TONGUE SAVE LOBE MEAT**

**Grade 4**     \$3.50 OVER BASE LABOR

**Grade 5**     \$5.00 OVER BASE LABOR

**1ST LEGGER  
2ND LEGGER  
1ST BUTTER  
2ND BUTTER  
CLEAR GULLET  
HANG HEAD  
STICKER (OPEN HIDE)  
STICKER (STICK JUGULAR)**

**Grade 6**      \$6.50 OVER BASE LABOR

GUTTER  
KNOCKER  
OPERATE SPLIT SAW  
SHACKLER

Team leaders will be paid \$0.30 over the highest grade in their area.

**ARTICLE 26**  
**RATES FOR JOBS IN MECHANICAL SECTION**

2024

Level 0	\$26.50
Level 1	\$27.50
Level 2	\$28.50
Level 3	\$29.50
Level 4	\$30.50
Level 5	\$32.00
Level 6	\$33.50

Electrical Tech 5	\$32.00
Electrical Tech 6	\$33.50

Current 2025

Level 0	\$ 27.65
Level 1	\$ 28.65
Level 2	\$ 29.65
Level 3	\$ 30.65
Level 4	\$ 31.65
Level 5	\$ 33.15
Level 6	\$ 34.65

Electrical Tech 5	\$33.15
Electrical Tech 6	\$34.65

In addition to the general wage increase as part of the larger negotiation, Maintenance and Tech employees' wages will be increased by an additional twenty-five cents (\$0.25) effective at ratification.

- Maintenance Employees will follow the scheduled rate increases for Slaughter

If a change in the curriculum is made to the training/evaluation program after it has been mutually agreed upon, any employees already evaluated shall not be evaluated again.

The Company will require the employee to take a minimum of an average of eight hours of training each month. If an employee fails to take the training they will be disqualified from the maintenance department. Once an employee reaches grade 5, grade 6 (the "Top Electrical") additional training will be at the discretion of the Company.

The Company and the Union have agreed to establish a Maintenance Labor and Management Committee. Such committee will consist of three (3) employees

appointed by the Union, the Company Maintenance Trainer, one (1) of the Superintendents of Maintenance and a representative of the Human Resources. The meetings will be held monthly and may last up to one (1) hour on Company time. The purpose of the meeting will be to discuss schedules, training status and programs, equipment changes and other workplace issues. Minutes will be maintained and posted within the maintenance department.

The Maintenance Training Program is an integral part of the Collective Bargaining Agreement. All changes and modifications to such program will be discussed with the Maintenance Labor and Management Committee. Should the Committee disagree on a change or modification to the Training Program, the issue will be taken up at the Third Step of the grievance process.

# ARTICLE 27

## RATES FOR JOBS IN FABRICATION SECTION

### Base Labor

LAUNDRY OPERATOR  
FAB CUSTODIAN  
INJECT AIR INSIDE SKIRT  
FEED BREAK CHAIN  
INJECT AIR (CO2)  
CLEAN UP  
STAGE WING  
TRANSFER SHORT RIB BONES  
TRANSFER PRODUCT  
MONITOR STRIP RETURN CONVEYOR  
TRANSFER FLANKS  
INJECT AIR (FLAP MEAT)  
INJECT AIR (ROUNDS)  
PICK TRIM 80/20  
PICK TRIM  
DUMP TRIM TUBS  
TRANSFER HEEL  
COMBO MAKER  
REWORK AUDITOR/RUNNER  
COMBO WATCHER  
DRY ICE/CAP COMBOS  
OPERATE SCALE  
COMBO PRODUCT (REWORK)  
Meat Master Bone Pickers/Control Lean Point  
REJECT - MEAT MASTER  
Stage/Stuffer Brisket  
Stage Outside Skirts  
Sort Arm Line  
Sort/Stage Chuck Line  
Collect Back Strap/ Short Rib End  
Sort Back Ribs  
Sort/Stage Rib Line  
Transfer Rib Short Rib  
Transfer Bagged Product from Table  
Transfer Bagged Outside Skirt  
Transfer Bagged Teres/Hanging Tender  
Sort/Stage Flap Meat  
Sort/Stage Loin Tail  
STAGE KNUCKLES  
MONITOR X-RAY  
WASH EGG CRATE (A SHIFT ONLY)  
GENERAL WORKER/MAKE BOXES  
PANEL OPERATOR  
WASH PLASTIC COMBOS

**Grade 1****\$0.50 OVER BASE LABOR**

MARK INSIDE SKIRT (Tunnel)  
MARK WEB/OUTSIDE SKIRT (Tunnel)  
POP FEATHER BONES (Tunnel)  
SWING OFF CHUCK  
SEPARATE ARM/BRISKET

PULL PADDLE BONE  
RECONDITION MEAT  
MARK/PULL HANGING TENDER  
REMOVE PADDLE BONE  
DROP PADDLE BONE/CHUCK TENDER  
DROP CLOD  
MARK FLANK/NAVEL  
MARK ROSE MEAT  
PULL ROSE MEAT  
CLIP OFF BRISKET BONE  
TRIM CONTAMINATION  
SEPARATE PECTORAL/CHUCK SHORT RIB  
TRIM PECTORAL  
PULL & TRIM TERES  
PULL & TRIM SHARK FIN  
WIZARD CLOD HEARTS  
UPGRADE (WHIZ ROSE MEAT)  
WIZZ CHUCK  
TRIM CHUCK SQUARES  
DROP WING  
MEASURE RIBS  
TRIM CHUCK TENDER  
TRIM SHORT RIB  
CLEAN RIB BONE  
TRANSFER & BOX TUNIC TISSUE  
TRIM OUTSIDE SKIRT  
TRIM HANGING TENDER  
TRIM THIRD MUSCLE  
CLEAN PLATE BONE  
SQUARE NAVEL/BKK  
TRIM PASTRAMI/BBQ NAVEL VA  
BUTTON BONES  
KIDNEY FAT PULLER  
DROP FLANK  
WHIZZARD LOIN TAILS  
WHIZZARD BLOCK READY FLATS  
TRIM CAPS  
TRIM BALL TIPS  
UNHOOK ROUND  
REHANG ROUND  
PEEL/DROP KNUCKLE

MARK/PULL ROUND CAP  
SAVE HIND TENDON  
Whizard Operators  
PICK VERTIBRAE BONE  
TRIM SHANKS  
UPGRADERS  
UPGRADE ARM/ 85/15  
UPGRADE RAT TAIL  
UPGRADE OYSTER/GARBAGE BAG/CAP OFF  
CLEAN CHUCK RIB BONE  
TRIM ROUND HEEL  
MANIFESTOR/COMBO COORD  
BOX PATELLA  
Wash and Pack Hind Tendons

Bag Brisket  
Bag Brisket Points  
Bag Outside Skirts  
Stage/Bag Hanging Tenders  
Stage/Bag Chuck Tenders  
Stage/Bag Teres Major  
Bag Clod  
Bag Pectoral  
Bag Flat Iron  
Bag Chuck Flap  
Bag Chuck Riblets  
Bag Chuck  
Apply Inserts/Pads  
Apply Chile Lables  
Leaker Openers  
Cryovac Stager  
Fillet Bagger  
Box Outside Skirt/ Hanging Tender  
Bag Runner  
Box Brisket  
Box Loose Meat  
Box Clod  
Box Flat Iron  
Box Chuck  
Box Chuck Flap  
Box Pectoral/Short Rib  
Box Riblets  
Trim/ Box Back Strap  
Rework  
Label Runner/Counter  
Bag Lifter  
BAG CHUCK SHORT RIB  
Bag Short Rib  
Bag Center Cut Back Ribs

Bag Rib Finger  
Bag Neck Bones  
Bag Ribeye  
Bag Rib Cap  
Bag Back Ribs  
Bag Rib Knuckle Bones  
Bag Inside Skirt  
Bag Navel  
Box Neck Bones  
Box Lifter Meat  
Box Ribeye  
Box Rib Short Rib  
Box Rib Caps  
Box Back Ribs  
Box Inside Skirt  
Box Navel  
Bag/Box Export Product  
STAGE LOIN  
OPEN LEAKERS  
BAG STRIP  
BAG TENDERLOIN  
BAG TOP BUTT  
BAG TOP BUTT CAPS  
BAG BALL TIP  
BAG FLAP MEAT  
BAG FLANKS  
BAG TRI TIP  
BAG ROUND  
BAG ROUND CAPS  
BAG EYE OF ROUND  
BAG KNUCKLE  
Bag Plate Bone Finger Meat  
Bag Brisket Oyster  
BOX LOIN  
BOX LOIN TAILS  
BOX TENDERLOIN  
BOX BAG MEATS  
BOX PLATE BONE FINGER MEAT  
BOX TOP BUTT  
BOX KNUCKLE  
BOX EYE OF ROUND  
BOX ROUND FLAT  
BOX ROUND  
BOX ROUND CAPS  
Box and Bag Heel  
VERIFY TRIM COMBO  
OPERATE TRAY FORMER  
WAREHOUSE PERSON (A SHIFT ONLY)  
CASE SEALER BOX MONITOR

PALLETIZER RECEIVING  
HANDLINE  
COMBO DUMP  
BOX CHUB  
LABEL BOXES/REWORK  
METAL DETECTOR/REWORK BEEHIVES  
REWORK GROUND BEEF

**Grade 2**      \$01.50 OVER BASE LABOR

MARK PADDLE BONE  
MARK/PULL BRISKET/OUTSIDE SKIRT  
PRE-MARK PECTORAL ON CHAIN  
Saw chuck Ribs  
SEPARATE/TRIM FLAT IRON  
SAW CHUCK RIBLETS  
SAW CC BACK RIBS  
SAW SHORT RIB  
CLEAN BRISKET BONE  
TRIM INSIDE SKIRT  
TRIM STRIP  
DROP HEAD OF TENDER  
TRIM FLAP MEAT  
TRIM LOIN TAIL  
OPERATE SKINNER (LOIN TAIL)/Bag  
TRIM FLANK  
BONE KNUCKLE  
TRIM BLOCK READY KNUCKLES A SHIFT  
TRIM EYE OF ROUND  
OPERATE SKINNER  
OPERATE SKINNER (CAPS)  
PULL TRI TIP ON CHAIN  
SEPARATE TOP BUTT  
TRIM BOTTOM BUTT  
KNUCKLE MACHINE  
MARK/PULL EYE  
SAW BONE IN HIND SHANK  
PALLET JACK OPERATOR/FORKLIFT  
Cryovac Operator  
Pallet Jack Operator  
STAGE BUTT  
STAGE ROUND  
OPERATE CRYOVAC-2  
OPERATE CRYOVAC-3  
MODA BAG OPERATOR  
OPERATE KNIFE ROOM  
FORKLIFT COMBO SHIPPING  
FORKLIFT BOX SHOP (A and B SHIFT ONLY)  
OPERATE CASE SEALER

FORKLIFT FREEZER  
FORKLIFT SHIPPING  
PALLETIZER OPERATOR  
SCALER  
STRAPPER  
PALLETIZE CHUB  
FORKLIFT OPERATOR  
SCAN/WRAP 1#

**Grade 3**      \$2.50 OVER BASE LABOR

**Grade 4**      **\$3.50** OVER BASE LABOR

SAW RIB/CHUCK  
SAW BRISKET  
BONE ARM/ FORE SHANK  
SAW CHUCK  
ROLL (TRIM) CHUCK  
SAW WING  
SAW RIB  
BONE/TRIM SHORT RIB  
BONE PLATE (PULL INSIDE SKIRT)  
CHINE SAW (BNLS)  
SAW HIND SPLIT (BUSTER SAW)  
SHELL SAW  
DROP GOOSENECK

**Grade 5**      \$5.00 OVER BASE LABOR

BONE STRIP  
BONE TOP BUTT  
ROLL (TRIM) CHUCK  
SEAM INSIDE ROUND

**Grade 6**      **\$6.50** OVER BASE LABOR

**PULL CLOD**  
**BONE CHUCK**  
**BONE RIB**  
**BONE TENDERLOIN**

Team leaders will be paid \$0.30 over the highest grade in their area.

**ARTICLE 28**  
**RATES FOR TANNERY DEPARTMENT**

**Base Labor**

PROBATIONARY  
CLEAN UP  
ICE HIDES

**Grade 1 \$0.50 OVER BASE LABOR**

TRIMMER  
TRIM SHANK  
PROCESS CLEAN UP  
OPERATOR BLUE WRING  
HIDE GRADER  
GREEN GRADER

**Grade 2 \$1.50 OVER BASE LABOR**

OPERATOR GREEN FLESH  
OPERATOR LIME FLESH  
FORKLIFT CATCH DRIVER  
LOADOUT HIDES  
FORKLIFT DRIVER

Team leaders will be paid \$0.30 over the highest grade in their area.

**ARTICLE 29**  
**RATES FOR JOBS IN SANITATION**

**Base Labor**

**Base wage** + \$0.50 (Sanitation Base)

Sanitor

Scrubber, Hoser, Condensation, Welfare

**Grade 1** – Sanitation Base +\$0.50

CIP Sanitor/Equipment Cleaning

**Grade 2** – Sanitation Base +\$1.00

Chemical Technician/trainer

**Grade 3** – Sanitation Base +\$2.00

Lead

## **ARTICLE 30**

### **UFCW RETIREMENT PROGRAM**

Beginning the first Monday following 30 calendar days from the ratification of the ratification of this agreement or the first Monday following the expiration of the current collective bargaining agreement which ever comes later, the Company shall make the following contributions on an hours worked basis to a mutually agreed Variable Annuity Pension Plan (VAPP). The out year increase dates shall conform to the same date as the general wage increase.

- June 10, 2024 - Ten cents per hour worked (\$0.10)
- June 15, 2025 - Increase by ten cents per hour worked (\$0.10)

No employee shall be eligible for pension contributions until they have completed twelve (12) months of continuous service.

All contributions shall be capped at a maximum of forty (40) hours per week, per employee. Hours paid but not worked shall not be considered as hours worked for the purpose of pension contributions.

Contributions shall only be made for hours actually worked.

Should the parties fail to reach agreement on a trust document or other necessary regulatory steps or processes, the pension fund become insolvent, or the benefit reduced to zero (0) because of fund performance, the Company shall no longer be required to continue the above pension contributions, and such contributions shall be moved to the Company's 401k.

While negotiating over the terms of a legally valid trust document, the above contributions shall be accrued until a trust document is mutually agreed to. In the event the parties fail to establish a legally valid trust agreement, any accrued contributions shall be placed into active employee(s)' 401K. All other contributions for terminated employees shall be considered void.

Employees receiving contributions outlined in this Article shall not receive any 401K match or additional 401K contributions.

## **ARTICLE 31 LEAVE OF ABSENCE**

**Section 1** The company may grant leaves of absence without pay to employees who request same for emergency reasons, for periods up to one week, such leaves will not be granted for the purpose of allowing an employee to take another position temporarily, try out new work, or venture into business for himself. Employees with two or more years of service may be eligible for up to three weeks leave. The Company will notify the Union of All employees who are on leave of absence.

A request for an emergency leave of absence, including extended time for travel long distances to funerals of immediate family members (as defined under Article 21 – Funeral Leave), will not be unreasonably withheld by the Company.

### **Section 2 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 under the Family Medical and Leave Act of 1993 (“FMLA”) in accordance with its provisions and the provisions of this section 2.

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 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 leave was not known in advance due to accident, illness, or circumstances beyond the employee’s reasonable knowledge or control, an application may be completed upon the employee’s first reasonable opportunity to do so. In all other cases where FMLA leaves are known in advance, the application should be completed and submitted thirty (30) days prior to the commencement of the leave.

(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 Physicians 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.

(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. Employer Responsibilities.

(i) Privacy: In case of a conflict or the need for clarification the employer can assign a physician or representative from Health Services or Human Resources to contact the employee's health care provider to clarify information in a FMLA certification. No one in supervision will contact employee's health care provider. Records relating to FMLA leaves, requests, and certifications or medical histories must be maintained as confidential medical records separate from usual personnel files.

(ii) Effect on Existing Benefits. Nothing in the FMLA or any amendment shall be construed to diminish the obligation of the employer to comply with any collective bargaining agreement or any employment benefit program or plan that provides greater family or medical leave rights to employees than the rights established under FMLA or any amendment to FMLA.

## **ARTICLE 32**

### **UNION VISITATION**

Duly authorized representatives of the Union will have reasonable access to the plant to discuss work related matters with employees, arrange meetings, handle grievances and generally service the collective bargaining agreement in effect between the Company and the Union. The representatives will have the right to inspect the production of the work of the employees.

The Company will provide the Union with an office in the plant.

## **ARTICLE 33**

### **VARIOUS PROVISIONS**

**Section 1.** Multi-Cultural Educational Program – The Company agrees to contribute each contract year an amount of \$25,000. This program will be jointly administered by the Company and the Union.

**Section 2.** 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 will follow the past practice of allowing the Union to offer its direct deposit program to newly hired employees as they first report to orientation.

**Section 3.** The Company agrees to create at least one (1) Walking Steward to be designated by the Union, to cover all shifts at the facility, from among the Company's employees who shall have as their job duties administration of this agreement including safety assignments and the processing of grievances. The determination of how many walking Stewards above one (1) shall be done by mutual agreement.

The Company may request from the Union a written certification that all hours worked by the Walking Steward were for the purpose of the administration of this Agreement, including the processing of grievances and a summary of issues addressed with the status. The Walking Steward will punch in and out for attendance purposes. The Walking Steward 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 of this agreement, the Company may discontinue the program with a ninety (90) day written notice.

A Walking Steward's rate of pay shall be the same as their previously held position prior to being appointed as a Walking Steward unless agreed otherwise.

## **ARTICLE 34**

### **ENTIRE AGREEMENT – WAIVER**

**Section 1.** This is the complete Agreement providing all benefits to which any employee may be entitled, and it is expressly understood and agreed that the Company has no obligation to any employee or employees other than those provided herein.

**Section 2 –** 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 understanding and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union, for the term 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 referred to or covered in this Agreement, even though such subjects or matters 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.

**ARTICLE 35**  
**TERM OF AGREEMENT**

**Section 1.** Except as otherwise provided, all provisions of this Agreement shall take effect on June 9, 2024, and shall remain in effect until midnight June 14, 2026 and from year to year thereafter provided, however, that this Agreement may be terminated at midnight June 14, 2026, or at midnight December 31, of any year thereafter by either party by written notice mailed to the Company at Cactus, Texas, or to the Union at its headquarters at least sixty (60) days prior to June 13, 2026, or prior to December 31, of any year thereafter,

**Section 2.** The parties to this agreement, Swift Beef Company and the United Food and Commercial Workers, Local 540, hereby agree that within sixty (60) days before the end of the third year of this agreement, they will meet and confer regarding the terms and conditions of this agreement. They further agree that they will renew this agreement and all of its terms for two additional years beyond the third year of the agreement.

**FOR THE UNION**

**FOR THE COMPANY**

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**Letter of Understanding**  
Second Paid Break

In the negotiations that lead to this Agreement, the Company and the Union had considerable conversation regarding the triggering of the second paid break. Though those discussions it is agreed that:

The current practice for taking second break, working up to eight (8) hours and six (6) minutes without triggering a second paid break, will continue.

If the Company schedules the production run beyond eight (8) hours and six (6) minutes but less than eight (8) hours and thirteen (13) minutes, the Company will not be required to pay a second paid break. However, when the Company exercises this option, under Article 13 Section 3, the Company will be required to pay time and a half for hours worked on Saturday provided the employees worked all scheduled hours in the work week. In this situation only, unscheduled work days will count toward the computation of six (6) consecutive days.

Any scheduled production run of eight (8) hours and thirteen (13) minutes will trigger a second paid break.

**Letter of Understanding**  
Perfect Attendance

Perfect attendance is defined as working all scheduled shifts/days in the anniversary year. Time scheduled off for vacations, jury duty, funeral leave, family medical leave (FMLA qualified), military leave, union leave and Article 30 emergency leaves of absence will not disqualify an employee from perfect attendance holiday. An absence for which an employee receives compensation due to a work related illness or injury or is eligible for benefits under this agreement's sickness and accident provision (Article 18) shall not disqualify the employee for perfect attendance holiday provided they meet the other requirements. All other absences will disqualify employees from receiving this holiday.

The provisions outlined in Article 15 will determine qualification and calculation of pay for any Perfect Attendance Day.

**Letter of Understanding**  
Maintenance Working Lead Person

This Letter of Understanding is entered into by and between JBS Swift & Company and Local 540 of the United Food and Commercial Workers International Union and is hereby made a part of the Agreement between the parties dated December 5, 2005.

The Company the Union have agreed to add the following job title to the collective bargaining agreement effective November 5, 2007, "Working Lead Person."

It has been agreed that initially, the positions will be bid by specific maintenance department, shift and crew. The positions will be awarded to the best qualified member of that crew. Qualifications will be evaluated by management using candidate interviews. Evaluation criteria will include work skills, work record, work experience, attendance, safety, communication, leadership skills, and education or training which is related to the position. In addition, the eligible candidate will have a minimum level of qualification depending on the area and crew. Those minimum qualifications are as follows:

- Rendering Maintenance = Level 7
- Reliability Maintenance = Level 7
- Construction Maintenance = Level 7
- Electrical/Electronic Maintenance = Level 11
- Fabrication Maintenance = Level 7
- Material Handling Maintenance = Level 9
- Slaughter Maintenance = Level 7
- Utility Maintenance = Level 8

All areas must be E-1 and E-2 qualified. If skills and qualifications are equal between bidding candidates, seniority will prevail. If a crew does not have a qualified candidate an individual that meets the required qualifications will be assigned.

It has also been agreed that the Working Lead Person position will be paid \$1.00 above their level of pay.

After this initial set up, future job openings will be posted consistent with the current collective bargaining agreement. Future positions will be awarded to the best qualified member of the Maintenance Section as defined in the current collective bargaining agreement. Qualifications and skills will be evaluated as defined above.

### **Letter of Understanding Guarantee**

This letter of understanding is entered into by and between Swift Beef Company for its Cactus Texas facility and Local Union 540, United Food and Commercial Workers.

In the negotiations that lead to this agreement the parties had considerable conversation into the need for additional 32 hour guarantee weeks related to plant clean ups. The parties agreed to the following:

It is agreed the company has 13 weeks that they may reduce the guarantee to 32 hours. It is also agreed that the Company can use an additional 2 weeks for the purpose of plant cleanup. It is understood that these plant clean-up weeks can be used throughout the year. In the event a plant clean-

up week is to be utilized the company will follow the same notification procedure as out lined in Article 12, Section 6. However, they will specify on the notice that the reason for the reduced week is for "Plant Clean-up".

Unused weeks do not rollover from year to year.

Previous Tentative Agreement on Meeting to Discuss Implications of Major Construction Project. It is agreed that a government act that prevents the company from operating for more than one shift will constitute an unusual emergency.

### **Letter of Understanding**

#### **Medical Rate Calculation**

June 2, 2016

This Letter of Understanding is made and entered into by and between Swift Beef Company (the "Company") the United Food and Commercial Workers, AFL-CIO, CLC, local union 540 at the Company's beef processing facilities located in Cactus, TX.

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**

The Company agrees that prior to permanently discontinuing a specific safety intervention or the use of personal protective equipment, put into to place as the direct result of the COVID-19 pandemic, the Company shall first meet and discuss the appropriateness of such change with the Union.

### **Letter of Understanding**

The parties agree that time missed from work due to being confirmed as COVID-19 positive or other Company mandated quarantine (e.g. travel quarantine, age/high risk quarantine, exposure quarantine, etc.) shall not count against the individuals' eligibility for vacation time or pay in the following year.

### **Letter of Understanding National JLM**

The Company and the Union, in order to improve communications, have agreed to establish regular scheduled meetings of a National Joint Labor Management Committee composed of an equal number of representatives from the Company and the Union. The Company and The United Food and Commercial Workers Union shall determine who shall participate on the committee for their respective side.

The participants on the committee shall be those with the necessary level and authority to make agreements on behalf of the Company, a local union, or UFCW International body.

The express purpose of the Committee will be:

1. to improve communications between representatives of the Union and the Company;
2. to provide Company and the Union with opportunities to find innovative solutions and programs to improve working conditions and organizational effectiveness;
3. to assist workers and the Company in solving problems of mutual concerns outside of the collective bargaining process;
4. to review and discuss developments and advancements in the Company or industry, including, but not limited to, new technologies, automation, artificial intelligence, occupational safety and health, labor relations, and new methods of improved production;
5. to engage in any other lawful activities incidental or related to the accomplishment of these purposes and goals.

### **Letter of Understanding Paid Sick Time**

Effective sixty (60) calendar days from the date of the expiration of the current collective bargaining agreement or ratification of this Agreement, whichever is later, the Company shall establish a paid sick time program. The terms of the program shall include the following provisions:

- Bargaining unit employees are allowed to earn a maximum of twenty (20) hours of sick time at any one time
- Employees shall earn four (4) hours of sick pay for every four hundred (400) hours worked. However, no employee may earn more than twenty (20) hours of unused sick time.
- The Company may require employees to present information from a doctor verifying their illness upon their return to work to have the time missed considered sick time and to receive pay.
- Sick time shall not be considered an occurrence.
- Sick pay shall not be considered in the computation of overtime.

Employees may request to use this time, scheduled in advance, for other purposes. The approval of such advanced use shall be in sole discretion of the Company, however such approval shall not be unreasonably withheld.

This letter shall expire upon the expiration of the current collective bargaining agreement.