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AGREEMENT

Between

**UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 2008**

and

**PILGRIM'S PRIDE CORPORATION
EL DORADO, ARKANSAS**

Effective

March 1, 2004, through February 25, 2007

41 pages

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YOUR UNION OFFICE

**UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 2008
7924 Interstate 30, Suite A
Little Rock, Arkansas 72209-2969
Phone (501) 565-6306**

*When you have a grievance or a question
about your contract, see your steward immediately.*

**PLEASE NOTIFY THE UNION OFFICE IF
YOU HAVE A CHANGE OF ADDRESS.**

AGREEMENT

This Agreement is entered into this 1st day of March, 2004, by and between Pilgrim's Pride Corporation of El Dorado, Arkansas, hereinafter called the "Company," and United Food and Commercial Workers Union, Local 2008, hereinafter called the "Union."

ARTICLE 1 - RECOGNITION

The Company hereby recognizes the Union as the sole collective bargaining agent for all production and maintenance employees at the Company's El Dorado, Arkansas, plant as certified by the National Labor Relations Board on March 2, 1965, in Case No. 26-RM-180, including the rendering production and maintenance, but excluding all office clerical employees, professional employees, technical employees, watchmen and guards, trainers, plant clerks, and supervisors as defined in the Act, and it is understood and agreed by both parties that this Agreement applies to and is limited in its application to such employees at the said Company at El Dorado, Arkansas.

ARTICLE 2 - MANAGEMENT RIGHTS

The management of the plant and the direction of the working force, including the right to discipline or transfer employees, to hire, suspend or discharge, to relieve employees, to increase and decrease the working force, to determine the schedule of production and methods, and for the government of the employees, is vested in the Company, provided such action by the Company does not conflict with the provisions of this Agreement.

ARTICLE 3 - UNION SECURITY AND CHECK-OFF

Section 1: The Company agrees to require as a condition of continued employment that all of its present employees subject to the provisions of this Agreement shall become members of the Union not later than the thirty-first (31st) day following the effective date of this Agreement and all new or additional employees who become subject to the provisions of this Agreement shall become members of the Union not later than the thirty-first (31st) day following the beginning of such employment or the effective date of this Agreement, whichever is the later, and all such employees shall remain members of the Union in good standing thereafter by the payment of dues, so long as they remain on the Company's payroll. If any present or future employee shall apply for Union membership and shall be refused such membership by the Union, his continuance thereafter in the employ of the Company shall not be cause for discharge under this Agreement nor subject the Company to any claims by the Union or breach of this Agreement by the Company, and the same in case of any other Union member deprived by the Union of his membership for any cause other than the non-payment of required dues, payments, and the initiation fees uniformly required as a condition of acquiring or retaining membership. The provisions of this section are void as long as they are prohibited by state or federal law. The intent of this provision is for the Union

Security Clause to become effective immediately when permitted by federal or state... law.

Section 2: Upon legal authorization in writing by an employee, the Company shall deduct from such employee's paycheck weekly and remit to the Union monthly the union dues and initiation fees. Check-off form shall be prepared by the Union, and the Union assumes all responsibility for legality. Check-off dues shall be on a weekly basis, provided that all employees in the Union have their dues deducted only during those weeks an employee receives a paycheck and no cumulative dues will be deducted.

Section 3 - Notification of New Hires, Terminations, and Transfers: The Company shall notify the Union monthly of all newly hired employees, terminated employees, and employees transferring in and out of the bargaining unit.

ARTICLE 4 - SENIORITY

Section 1: Seniority for the purpose of this Agreement shall be the length of service each employee has with the Company at its El Dorado, Arkansas, plant since the date of their last permanent employment.

Section 2: Probationary employees shall be considered as probationary employees for the first sixty (60) calendar days of service with the Company, during which time they may be discharged without further recourse. After sixty (60) calendar days of service, they shall retain seniority dating back to their first day of employment. If at the expiration of sixty (60) calendar days the Company is still undecided, the probationary period may be extended for another thirty (30) days by mutual agreement in writing. It is understood that where two or more employees are hired the same day, seniority shall be determined alphabetically by surname. In the event the surname is the same, the given name shall be the determining factor.

Section 2-A - Temporary Employees: Temporary employees may be used in such cases but not limited to the following: emergency needs, employee(s) on leave, or other labor shortages, and special projects for a specified period of time, not to exceed sixty (60) consecutive calendar days. The Company will inform the Union on a weekly basis the number of temporaries working, how long they will work, or how long they did work, and the nature of the work to be performed. The Company will not employ temporary employees while an employee with bargaining unit seniority is on layoff, provided the employee with seniority is qualified or can be trained to perform the required job(s) after a short training period. If a temporary employee works other than the times outlined above, all time worked shall be counted toward their probationary period.

Section 3 - Plant-Wide Seniority: In all cases of increase or decrease of forces, transfer, or promotion, length of service shall be the primary factor to be considered. The Union recognizes that knowledge, ability, and physical fitness are absolutely essential in matters related to seniority. The Union also recognizes that due to the

nature of the Company's business, various departments may be laid off in order of completion of processing and recalled in the order of completion of business resumption. In such cases, employees shall be recalled based on departmental assignment.

All employees shall be placed on the seniority list and ranked in seniority from their most recent hire date.

When there is a decrease in the plant, the following procedure shall be observed:

- A. The Union shall be notified immediately.
- B. All probationary employees shall be laid off before employees with seniority standing.
- C. If conditions require further reduction in forces, then employees shall be laid off in order of their plant seniority by shift.
- D. When an employee is recalled to work within one (1) year of layoff, transfer, job reassignment, or job elimination, they may go back to their old job.

When there is any increase in forces, employees on the seniority list shall be returned to work in accordance with such list, and in reverse order of layoff, transfer, job reassignment, or job elimination, before any new employees are hired.

Department seniority shall prevail in case of available work during normal operations. In case of layoff, transfer, job reassignment, or job elimination, however, plant seniority shall prevail, except as otherwise provided in this article.

Reassignment: When an employee is reassigned, it shall be done by seniority unless the senior qualified employee desires the position.

Section 4: An employee's seniority will be considered broken when they:

- A. have quit or are discharged for cause;
- B. have been laid off and not recalled for a period exceeding one (1) year;
- C. fail to return from layoff when recalled within seventy-two (72) hours, unless absence or failure to return is due to sickness or emergency;
- D. fail to return to work at the expiration of a leave of absence; or
- E. has been promoted or transferred out of the bargaining unit for six (6) months.

Section 5 - Permanent Vacancy: When a permanent vacancy occurs in the plant, the foreman shall notify the steward in the department so the steward can post the job. Any employee wishing to bid for such job shall write their name on the notice within two (2) working days. At the end of two (2) working days, the notice shall be removed and the senior bidder shall be assigned the vacancy if qualified to perform the work according to the requirements and in comparison to other employees performing the same job, and is capable or can learn to perform it satisfactorily in five (5) working days' time (uninterrupted if at all possible), or in extreme cases, ten (10) days on agreement. If there are no qualified bidders, the Company will fill the vacancy by direct appointment from unassigned junior employees or new employees. This job will not become open to bid again until it has been filled for ninety (90) days, unless the person bids off.

In the event of temporary vacancy, the Company will fill the vacancy by using the utility person, who must be able to do five (5) jobs. In the event of a permanent vacancy and no eligible person bids on it, then the vacancy will be filled by direct appointment. When a job is posted, the successful bidder must take it unless they decline within five (5) working days after the award. If declined within the above time limits, it is not considered a successful bid. Where possible, a successful bidder shall begin to train within ten (10) days after their successful bid.

Any employee who is awarded a bid job and is subsequently disqualified by the Company will return to their old job, but this is considered to be a successful bid. Also, anyone who accepts a bid and then refuses for any reason will not be allowed to bid again for six (6) months, except for newly created jobs and upward bidding.

- A. Any employee successfully bidding downward cannot bid again for a twelve (12) month period.
- B. Any employee successfully bidding laterally cannot bid laterally or downward for a twelve (12) month period, except on newly created positions.
- C. Any employee successfully bidding upward can bid again at any time.
- D. Jobs will be bid out by name and described. This will not limit any employee from being used in another job or department if there is a need.
- E. The Company will make every effort to have employees work on their bid job. The Company and the Union recognize that this will not always be possible. When a dispute arises concerning an employee being moved, the matter is to be brought to the attention of the personnel supervisor immediately. The personnel supervisor has the authority to issue an immediate resolution to the dispute for the Company.

Downward is defined as a job of lesser base rate, including premium. Laterally is defined as a job of the same base rate, including premium. Upward is defined as a job of a higher base rate, including premium.

Notwithstanding any of the above of this section, any time a job is discontinued by the Company, the affected employee may bid for any open position.

If a successful bidder quits or is terminated within six (6) months, the vacancy is filled from the same bid sheet.

There shall be no obligation to post a position vacated by a successful bidder or by an employee assigned a permanent vacancy until the bidder or person assigned has qualified for their new position.

Employees on vacation or leave of absence for five (5) days or more may submit a list of jobs they wish to bid on to the Walking Steward. If the desired job comes open, the Walking Steward will place their name on the Job Bid Form.

Employees that are not classified as a Utility person shall not work off their bidded job more than three (3) shifts per week, provided their regular job is operating.

Section 5a. – Maintenance Evaluation: Maintenance personnel shall have up to a thirty (30) day evaluation period. There shall be no requirement to bid the job vacated by the bidder until he/she qualifies for the maintenance job. If the employee does not qualify, he/she shall return to the prior job.

Section 6 - Permanent Vacancy Defined: A permanent vacancy is any new job established, any vacancy as a result of a quit or a discharge for cause, or any vacancy as a result of a transfer or promotion of any other employee. The absence of an employee because of sickness, vacation, or leave of absence shall not be considered a permanent vacancy; neither shall the absence of any employee permanently assigned to a job be deemed to be a permanent vacancy. It is agreed and understood that except for a permanent vacancy, the Company may fill any such opening which is not a permanent vacancy. Management will practice rotation in the use of experienced employees on emergency assignments by seniority beginning with the junior employee.

Any employee who works four (4) hours or more on a higher paying job will receive the higher rate of pay for that day. If an employee works on a lower paying job, they will receive their regular rate.

Any maintenance employee, or the Company, may request a review for up- or downgrading with a reason given for the decision and/or take the appropriate tests for possible promotion to a different classification upon request of such employee or the Company. Those to attend the review are the requesting employee, department steward, walking steward, immediate supervisor, department manager, and plant personnel manager.

Section 6-A - Minimum Qualifications: When a job is posted, the bid sheet shall have the minimum qualifications, and they shall be the job requirements used to determine if the employee is a successful bidder.

Section 7 - Overtime and Extra Work: Overtime or extra work shall be offered in this order:

- A. First, to the regularly assigned employee(s).
- B. Second, to the senior qualified employee(s) in the department.

In the event the Company is unable to fill the overtime and extra work opportunities by the above, the work in question shall be assigned to the most junior qualified employee(s).

- C. When employees are required to work over their normal shift, the Company will notify the employees before last break, and if extra days are required, to post a work notice as soon as local management knows. The Company will make every effort to accommodate those employees who indicate a need to make phone calls in order to make additional transportation or child care arrangements. Accommodations will be made to the extent it does not interfere with the ability to run the department.

Section 8 - Seniority List: Upon execution of this Agreement, the Company shall furnish quarterly (by mail to the Local Union President) a copy of an up-to-date seniority list with each employee's date of hire, a termination list, a list of new hires, and a list of all leaves of absence granted.

Section 9 - Leave of Absence: Proven sickness or injury shall not result in the loss of seniority unless said sickness or injury arises outside the employment of the Company and continues more than twelve (12) months, provided, however, that the Company and the Union may mutually agree to extend an employee's leave of absence beyond the twelve (12) month period.

No more than two (2) employees per shift may be granted a leave of absence at one time for Union business. Any employee who is elected or appointed to a full-time job with the Union shall be granted a leave of absence without loss of seniority for a long period not to exceed three (3) years, provided, however, such leave may be extended.

Leaves of absence shall be granted for compelling personal reasons and for military duty. Such leaves shall be without pay. All leaves of absence granted under this section or any other section of this Agreement shall be in writing and shall state the time the employee granted such leave shall return to work. A copy of all such leaves shall be furnished to the Union office and Chief Steward. Employees on a leave of absence

for personal reasons for more than thirty (30) days shall retain their seniority but shall not continue to accrue seniority while on such leave.

Family medical leaves will be granted per the Family Medical Leave Act of 1993. All employees on approved leaves under this paragraph will continue to accrue seniority.

Section 9-A: Employees shall not be required to use their vacation for Family Medical Leave.

Section 10: Any employee that receives more than two (2) garnishments in any one (1) calendar year will be subject to disciplinary action according to the law.

Section 11 - Jury Duty: An employee with seniority who is called for jury duty shall be excused from work for the days on which he otherwise would have worked. They shall receive the difference between their regular rate and the payment they receive for jury service. The employee shall present proof of service and the amount of pay received for such service. Night shift employees shall be excused from work the night before jury selection or serving on a jury.

Section 11-A - Military Leave: Employees leaving work for military service in the uniformed services shall be accorded all rights to which they are entitled under provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Section 12 - Disciplinary Action: Excluding disciplinary action for attendance, other disciplinary action shall remain an active part of the employee's record for up to three (3) years. All discipline notices shall be issued to the affected employee(s) within five (5) working days, or they will be voided and not used against the employee(s).

ARTICLE 5 - DISCHARGE

Employees who are not probationary employees may be discharged only for just cause and shall be given a written notice stating the reason for such discharge.

Just cause shall include, but shall not be limited to: intoxication, dishonesty, insubordination, assault or battery, or absence from work for three (3) consecutive days without notifying the Company. An appeal from discharge must be made within ten (10) working days and must be written notice from the employee or the Union setting forth grounds for such appeal. Any discharged employee who does not take steps to appeal their discharge shall waive further rights under this Agreement. Any appeal so made shall be processed under the grievance and arbitration procedure as set forth in Article 6 of this Agreement.

ARTICLE 6 - GRIEVANCES

Section 1: It is agreed that the Union may elect or appoint stewards from among the employees to handle grievances and attend grievance meetings with the Company representatives for the purpose of settling disputes. The Company shall have a steward present when it does an investigation interview which may lead to disciplinary action of an employee or when an employee is discharged or suspended for any reason.

Section 2: It is agreed that the Union may appoint or elect bargaining unit members to serve as Walking Stewards (one per production shift) under the prerogative of the Union Representative and will continue as long as the Walking Stewards perform their duties in a proper manner.

The Company will agree to place the Walking Stewards in a class 3 pay rate.

Every effort will be made for the Walking Steward to perform only their duties as a steward.

Section 2-A - Orientation: When the Company has orientation meetings for new hires, a union steward or other union designee will be allowed to address employees in the Company orientation program.

The Union Steward or their designee will discuss the benefits of union membership. Also, they will request each new hire to become a member of the Union.

Section 2-B – Walking Stewards: The Company will furnish Walking Stewards coats with pockets designating them as official union stewards.

Section 2-C - Union Office: The Company shall continue to provide a union office. The location of the office may change as business may dictate, however, the office wherever it is located will be similar in size and the location reasonably accessible to employees. In the event a change in the location becomes necessary, the Company will inform the Local Union.

Section 3: Grievances shall be settled on Company time and in the following manner:

Step 1

The aggrieved employee and Line or Department Steward shall take the grievance or complaint up with their supervisor within five (5) working days from the occurrence of the grievance. Every reasonable effort shall be made to settle the grievance at this step.

The supervisor's answer to the grievance or complaint shall be given within three (3) working days after the receipt of such.

If a settlement is not reached in Step 1, the aggrieved employee or Union may appeal to Step 2.

Step 2

The grievance must be appealed in writing within five (5) working days to the Personnel Representative after the supervisor's answer as outlined in Step 1. The written grievance must state the facts of the incident and the relief sought by the grievant. A Step 2 meeting, if needed, will be attended by the aggrieved employee, Walking Steward, Line Steward, and witness(es), with the Company Representative and supervisor. The Personnel Representative and supervisor will give the Company's written answer to the Walking Steward and aggrieved employee(s) within three (3) working days after the grievance is discussed at this step.

If a settlement is not reached in Step 2, the aggrieved employee or Union may appeal to Step 3 within five (5) working days after the written answer from the Personnel Representative.

Step 3

After a grievance or complaint has been appealed to this step, those to be present to discuss the issue shall be the aggrieved employee, any Union Representative, Walking Steward, Line Steward, and witness(es). For the Company, those present shall be the Personnel Director, or Plant Manager, or other Company designee and they shall give their written answer to the Union Representative within three (3) working days after the discussion. If further action is sought, it shall be done within ten (10) working days or extended by mutual agreement.

Step 4

If the grievance is not settled by the Personnel Director or Plant Manager within three (3) working days, then the matter may be submitted to arbitration by either party. The party submitting a grievance to arbitration shall take the necessary steps within ten (10) days after efforts in Step 3 have failed.

Arbitration

Section 4: In the event of a dispute arising between the Company and the Union with reference to the proper interpretation or application of any provisions of this Agreement, and such dispute cannot be settled by mutual agreement of the parties, then such dispute may, upon request of either party, be submitted to an impartial arbitrator.

The party requesting arbitration shall give notice of the fact in writing to the other party and shall request the Federal Mediation and Conciliation Service to submit a list of seven (7) arbitrators. Within seventy-two (72) hours after the receipt of said list, each party shall strike alternately one name, and the last name not struck shall be the arbitrator. He shall have authority only to interpret and apply the provisions of this Agreement. His decision shall be in writing and shall be binding upon all parties concerned. It is understood and agreed that upon mutual agreement, the Company and the Union may select an impartial arbitrator without applying all the provisions of Article 6, Section 4. The parties hereto shall equally divide the expense of the impartial arbitrator.

ARTICLE 7 - OVERTIME

Section 1: Time and one-half (1½) of the employee's rate of pay shall be paid for all hours worked in excess of eight (8) hours in any one (1) day, or in excess of forty (40) hours in any one (1) week, provided, however, there will be no pyramiding of overtime and further unworked hours for which employees receive holiday premium pay shall not be counted for the purpose of computing overtime.

All employees who have worked all or part of six (6) consecutive days in a workweek will be paid time and one-half (1 ½) for all hours worked on the 6th consecutive day.

All employees who have worked all or part of seven (7) consecutive days in a workweek will be paid double (2) times for all hours worked on the 7th consecutive day.

When, due to business consideration, the Company shuts down the plant on any day during the work week, it shall not constitute a break in the consecutive days worked.
Would still get 1.5X on Saturday.

The regular workweek for day shift employees will be Monday through Friday each week.

The regular work week for night employees will be Sunday through Thursday each week.

The Company will equalize night and day shifts as to hours worked to within one (1) hour per week accumulated on a quarterly basis, except for discrepancies caused by Acts of God, fire, or failure of public utilities. Any differentials in excess of the above-mentioned will be equalized by the payment for the necessary number of hours to the lesser shift on a straight-time basis.

Section 2 - Reporting Pay: When employees are called to work and report for work, they shall be given the opportunity to work a minimum of four (4) hours or receive pay for same at their regular rate of pay, except that no such pay shall be made when the plant cannot operate due to strikes, floods, fires, tornadoes, failure of public utilities, or

when the Company notifies the employees not to report to work at least two (2) hours prior to the scheduled time to work.

Employees will be paid for all required waiting time. The Company may work the Loading Crew on a split shift basis on a minimum of two (2) hours call-out.

Section 3 - Waiting Time: Waiting time will be considered working time; however, the Company shall have the prerogative of rescheduling the lunch period if a delay occurs within one-half (½) hour of the scheduled time. Employees being paid waiting time shall be expected to perform such other tasks as may be assigned. If a major breakdown occurs which would require two (2) hours or longer to repair and the Company wishes to resume production after repairs are made, then it may notify the employees to punch out and punch back in two (2) hours later and pay all employees waiting time, if any, from the time they punch back in until production resumes. It is understood a breakdown for less than two (2) hours is not considered to be a major breakdown. Lunch periods will not be included in the two (2) hour waiting provision.

Section 4: The Company shall not schedule split shifts, with the exception of the Loading Crew, provided further breakdown time and waiting time under this article is not considered a split shift.

The Company may work the Loading Crew on a split shift basis on a minimum of two (2) hours call-out.

Section 5 - Sanitation Crew: The employees on Clean-Up, the Sanitation Crew, and the Loading Crew shall be given the opportunity to work relatively the same amount of hours per week as the production shifts.

Section 5-A - Sanitation Crew Performance Incentive: All sanitation employees will be eligible to receive a performance incentive of eight (8) hours of pay in lieu of actual hours worked (if less than eight (8) hours), provided the following have been met:

1. The employee reports to work on their scheduled shift.
2. The employee works all his/her scheduled hours.
3. The processing plant startup is not delayed due to sanitation deficiencies.
4. Any employee who is required to leave early as a result of a job related injury or emergency will maintain eligibility for the performance incentive on the day of the injury or emergency.
5. The incentive will be calculated on a daily basis and paid weekly.

The performance incentive program will be reviewed after nine (9) months in order to evaluate it's effectiveness. If the program is determined to be ineffective, the union and the company will meet to make adjustments, changes, or otherwise design an alternative to this program or determine whether it will continue.

Section 6 - Rest Periods: All line employees covered by this Agreement shall receive two (2) ten-(10) minute rest periods in each day, provided the afternoon schedule of work is in excess of one (1) hour and fifty-nine (59) minutes. The first rest period will be granted approximately midway in the afternoon period of work, after lunch, if the afternoon schedule of work is in excess of one (1) hour and fifty-nine (59) minutes. Employees shall receive a third rest period of fifteen (15) minutes after nine (9) hours of work.

Emergency Breaks: It is understood by both parties to this Agreement that employees will have a need to take emergency breaks during the work week. The Company will allow employees to take emergency breaks, provided these breaks are not abused. If it is found that an employee or a group of employees are abusing the emergency breaks, the Company will identify the employee(s) who are the abusers and may discipline the employee or group of employees. The Union will work with the Company to see that the emergency breaks are not abused.

Section 7 - Lunch Period: All employees shall be provided a minimum of forty-five (45) minutes for lunch. The normal lunch period shall be four (4) hours after the starting time of the particular shift; however, in case of emergency, the Company may schedule the lunch period thirty (30) minutes earlier or thirty (30) minutes later than the scheduled time above.

ARTICLE 8 - TIME WORKED AND SHIFT START-UP

Section 1 - Wages: The Company shall pay its employees the amount of wages set forth in Exhibit 1, attached hereto, and thereby made a part of this Agreement.

Section 1-A - Payday: Under normal conditions, payday shall be Friday before first break for employees working.

Members of management will distribute pay checks to hourly employees.

Section 2 - Account of Time Worked: The Company and the Union shall each appoint one person as their representative and persons so designated shall, at the end of each shift's work, agree and sign a time sheet for the employees giving the hours worked. This time sheet is to be posted daily and any disagreement on time worked may be appealed directly to management. For the purpose of computing the employees' hours of work and pay, the Company shall total up the time worked each day in hours and minutes. At the end of the work week, the Company shall total all extra minutes and pay to the nearest minute, with regular time and overtime being counted separate.

Section 2-A - Starting Time: Starting time will be between the hours of 6:30 A.M. and 7 A.M. for day shift and 9:30 P.M. for night shift. Two (2) weeks' notice will be given for changes within the above guidelines for all day shifts.

It is agreed that in order for the Company to be in a more flexible position to meet customer demands and stay competitive in the market place, the Company has the right to change an evening shift that would start between 3 P.M. and 4 P.M., after a discussion with the Union to work out details.

ARTICLE 9 - HOLIDAYS

Section 1: Employees who have established seniority shall receive eight (8) hours' holiday pay at their regular rate of pay, as set forth in Exhibit 1, for the following holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Eve
Independence Day (Fourth of July)	Christmas Day
Labor Day	New Year's Eve
	Employee's Birthday

Employees must work the scheduled day before and the scheduled day following a holiday, unless excused, to receive holiday pay. An employee must work all hours he is scheduled on a holiday to receive holiday pay. Double time (2X) shall be paid for all hours worked on a holiday in addition to eight (8) hours' holiday pay. For the purpose of computing pay for hours worked on a holiday, the night shift's holiday period will be that twenty-four (24) hour period from start-up the night before the holiday.

Night shift employees will work the nights of December 22 and 23 and observe the nights of December 24 and 25 as Christmas Eve and Christmas, and this change of shift will be at a straight-time basis. The purpose of this is to allow night shift employees to observe their Christmas Eve holiday and Christmas holiday by not working night shifts on the nights of December 24 and 25. New Year's Eve and Day will be observed by the same format as outlined above for Christmas. Employees will observe the nights of December 31 and January 1.

Night shift employees will observe Thursday, Thanksgiving night, as their holiday.

Employee's Birthday: If an employee's birthday falls on another holiday, they would have the option to take another day off, provided it is rescheduled in advance with their supervisor.

An employee's birthday holiday may be taken off on a day other than the employee's birthday, after their birth date. There is no set time limit after the employee's birth date as to when the holiday will be taken, but the employee will take the holiday off as soon as possible after their birth date.

If there is a scheduling conflict of this holiday, the employee, steward, and supervisor will meet to work out the conflict.

Section 2 - Holiday During Vacation: In the event a holiday falls during an employee's vacation, he shall receive holiday pay in addition to vacation pay.

Section 3 - Holiday on Sunday: When a holiday falls on Sunday, the following day shall be observed.

Section 4 - Holiday During Leave: Employees on sick leave or personal leave thirty (30) days or longer prior to the holiday shall not receive holiday pay.

Section 5 - Holiday Pay: Holiday pay will be paid at the employee's regular rate of pay, not at overtime pay.

Section 6: An employee shall not be disqualified for holiday pay if they are absent on one (1) or all of the qualifying work days for legitimate reasons or not more than fifteen (15) minutes tardy for work.

ARTICLE 10 - VACATIONS

After 1 year	-	1 week
After 3 years	-	2 weeks
After 10 years	-	3 weeks
After 15 years	-	4 weeks
After 25 years	-	5 weeks

Section 1: Employees covered by this Agreement who shall have completed one (1) year or more, but less than three (3) years of continuous service with the Company at any time prior to the expiration of this Agreement shall be granted one (1) week of vacation with pay after the anniversary date of such required length of service. Employees who have completed three (3) or more years of continuous service with the Company at any time prior to the expiration of this Agreement shall be granted two (2) weeks of vacation with pay after the anniversary date of such required length of service. Employees who have completed ten (10) or more years of continuous service with the Company at any time prior to the expiration of this Agreement shall be granted three (3) weeks of vacation with pay after the anniversary date of such length of service. Employees who have completed fifteen (15) or more years of continuous service with the Company at any time prior to the expiration of this Agreement shall be granted four (4) weeks of vacation with pay after the anniversary date of such required length of service. Employees who have completed twenty-five (25) or more years of continuous service with the Company at any time prior to the expiration of this Agreement shall be granted five (5) weeks of vacation with pay after the anniversary date of such required length of service.

Section 2: Notwithstanding the provisions of Section 1 above, after an employee has completed two (2) or more years of continuous service, they shall be eligible for the amount of vacation as provided in Section 1 any time in the calendar year.

Section 3 - Vacation Pay: Vacation pay for each earned week of vacation will be as follows:

- A. Employees who work any part of at least forty (40) weeks during the year preceding their anniversary date shall be paid forty (40) hours' vacation pay at their rate of pay as set forth in Exhibit 1 for each week of vacation earned.
- B. Employees who work less than forty (40) weeks during the year preceding their anniversary date shall be paid two percent (2%) of their anniversary year's earnings for each week of vacation earned.

Section 4 - Continuous Service: Continuous service is defined as the service of any employee who has not yet lost seniority.

Section 5 - Vacation Earned if Quit: Employees who quit or have been terminated and have vacation earned which has not been taken shall receive vacation pay.

Section 6 - Pay at Beginning of Vacation: Employees who request vacation pay at the beginning of their vacation shall receive their vacation pay then.

Section 6-A: An employee's vacation shall start after work on the Friday and continue until Monday after the requested vacation period, provided the employee's absence does not impede production.

Section 7 - Vacation Time: Vacations will be taken according to seniority preference, taking into consideration the needs of the Company to continue production.

Section 8 - Vacation Preference: In December of each year, a vacation preference form, on which each employee will indicate their choices of vacation, will be distributed to all employees. Preference will be granted on the basis of seniority. Thereafter, vacations shall be on a first-come/first-served basis.

Section 9 - Vacation Split by Days: Employees eligible for two (2) weeks or more of vacation may take up to five (5) days of eligible vacation a day or more at a time, if requested and approved at least five (5) days in advance. Daily vacation shall also be on a first-come/first-served basis.

All vacations will be approved considering the needs of the Company to continue production. The only criteria to be considered for approval or denial shall be staffing needs. The supervisor shall respond in writing within one (1) day of the employee's request for a one (1) day or more vacation request. If there is a scheduling conflict, the

employee, department steward, or walking steward will meet with the supervisor to work out the conflict.

ARTICLE 11 - LEAVES OF ABSENCE

Section 1 – Family and Medical Leaves (FMLA)

- (a) Leave Entitlement. An employee who has been employed by the Company for twelve (12) months and who has completed 1,250 hours of work during the twelve (12) month period immediately preceding the commencement of such leave, will be entitled to leave under the Family and Medical Leave Act of 1993 (FMLA) in accordance with its provisions and provisions of this section.
- (b) Year for Purposes of Determining Leave Entitlement. For the purpose of determining an employee's leave entitlement under the Act, the 52 week period immediately preceding the commencement of the leave under the Act shall be the applicable measuring period.
- (c) Employee Responsibilities.
 - (i) Application for Leave. An eligible employee must complete a written application for FMLA leave. Where the need for leave was not known in advance due to accident, illness or circumstances beyond the employee's reasonable control or knowledge, an application may be completed upon the employee's first reasonable opportunity to do so. In all other cases where FMLA leaves are known in advance, the application should be completed and submitted thirty (30) days prior to the commencement of the leave.
 - (ii) Physician's Certification. In order for an FMLA leave to be approved, it is the responsibility of the employee to obtain from his or her physician a fully executed Physician's Certification form, which will be provided to the employee by the Company. The failure of the employee to obtain and submit the completed Physician's Certification form may result in the delay or denial of an FMLA leave, in which event, the leave may be treated as an unexcused absence.
 - (iii) Cooperation. An employee on an approved FMLA must provide periodic reports as requested by the Company in order to keep the Company informed as to the employee's status and expected date of return. A returning employee must provide the Company with five (5) days notice of his or her expected return date.
 - (iv) Fitness for Duty. Prior to returning from an FMLA leave involving their own serious health condition, an employee must successfully pass a fitness for duty examination to be paid for by the Company. The fitness for duty exam, when required, will be performed by the employee's treating physician.

- (v) Failure to Return. An employee who fails to return upon the expiration of an approved FMLA leave will be considered a voluntary quit.
- d. Union Responsibilities. Alleged violations of this section shall be subject to the grievance procedure of this Agreement.
- e. Payment if Group Insurance Premiums During Leave. Each employee on unpaid leave under the Act shall remain responsible for paying the employee's share of the premium for coverage elected by the employee under Article 16 of this Agreement. The employee who desires to continue coverage shall directly submit to the Company, not later than the employee's normal payday, the amount of premium owed by the employee (employee contribution).

If the employee shall fail to timely remit premium payments under this Article 16, the Company shall make such payments on behalf of the employee and, after the employees return from such leave, shall deduct (from each wage payment made to the employee) two times the employee contribution, until the entire amount paid by the Company on behalf of the employee during leave under this section has been repaid.

If the employee fails to return to work upon expiration of an approved FMLA leave, any payments made by the Company toward the premium cost of benefits provided under Article 16 of this Agreement, (including both Company and Employee contributions), shall be a legal debt due and owing from such employee to the Company, which the Company may institute appropriate legal action to collect.

ARTICLE 12 - DISAGREEMENT OVER PHYSICAL CONDITION

Section 1: Employees working under this Agreement shall take such physical examinations as required by the Company. The Company shall be required to pay for such examinations. Any disagreement as to the physical ability of an employee to perform work between the Company doctor and the employee's own physician shall be referred to a third (3rd) disinterested physician chosen by the other two (2) doctors. A majority decision of the three (3) shall be final and binding on all parties.

Section 2 - Company Doctor: The Company will make every effort to pick a Company doctor or doctors agreeable to the Union.

Section 3 - Injury on the Job: If an employee injured on the job is sent from the plant for medical care and is returned to work during his assigned shift on the same day, he shall be compensated for his full work shift. Where necessary, such employee shall have transportation provided both to and from the place of medical treatment. If the employee is hospitalized or sent home for the remainder of this assigned shift, he will be paid to the end of such assigned work shift. Also, if the employee is required to

return for treatment, he will be paid for the time lost for such treatment, including premium pay.

Section 4 - On-the-Job Accidents: Due to the importance of employees working safe and accident free, the Company and the Union expect all employees to strive to make the plant an accident-free environment. Employees will not be disciplined for on-the-job accidents, but they may be disciplined, up to and including termination, for a violation of safety rules or procedures, depending on the severity of the violation.

Section 5 - Calling Physicians: The Company will only call physicians that are treating employees to inquire about information to assist with medical care or job requirements as required.

Section 6: An employee's health insurance plan shall not be required to be used to pay for any medical bills that may be incurred as a result of a workers compensation injury or illness except where the injury or illness is deemed to be non-compensable by the State Workers Compensation Commission.

ARTICLE 13 - WORKING CONDITIONS

Section 1 - Working Conditions: The Company will continue to maintain reasonable ventilation and temperatures in working areas and restrooms.

Section 2: Gloves, caps, hairnets, aprons, white coats for marination, and night knife sharpeners will be furnished to employees, where required, upon initial employment for on-the-job use only. Replacement will be made when worn out articles are returned. Employees failing to turn in worn out articles will be charged the Company's cost for the articles. Killers will be furnished protective garments of the type generally used throughout the industry. Refrigeration employees shall be supplied freezer suits at no cost to the employees.

Section 3 - Stools: The Company shall provide an ergo-designed sitting device or butt rest (stool), provided it meets requirements of the ergonomics consultant utilized by the Company. When a stool or ergo-designed sitting device is removed from an employee, one shall be replaced in a reasonable amount of time, provided the device does not interfere with the safe, efficient performance of the job.

Section 4: The Company agrees to provide the union with a bulletin board which shall be located in the employee break room. The bulletin board shall be glass covered and locked, with the keys to the lock to be in the custody of the walking stewards, human resources or a designee of the union for posting of union notices and other material of interest to the employees subject to management review.

Section 5 - Funeral Pay: In the event of a death in the immediate family, time off with pay will be allowed for three (3) working days. Immediate family is meant as parent,

spouse, child, including legally adopted children, sister, brother, father-in-law, mother-in-law, and grandparents. For the purpose of pay allowance under this clause, time off with pay must be taken immediately preceding or after the funeral. Immediately preceding or after is the working days before or after the funeral. This is to allow the affected employee(s) to take care of business, travel, or other situations connected with the death. If more non-paid time is needed, the employee(s) may request additional time off. The Company will do what is practical to grant this additional time off. In the event a death in the immediate family occurs while the employee is on vacation or holiday, he/she shall be granted another day off for funeral leave.

Section 6 - Tools: The Company agrees that employees who wish to may check their scissors at the end of the day and not be required to take them home with them.

Section 7 - Employee Responsibility: It shall be the responsibility of each individual employee to keep the Company advised of his current address, phone number, marital status, and number of dependents.

Section 8 - Safety Committee: The Company agrees that it has the sole responsibility to provide a safe workplace and correct safety hazards.

1. Health and Safety Committee – A joint Employee-Management Health and Safety Committee shall be established.
 - a. The Health and Safety Committee shall consist of four (4) employee representatives designated by the Local Union and subject to replacement under such circumstances and conditions as the Local Union may determine, and four (4) management representatives designated by the Company and subject to replacement under such circumstances and conditions as the Company may determine.
 - b. The Health and Safety Committee shall hold meetings as often as necessary, but not less than once each month at a regularly scheduled time and place. Quarterly safety inspections shall be conducted by the committee to identify health and safety hazards and a report prepared and submitted to management which shall include recommendations for the correction of any hazards identified during the inspection.
The next monthly safety inspection shall be scheduled to coincide with the quarterly safety inspection.
The Complex Safety Manager shall have the responsibility for coordinating the safety inspection process.
The Safety Committee shall conduct a review of any accidents having occurred since the last meeting.
Safety committee members may also serve as an additional resource through which employees may report safety hazards.

- c. Work time 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.

3. The Company shall furnish, at no cost, any safety protective equipment it deems necessary. All such equipment that is furnished by the Company shall remain the property of the Company and shall be replaced when worn out through usage on the job. Employees shall be responsible for replacement cost for lost or stolen safety equipment.

Section 9 - Maintenance-First Processing Work: Management will decide when it will be feasible for First Processing maintenance work to be done on Friday night in lieu of working on Saturday.

If there is nothing that would prevent work from being done on Friday night, such as assistance from an outside source, parts, parts store opening, safety, etc., or reason where work is not practically feasible to be done on Friday night, then management will do everything within its control to schedule the work for Friday night.

Section 10: Direct deposit shall be made available to all employees who wish to participate.

Section 11: Within thirty (30) days of contract ratification, stools or other ergo-designed sitting devices will be provided for drawers and inspector helpers.

Section 12 - Translation and Payment: The Company and the Union each will pay one-half (1/2) the cost of having the Agreement books printed. When the Agreement is translated into Spanish, the Company will pay one-half (1/2) the cost of translation, not to exceed **seven hundred and fifty (\$750.00) dollars.**

If there is a discrepancy in translation regarding contract language or interpretations, the English language Agreement shall prevail.

ARTICLE 14 – UNION ACCESS

Section 1: During the term of this Agreement, designated union representatives may be provided access to the plant for the purposes of observing compliance with the terms of this agreement as well as to adjust any grievance or complaints arising under this Agreement. Prior to entering the plant, however, said representatives must notify Human Resources. At all times while on the Company's premises, union representatives shall comply with the Company's safety and security policies and practices. The Company has the option of accompanying any union representative while in the plant production or operating areas. Conferences or meetings between union representatives and employee(s) shall be conducted in non-working areas and on non-working time so that there shall be no interference with, or interruption of normal operating conditions.

ARTICLE 15 – NON DISCRIMINATION

Section 1 – No Discrimination: The Company and the Union are committed to maintaining a work environment that is free from discrimination. In the administration of this Agreement and, in accordance with applicable federal and state law, neither the Company nor the Union shall discriminate against any employee because of that employee's race, color, sex, religion, national origin, age, marital status, veteran's status, or disability.

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

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

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

Section 3 – Complaint Procedure: If the employee feels they have been the subject of discrimination or harassment whether by employees, supervisors, vendors, customers, or a Union agent or steward, they should immediately notify their immediate supervisor. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact their supervisor, the employee should immediately contact the Human Resources Department. The Company will investigate all such complaints thoroughly and promptly. To the fullest extent practical, the Company will keep complaints and

terms of their resolution confidential. If an investigation confirms that harassment has occurred, the Company will take corrective action, up to and including immediate termination of employment of any employee found to have violated the provisions of this Article. The Company forbids retaliation against anyone who has truthfully reported harassment.

Section 4 – Reasonable Accommodation: In the administration of this Agreement, the Company and the Union will provide reasonable accommodations to qualified employees with a disability and to employees based upon their sincerely held religious beliefs. Any employee who seeks such an accommodation must inform the Company, in writing, describe the requested accommodation and cooperate with the Company and the Union in seeking to identify reasonable alternatives. The need for and extent of such accommodations shall be determined by the Company in accordance with its interpretation of the requirements of the American with Disabilities Act and Title VII of the Civil Rights Act of 1964.

ARTICLE 16 - INSURANCE

Section 1: The Company agrees to provide Group Hospitalization and Life Insurance coverage.

The employee health and welfare contributions shall be as follows:

EE Only	<u>3/01/04</u> \$11.68	<u>2/28/05</u> \$13.43	<u>2/26/06</u> \$15.44
Family	\$15.30	\$17.59	\$20.23

The Company shall provide hospitalization and life insurance as follows:

- A. \$500 Deductible
- B. Company will pick up larger share of cost increase at 60/40 ratio for future cost increase premium. If the cost of the premium goes down, then the same ratio will be passed on to the employees.
- C. \$250,000 Major Medical
- D. Life Insurance: Employees with ten (10) or less years of service \$15,000
- E. Life Insurance: Employees with more than ten (10) years of service \$20,000

MEDICAL PLAN

Plan Details: This section provides specific plan details (such as waiting periods, deductibles, coinsurance, limits, etc.) at a glance. For a full discussion of each covered service and supply, please refer to the Benefits Description book.

Highlights of Plan Details:

Description		
Waiting Period	Coverage begins after a waiting period of 60 days	
Cost of Coverage	You and the Company share the cost of medical coverage, with the Company paying the greater share of the cost.	
	Network	Out-of-Network
Annual Deductible	\$500/person and \$1,500/family	
Annual Out-of-Pocket Limit (after deductible)	\$2,000/person and \$6,000/family	
Most Covered Medical, Surgical, Hospital Expenses	Plan pays 80% after deductible	Plan pays 50% after deductible
Doctor's Office Visits	\$20 co-pay per visit	
Wellness/Preventive Care	Network Only: Plan pays 100% with no deductible for wellness care--such as screenings, mammograms, paps, PSA exam, occult blood test, cholesterol screening, well baby care up to age 3, and immunizations (a PPO provider must be used to receive this benefit)	
Hospice Care	Lifetime maximum of \$2,000/person	
Home Health Care	Limited to 30 days per calendar year	
Emergency Room Deductible	\$25 co-pay in addition to annual deductible	
Lifetime Maximum Plan Benefit	\$250,000 per covered individual	
Utilization Management Program	<ul style="list-style-type: none"> • Pre-admission (non-emergency) and emergency admission certification • Concurrent review • Pre-certification of inpatient mental illness, drug abuse, or alcoholism treatment 	
Penalties	Failure to follow pre-certification requirements will result in a reduction or denial of benefits for covered services. Benefits are reduced by 50% of eligible covered expenses.	
Organ Transplants	Lifetime maximum of \$25,000/person	
Chiropractic Care, Biofeedback, and Acupuncture Treatment (after deductible)	Calendar year maximum of \$250--for each treatment	
Infertility Treatments	Lifetime maximum of \$25,000/person	

Mental Health and Substance Abuse (after deductible)	Plan pays 80% for inpatient treatment - Plan pays 50% for outpatient treatment	Plan pays 50% for both inpatient and outpatient treatment
	<ul style="list-style-type: none"> • Inpatient mental health treatments are limited to a lifetime maximum of 31 days • Inpatient substance abuse treatments are limited to 31 days/calendar year • Outpatient treatments are limited to 52 visits/calendar year (refer to the discussion on mental health and substance abuse treatment later in your booklet for further details) • Lifetime maximum of \$5,000/person on substance abuse treatment • All <u>inpatient</u> mental health and substance abuse treatment must be pre-certified 	
Prescription Drug Program (separate from medical plan)	\$50 deductible (separate from medical plan deductible); Pharmacy: \$7 co-pay for generic drugs; \$12 co-pay for brand name drugs; Mail-order (90-day supply): \$15 co-pay for generic drugs; \$25 co-pay for brand name drugs	

Please Note: Certain services will need to be pre-certified--such as hospitalization, surgery, and mental nervous and substance abuse treatment. Other plan limits apply as well, so please read the full summary for details.

Section 2: The weekly disability benefits shall be effective as follows:

<u>3/01/04</u>	<u>2/28/05</u>	<u>2/27/06</u>
\$150.00	\$165.00	\$180.00

Participation in the Vision One Eye Care Plan.

DENTAL PLAN

- \$750 - Annual Maximum
- \$25 - Deductible
- 80/20 - Co-pay for covered services (No orthodontia)

Premium Effective 4/3/2000Single--\$3.50 per week
Family--\$10.11 per week

ARTICLE 17 - NO STRIKE OR NO LOCKOUT

Section 1:

- A. There shall be no strikes, slowdowns, or work stoppages of any kind, including sympathy strikes, by the employees or the Union; and there shall be no lockouts by the Company.
- B. In the event any of the parties violate Paragraph A hereof, the aggrieved shall have the right to legal remedy without resorting to any step of the grievance procedure. The parties injured may obtain an order of an arbitrator appointed by any court of competent jurisdiction, directing compliance, which order may be presented for immediate enforcement by the court-appointed arbitrator.
- C. Any employee disciplined for violations of this article shall have a right to have the matter reviewed through the grievance procedure, but the only question to be determined shall be whether the employee participated in such violation.

ARTICLE 18 - PENSION

Employees covered by this Agreement will be covered by the ConAgra Inc., Pension Plan for hourly rate production employees at the El Dorado, Arkansas, processing facility. The future service benefits as of June 15, 1985, will be a minimum of thirteen dollars (\$13) per month, and the past service benefits as of December 21, 1986, will be ten dollars (\$10) per month. The Union agrees that all future negotiations concerning pension benefits will be as to future benefits only. As of January, 1992, future service benefits will be fifteen dollars (\$15) per month. As of January, 1999, future service benefits will be sixteen dollars (\$16) per month.

As of January, 2000, future service benefits will be seventeen dollars (\$17) per month.

As of January, 2001, future service benefits will be eighteen dollars (\$18) per month.

As of January, 2002, future service benefits will be nineteen dollars (\$19) per month.

As of March 2004, future service benefits will be twenty dollars (\$20) per month

As of March 2005, future service benefits will be twenty-one dollars (\$21) per month.

As of March 2006, future service benefits will be twenty-two dollars (\$22.00) per month.

Pension benefits accrued prior to the sale to Pilgrim's Pride on November 24, 2003 will remain with ConAgra. Pension benefits accrued after November 24, 2003 will be with Pilgrim's Pride Corporation.

CHANGE OF OWNERSHIP

If the owner of the Company hereunder sells, leases, or transfers his business or any part thereof, the successor, lessee, or transferee shall be bound fully by the terms of this Agreement and shall be obligated to pay wages and salaries in effect at the time of sale, lease, or transfer and shall assume all obligations of this Agreement in the place and stead of the owner or Company signatory hereto.

ARTICLE 19 - LENGTH OF AGREEMENT

This Agreement shall be the sole and entire agreement, except that it may be amended by mutual consent between the Company and the Union, and shall be in full force and effect from March 1, 2004, to midnight on February 25, 2007. This Agreement may be terminated by either party for the purpose of negotiating changes upon sixty (60) days' written notice prior to February 25, 2007 to the other party. If such notice of termination is not given, the Agreement shall be extended for one (1) year. All terms and conditions of the current Agreement shall remain in full force and effect, except for the changes both parties have agreed to change.

EXHIBIT 1 – WAGES

This Exhibit, covering the wage rates agreed upon by Pilgrim's Pride Corporation, El Dorado, Arkansas, and United Food and Commercial Workers Union, Local 2008, shall be attached to and thereby made a part of the Labor Agreement consummated between the parties dated March 1, 2004.

Section 1:

		<u>EFFECTIVE DATES</u>		
		<u>3/01/04</u>	<u>2/28/05</u>	<u>2/27/06</u>
		.30 cents per hr.	.20 cents per hr.	.25 cents per hr.
<u>EFFECTIVE DATE</u>	<u>STARTING RATE</u>	<u>121 DAYS</u>	<u>AFTER 1 YEAR</u>	
3/01/04	\$7.25	\$8.45	\$9.45	
2/28/05	\$7.25	\$8.65	\$9.65	
2/2706	\$7.25	\$8.90	\$9.90	

Section 2:

Class 1 – All jobs not included in classifications two (2) through five (5). Jobs in this classification will not be bid.

Senior employees will be allowed to move from premium class jobs (classes two through five) to class 1 jobs, without the class 1 job being posted, when there is an open position available.

Class 2 – A twenty cent (\$0.20) premium will be added to the base rate of pay.

Rack Pusher	Re-Hangers (Evis & PrePack)
Blast Pushers and Pullers	Bone Cutters/Rework
Heart and Liver Cutters	Box Lifter
House Inspector	Wing Saw Operator
Grader	10 & 28 Degree Room
Thigh Deboner Operator	Gizzard Peeler Inspector
Price and Label	Stack Off (Box and Label)
Evis. Cut/Reprocess	Backup Drawer

Class 3 – A fifty cent (\$0.50) premium will be added to the base rate of pay.

Utility	Supply Room
Live Dumper	Pallet Jack Operator
TSP Operator	Wing Scorer
Tender Clipper	
Scale Operator (Box and Label)	Fillet Trimmer
Debone Salvage	Knife Sharpener/Scissors
Front Halve Loader	Tender Puller
Skinner Operator	Rack Scale Operator

Class 4 – A seventy-five cents (\$0.75) premium will be added to the base rate of pay.

Haz-Mat Team

Class 5 – A one dollar (\$1.00) premium will be added to the base rate of pay.

Live Hanger	Backup Killer
Live Fork Lift Operator	Leadperson

Section 3:

Maintenance and Rendering	<u>3/01/04</u>	<u>2/28/05</u>	<u>2/27/06</u>
Classification C	\$10.16	\$10.36	\$10.61
Classification B	\$10.91	\$11.11	\$11.36
Classification A	\$11.46	\$11.66	\$11.91
Classification AA	\$12.15	\$12.35	\$12.60
Classification AAA	\$12.65	\$12.85	\$13.10
Electrician	\$12.85	\$13.05	\$13.30
Electronic Operator	\$12.85	\$13.05	\$13.30
Maintenance Technician	\$14.90	\$15.10	\$15.35
Helper-Rendering	\$9.81	\$10.01	\$10.26
Trainee-Rendering	\$10.59	\$10.79	\$11.04
Operator-Rendering	\$10.56	\$10.76	\$11.01
Wastewater Operator	\$10.56	\$10.76	\$11.01

The rates in Maintenance Classes AA, AAA, Electrician, and Electronic are minimum rates.

Section 4 - Tool Allowance for Maintenance: Tool allowance shall three hundred dollars (\$300.00) per year and will be paid in the month of June. The pay shall be pro-

rated for time worked after June of each year. Employees must be on the active payroll as of June of each year in order to receive full pay.

Section 5: Live Hangers will move from the starting rate to the top base rate (1 Year) plus the live hanger premium when the worker can hold the line at twenty-eight (28) birds per minute. Should a question arise as to who can hold the line, the Union Steward and the Plant Personnel Manager will get involved.

Section 6: Killers will receive an additional twenty-five cents (25¢) per hour premium pay if the cadaver count for their respective shift is below one (1) cadaver for every two thousand (2,000) birds processed. Results determining whether the Killers will receive the premium is based on live receiving reports for total heads processed and USDA condemnation records for the number of cadavers per shift.

Section 7 - Night Shift Premium: Employees that work fifty percent (50%) of their time between the hours of 6 P.M. and 6 A.M. will be paid thirty-five cents (\$0.35) per hour above the base rate of pay for all hours worked.

Section 8 - Minimum Wage: In the event the minimum wage provision of the Fair Labor Standards Act is increased effective during the life of this Agreement, the base rate of employees would be maintained at fifteen cents (15¢) per hour over the minimum wage provision. Any yearly increase scheduled to become effective following an increase in the minimum wage provision would still become effective on the negotiated dates.

Section 9 - Wage Increases: All wage increases leading up to the base rate will be effective the first day of the work week following the scheduled date, unless the scheduled date falls on the first day of a work week. Should the scheduled wage increase not occur on the above described date, the rate will be retroactive to the actual scheduled date.

Section 10 - Active Ballot Club Deduction: Upon legal authorization in writing by an employee, the Company shall deduct from such employee's paycheck weekly and remit to UFCW Local 2008 monthly, a political deduction, on a check separate from union dues.

Section 11 - Credit Union Check-Off: Upon receipt of a signed authorization for credit union deductions, the Company shall deduct from each eligible enrolled employee's wages the amount so specified by the employee, and remit to the credit union on a weekly basis, until said authorization is revoked by the employee in accordance with the terms of the credit union.

The credit union agrees to indemnify and save harmless the Company against any loss or liability arising out of its compliance with this check-off provision.

Section 12 – Change in Existing, or Newly Created Jobs: Whenever the Company creates a new job, or there is a substantial change in the duties of an existing job, the Company will have a discussion with the Union in an effort to determine the appropriate rate. If a mutually acceptable rate cannot be agreed upon, the Company will determine the rate and it shall be subject to negotiation upon renewal of the collective bargaining agreement.

LETTER OF UNDERSTANDING

Re: Random Drug Testing

Random drug tests will be performed under the guidelines as specified in the Pilgrim's Pride Corporation, El Dorado Division's Drug/Alcohol Search & Testing & EAP procedures, except for the following changes:

- A. Random test will be performed no more than six (6) times per year.
- B. Notifications will be posted on the first Monday of the month in which the test may be performed.
- C. The test will be performed no later than thirty (30) days after the notification is posted.
- D. The Personnel Department will oversee the administration of the random program.
- E. Employees, when selected by the random procedure, will be asked to report to the Personnel Department.
- F. No more than one (1) employee will report at a time.

MEMORANDUM OF UNDERSTANDING

March 1, 2004

Regular full-time employees who have had perfect attendance (no tardies or left early) and have worked all scheduled hours for sixty (60) consecutive calendar days prior to the implementation of the attendance policy will receive two (2) bank points.

For The Company:

For The Union:

MEMORANDUM OF UNDERSTANDING

March 1, 2004

The Company agrees that the progressive discipline associated with the Company's attendance policy will not be used in conjunction with other disciplinary actions. Attendance disciplinary action will be administered as a separate and distinct category. However, in matters involving termination or potential terminations, an employee's attendance record may be considered within the scope of an employee's collective work record.

For The Company:

For The Union:

MEMORANDUM OF UNDERSTANDING

March 1, 2004

Following ratification of the Agreement covering employees of the processing plant in El Dorado AR, the Company will attempt to locate a financial institution which offers Individual Retirement Accounts (IRA'S) and based on the level of employee interest in participation, facilitate payroll deduction to enable employees to contribute to their IRA.

For The Company:

For The Union:

MEMORANDUM OF UNDERSTANDING

March 1, 2004

1. The Company and the Union agree to establish a joint labor management committee to discuss and implement a maintenance apprenticeship training program.
2. Members of this committee will be jointly appointed and will not exceed more than four (4) members from the Company and no more than four (4) members from the Union.
3. The committee will be jointly chaired by the Human Resources Manager or the appointed designee and the Walking Steward or appointed designee.
4. The committee will be established within three (3) months of contract ratification.
5. The full implementation of the apprenticeship program will be within nine (9) months of contract ratification.

For The Company:

For The Union:

MEMORANDUM OF UNDERSTANDING
MAINTENANCE AND SKILL LEVEL ADVANCEMENT PROGRAM

March 1, 2004

1. The Company and the Union agree to establish a joint labor management committee to discuss and implement a maintenance Skill Level Advancement and Continuing Education Program.
2. Members of this committee will be jointly appointed and will not exceed more than four (4) members from the Company and no more than four (4) members from the Union.
3. The committee will be jointly chaired by the Human Resources.
4. The committee will be established within three (3) months of the contract ratification.
5. The full implementation of the Skill Level Advancement program will be within nine (9) months of contract ratification.
6. If no agreement can be obtained, the committee will dissolve at the end of the sixth (6th) month after ratification, however, the Company shall continue with the Continuing Education Program.

For The Company:

For The Union:

NEGOTIATION COMMITTEES

**PILGRIM'S PRIDE CORPORATION
El Dorado, Arkansas**

Eugene Earl, Director of Labor Relations

Joe Hansen, Plant Operations Manager

Mike Gooch, Complex Human Resources Manager

Ray Poole, Human Resources Supervisor

Hattie Bullock, Human Resources Supervisor

Cazandra Nathan, Human Resources Trainee

**UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 2008**

Michael T. Keen, President

Charles Lee, Secretary-Treasurer

Sharon Henry, Walking Steward

Vickey Frazier, Walking Steward

Executed this 1st day of March, 2004.

LOCAL UNION OFFICERS

MICHAEL T. KEEN
President

Secretary-Treasurer
Charles Lee
Betty Hearon
Vice President

Wallter Keener
Vice President

Derelene Doffin
Vice President

Kay Teague
Recorder

David Fielding
Vice President

JOSIEPHINE NICHOLS
Vice President