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LABOR AGREEMENT

Between

IBP, inc.

And

**United Food & Commercial Workers International
Union, AFL-CIO, CIC
Local Union 1540**

Joslin, Illinois

March 05, 2001

Thru

March 05, 2006

JOSLIN LABOR AGREEMENT

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AGREEMENT

This Agreement is made between IBP, inc., Dakota Dunes, South Dakota for its Joslin, Illinois, plant (hereinafter referred to as the Company) and the United Food & Commercial Workers International Union AFL-CIO & CLC, (hereinafter referred to as the Union), on behalf of its Local Union, 1540.

ARTICLE 1 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, 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 mutual interest and obligation in maintaining friendly cooperation between the Company and the Union which will permit safe, economical, and efficient operation of the plant.

ARTICLE 2 RECOGNITION

IBP, inc., hereby recognizes the United Food and Commercial Workers International Union and Local 1540 as the sole and exclusive bargaining agency for all employees in the bargaining unit which includes all Production and Maintenance employees, including the Processing Division, Hides/Tannery, and Transcontinental Cold Storage Division at the Company's Joslin, Illinois facilities, but excluding all office clerical and store room employees, nurses, buyers, salesmen, professional employees, beef graders, quality control, guards, scale operators, production trainers, computer technicians, drum operators, chrome recovery operators, splitting operators, shaver operators, waste treatment operator, the management support positions listed in Attachment 2, and supervisors, as defined in the Act.

ARTICLE 3 EMPLOYMENT POLICY

The Company and Union agree that they will give fair and reasonable consideration to any applicant or employee regardless of race, sex, color, creed, age, nationality, handicap, veterans' status, or membership in the Union.

The Union recognizes the Company's obligation to make reasonable accommodations to the disability of applicants and/or employees in accordance with the Americans with Disabilities Act. In the event such a proposed accommodation is in conflict with any provision of this agreement, the Company and Union shall meet to discuss such accommodation. However, no such accommodation shall result in any employee being displaced from an owned job.

**ARTICLE 4
GENDER**

The use of the masculine gender in this Agreement shall be deemed to refer to persons of both sexes.

**ARTICLE 5
ADDRESS AND TELEPHONE NUMBER**

Each employee, whether active or inactive, shall keep the Employer advised of his current address and telephone number or contact if a telephone is not available. The mailing of a notice to the address furnished to the Employer by each employee shall be deemed to be compliance by the Employer with any provision in this Agreement which requires written notice to an employee.

**ARTICLE 6
MANAGEMENT RIGHTS**

Section 1: The management of the plant and the direction of the working force--including the right to hire, suspend, discipline or discharge for cause; to assign to jobs; to transfer, promote or demote employees; to increase and decrease the working force; to determine job loads, production standards, and rules applicable to the employees; to determine products to be handled, produced or manufactured; the schedules of production; and the methods, processes, and means of production or handling; as well as the right to determine the qualifications and ability of employees--are vested exclusively in the Company, provided this will not be used for the purpose of discrimination against any employee or to avoid any of the provisions of this Agreement.

Section 2: Supervisors or other personnel may perform any duties that are necessary in the conduct of the business, provided they are not used to replace bargaining unit personnel on a permanent basis.

**ARTICLE 7
UNION SECURITY**

Section 1: Employees shall become and remain members in good standing of the Union as a condition of employment on or after the sixty-first (61st) day following their employment. Such employees shall be required to continue their membership in the Union as a condition of their employment. For the purpose of this Section, membership in the Union shall mean the tendering of periodic dues and initiation fees uniformly required of all employees.

Section 2: Upon receipt of a signed authorization from the employee, the Company agrees to deduct Union initiation fees and monthly dues from the pay of each such employee. Such deductions shall be made weekly and remitted monthly to the Union at the address specified in writing by it.

Section 3: The Union agrees to indemnify and save the Company harmless against any and all claims, suits or other forms of liability arising out of the deduction of money for Union dues, assessments, and initiation fees from a member's pay.

ARTICLE 8 COMPANY AND UNION RESPONSIBILITIES

Section 1: During the term of this Agreement there shall be no strike, no sympathy strike, stoppage, slowdown, deliberate withholding of production, or suspension of work on the part of the Union, its members, or any individual covered by this Agreement, or lockout on the part of the Company. In the event of a breach of this provision, the Union shall immediately declare publicly that such action 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 labor controversy 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 the provisions of this Article.

ARTICLE 9 BULLETIN BOARDS

There shall be at all times maintained in the plant three (3) bulletin boards and one (1) in Transcontinental Cold Storage for use by the Union. Notices may be posted on such bulletin board for such matters as Union meeting, social affairs, recreational affairs and Union elections and appointments. Other notices may be posted subject to the approval of the management as to their contents.

ARTICLE 10 LEAVE OF ABSENCE

Section 1: The Company may grant leaves of absence to employees who request same for personal reasons. Such leaves shall 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. Such leaves shall be for reasonable periods of time.

Section 2: Union Leaves - Employees, not exceeding five (5), chosen by the Union to attend Union conventions and conferences, shall be granted leaves of absence upon one (1) week's advance written request to the Plant Manager, for periods not to exceed two (2) weeks. A maximum of two (2) employees from a division may be absent at the same time to attend Union conventions and conferences. Such leave shall be without pay. The Company will grant full-time Union leave without pay or benefits for up to two (2) employees to serve as officers or employees of Local 1540.

The leave granted will not exceed the period of the current labor agreement. It is understood that the two (2) employees serving as officers or employees of Local 1540 shall not engage in organizing work at any IBP plant at any location other than Joslin, Illinois, facility.

Section 3: Employees who become disabled may be granted medical leave upon request or when the person is no longer able to perform the duties of the job due to the medical condition. The beginning and ending of this leave will be determined by the employee's ability to meet the job requirements. A medical release from the attending physician or the Company doctor will be required before the employee may return to work. This section shall be subject to the limitations of Article 18 on loss of employment. It is understood that management has the right to determine that the returning employee is physically able to perform the work in a safe manner. The Union has the right to grieve any unreasonableness of such decision.

Section 4: When a leave has been appropriately requested and granted under this Article, such employee shall retain and accumulate seniority.

ARTICLE 11 MILITARY SERVICE

RIGHT TO REEMPLOYMENT: An employee who leaves or has left a position in the employ of the Company to enter upon active service in the Armed Forces of the United States, has the right to be reemployed by the Company, when such employee has completed his military obligation, with full seniority and rights as provided for under Section 9 of the Universal Military Training and Service Act.

ARTICLE 12 MILITARY SUMMER ENCAMPMENT

Regular full-time employees on the active payroll will be granted a leave of absence upon request where they are required to participate in summer encampment training as a member of the National Guard or any U.S. Military Reserve as provided for by the laws of Illinois and Iowa.

Furthermore, when employees are notified by their respective military branch of the date of such training, they must immediately notify the Company.

ARTICLE 13 ADVISE OF REASON FOR DISCIPLINE

Section 1: In the event an employee is placed upon an indefinite suspension, the Company shall within five (5) working days inform the employee of the reason for discipline and what form of discipline shall be administered.

It is understood that some cases require investigation and that the full five (5) days is needed, but the Company agrees that this provision should not be used to delay action unnecessarily. The Union also agrees that the Company may inform the Union of cases that require more than five (5) days and the Union will agree to extend the time in such cases to a mutually agreed upon date.

Section 2: When a decision is made regarding disciplinary action, the Company shall impose such action in a prompt manner. When imposing disciplinary action, the Company shall do so with the use of an interpreter (if necessary) in the language that the employee is most fluent.

Section 3: In the event of interrogations or investigations of wrong doing, the Company will advise the employee of his right to Union Representation by a steward of choice, if available, within concerned Department.

ARTICLE 14 GRIEVANCE PROCEDURE

Section 1: Should the Union or any individual employee desire to process a grievance pertaining to the violation of this Agreement, or violation of the employee's working conditions, the matter shall be handled according to the following steps. In the event of disciplinary action involving a discharge, it is understood that a grievance which may be filed will commence at the Step 3 level within ten (10) working days of knowledge.

Step 1

The employee involved, with a Union representative if he so desires, shall present the matter (verbally) to his department or shift Superintendent within three (3) working days of knowledge of the incident.

The department or shift Superintendent shall answer the employee within three (3) working days. The affected steward and employee shall present the grievance on their own time.

Step 2

If the matter is not settled in the first step, the Union shall present the matter to the Personnel Director and the employee's department or shift Superintendent. Grievances in this step must be presented in writing within ten (10) days after the answer of the first step. The Personnel Director shall have five (5) working days in which to give an answer in writing to the Union. The affected steward and employee shall present the grievance on their own time.

The written grievances shall identify:

- (a) the facts giving rise to the grievance,
- (b) the complaint of the grievant,
- (c) the relief requested, and shall be signed by the employee or the Union.

Step 3

If the matter is not settled in the second step, the Union shall present the matter to the Plant Manager. Grievances in this step must be presented in writing within six (6) working days after the answer in the second step.

The Plant Manager shall have five (5) working days within which to give his answer in writing to the union. The affected steward and employee shall present the grievance on their own time.

PRE-ARBITRATION HEARING

Section 2: If the matter is not settled in the third step, the Union shall present the matter to the Company Industrial Relations Division. Grievances in this step must be presented in writing within ten (10) working days after the answer at the third step. The Company Industrial Relations Division shall have ten (10) working days within which to give the Union an answer in writing. The affected steward and employee shall present the grievance on their own time. If the grievance is not resolved in this step, the grievance may be submitted to an impartial arbitrator to be selected by mutual agreement of the parties.

Section 3: A written request for arbitration shall be made within seven (7) days of the Pre-Arbitration answer. A written request for arbitration shall be made within thirty (30) days of the written notification that the Union wishes to arbitrate. If such written request is not made within the thirty (30) day time limit to the Federal Mediation and Conciliation Service, the grievance shall be ended and the subject matter of the grievance shall be settled. Either party shall have the right to request a list of seven names from the Federal Mediation and Conciliation Service and strike names to determine which one shall sit on the arbitration. His decision in the grievance shall be final and binding upon the employee(s) involved and upon the parties to this Agreement, provided he shall not have authority other than to apply the terms and conditions specifically set forth in this Agreement. It is recommended that the Arbitrator shall submit his decision, in writing, within thirty (30) days after the conclusion of the hearing or hearings as the case may be. The compensation and necessary expenses of the arbitrator shall be borne equally by the Company and the Union.

Section 4: The parties agree that the time allowed to process a grievance is adequate. If the Union fails to process a grievance in the time specified herein, the grievance is ended. However, if either party requests a reasonable extension, the time limit specified for any step of the grievance procedure may be extended by mutual agreement of the Company and the Union Representative involved in that step. Such agreement must be in writing, for a definite time period, and signed by each representative. In the event the Company fails to answer the grievance in the specified time period, the grievance shall automatically advance to the next step.

The Company shall make every effort to release affected stewards and witnesses to attend the grievance meeting at the request of the Union. It is understood that if an individual employee wishes to pursue a grievance, he may do so under the aforementioned procedure. Should an individual process his own grievance, a Union representative shall receive copies of all grievance answers and shall have the right to be present at such meeting.

Section 5: In the event an employee is reinstated by an arbitrator, the maximum liability of the Company shall be the employee's lost IBP earnings reduced by all compensation received by the employee during the discharge period from other employment, unemployment compensation, workers' compensation or other earnings.

Section 6: The Company has the right to require that the grievant be present during a disciplinary pre-arbitration or arbitration.

**ARTICLE 15
SUBCONTRACTING**

The parties to the Agreement have discussed subcontracting of work being performed by bargaining unit employees and agree as follows:

Both parties desire to minimize the effects of subcontracting on the job security of the employees and will work to that end.

When subcontracting of any existing operations becomes necessary or desirable, in the sole judgment of the management, the Company will notify the Union; however, the Company agrees it will not subcontract the operation of an entire department. If the Union desires to discuss the effects on the job security of the employees, the parties will meet for that purpose. The Company agrees to delay layoffs caused by subcontracting until at least two (2) weeks subsequent to its notice to the Union of its intention so that the parties have ample time to suggest methods of avoiding the layoffs or minimizing their adverse effects.

**ARTICLE 16
SAFETY COMMITTEE**

Section 1: The Company and the Union recognize the priority and need for an effective, structured safety program to provide safe working conditions for all employees.

The Joint Safety Program is designed to address all health and safety working conditions within the plant, and both parties will constructively work together to improve the safety of the facility conditions or practices.

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 and health matters.

Section 2: The Company agrees that it has the sole responsibility to provide a safe workplace and to correct safety hazards. Nothing in this agreement shall imply that either the Local or International Union has undertaken or assumed any portion of that responsibility. In exercising its rights to manage the safety and health program in the plant, the Company will continue to inform both management and non-management employees that safety depends upon the performance of every person in their job duties.

Section 3: The Company will post the following skilled job. The award will be based on physical fitness, ability, and may include prior and present skills. It is understood that the Company has the sole right to award this job. In such cases where two (2) or more employees possess equal abilities, skills, and physical fitness, seniority will prevail. The Company reserves the right to eliminate these positions anytime during the life of the Agreement.

- 1). Safety Specialist

Section 4: The Company will continue the current Safety Committees in each plant for the purpose of advising and assisting the Company in identification of safety hazards and to recommend solutions.

A. The membership of the Safety Committee shall consist of both bargaining unit and management employees. The minimum number of bargaining unit positions shall be four (4) from the Carcass Division, five (5) from the Processing Division, two (2) from the Complex Maintenance Division, two (2) for the Hides/Tannery Division, and two (2) from the Transcontinental Cold Storage (TCCS) Division. Each of the bargaining unit positions shall be filled by the Company from three (3) nominees submitted by the Local Union. The management positions will be filled by the Company and will include the person in charge of Maintenance.

B. The Safety Committee shall convene once each month and at such other times as the Safety Director of the Plant shall determine in order to carry out its functions. The duties of the Committee shall include the review and investigations of safety practices and rules and health and safety conditions in the plant and the handling of safety complaints. 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.

Committee members will be permitted to make their own inspections of the plant conditions as are reasonably needed (provided that this shall not be abused), subject to such controls as the Safety Director may impose. Working hours lost 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.

C. The Safety Committee shall review safety concerns and make recommendations to management as promptly as is feasible.

D. The Company shall take minutes of the Joint Safety Committee meetings and promptly furnish copies of such minutes to the Local Union and to the employee members of the Safety Committee.

E. The Company will pay lost working time for bargaining unit Safety Committee members as may be necessary to attend safety training programs or seminars scheduled by management.

F. The Company's Safety Director shall notify a designated Union Safety Committee member of the occurrence of any accident resulting in an injury causing an employee to be hospitalized overnight. The designated Union Safety Committee member and the Company's Safety Director shall review the circumstances causing the accident.

Section 5: In the event an employee detects what he believes to be a hazard to health and safety in his working area, he shall have the right to contact his immediate supervisor, who, if in agreement with the employee, shall take immediate action to eliminate the hazard. If the employee believes that the hazard has not been eliminated, such employee shall have the right to contact an employee member of the plant Safety Committee, who shall then bring the matter to the attention of the Safety Director or Plant Manager.

Section 6: The Company shall provide such training programs as management, in its sole discretion, decides are necessary to assure that each employee, in connection with his respective job, is adequately trained in the precautions and procedures required for safety and maintenance, handling and use of facilities, equipment, machinery, chemicals and apparatus. The recommendations of the Safety Committee shall be given consideration by management in this regard.

Section 7: The Company shall provide the Local Union access to a list of all known hazardous substances and processes in use in the plant, giving the chemical name and trade name of each, and stating the known dangers and harmful effects of each and the known threshold levels of measurements or other factors which may give rise to such dangers or effects. Copies of such list will be given to the Union upon request.

Section 8: The Company will endeavor to keep the dispensary open during all production hours. The parties agree plant procedures should cover emergency first aid for accidents that might occur when no medical personnel are available on the premises.

Section 9: 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.

ARTICLE 17 OVERTIME WORK

Overtime work in a department shall be divided as fairly and as equally as possible among qualified production employees in the department. With respect to maintenance personnel, overtime shall be divided as fairly and as equally as possible among qualified employees within the following skill classifications: general maintenance, refrigeration, scale mechanic, and electrician, with the exception of the special crew which will be equalized within itself. With respect to material handling personnel, overtime shall be divided as fairly and as equally as possible among qualified employees within the following skill classifications: shipping, box storage, and box shop.

It is understood and agreed that such equalization cannot be affected on a daily, weekly, or even monthly basis, but efforts will be made to change any such imbalance over reasonable periods of time.

ARTICLE 18 SENIORITY

Section 1: It is the policy of the Company to follow seniority in order that full-time employees with the greatest amount of service shall have the greatest amount of employment security and opportunity for promotion.

However, efficient operation of the plant and fairness to all requires that physical fitness and ability be considered as well as seniority in all matters covered in this Article. Full-time employees with the greatest seniority shall have preference in layoffs, call backs, promotions, demotions, and transfers to available permanent vacancies.

Section 2: Seniority shall be applied on a divisional basis within the plant, and shall under no circumstances overlap from one division to another except where provisions of Section 22, 23, 24, 26 and 27 shall apply. The divisions for seniority purposes are:

1. Carcass Division
2. Processing Division
3. Hide and Tannery Division
4. Complex Maintenance Division
5. Transcontinental Cold Storage Division

Section 3: Seniority shall be established on the basis of continuous full-time service with the Company at its Joslin plant. A full-time employee, after sixty (60) days, shall be a regular employee and shall have seniority. Prior to attaining seniority, an employee is known as a probationary employee. If during probation, six consecutive days or more are missed for any reason, all days absent will be added to extend the probationary period of the concerned employee. Should the Company extend the probationary period of any employee, it will inform the Union. The extension will be for no more than thirty (30) days. It is understood that the Company may, at its sole discretion, discipline or terminate a probationary employee and that no grievance concerning such discipline or termination shall be filed or processed in his behalf.

Section 4: Seniority operates both on a departmental and divisional basis.

Employees, upon attaining six (6) months of seniority with the Company, shall have the right to bid jobs under the provisions of this Article.

- A. Departmental seniority units for the Carcass Division are established as follows:
 1. Kill Floor, Offal, Coolers, Yards
 2. Rendering

- B. Departmental seniority units for the Processing Division are established as follows:
 1. Processing (including knife room and laundry).
 2. Material Handling.

- C. Departmental Seniority Units for the Hides and Tannery Division are Established as Follows:
 - 1. Production.
 - 2. Maintenance.

- D. Departmental seniority units for the Complex Maintenance Division are as follows:
 - 1. All (including mechanical, electrical, building maintenance, refrigeration, and project crew).

- E. Transcontinental Cold Storage (TCCS) Division
 - 1. All (excluding maintenance)
 - 2. Maintenance

Section 5: The Company may, in the instance of certain skilled positions, choose to select and train employees in the jobs listed below. The Company will post notice that such opening(s) exist and with respect to physical fitness and ability will award the job. It is understood that the Company has the sole right to award these jobs.

Jobs to be included:

- 1. Scaler Assistant, Ground Beef Operator, Yard Scaler
- 2. Knife sharpener(s)
- 3. Lead person(s)
- 4. Assistant Hourly Trainer(s) (AHT's)
- 5. Drum Operator Trainee(s)
- 6. Chrome Recovery Operator Trainee(s)
- 7. Bone Cannon Operator
- 8. Poss Operator
- 9. Sparse Lean Operator
- 10. Merge Operator
- 11. Hot Scaler
- 12. SPC Cabinet Operator
- 13. Manifestor (TCCS)

Section 6: Each employee is assigned to a department and shall have such departmental seniority as shall be credited and accumulated on the basis of the divisional seniority of the employee. An employee shall attain departmental seniority in a new department at the time he qualifies on his job.

Section 7: Promotions shall be made within each department. An opening shall be posted for a period of seven (7) days beginning noon Tuesday and ending at noon the following Tuesday. With consideration for physical fitness, and ability, the job shall be awarded within seven (7) working days to the departmental senior employee who has bid the job. In the event a successful bidder has not been placed on his newly bid job within ten (10) working days, the Company shall accrue the pay differential beginning on the eleventh (11) day until the date of movement and pay this amount to the employee upon qualification. He will be given a reasonable period of time to demonstrate proficiency. At the time an employee has qualified for a newly bid job, he shall be paid the rate of

that job and shall be considered a permanent transfer. Production jobs which are vacated as a result of bidding will be posted when the individual who leaves the job has qualified on the newly bid job. Maintenance jobs which are vacated as a result of bidding will be posted when the successful bidder is moved and the Company has a reasonable belief that the employee will qualify on the newly bid job.

In an effort to keep newly bid jobs awarded in a timely fashion, the Superintendent will meet with one (1) steward from each division (Carcass, Processing, TCCS, Hides/Tannery & Maintenance) twice each month to review the aging report on bid jobs. The General Manager will meet with one (1) steward from each division (Carcass, Processing & Maintenance) and Personnel once each month to review the Aging Report on bid jobs. Such meeting shall also be held and conducted in the Hides/Tannery plant by the Hides/Tannery Plant Manager and in the TCCS plant by the TCCS Plant Manager.

Section 8: Departmental vacancies not filled from within the department will be offered for bid on the basis of divisional seniority. An employee transferring into a new department will forfeit his former departmental seniority at the time he qualifies on his new job.

Section 9: An employee who is qualified in a new department and is then disqualified will revert back to his former department with full seniority as if he had never left. The employee shall not displace any person from a bid job but shall be placed on available work for which the employee is capable of performing. However, if the employee requests to remain in the new department, he will be allowed to do so, also provided there is available work which the employee is capable of performing. Any freeze that had been incurred by bidding the job in the new department will be lifted and the employee will be expected to bid.

Section 10: The successful bidder on the job posting at the time the posting is taken down will be required to accept the job and shall make a sincere effort to learn the job. The employee must either qualify or disqualify before being allowed to bid again. For all purposes of this Article, disqualification will be considered a bid. Employee has ten (10) working days from the date of the bid award in which to self-disqualify.

Section 11: Temporary vacancies, such as vacancies caused by sickness, leave of absence, vacation, etc. will not be offered. The Company will observe, in so far as is feasible the principle of "senior man may, junior man must" when such temporary vacancy exceeds one (1) week in length.

Section 12: Once disqualified from a bid job, an employee will not be allowed to bid the same job for a period of six (6) months.

Section 13: Jobs will be posted for bidding on the following basis: When they are vacated by layoff, discharge, resignation, permanent transfer of the job holder to another job, or creation of a new permanent job.

Section 14: All job postings shall state the job title, department, a brief description of principle duties, and the rate for the job.

Section 15: A successful bidder on a lateral or downward bid shall be restricted from any further lateral or downward bidding for six (6) months from the date of such bid. For purposes of lateral and down bidding, a bid from a job to which the employee has been assigned will be included if the employee is bidding to a job at or below the job grade of the job assigned.

Section 16: A first assignment to a job shall be considered a bid for the purposes of this Article if the employee had the right to bid a job and did not exercise that right.

Section 17: Seniority lists for divisions and departments shall be maintained on bulletin boards and shall be republished each month and a copy will be furnished to the Union.

Section 18: An employee shall forfeit his employment for the following reasons:

- A. Voluntarily quitting.
- B. Discharge for proper cause.
- C. Being absent for five (5) consecutive days without proper notification to the employer.
- D. Overstaying a leave of absence without justifiable cause.
- E. Layoffs for more than eighteen (18) months.
- F. Failure to report from layoff within seven (7) days after written notice has been sent by certified mail to the last known address on the Company records. Upon request, the Company will grant a further four (4) day extension of time.
- G. Full settlement with an employee for total disability.
- H. Retirement.

Section 19: Absences in excess of twelve (12) months due to illness or injury shall cause an employee to forfeit his or her employment; however, if the employee is capable of returning to full duty work within twelve (12) months from the date of termination, employee will be rehired and credited with service accumulated prior to termination.

Section 20: Employees on an authorized leave of absence as set forth in Article 10, shall retain and accumulate seniority during such leave.

Section 21: Part-time employees will receive the applicable starting rate of the job performed, if qualified, but will not receive any fringe benefits granted full-time employees, nor will they have seniority.

Section 22: Layoff from any division shall be established on the basis of service within the division, that is, the last man hired shall be the first placed in layoff status provided that each job must be filled by a person capable of performing the work in a satisfactory manner.

Section 23: In the event of layoff due to a reduction in force, an employee shall be permitted to displace in reverse order of his progression the holder of a job in his department who is junior to him using divisional seniority. If a previously owned job (or jobs) in a department is not available on a divisional seniority basis, the employee may notify the Company of his desire to displace the junior

person in the department using divisional seniority. When notified, the Company will on a one time basis assign an available job with consideration for physical fitness and ability. This assignment will not be considered as a bid. Jobs not filled by reverse progression of a job holder or assignment during a layoff will be posted for bidding. After two (2) days, the employee must demonstrate proficiency or he will be disqualified and permitted to displace the junior employee in his division, again considering physical fitness and ability. If the employee does not notify the Company that he desires to displace the junior man in the department, he may displace the junior man in the division from a previous held job in reverse order of his progression and then the junior man still working in the division. An employee who is displaced from his bid job during a layoff and who is the successful bidder on another job in the same division or one who has been displaced from a bid job may elect to retain the newly bid job or return to his previous bid job when it becomes available.

If none of the foregoing options are available, an employee may displace the junior man in the other division providing he has at least one (1) year's seniority and the layoff is in excess of four (4) weeks. The employee must be able to perform the job in a reasonable period of time. However, employees will perform their presently assigned duties necessary to complete a shut down of the plant.

Section 24: An employee who shall transfer to another division as allowed above (Section 23) shall have his former division seniority applied to his new division. However, it is understood that an employee shall be restricted from bidding for sixty (60) days from the date of transfer. In the event that an employee who has entered a new division as outlined above returns to his old division, he shall be credited for the purposes of division seniority the time worked in the division which he had entered due to a layoff. An employee who has transferred to a new division as a result of a layoff must return to his old division when his job becomes available.

Section 25: When recalling employees on layoff, they shall be recalled in reverse order of layoff.

Section 26: Employees may bid to another division under the following limits:

- A. An employee shall be limited to one (1) such bid award per contract year.
- B. Such bid awards shall be made where there is no successful department or division bidder.
- C. The bidding employee must have six (6) or more months of service.
- D. Employee has ten (10) working days from the date of the bid award to self-disqualify.
- E. The bid award shall cause the employee a six (6) month freeze from lateral or down bidding.
- F. The limitation of bid awards out of a division shall be established as follows, and there will be no carryover from month to month:

Processing	- 6 per month
Carcass	- 3 per month
Hides/Tannery	- 2 per month
Complex Maintenance	- 2 per month
Transcontinental Cold Storage	- 1 per month

- G. Department and Division seniority shall transfer in full upon qualification and the employee will be considered as though he or she had been originally hired in the new division.
- H. Where permanent medical restrictions indicate, an employee will be given an opportunity to assume an unfilled job in another division and G above shall apply.
- I. Bidding freezes will be waived for employees attempting to bid into the Complex Maintenance Division.

Section 27: Beyond the provisions of Section 26 above, employees within the Processing, Carcass, Hides, and Transcontinental Cold Storage Divisions may bid to the Complex Maintenance Division, based on divisional seniority, where there is no successful bidder within the Complex Maintenance Division. Such a bidder must satisfy the entry requirements of the Maintenance Training Program.

ARTICLE 19 EQUIPMENT FURNISHED BY THE COMPANY

Section 1: The Company will furnish reasonable and adequate quantities of the following equipment:

- A. Steel, pouches, mesh gloves, knives, and safety equipment to all employees requiring them.
- B. Steel toed rubber boots after the employee has purchased the first pair.
- C. All boots and aprons to gutters required while working on the gut table.
- D. Maintenance hand tools and equipment as required.
- E. Cotton gloves.
- F. The Company will furnish frocks for all jobs designated by the Company. The Company agrees to furnish uniforms for designated jobs where required in accordance with its past practice.

Employees will be required to wear uniforms/frocks where designated and furnished by the Company.

Section 2: The Company shall launder employees' outer work clothes.

Section 3: The employee shall be responsible for the safe and efficient use of all equipment furnished by the Company and, if such equipment is lost or maliciously destroyed, the employee shall be accountable and the Company may then charge the employee (at Company cost) and deduct the cost from his wages.

Section 4: The Company will provide an employee or employees to sharpen knives for all employees required to use knives.

ARTICLE 20 HOURS OF WORK

Section 1: The work week for payroll purposes shall start at 12:01 a.m. on Monday and end at midnight Sunday evening.

Section 2: Hours of work shall be scheduled in line with production requirements and employees will be notified in advance of changes in shift schedules. Employees shall be required to work the hours scheduled by the Company; however, the Company will not schedule work in excess of ten (10) hours per day with the exception of loading, unloading, Tannery, material handling, rendering, ground beef, and maintenance personnel. It is understood, however, that work already in progress will be completed. With regard to loading, unloading, Tannery, material handling, rendering, ground beef, and maintenance personnel, all work beyond twelve (12) hours would be worked on a voluntary basis. It is understood that the Company may schedule (12) twelve hour shifts in rendering and ground beef only on days preceding a day the plant does not operate.

Section 3: Time and one half (1 ½) will be paid for all hours worked in excess of eight (8) in any one day or forty (40) in any one week. Work time will be computed from the time employees on a position commence their work until the time worked is stopped at a position, and will be computed to the nearest minute. For purposes of computing overtime (1½ times), hours of pay for an observed Holiday falling on Monday through Friday shall be counted as time worked up to a maximum of eight (8). Employees, whose regularly scheduled work week is four (4) ten (10) hour shifts, will be paid time and one-half (1½) for all hours worked in excess of ten (10) in any one day or forty (40) in any one week.

Section 4: Employees who are called to work outside their regular work schedule after once going home for the day and not at a time when such work merges with their regular shift shall be guaranteed four (4) hours work at one and one-half (1½) times their regular rate or pay in lieu thereof. However, in the event an employee is called back after clocking out and before leaving the premises, he shall be paid "straight through" as though he had not punched out.

Section 5: Employees, other than part-time employees, working on holidays shall receive their regular holiday pay, (eight (8) hours straight time pay) and shall be paid two (2) times their regular rate for work actually performed on such holidays. All regular full-time employees who work a four (4) day, ten (10) hour schedule, working on holidays shall receive their regular holiday pay, (ten (10) hours straight time pay) and shall be paid two (2) times their regular rate for work actually performed on such holidays.

Section 6: Employees, other than part-time employees, working on Sunday (with the exception of regularly scheduled maintenance; personnel necessary for shipping in the Processing Division; Tannery wring crew, splitting and shaving crew, drum operator trainee, chrome operator trainee, and clean-up; and yards) shall be compensated at twice (2) their regular hourly rate. Regularly scheduled maintenance (including employees temporarily assigned to maintenance for a period in excess of one (1) week); personnel necessary for shipping in the Processing Division; Tannery wring crew, splitting and shaving crew, drum operator trainee, chrome operator trainee, and clean-up; and yards

shall be compensated at twice (2) their regular hourly rate for work performed on the day designated as Sunday in lieu of calendar Sunday.

Section 7: All regular full-time employees who work between the hours of 6:00 p.m. and 6:00 a.m. will be paid fifteen cents (15¢) per hour over their regular rate for such hours worked, except that no premium will be paid if the starting time is less than forty-six (46) minutes prior to 6:00 a.m.

Section 8: For the purpose of the Agreement, Sunday shall be the twenty-four (24) hour period starting at 12:01 a.m. on Sunday and Saturday shall be the twenty-four (24) hour period starting at 12:01 a.m. on Saturday.

Section 9: For the purpose of computing pay for hours worked on Saturday, Sunday, or paid holidays, a shift cutting across two calendar days shall be treated as work on the day on which the shift begins. However, in the event the shift exceeds eight (8) hours, such hours over eight (8) shall be compensated on the basis of the applicable rate for the calendar day on which such hours are worked. Employees whose regularly scheduled workweek is four (4) ten (10) hour shifts and whose shift cuts across two calendar days shall be compensated on the basis of the applicable rate for the calendar day on which such hours are worked if their shift exceeds ten (10) hours. In regard to Maintenance scheduling, any individual in Processing or Carcass Division whose shift starts at 11:00 p.m. and not after 12:00 midnight will be considered as work for the following day.

Section 10: Premium pay will not be pyramided.

Section 11: When the Processing or Kill departments are scheduled to operate on Saturday. The Company may at its sole discretion, move the designated Saturday for the Building Maintenance and Project Crew from Thursday to Saturday.

ARTICLE 21 GUARANTEE

Section 1: The Company will provide each regular full-time employee, other than maintenance employees, thirty-six (36) hours of pay at the employee's straight time hourly rate which will be scheduled Monday through Saturday. Regular full-time maintenance employees will be guaranteed thirty-six (36) hours of pay in six (6) days for each week of employment. Hours employees are absent for any reason will be deducted from such thirty-six (36) hours. The Guarantee will also be reduced by eight (8) hours for each full shift which a division is unable to operate because of storm, flood, fire, explosion, power failure, strikes, or boycotts by any labor union or the National Farmers Organization or similar groups, or other unusual emergencies.

Section 2: The guaranteed work week shall apply only to those regular full-time employees who have completed their probationary period 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 division is unable to operate because of contingencies enumerated in section 1 above. However, if employees are notified in sufficient time of a

cancellation of scheduled work, call-in pay shall not be paid. For purposes of sufficient time referred to above, it shall be sufficient to notify the news media (specifically radio station WXLN 97X FM, WLLR 1230 AM, WLLR 103.7 FM, KCQQ 106.5 FM, WHTS 98.9 FM) by 3:00 a.m. for the Morning shift of the day in question and to similarly notify the news media on the noon news report with respect to the afternoon shift.

Section 4: Employees displaced or recalled because of the operations of the seniority provisions of the Agreement shall receive pay for only those hours worked in the week of such displacement or recall. However, it is understood that employees laid off and then recalled in the same week shall be eligible for the weekly guarantee providing the employee meets all other eligibilities.

Section 5: The Company may notify employees of a shorter work week on or before Friday of the prior week, in which event the guarantee shall be reduced to thirty-two (32) hours of pay at their straight time rate. While this notice may be given whenever necessary the number of weeks in each year of the labor agreement in which the employees will actually be paid less than the guarantee in Section 1 above shall not exceed twelve (12) weeks in each department separately.

ARTICLE 22 HOLIDAY PAY

Section 1: The following days shall be observed as paid holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve Day, Christmas Day, vacation holiday, and the employee's birthday.

Section 2: All regular full-time employees shall receive eight (8) hours straight time pay for each of the above holidays, provided they have met the following qualifications:

- (A) An employee must work the full preceding workday before and the full workday following a holiday, or be on a previously (twenty-four (24) hours prior to the holiday) excused absence to receive holiday pay. Such excuse must be in writing from his supervisor. However, such holiday pay shall be paid to all employees who are laid off or on an authorized leave of absence (this includes compensable injuries) and otherwise qualify who have worked anytime the week before the holiday, the week of the holiday, or the week after the holiday. It is further agreed that, in the event an employee is injured on the job the day before or the day after the holiday preventing completion of the scheduled work day, a forfeiture of holiday pay will not occur providing the employee is otherwise eligible for holiday pay.

All regular full-time employees who work a four (4) day ten (10) hour schedule, shall be compensated ten (10) hours straight time pay for the holiday, provided their normal four (4) day work week includes the day of the holiday. Those employees whose four (4) day work week does not include the day of the holiday will be compensated eight (8) hours straight time pay for the holiday. Provided they meet the requirements set forth in section 2 (a).

The Company may excuse an absence or tardiness for purposes of this Article only, and pay the holiday pay in cases where the Plant Personnel Manager and Plant Manager, in their sole discretion, deem the reason for the absence or tardiness and the individual's overall attendance, as deserving an exception to the above rule.

- (B) When a holiday falls on Sunday, the following Monday shall be observed. Those employees having a designated Sunday will observe the following day (whether worked or not worked) as Monday.
- (C) When an employee's birthday falls on a scheduled workday, the employee may volunteer to accept eight (8) hours straight time pay for the birthday holiday in lieu of the time off. The employee, to be eligible for this option, must notify the Company at least one (1) week in advance and must otherwise qualify for holiday pay. If the employee selects this option, the eight (8) hours pay will be added to the paycheck for the birthday week and the employee will be expected to work the scheduled hours.
- (D) When an employee's birthday falls on another day observed as a paid holiday, the employee will receive an additional day off on the scheduled workday before or after the holiday, as determined by management.
- (E) An employee shall not be eligible for either the birthday holiday or the vacation holiday until completing one (1) full year of service. The employee shall, if otherwise eligible, only be entitled to such holidays occurring after the employee's first full year of service.
- (F) The vacation holiday will be paid once per anniversary year during the first week of vacation taken. Employees with two (2) or more week's vacation are not entitled to additional vacation holidays. The vacation holiday is eight (8) hours pay only and shall not involve any time off work.

ARTICLE 23 VACATION

Section 1: Regular full-time employees who complete one (1) year of full-time service with the Company will be granted one (1) week of paid vacation. The first one (1) week of vacation may be taken at any time, with Management approval, during the second year of service. One (1) week's vacation pay shall be equal to forty (40) hours of pay at straight-time hourly rates or two percent (2%) of the annual earnings as indicated by the previous issued Form W-2 - U.S. Treasury Department - whichever is greater. Employees who complete three (3) full years of service will be granted two (2) weeks of paid vacation. The first two (2) week vacation may be taken at any time, with Management approval, during the fourth (4) year of employment. Employees who complete ten (10) full years of service will be granted three (3) weeks paid vacation. The first three (3) weeks vacation maybe taken at any time, with Management approval, during the eleventh (11) year of employment.

Section 2: To qualify for a paid vacation, the employee must have passed his anniversary date and have worked at least forty (40) weeks during the preceding anniversary year. For the purpose of this section only, a week in which the employee works at least one (1) day will be counted as a week "worked." Credit will be given in any one (1) anniversary year for weeks missed because of jury duty, vacation, a maximum of twenty-six (26) weeks of compensable injury, four (4) weeks of consecutive sick leave, one (1) week of Union leave and two (2) weeks of leave for employees required to participate in official activities as a member of the National Guard or any United States military reserve.

Section 3: Employees who have qualified for a vacation under Section 2 at the time their employment is terminated will be paid for such vacation earned but not taken.

Section 4: The vacation time of each employee will be assigned within a department on a divisional seniority basis. Notice of vacation scheduling will be posted by February 1. Scheduling will commence February 15 and will be completed by March 1. However, it is recognized the employer must approve the vacation schedule in order to insure regular and efficient production.

Section 5: Employees who file a timely request (two weeks in advance) shall receive their vacation pay on the payday immediately preceding the commencement of their vacation.

Section 6: The Company may elect to close the plant or the Tannery operations for a vacation period whereby all employees (except maintenance and material handling employees) may take their vacation at one time. Such vacation period shall be scheduled on or before March 1st of each calendar year and the time scheduled shall be during summer school vacation. Maintenance and material handling employees required to work during the time the plant is closed for vacation will be scheduled for vacation at another time during the year.

Section 7: In the event a paid holiday falls within the employee's vacation period, eight (8) hours of straight-time pay at the employee's regular rate will be paid in addition to vacation pay. The holiday pay will be added to the vacation check, if otherwise qualified.

Section 8: Vacations for employees leaving for military service will be provided in the following manner:

- (a) An employee who has worked at least forty (40) weeks in his second or subsequent anniversary years and who leaves for military service during that anniversary year shall be provided vacation pay.
- (b) An employee leaving for military service in his second or subsequent anniversary years and who does not qualify for a vacation under the above section shall be provided a pro rata vacation.

ARTICLE 24 REST PERIODS

Section 1: Employees will be granted a rest period of fifteen (15) minutes approximately halfway through the first portion of their shift and a second rest period of the same duration if the day's work schedule exceeds eight (8) hours and seven (7) minutes. In the case where the employee is working a double shift, he shall receive a second fifteen (15) minute break at the end of the shift and thereafter he shall follow the regular schedule of the shift on which he is working. The employee may elect to complete the day's work and receive the above mentioned amount as additional compensation.

Section 2: Should the Company schedule a shift for a duration of nine (9) hours or longer, the break normally given at the end of eight (8) hours and seven (7) minutes will be scheduled approximately halfway between the end of the lunch period and the scheduled end of the shift.

ARTICLE 25 MEALS

Section 1: Employees in the Processing Division will be granted a thirty (30) minute unpaid meal period to commence no earlier than four and three-quarters (4-3/4) hours and no later than five and one-half (5½) hours from the start of the shift. Employees in the Carcass Division and Hides and Tannery Division will be granted a thirty (30) minute unpaid meal period to commence no earlier than four and one-half (4½) hours and no later than five and one-quarter (5¼) hours from the employee's start time, except for the Kill Floor Department where lunch periods will commence no earlier than four and one-half (4½) hours and no later than five and one-quarter (5¼) hours from the start of the job in the center of the chain, currently the downpuller. Employees in the Transcontinental Cold Storage Division will be granted a thirty (30) minute unpaid meal period to commence no earlier than four (4) hours and no later than five (5) hours from the start of the shift. Employees required to work in excess of ten hours in any one day shall, in addition to their regular pay, receive compensation in amount of three dollars (\$3.00) for the purpose of purchasing a meal. A fifteen (15) minute paid break will be provided except in the case of an employee working a double shift where the provisions of Article 24 shall prevail. The employee may elect to complete the day's work and receive the above mentioned amount as additional compensation.

Section 2: In the event the shift does not exceed five and one-half (5½) hours, no lunch period shall be provided.

ARTICLE 26 JURY DUTY

Section 1: An employee called to jury duty in the county, state, or Federal courts shall be excused for jury service on presenting the summons requiring such duty to his Supervisor.

Section 2: A regular full-time employee will be paid the difference between his jury pay and the scheduled hours he would have worked up to a maximum of eight (8) for each full day of jury

service when it falls on a scheduled work day. If the employee is dismissed from jury service during his normal scheduled hours, he will be expected to notify his Supervisor or the Personnel Office as to his availability for work.

Section 3: The employee shall endorse and turn over to the employer his jury pay check except the employee may retain any pay provided for travel expenses, and in turn will be paid by the employer the amount of his regular straight time earnings.

ARTICLE 27 FUNERAL LEAVE

Section 1: Absences due to the death of a member of the employee's immediate family will be treated as an excused absence. A regular full-time employee so absent will be paid during the period of his absence on the following basis.

A. In the event of death of an employee's spouse, father, mother, father-in-law, mother-in-law, brother, sister, child (including legally adopted children), or grandparents, the employee will be paid the number of hours his gang works, up to a maximum of eight (8) hours in any one day for each of three (3) consecutive days (one of which must be the day of the funeral) on which the gang works. For the purposes of this Article, Sunday will not be considered as breaking "consecutive days." In order to be eligible for funeral pay, the employee must attend the funeral. The Company reserves the right to require verification.

B. In the event of death of a grandchild, brother-in-law, or sister-in-law, the employee will be paid the number of hours his gang works, up to a maximum of eight (8) hours for the day of the funeral. In order to be eligible for funeral pay, the employee must attend the funeral. The Company reserves the right to require verification.

C. In the event of the death of a close friend, the Company will endeavor to release the concerned employee to attend the funeral. Such leave shall not be paid.

D. An employee who finds it will be necessary for him to be absent will notify his Supervisor as soon as possible.

E. An employee, who is unable to attend the funeral of an immediate family member for reasons of proximity of five hundred (500) or more miles of the location of the funeral away from Joslin, shall be paid the number of hours his gang works, up to a maximum of eight (8) hours for mourning purposes.

F. The Company will grant up to five (5) days leave (LOA) to employees, who are eligible for funeral leave and are attending a funeral, which is five hundred (500) or more miles away from Joslin.

ARTICLE 28
MEDICAL BENEFITS

Section 1: The Company agrees to make available for regular full-time employees the following comprehensive Insurance/Medical Benefit Program. Such coverage shall commence on the first day of the month following completion of three (3) months of full-time employment and shall terminate on the employee's last day of employment. During the term of this agreement, the Company's and the employee's cost sharing percent will remain the same as was in effect on the effective date of this agreement, except as outlined under the Short Term Disability Program. Employees on medical leave will have all contributions accrued for a period not to exceed four (4) weeks; and, thereafter, must keep their contribution current or suffer a lapse in coverage.

1. Group Life
2. Accidental Death and Dismemberment
3. Medical Coverage
4. Dental Coverage
5. Short Term Disability Program
6. Prescription Drugs / Mail Order
7. Vision Coverage

Benefits shall be in accordance with the Insurance/Medical Benefit Program agreed upon by the parties.

Section 2: During the term of this agreement, the Company contribution toward the Short Term Disability Program will not exceed four dollars (\$4.00) per participating employee per month. The balance of the cost of this program shall be borne by the participating employee. Employee contributions will be reviewed on a calendar year basis and adjusted annually on January 1.

The maximum benefit amount shall be Ninety dollars (\$90.00) per week for up to 26 weeks. Such benefits shall become effective on the first (1st) day for accidents and the eighth (8th) day for illness.

Section 3: After the three (3) month waiting period for new employees, the Company will provide the major portion of the contribution necessary to provide medical coverage. Employees under the plan will pay a weekly contribution for this coverage.

Employees' monthly contributions for medical benefits will equal one-fourth (1/4) of the total medical contributions as necessary to cover the average Company medical costs per covered employee for those locations participating in the medical program. If during the term of this agreement the average cost per covered employee of the Company's medical program should increase or decrease, the employees' contribution will increase or decrease as necessary to equal one-fourth (1/4) of the total Company's medical costs. A trailing twelve (12) months of medical expenses will be used to calculate the cost per covered employee. Such cost shall be adjusted, if necessary effective January 1 of each year.

Section 4: Medical coverage shall include a Prescription Drug Program for active employees and their dependents.

**ARTICLE 29
WAGE RATES**

Section 1: Effective the ratification date of this labor agreement, the base labor rate of pay shall be:

Carcass Division	\$10.00
Hide and Tannery Division	\$10.00
Processing Division	\$ 9.90

Section 2: The above rates (Section 1), shall be increased during the initial term of this contract as follows:

<u>Division</u>	<u>June 03, 2002</u>	<u>June 02, 2003</u>	<u>June 07, 2004</u>	<u>June 06, 2005</u>
Carcass	\$10.20	\$10.40	\$10.60	\$10.85
Hide & Tannery	\$10.20	\$10.40	\$10.60	\$10.85
Processing	\$10.10	\$10.30	\$10.55	\$10.85

Maintenance Rates are established as follows (as a minimum):

	<u>M0</u>	<u>M3</u>	<u>M4</u>	<u>M5</u>	<u>M6</u>	<u>M7</u>	<u>E7</u>
Ratification	\$11.00	\$11.00	\$11.00	\$11.50	\$12.05	\$13.65	\$14.65
June 03, 2002	\$11.20	\$11.20	\$11.20	\$11.70	\$12.25	\$13.85	\$14.85
June 02, 2003	\$11.40	\$11.40	\$11.40	\$11.90	\$12.45	\$14.05	\$15.05
June 07, 2004	\$11.60	\$11.60	\$11.60	\$12.10	\$12.65	\$14.25	\$15.25
June 06, 2005	\$11.85	\$11.85	\$11.85	\$12.35	\$12.90	\$14.50	\$15.50

Transcontinental Cold Storage:

Starting Rate for employees hired in the Joslin plant for the term of this agreement will be \$9.00 (to be a minimum).

	<u>WHS</u>				<u>Forklift</u>	<u>Lead</u>	
	<u>Level 1</u>	<u>Warehousemen</u>	<u>Pusher</u>	<u>Manifestor</u>	<u>Driver</u>	<u>Person</u>	<u>Janitor</u>
Ratification	\$9.30	\$9.60	\$9.75	\$9.85	\$10.50	\$11.00	\$8.35
June 03, 2002	\$9.50	\$9.80	\$9.95	\$10.05	\$10.70	\$11.20	\$8.55
June 02, 2003	\$9.70	\$10.00	\$10.15	\$10.25	\$10.90	\$11.40	\$8.75
June 07, 2004	\$9.95	\$10.25	\$10.40	\$10.50	\$11.15	\$11.65	\$9.00
June 06, 2005	\$10.25	\$10.55	\$10.70	\$10.80	\$11.45	\$11.95	\$9.30

Section 3: Hours paid but not worked shall not be used in the computation of hours necessary to pay overtime.

Section 4: The starting rate for new production employees shall be \$9.00 per hour with employees receiving a forty (\$0.40) cent increase after three (3) months and an increase to the base rate after six (6) months of employment, if they have not already attained base rate. The Company has the right to increase the start rate at any time during the term of this labor contract. These increases shall not exceed the yearly Contractual increases. However, if the yearly increases are not utilized in the increase of the Starting Rate, it may be carried over into the remaining years of the Contract.

**ARTICLE 30
WAGE RATE CLASSIFICATION –
NEW OR CHANGED JOB CONTENT**

When the Company establishes a new job classification, combines or separates the duties of existing classifications, or substantially changes the work content of an existing classification, it will establish an appropriate hourly rate for the classification and notify the Local Union of such rate. It will be the intention of the Company to inform the Union of rate changes and reason for such changes in advance of actual installation. If the Union disagrees with that hourly rate, it may file a written grievance at Step 3 of the Grievance Procedure within five (5) days of such notification. 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 Division, giving proper consideration to the job content and skill involved. If a higher rate should be awarded, it would be paid from the date of change.

**ARTICLE 31
WAIVER, ENTIRE AGREEMENT AND SEPARABILITY**

Section 1: ENTIRE AGREEMENT. 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 specifically provided herein.

Section 2: WAIVER. 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 and exercise of that right and opportunity are set forth in the Agreement.

Therefore, the Company and the Union, for the term of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject or matter not 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.

Section 3: AMENDMENTS. Any modification or supplement to this Agreement to be effective must be reduced to writing and executed by proper representatives of each party.

Section 4: SEPARABILITY. If any Article or Section of this Agreement or any written amendment hereto shall be held invalid by operation of law or by tribunal of competent jurisdiction or if compliance with or enforcement of any Article or Section shall be restrained by such a tribunal pending a final determination as to its validity, the remainder of this Agreement and of any written amendment hereto, or the application of such Article or Section to persons or circumstances other than those as to which such provision has been held invalid or to which compliance with or enforcement has been restrained, shall not be affected thereby.

**ARTICLE 32
DURATION OF AGREEMENT**

This Agreement shall become effective, Monday, March 05, 2001, and shall remain in full force and effect until 11:59 p.m., Sunday, March 05, 2006. Either party may terminate the Agreement by giving written notice to the other on or before sixty (60) days prior to Sunday, March 05, 2006. If such notice is not given by either party, this Agreement shall renew itself for successive one (1) year periods, until such notice is given. Such notice shall be given by registered or certified mail.

FOR THE COMPANY:

Kevin E. Williamson
Richard Demme
J. Flatz
Bruce L. Paetz

FOR THE UNION:

Kevin E. Williamson

**MEMORANDUM OF UNDERSTANDING
RETIREMENT SAVINGS PLAN**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company agrees to make available a Retirement Savings Plan to cover employees at the Joslin Plant.

1. Employees shall be able to participate through pre-tax and after-tax contributions on the first work day following the completion of ninety (90) days of service. Matching contribution eligibility shall commence on the first day of the first payroll period beginning after the first anniversary of the employee's first hour of service with the Company.
2. The Company will match at a rate of fifty (\$.50) cents for each pre-tax dollar any employee contributions made through payroll deduction up to 6% of the employees annual gross earnings.
3. The Company will make available to eligible employees a Loan Program designed to allow active employees access to their savings. Employees may obtain more details on this new feature through the Plant Personnel Office.

The Company will prepare and file the necessary plan documents and other required material to commence the plan.

**MEMORANDUM OF UNDERSTANDING
PRINTING OF AGREEMENT**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company agrees to make available English and translated versions of the Labor Agreement. Such translations will be in Spanish, French, and Vietnamese. The labor agreement will be printed in booklet form with English and Spanish languages. The Company and the Union agree to share equally the cost of printing the labor agreement booklets.

It is understood between the parties that precise translations are often difficult or impossible and that the English version of the Labor Agreement will rule in all matters.

**MEMORANDUM OF UNDERSTANDING
INTERRUPTION OF MAINTENANCE MEAL PERIOD**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

Maintenance employees are not on call during their meal periods. However, in the event a maintenance employee is requested to return to work during a meal period and does so, the employee will be paid straight through the interrupted meal period and will be provided another thirty (30) minute unpaid, uninterrupted meal period. The employee may decline the second unpaid, uninterrupted meal period and receive an additional thirty (30) minutes of pay at the end of the shift. Such declination and request for the additional pay shall be made in writing by the employee and presented to the Company no later than the end of the pay period.

**MEMORANDUM OF UNDERSTANDING
PAY CHECK SHORTAGES**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

Payroll errors, of at least Fifty Dollars (\$50), will be corrected on Friday (the employee must report the discrepancy to the Supervisor by noon on Friday). All other payroll discrepancies will be corrected through retroactive pay on the employee's subsequent paycheck.

**MEMORANDUM OF UNDERSTANDING
LABOR-MANAGEMENT MEETING**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company and the Union agree to gather at a neutral site, at least twice per year, for purposes of enhancing communication between both parties. Each party will be responsible for designating their representatives for attendance purposes. The cost of meeting room accommodations shall be borne by the parties on an alternating basis.

Both the Company and the Union shall submit an agenda at least twenty-four (24) hours in advance of the meeting. Discussion will be limited to the items listed on said agenda, which will not include grievances.

MEMORANDUM OF UNDERSTANDING QUICK START

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The parties have agreed to a rate progression acceleration program, hereafter referred to as "Quick Start," to waive the starting rate progression on a weekly basis for employees who are performing qualified work on a graded job (a job over base) and who maintain perfect attendance during the week:

For the purpose of Quick Start only, an absence for any reason (other than those listed below) will be considered a violation of perfect attendance and the employee will be paid in accordance with the starting rate progression for the week in which the absence occurred. A tardiness of two (2) hours or more shall be considered an absence and will result in a forfeiture of Quick Start in the week of such tardiness. An accrual of three (3) tardies, each less than two (2) hours, shall be considered an absence in the week of the third (3rd) such tardiness.

Absences for the following reasons will not violate perfect attendance for the purpose of Quick Start:

- 1) Hospitalization of the employee.
- 2) Hospitalization or death of the employee's spouse or child.
- 3) Days compensated under the Funeral, Jury, Injury, or Holiday provisions of the Agreement. (Days need not be compensated in the case of a probationary employee who otherwise would have been eligible for pay.)
- 4) Days previously excused for service in military reserves.
- 5) Layoff or time an employee was allowed to go home because of excess crewing.

An employee also shall become ineligible for Quick Start and therefore be paid under the regular progression where:

- 1) The employee is subsequently disqualified or displaced to an ungraded job by the operation of the seniority article. (A temporary reassignment, however, will not cause a loss of Quick Start.)
- 2) The employee is moved to a base grade job to which the employee bid. (A bid to a graded job, however, will not cause a loss of Quick Start.)
- 3) The employee is on restricted duty for a period exceeding ninety (90) days, in which case the employee loses Quick Start and grade pay.

In consideration of the Quick Start Program, an employee with sixty (60) or more days of seniority may bid graded jobs on the employee's shift, notwithstanding the provisions of Article 18, Section 4.

Vacation pay will be calculated at the Quick Start rate, provided the employee qualifies for

Quick Start the week prior to the vacation.

The Company reserves the right to void this Memorandum and terminate Quick Start anytime during the life of the Agreement. It is understood, however, that employees who are participating in Quick Start at the time of such termination will continue to be paid in accordance with the Quick Start Program.

MEMORANDUM OF UNDERSTANDING DIVERSITY COMMITTEE

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company and the Union recognize the priority and need to establish an effective program to ensure open lines of communication with the diverse workforce at the Joslin, Illinois facility. Having recognized this need the Company and the Union have agreed to establish a "Joint Diversity Committee." This committee is designed to address diversity issue, along with maintaining ongoing communication with the workforce. By establishing this Committee both parties have agreed to constructively work together to improve diversity and communication within the plant.

Membership of the Diversity Committee shall consist of plant management and employee representatives agreed upon by both the Company and the Union. Membership will include Plant Manager, Plant Superintendent, Plant Personnel Manager, Plant Union Representative, A-Shift and B-Shift Chief Steward and four (4) in the Processing Department [two (2) A-Shift and two (2) B-Shift], two (2) for Kill Floor [one (1) A-Shift and one (1) B-Shift], one (1) in the Hides Department, one (1) in the Material Handling Department, one (1) in the Maintenance Department, and one (1) in TCCS. The Diversity Committee shall meet at least quarterly at a time designated by Plant Management.

MEMORANDUM OF UNDERSTANDING VACATION CHECKS

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company will make vacation checks available on Thursday of each week for vacations to commence the following week or weeks. The only exception is during a Holiday week.

The intent of this memorandum is to provide the Company with sufficient time on Friday to issue missing checks.

MEMORANDUM OF UNDERSTANDING ACTIVE BALLOT CHECK-OFF

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company, upon written authorization from an employee, shall deduct from the employee's weekly pay the amount designated by the employee for Active Ballot Check-off (ABC) and promptly remit to the appropriate officer of the Union for ABC..

The Union shall indemnify and hold the Company harmless from any claims, suits, judgements or attachments, and from any other form of liability as a result of making any deduction in accordance with the foregoing authorization and assignment under the conditions permitted by law.

MEMORANDUM OF UNDERSTANDING ERGONOMICS

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

As outlined in the "IBP Health and Safety Agreement", the Company implemented an ergonomics program at all facilities, including its Joslin plant, which contains the following general elements:

- A. Education/Training/Orientation of all employees regarding the cause, symptoms, range and prevention of cumulative trauma disorders (CTDs). Instruction on knife skills for those employees required to use a knife including sharpening, steeling, and cutting techniques.
- B. Medical Management Program for early detection of the symptoms of CTDs and conservative treatment for those employees displaying symptoms. A medical tracking system was developed for those employees and, when appropriate, employees are assigned to jobs that will not further exacerbate their symptoms.
- C. Job modifications studied by the Company at this plant and others have been implemented to reduce the stressors that may be causing employees to develop CTD symptoms.

The Company and the Union recognize that an effective ergonomics program depends upon the involvement and commitment by the Company, Union and workers. The Company has reemphasized its commitment to its ergonomics program generally, and has agreed to supplement that program at the Joslin plant during the term of the Labor Agreement by providing for Ergonomic Monitors, whose functions will be identical in nature to the Ergonomic Monitors established at the IBP, Dakota City, Nebraska, plant. Specifically, the Company agrees to continue its ergonomics program at the Joslin plant by:

- A. Providing a minimum of seven (7) trainers per production shift in the Processing Division, and one (1) trainer per production shift in the Carcass Division. These trainers are to be excluded from the count and will work with new or reassigned employees.
- B. Continuing its commitment at the Joslin plant to ergonomics research by involvement of Ergonomic Monitors. Nine Ergonomic Monitors will be selected by the Union and Company in the same manner as members of the plant Safety Committee, who will report to the plant Safety Committee; two (2) from each Processing Division production shift, one (1) from each Carcass Division production shift, and three (3) from the Hides/Tannery Division.
 - 1. Each EM will be allowed one (1) hour of paid time each month to survey their work areas, spot potential problems, and develop potential solutions. The paid time may be extended at the sole discretion of the Plant Manager or his designee.
 - 2. EMs will report their findings to the Plant Manger or designee and the Union at least one week prior to the monthly ergonomics portion of the plant Safety Committee meeting.

In consideration for the Company's implementation of the Medical Management Program and in an effort to ensure its effective functioning, the Union agrees that the Company may set aside and exclude from the bid process those 95 jobs listed on Attachment 1 to this Memorandum of Understanding. These jobs will be used for restricted duty or rehabilitation assignments for employees whose work activities have been temporarily restricted in accordance with the company medical management program. When not so filled, these jobs will be filled based on seniority (senior may, junior must) to the extent feasible, but will not otherwise be subject to bid. No present job holder will be displaced from any job by inclusion of his or her job on this list, said jobs will be vacated by attrition.

Exclusion of the jobs listed on Attachment 1 from the bid process does not prohibit the Company from using other positions not subject to bid such as temporary or make-work jobs, or positions not filled by bidding, for restricted duty or rehabilitation assignments.

The foregoing expresses the commitment and concern the Company and Union each have for the health of employees in the workplace. Except as expressly provided above, nothing in this Memorandum of Understanding shall in any way amend, modify, or supersede either the Labor Agreement or the IBP Health and Safety Agreement.

**Attachment 1
Rehabilitation Positions**

<u>JOB TITLE</u>	<u>(PROCESSING)</u>		<u>TOTAL</u>
	<u>A-AUTH</u>	<u>B-AUTH</u>	
Inspect/Transfer Hinds hank	1	1	2
Pickers	3	3	6
Label Boxes	1	1	2
Upgrade Trim	8	8	16
Feed Townsend Skinner	2	2	4
Operate Flank Skinner	1	1	2
Operate Skirt Skinner	1	1	2
Feed Loin Wing Skinner	1	1	2
Trim Contamination	2	2	4
Mark Elephant Ears	1	1	2
Light/Dry Clean Up	2	2	4
Scaler	2	2	4
Bone Checker	1	1	2
Pick Cod Fat	1	1	2
Bag/Size Finger Meat	4	4	8
Rework Chubs	<u>1</u>	<u>1</u>	<u>2</u>
	32	32	64

<u>JOB TITLE</u>	<u>(CARCASS)</u>		<u>TOTAL</u>
	<u>A-AUTH</u>	<u>B-AUTH</u>	
Cut off Dew Claws	1	1	2
Wash & Pack Swt Breads	1	1	2
Cut Foreshanks & Trim	1	1	2
Feed Strickler	2	2	4
Inspect Box/Scale Intestines	2	2	4
Hang Plastic/Blow Off Hocks	1	1	2
Gland/Tongue Trimmer	1	1	2
Bag/Box Livers	1	1	2
Box Cryovac	1	1	2
Oper. Steam Vacs	<u>2</u>	<u>2</u>	<u>4</u>
	13	13	26

*Bid by Grade 0-1-2

<u>JOB TITLE</u>	<u>(HIDES/TANNERY)</u>			<u>TOTAL</u>
	<u>A-AUTH</u>	<u>B-AUTH</u>	<u>C-AUTH</u>	
Clean Up	1	0	1	2
Forklift Driver	1	1	0	2
Grain Split Palitizer	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	3	1	1	5

GRAND TOTAL 95

**MEMORANDUM OF UNDERSTANDING
FAMILY AND MEDICAL LEAVE ACT 1993**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

Section 1. Add "not to exceed 30 days" at end of sentence.

Section 3. Replace with following to implement Family & Medical Leave Act:

Consistent with the requirements of the "Family and Medical Leave Act of 1993," and any regulations adopted by the U.S. Department of Labor as a result of that Act, Family and/or Medical Leaves of absence (LOA) of up to 12 weeks during any 12 month period will be granted to "eligible employees" for the following reasons only:

- A. Because of the birth of a son or daughter of the employee and in order to care for such son or daughter.
- B. Because of the placement of a son or daughter with the employee for adoption or foster care;
- C. In order to care for the spouse, son, daughter, or parent of the employee if such spouse, son, daughter or parent has a serious health condition; or
- D. Because of a serious health condition that makes the employee unable to perform the functions of the position of such employee.

"Eligible employee" is defined as one who has been employed for at least 12 months and for at least 1,250 hours of service (during the previous 12 month period.)

Any employee requesting a Family and/or Medical LOA covered by A, B or C above will be required to utilize all accrued paid vacation prior to being placed on Family/Medical LOA. The length of the LOA for which the employee is entitled shall be reduced by the length of the accrued paid vacation. In the event that an employee utilized vacation time for reasons covered by A, B or C above, the employee will be allowed at a later time to replace such vacation time with unpaid leave. Such unpaid leave shall equal the amount of vacation time utilized by the employee for Family/Medical LOA reasons. In no event shall such unpaid leave exceed the time allotted under Article 23, Section 1; nor shall the utilization of vacation time for Family/Medical LOA reasons otherwise reduce the amount of vacation time available to employees under Article 23, Section 1. If an employee and the employee's spouse are both employed by IBP, the amount of unpaid Family/Medical LOA available for both spouses combined for reasons specified in A, B and C above will be 12 weeks during any 12 month period.

An employee requesting a LOA described in C or D above must provide sufficient certification from a health care provider of the necessity of the LOA. The company may require a second opinion from a health care provider selected by the company at the Company's cost. Any employee desiring to return to work following a LOA described in D above must present certification from the employee's health care provider that the employee is able to resume work. The Company may require a second

opinion from a health care provider selected by the Company at Company's cost.

Where the need for the LOA is foreseeable, and employee requesting the LOA must notify the Company at least 30 days in advance of the start date of the LOA.

Subject to the limitations of Article 18 on loss of employment, Medical LOA in excess of 12 weeks for "eligible employees" or LOA for employees who have not attained 12 months of service is available consistent with the requirements of notice and medical certification contained above.

Nothing in the Memorandum of Understanding is intended to nor shall it have the effect of reducing or impairing the LOA or other benefits otherwise available under the collective bargaining agreement.

MEMORANDUM OF UNDERSTANDING NEW YEAR'S EVE SCHEDULE

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

It is understood that the Company will, to the extent business circumstances make it feasible, schedule work on December 31st shift(s) such that the afternoon shift will get off early.

MEMORANDUM OF UNDERSTANDING EXTRA GANG

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The parties agree that the Company may establish an "EXTRA GANG" in each Division. The number of such EXTRA GANG shall not exceed eight percent (8%) of the total number of employees in each Division. The Company will pay the employees for work performed based on the starting rates of the contract at the time of the work. Time worked in the EXTRA GANG as a steady employee will be counted toward the satisfaction of the time requirements for starting rates, probationary period, and insurance waiting period once the eligible employee leaves the EXTRA GANG. Such time will not be used to compute pay retroactively.

There will be no guarantee or fringe benefits for EXTRA GANG employees. The Company will pay one and one-half (1½) times the regular hourly rate for all hours worked beyond forty (40) in a workweek. However, it is understood that such hours will not be pyramided.

The employees with the most seniority will be required to accept permanent job vacancies in the Division in which they work with consideration for physical fitness and ability. EXTRA GANG

employees will be placed on permanent jobs which are not bid and awarded or assigned to permanent employees on the basis of seniority in the EXTRA GANG. However, it is understood that skill considerations may necessitate minor variations in the case of maintenance personnel. The EXTRA GANG employees will not gain seniority within the bargaining unit until they fill a permanent vacancy and have met the terms of the general contract.

The starting rates set forth above shall prevail during the life of this Agreement.

MEMORANDUM OF UNDERSTANDING SHIFT SCHEDULE CHANGE

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

With respect to the administration of Article 20, Hours of Work, of the current Labor Agreement, it is understood that production employees will be notified of the shift schedules by 12:00 noon of the preceding day for each shift with the exception of the wring crew, clean-up, splitting, and shaving positions in the Hide and Tannery Division. With respect to the above stated positions, employees will be notified by the end of shift of the preceding day. It is further understood that the Company may reduce or increase the posted hours due to unusual or unforeseen events at any time; however, the Company will make every effort to minimize such changes.

MEMORANDUM OF UNDERSTANDING UNDUE JOB LOAD

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company, during negotiations, reached an understanding with the Union that in event an undue job load is believed to exist by the Union, the Company will agree to accept a grievance relating to such claimed job overload. The Company and the Union will attempt to resolve the issue in an amiable manner. It is understood by the parties, however, that this understanding does not impinge upon the prerogatives of management which are contained in Article 6, Management Rights. It is further understood between the parties that this agreement in no manner imposes an obligation to formulate "standardized crewing" or "production quotas."

**MEMORANDUM OF UNDERSTANDING
BID AGING REPORT**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company will maintain a weekly aging report by Division in the Division's Personnel Office for all successful bidders who have not been placed on a newly bid job within fifteen (15) days of the award. During a visit to the plant site, the appropriate Union representative may request to view the entire aging report or be given a copy of any individual weekly aging report.

**MEMORANDUM OF UNDERSTANDING
TERMINATION, LEAVE AND ADDRESS REPORT**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company agrees that for the term of its Labor Agreement with the Union dated March 05, 2001, to March 05, 2006 for its Joslin plant to the following:

Upon the request of the Union's Business Agent, the Company will provide the following:

1. Monthly lists of terminated employees.
2. Semi-annual addresses of bargaining unit employees.
3. Monthly list of employees on leave of absence.

The Company does not guarantee the accuracy of the information provided.

**MEMORANDUM OF UNDERSTANDING
UNION VISITATION**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

Union representatives shall have the right to visit the work place to inspect working conditions and to generally carry out the terms of this Agreement providing they report to a designated Company representative upon entering the job site, and so long as such visits do not interfere with operations.

**MEMORANDUM OF UNDERSTANDING
UNION OFFICE**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company will identify and make available furnished office space for the plant representative. The parties agree that the plant representative and the members will adhere to all Company office policies. The Company reserves the right to revoke this privilege with a thirty (30) day written notice to the Union.

**MEMORANDUM OF UNDERSTANDING
FULL-TIME UNION STEWARD**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company has agreed to allow an employee to be a full-time union steward and pay the employee up to thirty-six (36) hours per week, at their master rate. The employee will also be allowed to participate in IBP's health and welfare programs. The Company reserves the right to revoke this privilege with a thirty (30) day written notice to the Union.

**MEMORANDUM OF UNDERSTANDING
MAINTENANCE TRAINING PROGRAM**

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company has initiated a Maintenance Training Program. This program shall cover the maintenance employees in each of the three plant divisions; Carcass, Hides and Processing.

The pay provisions of the training program will be administered as follows:

- 1) All maintenance employees hired prior to 9-15-89 shall have the option of remaining in the current pay progression and grade scale for maintenance as outlined in the labor agreement.
- 2) Current employees who choose to enter the new training program will remain at their current wage until such time as they exceed that rate under the new level pay rates of the training program.

- 3) The new level pay rates can be found in Article 29, Section 2.
- 4) All employees entering the Maintenance Department after the effective date of this memorandum shall be subject to the new level pay rates.
- 5) The employees participating in this training program are still covered by the Labor Agreement.
- 6) Painters shall be considered Building Maintenance employees under the new training program.
- 7) Electricians who complete all required training necessary to obtain Level 8 classification shall be entitled to the rate.

MEMORANDUM OF UNDERSTANDING MULTI-CULTURAL DIVERSITY FUND

This memorandum is hereby made a part of the Labor Agreement between IBP, Inc., Dakota Dunes, South Dakota, for its Joslin, Illinois plant, and the United Food and Commercial Workers, AFL-CIO & CLC, effective for the period March 05, 2001, to March 05, 2006.

The Company agrees to contribute \$20,000 to a joint Multi-Cultural Diversity Fund in the initial year of the new agreement. Each January 1, thereafter the Company will contribute additional monies. The value of the Multi-Cultural Diversity Fund as of January 1 in each subsequent year of the agreement will be \$20,000.

JOB GRADES PROCESSING

BASE RATE:

Pre Id All Products
Trim Contamination
Feed Break Chain
Zip Net 109 Rib
Pick Cod Fat
Inspect Recycle Bone
Transfer Special Trim
Janitor
Feed Townsend Skinner #1
Trolley Rerun
Trim Cattle Pack Blade
Clean Baby Bones
Transfer Spare Ribs
Re-hang Round
Box Extra Fat Trim

Separate Hind & Fore Shank
Feed Loin Wing Skinner
Operate Inside Skirt Skinner
Label Trim Boxes
Pick Lean From Bone Belt
Anal ray Operator
Pick Lean From Trim
Belt Inspector
Label Ground Beef Box/Rework
Box Chubs
Rework Reject Chubs
Dry Ice/Weigh 50/50
General Worker/Utility
Transfer Product
Pick Fat From Belt

Setup/Manifestor
Dump BPI Product
Reject Line
Leaker Tester
Open Rejects
General Worker (BPI)
Clean Up
Bone Guard Miscellaneous
Size/Bag Finger Meat
Bag Miscellaneous
Box Maker
Scaler
Poss Operator

GRADE ONE: Base +10¢

Mark/ Drop Elephant Ear
Drop Kidney
Trim Hanging Tender
Trim Chuck Short Rib
Haul Inedible
Trim Clod
Trim Arm to 80/20
Trim Mock Tender
Trim Pectoral Special Trim
Trim Rib/Boneless Short Rib
Clean Rib Tail Bones
Pull Scapula Chip
Trim Cattle Pack Rib
Trim Pastrami Eye/
Special Trim

Trim Plate
Pull Deckle/Oyster
Peel Pastrami Eye/Drop Hanging Tender
Clean Brisket Bone
Bone Wing/Pull Flap Meat
Trim Chuck Cap
Saw Rib From Plate
Trim Flap Meat
Trim Loin Wing
Drop Rib Wing
Strip QC Re-trimmer
Whizard Aitch Bone Cartilage

Trim Trim
Trim Upgrade
Whizard Operators
Trim Lean From Bone Belt
Operate Tray Former
Operate Case Sealer
Swing Chuck/Knife Brisket
Obtain Bag/Supplies
Operate 8300
Box Miscellaneous
Trim Bone In Shank
Plate Bone Baader
Bone Cannon Operator

**JOB GRADES
PROCESSING (con't.)**

GRADE TWO: Base + 20¢

Ground Beef Operator	Trim Inside Skirt	Operate Short Rib Saw
Pull Mock Tenders	Trim Brisket	Mark Rib Cap on Chain
Pre Seam Clod	Drop Flank	Bone Hind Shank
Drop Chuck	Pull Flank Steak	Trim Inside Round
Pull Pectoral/Rib Bones	Trim Flank Steak	Trim Gooseneck
Trim Neck to 80/20	Tenderloin QC Re-trimmer	Trim Flat
Trim Cattle Pack Arm	Pull 13/Feather Bone	Trim Knuckle
Pull Rib Cap on Chain	Pull Finger Bones	Trim Round Eye
Trim Lifter Meat-Ext Meat	Pull Button Bones	Pull Heel
Separate/Trim Cap Lifter Meat	Trim Strip	Seam Flat & Eye
Trim Special Trim	Separate Head Loin	K-Bob
Trim Special Trim/Scapula Chip	Trim Sirloin	Loader
Trim Outside Skirt	Bottom Butters	Upgrade Neck Meat
Upgrade Neck Meat		

GRADE THREE: Base + 35¢

Bone Fore Shank	Peel Brisket	Pull & Drop Knuckle
Bone Necks	Bone Brisket	Forklift Operator
Bone Arm	Trim Tenderloin	Operate Forklift M.H.
Trim Blade/Roll	Trim Outside Loin	Lumper
Saw Rib Tail Chine From Bone	Trim Head Tender	Picker
Separate/Trim Short Rib	Operate Strip Saw	Knife Room Operator
Bone Plate		

GRADE FOUR: Base + \$1.10

Split Forequarter	Operate Shell Saw	Seam Round
Operate Well Saw	Bone Top Sirloin	Pull Aitch Bone
Pull Paddle Bone	Drop Round	Assistant Scaler
Bone/Trim Rib		

GRADE FIVE: Base + \$1.70

Pull Clod	Operate Chuck Saw	Pull Butt Tender
Pull Cross Rib Clod	Operate Hind Saw	Bone Shoulder

GRADE SIX: Base + \$1.85

Bone Blade	Pull Tenderloin
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LEADPERSON:

Lead Persons and Assistant Hourly Trainers (except those listed in the Job Grades Appendix) shall receive ten cents (\$.10) above the highest rate in the department. (Department means line.)

JOB GRADES CARCASS

BASE RATE:

Box Maker	Flush Teeth	Saw Beef Feet
Janitor	Squeegee	Remove Beef Feet
Cut Dewclaw	Hang Trolleys	Remove Toenail
Monitor Spinal Cord	Flush Large Intestine	Box Beef Feet
Inspect Product	Flush Cecums	Save Beef Fatty Tissue
Dump Paunch/Save Honeycomb	Trim Cecums	Remove Spinal Cord
Render Clean Up	Pack Cecums	Rail Cleaner
Blow Off Hocks	Cook Cecums	Yards Person
Stamp Angus/Hang Plastic	Trim Large Intestine	SPC Cabinet Operator
Strap Cattle	Box Large Intestine	Transfer Weasand/Fat
Steam Vac Operator		

GRADE ONE: Base +10¢

Front Shank Cutter	Wash Rail Car/Load Out	De-fat Large Intestine Operator
Strap Boxes/Palletize	Hang Pluck	Wash/Load Beef Feet
Offal Packer	Wash Tails	Trim Beef Feet
Bag/Box/Cryovac Tongue	Transfer Pet Food	Push Hot Beef
Bag/Box/Cryovac Tails	Rod & Tie Weasand	Push Cold Beef
Box Head Product	Trim/Box Sweetbread	Rail Off
Inspect Offal Product	Wash Tripe	Cattle Driver
Trim Skinned Tongue	Separate & Pack Tripe	Pop Kidney
Box Skin Tongues/Operate Vacs		

GRADE TWO: Base + 20¢

Box/Trim Bag Liver	Operate Grind Room	Trim Neck
Bag Cryovac Hearts	Knocker	Trim Midline
Skin Tongues	Shackler	Dock Gang
Forklift/Load Out	Dehorn/Notch Ears/Crown	Skin Livers
Edible Operator Kill	Rip Necks/Remove Ear Tag	De-vein Liver
Operate Gelatin Bone	Lipper	Save Sweetbread
Remove Trachea/Trim Lung Lob	Drop/Hang Heads	Separate Large Intestine
Hang Paunch	Flush Heads/Trim	Pull Cecums
Remove Peck/Separate Inedible	Trim Head	Trim Japanese Tongue
Run Rounds	Drop Tongues	Pull Inside Skirts
Trim Tongue	High Trim	Pen Puller
Gland Trimmer	Remove Pizzle/Udder	Offal Manifestor
Pull Jaw Meat	Final Trim	Flotation Operator

**JOB GRADES
CARCASS (con't.)**

GRADE THREE: Base + 30¢

Operate Blood System	Blending Room Operator	Aitch Bone Clipper
Operate Edible Rendering	Side Puller Operator	Trim USDA/Drop Tail
Pull Fat	Saw Brisket	Low Trim
Save Weasand	Lower Necks	Out Rail
Remove Heart/Trim Lung	Down Puller	Buggy Operator
Whizard Heads	Drop Bungs	Pull Pancreas
Cooker Operator	Pre-Gutter	Up Puller

GRADE FOUR: Base + 45¢

Operate Cheek Puller	Sticker	Yard Scale
Templer	Rim Over	Cooler Lead Person
Chisel Heads	Raise Gulleets	Rendering Lead Person
Cheeker	Rib & Saw	

GRADE FIVE: Base + 60¢

Rip Tails	2 nd Butter #2/Hang Off	Rumper
1 st Legger	Flanker	Low Backer
1 st Butter #1/Hang Off	Rip Belly	Knife Room Operator
2 nd Legger		

GRADE SEVEN: Base + 95¢

Gutter	Split Saw	Lead Person (Kill Floor)
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LEADPERSON:

Lead Persons and Assistant Hourly Trainers (except those listed in the Job Grades Appendix) shall receive ten cents (\$.10) above the highest rate in the department. (Department means line.)

**JOB GRADES
HIDES/TANNERY**

BASE RATE:

Clean-up

GRADE ONE: Base +10¢

Chemical Handler/Clean Up (3rd shift)

GRADE TWO: Base + 20¢

Tannery Load Out

GRADE THREE: Base + 30¢

Grader

Stacker

Operate Forklift

Tannery Wringer

Grain Split Palletizer

GRADE FOUR: Base + 45¢

Trim Hide

Open Shanks

GRADE FIVE: Base + 60¢

Operate De-flesher

LEADPERSON:

Lead Persons and Assistant Hourly Trainers (except those listed in the Job Grades Appendix) shall receive ten cents (\$.10) above the highest rate in the department. (Department means line.)

JOB LIST
TRANSCONTINENTAL COLD STORAGE – (TCCS)

Mechanic
Freezer Janitor
Freezer Palletize

Freezer Pallet Jack
Freezer Warehousemen
Freezer Manifest

Freezer Forklift Operator
Freezer Pusher Fork
Freezer Lead Person

Attachment 2

MANAGEMENT SUPPORT POSITIONS

It is agreed and understood that the following jobs are Management Support and excluded from the bargaining unit:

PROCESSING

Plant Manager Secretary
Personnel Clerk
Employment Assistant
Switchboard Operator
Inventory Controller
Production Trainer
Nurse
Maintenance Scheduling Clerk
Electronic Specialist
Receiving Clerk
Storeroom Clerk
Parts Runner
Shipping Controller
Cold Storage Scaler
CRT Operator
Manifestor
Shipping Clerk
Receiving Clerk
Scale Operator
K-Pak Operator
Panel Operator
Production Clerk

CARCASS

Groundskeeper
Personnel Clerk
Operator Waste Treatment
Operator Modicon
Maintenance Clerk
Parts Runner
Maintenance Storeroom
Production Supply
Scaler
Trainer

HIDES/TANNERY

Drum Operator
Blue Chrome Recovery Operator
Accounting Clerk
Storeroom Clerk
Splitting Operator
Shaver Operator

SECURITY

Security Officer

**LETTER OF UNDERSTANDING
EMPLOYEE MEETINGS**

The Union Business Agent for the Joslin Complex will be allowed to attend retention, and line meetings when held with hourly employees.

1. The program is a trial. If the Union does not abide by the following parameters or if for any reason the Company chooses, the privilege is ended, upon thirty (30) day notification.
2. The Union Business Agent must inform the Personnel Manager prior to the meeting of their desire to attend.
3. The Union Business Agent must be on time for the meeting.

**LETTER OF UNDERSTANDING
UNION ORIENTATION**

The Union will be allowed 15 minutes to speak with employees during Orientation, on Company time.

The program is a trial. If the Union does not abide by the following parameters or if for any reason the Company chooses, the privilege is ended, upon a thirty (30) day notification.

The Business Agent or a designated job steward will give the presentation.

**LETTER OF UNDERSTANDING
BIRTHDAY HOLIDAY**

Employees, who are eligible for the birthday holiday and choose to work the holiday, may request another day off work within the following six (6) months. Such day-off will be without pay and granted upon management approval.

**LETTER OF UNDERSTANDING
IDENTITY AND WORK AUTHORIZATION CHANGES**

Employees, who voluntarily contact the Company with valid documents, which change identity and/or work authorization, shall retain their seniority and all other benefits.

**LETTER OF UNDERSTANDING
IMMIGRANT WORKER RIGHTS**

In the event an employee is terminated as a result of an expired work authorization, the Company will immediately inform the Local Union in writing. An employee, who has been terminated as result of an expired work authorization will be given a reasonable amount of time (generally 30 days, but may be extended if the employee is diligent in their attempt to obtain work authorization) to present an updated work authorization and be considered for reinstatement with full seniority and benefits.