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LABOR AGREEMENT

Between

IBP

Amarillo, Texas

and

TEAMSTERS LOCAL UNION NO. 577

November 11, 2002 through November 11, 2007

39 pages

**AMARILLO LABOR AGREEMENT
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AGREEMENT

This Agreement is made between IBP, Dakota Dunes South Dakota, for its Amarillo, Texas plant (hereinafter referred to as the Company) and Teamsters Local Union 577 (hereinafter referred to as the Union).

ARTICLE 1 RECOGNITION

Section 1. The Company recognizes the Union as the sole and exclusive bargaining agent for all production and maintenance employees at the Company's Amarillo, Texas, plant, but excluding all office clerical employees, panel operators, beef graders, quality control personnel, guards, office janitors, and Supervisors as defined in the Act.

ARTICLE 2 PURPOSE OF AGREEMENT

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

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

Section 3. The Company and the Union recognize that mutual respect and individual dignity in the workplace will be and must be recognized in the workplace.

ARTICLE 3 MANAGEMENT RIGHTS

Section 1. The management of the operation and the direction of the working force--including the right to hire, suspend, discipline or discharge for cause; to assign jobs; to transfer, promote or demote employees; to increase and decrease the working force; to subcontract; to determine job loads, production standards, and rules applicable to the employees; to determine products to be handled, produced, or manufactured; the schedule 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 duties that are necessary in the conduct of the business, provided they are not used to replace bargaining unit personnel on a permanent basis.

Section 3. It is mutually agreed that the Company retains all the management rights and prerogatives heretofore held, except such rights that are specifically relinquished herein.

ARTICLE 4 NO DISCRIMINATION

Section 1. Both the Company and the Union agree that they will not discriminate against any employee or applicant because of sex, race, color, creed, age, nationality, disability, disabled veteran status, Vietnam era veteran status, or religious beliefs. Both parties will abide by and comply with all applicable federal and state laws banning discrimination. It is understood that the application of this Article applies specifically to such discrimination as prohibited by federal law including, but not limited to, the National Labor Relations Act, as amended, and the Civil Rights Act of 1964, as amended, and the Americans with Disabilities Act.

ARTICLE 5 CHECKOFF

Section 1. The Company, upon written authorization of the employee, shall deduct from the first pay received each month by such employee, the Union dues, initiation fees, and assessments, for the current month and promptly remit same to the appropriate officer of the Union.

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

Section 3.

(a). The Company agrees that when it may legally do so, it will enter into a Union-Shop/Agency-Shop agreement with the Union when present restrictions are repealed or modified and such prohibition is removed in whole or in part to the extent and under the conditions permitted by law.

(b). At that time, the Company and Union will modify the contract with regard to Article 5 to the extent necessary to cover the above understanding regarding Union security and checkoff.

ARTICLE 6 GUARANTEE

Section 1. The Company guarantees to each regular, full-time employee thirty-six (36) hours of work or pay equivalent to thirty-six (36) hours at his straight time hourly rate of pay for each week of employment barring acts of God, civil commotion, power failure, explosion, labor disturbances or government acts that prevent the Company from operating, or other unusual emergencies. Hours employees are absent for any reason will be deducted from such thirty-six (36) hours. The Guarantee will be reduced by eight (8) hours for each day on which the plant is unable to operate because of the above.

Section 2. Regular, full-time employees called to work or a meeting will be provided with a minimum of four (4) hours of work or pay in lieu of work.

Section 3. Employees displaced or recalled because of the operations of the seniority provisions of this Agreement shall receive pay for only those hours worked in the week of such displacement or recall.

Section 4. The Company may reduce the thirty-six (36) hour guarantee no more than twelve (12) times per year in which event the guarantee shall be reduced to thirty-two (32) hours pay at their straight time rate, such hours to be scheduled in five (5) consecutive days.

The Company agrees to notify the Union in writing on a semi-annual basis of the number of times the guarantee has been reduced to thirty-two (32) hours from thirty-six (36) hours. Such reductions shall be reported as follows:

1. Processing A
2. Processing B
3. Slaughter A
4. Slaughter B
5. Coolers A
6. Coolers B
7. Hides
8. TCCS
9. Forward Warehouse
10. Complex Maintenance

ARTICLE 7 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. Effective the 3rd week in January 2003, the work week for payroll purposes shall start at 12:01 a.m. on Sunday and end at midnight Saturday evening.

Section 2. The basic work day will be eight (8) hours. The basic work week will be forty (40) hours. It is understood that the foregoing does not restrict the amount of time an employee can be required to work to eight (8) hours in one day or forty (40) hours in one week. Hours of work shall be scheduled in line with production requirements, and employees will be notified in advance of changes in shift schedules. 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.

Section 3. One and one-half (1 ½) times the regular rate of pay shall be paid for all hours worked in excess of eight (8) hours in any one day (Except in the Forward Warehouse) or forty (40) hours in any one week. Certain Maintenance employees working ten (10) hour shifts will be paid one and one half (1 ½) times their regular rate of pay for all hours worked in excess of ten (10) hours in any one day.

Section 4. Employees, other than part-time employees, working on Sunday, except those regularly scheduled for work, shall be compensated at twice (2) their regular hourly rate. Those employees who are regularly scheduled to work on Sunday shall have an alternate day of the work week designated as Sunday. If they are required to work on that designated Sunday, they will receive twice (2) their regular hourly rate for work performed on that day.

Section 5. All employees other than part-time and temporary employees shall be compensated at one and one-half (1 ½) times their regular rate for work performed on their sixth (6) day of work within the work week provided they have worked the first five (5) days of that work week or were absent because of a previously excused absence or because the employee was hospitalized during that work week. Should the Company elect not to operate on Monday through Friday and thereafter operate on Saturday of the same calendar week, such employees who otherwise meet the requirements of this section shall be compensated at one and one-half (1 ½) times their regular rate for Saturday work. Time and one-half (1 ½) will be paid for Saturday work in a holiday week provided the employee meets the requirements of this section. This Section shall only apply to employees who have a current seniority date prior to December 14, 1987. Employees hired subsequent to this date shall be paid in accordance with Section 3 or section 5a (which ever applicable) of this Article.

Section 5 a: All employees other than part time and temporary employees shall be compensated at one and one half (1 1/2) times their regular rate of pay for all hours worked on an employees sixth (6th) consecutive day of actual work during the work week provided that employee must have worked all hours as directed on the first five (5) days of that work week. Unscheduled work days do not count as a day worked for purposes of computing overtime. Vacation or any other pay for time not worked (except Holidays) will not qualify as time or days worked. This section shall only apply to employees who have a current seniority date between December 14, 1987 and November 10, 1999, employees hired after this date shall be paid in accordance with section 3 of this article.

Employees hired prior to December 14, 1987 will maintain the benefit as defined in Article 7, section 5.

Section 6. 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, [for certain maintenance employees ten (10) hours] such hours over eight (8) [for certain maintenance employees ten (10) hours] shall be compensated on the basis of the applicable rate for the calendar day on which such hours were worked.

Section 7. All regular, full-time employees who work what is considered second and third shift hours, between the hours of 3:00 p.m. and 6:00 a.m. will be paid fifteen cents (\$.15) per hour over their regular rate for such hours worked, except no premium will be paid on the day shift if the shift starts less than fifty-five (55) minutes prior to 6:00 a.m.

The Company agrees to allow PBX employees to receive the night differential as described above.

Section 8. Premium pay due under this Article will not be pyramided.

Section 9. Any employee who is working at a higher rate prior to or during a holiday, funeral leave, jury duty and a called meeting will be paid the higher rate which he or she is performing. Any employee who has worked at a higher rate for six (6) months prior to vacation will be paid the higher rate for that vacation.

Section 10. Employees shall be required to work their shift hours scheduled by the Company; however, the Company will not schedule work in excess of twelve (12) hours per day. All work beyond twelve (12) hours will be worked on a voluntary basis.

ARTICLE 8 OVERTIME WORK

Section 1. Overtime work in a department shall be divided as fairly and equally as possible among qualified employees in the department. 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.

Section 2. Overtime work in the Maintenance Department will be offered to the most senior, qualified employee within the following skill classifications: general maintenance, refrigeration, scale mechanic, electricians, building maintenance and special crew. The Company will maintain, in the maintenance office, a weekly overtime list. Those maintenance employees desiring overtime will sign the list in the prior week and if qualified will be required to accept and work any offer of overtime within their skill classification.

ARTICLE 9 COMPANY AND UNION RESPONSIBILITIES

Section 1. During the term of this Agreement, there shall be no strike, stoppage, picketing, honoring of any picket line, sympathy strike, slowdown, deliberate withholding of production or suspension of work on the part of the Union, its members, or any individual covered by this Agreement for any reason whatsoever. In the event of a breach of this provision, the Union shall immediately declare publicly that such 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 a labor controversy or dispute may exist.

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

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

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

ARTICLE 10 GRIEVANCE PROCEDURE

Section 1. Should the Union or any individual employee desire to process a grievance pertaining to the violation of the Agreement, or violation of employee's working conditions, the matter shall be handled according to the following steps.

Step 1. The employee involved, with a Union representative if he so desires, shall present the matter to his immediate supervisor within three (3) working days of the knowledge of the incident. The supervisor shall answer the employee within one (1) working day.

Step 2. If the matter is not settled in the First Step, the Union Business Agent may present the matter to the Superintendent for his decision. Grievances in this Step must be presented in writing within five (5) working days after the answer in the First Step. The Superintendent shall have three (3) working days within which to give his answer in writing to the Union.

Section 2. A grievance not satisfactorily settled at the Second Step may be referred to a two-man committee which shall be the Arbitration Board. The Company and the Union shall each have a right to pick one representative of their choosing to serve on this two-man committee Arbitration Board. Such a committee shall have power to settle the grievance and such settlement shall be final and conclusive and binding upon employees, the Company, and the Union; any lawful decision of the Arbitration Board shall be forthwith placed into effect. Meetings of the committee may be held from time to time, and at such places as the Company and the Local Union mutually agree. The Union shall have seven (7) working days after receipt of management's written Second Step disposition to give written notice to the Company of its desire to refer the grievance to the Arbitration Board. In the event the committee named above cannot reach an agreement, the dispute may be submitted to arbitration.

Section 3. Arbitration Provisions. If, at the final Step of the grievance procedure, the matter is not satisfactorily adjusted, the grievance may be submitted to an impartial arbitrator to be selected by mutual agreement of the parties. A written request for Arbitration shall be made within fifteen (15) days of the Section 2 answer. If within fifteen (15) days after receipt of such written request the parties are unable to agree upon an arbitrator, either party shall request a list of five (5) names from the Federal Mediation and Conciliation Service and strike names to determine which one shall sit on the Arbitration. His decision on 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 the 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 any 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 grievances 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 the discussion between the Superintendent and representative of the Union, and the time specified in Section 3 hereof, may be extended by mutual agreement.

ARTICLE 11 ADVISE OF REASON FOR DISCIPLINE

Section 1. An employee disciplined, up to and including discharge, will be advised of the reason for which such disciplinary action was administered within five (5) working days unless the employee is not available. The word "discipline" as used in this Agreement shall include discharge. A copy of all discipline slips will be sent to the Union.

ARTICLE 12 SENIORITY

Section 1. It is the policy of the Company to follow seniority in order that regular, 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. Regular, full-time employees with the greatest seniority shall have preference in layoffs, call backs, promotions, demotions, and transfers to available permanent vacancies.

Section 2. Prior to attaining seniority, an employee is known as a probationary employee for a period of sixty (60) days. After such probationary period, an employee becomes a regular employee. 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 on their behalf.

Section 3. Seniority shall be applied on a divisional basis within the plant, and shall under no circumstances overlap from one division to another. The division and departments for seniority purposes are:

A. Carcass Division

1. Departmental units are as follows:

- a. Kill Floor (Knockers Helper through Hot Box Door)
- b. Offal
- c. Carcass Loading, Sales Cooler and Hot Boxes
- d. Edible and Inedible Rendering
- e. Yards

B. Complex Maintenance Division

1. Departmental units are as follows:

- a. Processing
- b. Carcass
- c. Refrigeration
- d. Special Projects

C. Complex Clean Up

D. Hide Division

E. Processing Division

1. Departmental units are as follows:

- a. Breaking "A" (Days)
Breaking "B" (Nights)
- b. Material Handling

- F. Forward Warehouse
- G. Processed Beef Express (PBX) Division
- H. Transcontinental Cold Storage (TCCS) Division

Section 4. Each employee is assigned to one department unit of a division and shall have such department seniority as shall be credited and accumulated from the first date he entered the department unless such departmental seniority be relinquished under other provisions of this Article.

Section 5. Permanent vacancies within each department shall be posted within ten (10) working days for a period of two (2) working days, and employees within that department will be eligible to bid. With consideration for physical fitness and ability, the job will be awarded within seven (7) working days to the departmental senior employee who has bid the job. A job not filled within the department will be offered for bid on the basis of divisional seniority. An employee transferring into a new department will transfer his former departmental seniority at the time he qualifies on his new job. A successful bidder on a lateral bid shall be restricted from any further bidding for six (6) months from the date of such bid. A successful bidder on a downward bid shall be restricted from any further bidding for one (1) year from the date of such bid. In the event a successful bidder has not been placed on his newly bid job, within twelve (12) days of the award, he shall be paid the rate of the new job on the thirteenth (13) day and thereafter until he has been moved to the newly bid job. Selection shall depend upon seniority and ability to perform the job to the satisfaction of the Company. The employee will be granted a reasonable period of time to demonstrate proficiency. Such reasonable time will vary according to the complexity and skill required for that job. Upon being permanently awarded a new job as a result of a bid, the employee waives his rights on his previous job.

Section 6. In the event a job is not filled through the bidding procedure and an employee is assigned a permanent job, such shall not be considered as a bid.

Section 7. The successful bidder on the job posting at the time the posting is taken down will be required to accept the job and may not voluntarily give it up except by bidding to another job. The successful bidder shall make a sincere effort to learn the job.

Section 8. In the event an employee bids from one department to the other, departmental seniority will be transferred at the time he qualifies on his new job.

Section 9. 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 10. An employee shall lose his seniority 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 Company.
- D. Overstaying a leave(s) of absence without justifiable cause.
- E. Layoffs or leaves of any kind for more than twelve (12) months.
- F. Failure to report from layoff within five (5) 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 five (5) day extension of time.
- G. Total and permanent disability
- H. Retirement

Section 11. Seniority shall be applied for reduction in the workforce on the following basis:

(a) In the event a job is eliminated by a reduction in the workforce, the holder of such job shall displace any junior job holder within the department in the reverse order of his progression within that department. In the event a previously owned job is not available on this basis, he shall displace the junior man in the department provided he can learn to perform the job in a satisfactory manner in a reasonable length of time. If neither of the two foregoing options are available and the employee is forced to leave the department, he may then displace the junior man still working in the division, providing he can learn to perform the job in a satisfactory manner in a reasonable length of time.

(b) However, it is understood that in the event of a division layoff, employees would continue to perform the presently assigned duties necessary to complete the shutdown.

(c) In the event a vacancy occurs during a layoff, an employee who was displaced from that job due to the layoff, and is still working in that department shall be returned to that job. If no such previous job holder is available, the vacancy shall be posted.

(d) Employees who successfully bid jobs while cut-back will have the option at the time the department is increased to return to their last owned job if it is available or to remain on their present bid job. Employees electing to return to their last owned job will forfeit all rights to the job bid while on layoff.

(e) A senior employee being laid off who does not wish to exercise displacement rights may elect to take a layoff but cannot again exercise displacement rights until recalled in seniority to the employee's department and subsequently laid off.

(f) Employees recalled from a layoff will have five (5) working days to return to work after being notified. Employees will be notified by certified letter or telegram sent to their last known address in the event the Company is unable to otherwise notify them.

(g) Employees failing to report for work within five (5) working days after being notified or within five (5) working days of the date the letter or telegram is sent will lose their seniority. An additional five (5) working days will be granted if requested by the employee within the first five (5) days.

(h) When recalling employees on layoff they shall be recalled in accordance with Section I of this Article. Employees recalled to a department other than the department they were laid off from will return to the available opening or remain on layoff.

(I) Employees who are hired on the same date shall have their seniority determined by employee number.

Section 12. In order to expedite employees being moved to newly bid jobs, the Company will furnish on a weekly basis a "Bid Aging Job Report" which will show all employees' names who have bid to a new job, the names of the job they have bid, the job names they have not been moved from and the reason these employees have not been moved.

ARTICLE 13 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) hours 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 as to his availability for work.

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

Certain Maintenance employees working ten (10) hour shifts will be paid ten (10) hours per day.

ARTICLE 14 MILITARY SUMMER ENCAMPMENT

Section 1. 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 Texas. Such leave shall be granted upon one (1) week's advance written notice to the Superintendent.

ARTICLE 15 MILITARY SERVICE

Section 1. Right to Re-employment. A regular full-time 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 16 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, not to exceed thirty (30) days. A copy of all leave notices will be sent to the Union.

Section 2. Union Leaves.

(a) Employees, not exceeding a number agreed upon by the Company, chosen by the Union to attend Union conventions, shall be granted leaves of absence upon two (2) day's written request to the Superintendent, for periods not to exceed two (2) weeks. Such leave shall be without pay.

(b) Employees, not exceeding a number agreed upon by the Company, chosen by the Union to work on a full-time project shall be granted leaves of absence upon two (2) day's notice to the Plant Manager for periods not to exceed six (6) months.

Section 3. Consistent with the requirements of the "Family and Medical Leave Act of 1993," and any regulations adopted by the U.S. Department of Labor, Family/Medical 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 one who has been employed for at least 12 months and for at least 1,250 hours of service.

Any employee requesting a Family/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. If an employee and the employee's spouse are both employed by IBP, the amount of unpaid Family/Medical Leave available for both spouses combined for the reasons specified in A, B, and C above will be 12 weeks during any 12 month period.

Any 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 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 at the Company's cost.

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

Medical leave in excess of 12 weeks for eligible employees or leave for employees who have not attained 12 months of service is available at the sole discretion of management. No LOA will extend longer than 12 months.

Section 4. Leaves of absence shall be without pay.

Section 5. When a leave has been appropriately requested and granted under this Article, such employee shall retain and accumulate seniority.

ARTICLE 17 FUNERAL LEAVE

Section 1. Absences due to a 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) Wherever the funeral is held, one (1) day's absence will be paid based upon the number of hours he otherwise would have been scheduled to work up to a maximum of eight (8) hours of straight-time pay, providing the employee is scheduled to work and attends the funeral or a "bonafide" equivalent service.

(b) In the event of death of any person living permanently in the employee's household or in the immediate family, two (2) additional days absence will be allowed and paid based upon the number of hours he otherwise would have been scheduled to work up to a maximum of eight (8) hours of straight-time pay, providing the employee is scheduled to work and he attends the funeral. Such three (3) days will be consecutive, exclusive of Sunday, and one of the days must be the day of the funeral.

Section 2. The immediate family is defined to include spouse, child, mother or father, sister or brother, mother-in-law or father-in-law and grandparents.

Section 3. In the event of the death of an employee's brother-in-law or sister-in-law or grandchild, absence on the day of the funeral shall be allowed and paid based upon the number of hours he otherwise would have been scheduled to work up to a maximum of eight (8) hours of straight-time pay, providing the employee is scheduled to work and he attends the funeral.

Certain Maintenance employees working ten (10) hour shifts will be paid ten (10) hours per day.

ARTICLE 18 MATERNITY LEAVE

Section 1. Employees will be granted maternity leaves consistent with all federal and state statutes and/or regulations.

**ARTICLE 19
HOLIDAY PAY**

Section 1. The following will be observed as paid holidays in each contract year for all regular, full-time employees:

- (a) Christmas Eve Day
- (b) Christmas Day
- (c) New Year's Day
- (d) Memorial Day
- (e) Independence Day
- (f) Labor Day
- (g) Thanksgiving Day
- (h) Veteran's Day
- (i) Floating Holiday (see Section 5)

Section 2.

(a). To be eligible for holiday pay, an employee must work the full scheduled work day before and the scheduled work day following a holiday, or be on a previously excused absence, to receive holiday pay. However, such holiday pay shall be paid to all employees who are laid off or on an authorized leave of absence caused by injury or illness and otherwise qualify, who have worked any time the week before the holiday, the week of the holiday, or the week after the holiday.

(b). When a holiday falls on Sunday, the following Monday shall be observed.

(c). For the purpose of computing premium pay for the sixth (6) day worked, an observed holiday shall be counted as a day worked.

Section 3. Holiday pay will be calculated at eight (8) hours straight-time pay and may be considered part of the thirty-six (36) hours guaranteed pay.

Section 4.

(a). Those employees scheduled to work a holiday as a normal operations procedure shall receive another work day off with pay in lieu of the holiday. Such rescheduled holiday shall be granted within a ten (10) day period preceding or following the actual holiday.

(b). Work performed on holidays shall be paid at two (2) times regular, straight-time pay for hours worked; eligible employees shall also receive eight (8) hours holiday pay provided they work their scheduled hours. There will be no pyramiding of hours of work related to overtime or holidays.

Section 5. Employees hired prior to July 1 of each year shall be eligible to receive an individual floating holiday in the following calendar year. The scheduling of such holiday is subject to management approval and may not be scheduled in conjunction with another holiday. Pay in lieu will be allowed.

Certain Maintenance employees working ten (10) hour shifts will have holiday pay calculated at ten (10) hours straight time pay and may be considered part of the weekly guaranteed pay.

**ARTICLE 20
VACATIONS**

Section 1. Regular, full-time employees shall be entitled to one (1) week of vacation with pay following their first (1st) anniversary with the Company, two (2) weeks after their third (3rd) anniversary with the Company, three (3) weeks after their tenth (10th) anniversary with the Company and four (4) weeks after their twentieth (20th) anniversary with the Company. Certain employees may also elect to take their vacation in one (1) day increments provided they meet the following guidelines:

1. Employees must be eligible for a minimum of two (2) weeks of vacation in order to take vacation in single day increments.
2. Only one week of vacation may be taken in one (1) day increments per calendar year.

Section 2. Vacation pay shall be calculated on a forty (40) hour work week at the rate of pay based on the employee's base hourly rate at the time of vacation.

Section 3. Vacation pay shall be paid in advance at the time the employee leaves on vacation upon two (2) week's notification to his supervisor.

Section 4. Management may elect to close the plant for a vacation period whereby all employees (excepting maintenance men) may take their vacation at one time. Such vacation period may be scheduled sixty (60) days or more in advance and the time scheduled shall be during school vacation. Maintenance men required to work during the time the plant is closed for vacation will be scheduled for vacation at another time during the year.

Section 5. Insofar as possible, seniority shall be observed in the assignment of vacation periods, but the Company reserves the right to so schedule vacations as not to interfere with the efficient operations of the Company.

Section 6. In order to qualify for vacations under this Article, an employee must have received at least forty-two (42) checks in the fifty-two (52) weeks preceding his anniversary date of employment.

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 (which will be included with his vacation pay).

ARTICLE 21 MEAL PERIODS AND REST PERIODS

Section 1. Employees will be granted a rest period of fifteen (15) minutes approximately half way 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. Employees shall be allowed thirty (30) minutes for lunch without pay, with such break beginning no sooner than four (4) hours following the beginning of the shift. Employees required to work in excess of ten and one-half (10 1/2) hours in any one day shall receive a twenty (20) minute break. The employee may elect to complete the day's work and receive the above mentioned amount as additional compensation. No employee will be required to work in excess of five and one-half (5 1/2) hours without a meal break. No employee will be required to work more than three (3) hours without a rest period.

ARTICLE 22 EQUIPMENT FURNISHED BY THE COMPANY

Section 1. The Company will furnish reasonable and adequate quantities of safety equipment as determined by the Company.

Section 2. Laundry required shall be furnished by management free of charge to the employee.

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

Section 4. The Company will furnish to maintenance employees tools when hired. The employee will be responsible for his tools and replacement will be at the employee's expense.

Section 5. The Company shall furnish frocks for all jobs designated by the Company. The Company agrees to furnish up to three (3) white uniforms per year for designated jobs and up to six (6) aprons, where required.

Section 6. The Company shall furnish chaps to designated material handling employees.

Section 7. The Company shall furnish boots at no cost to those employees who are required to wear shin guards.

Section 8. The Company will furnish reasonable and necessary quantities of cold protective

clothing to TCCS employees. This includes freezer suits and/or insulated coveralls (as appropriate to the job); boots and gloves. The employee will be responsible for laundry and normal repair of these items.

ARTICLE 23 SAFETY AND EQUIPMENT COMMITTEE

Section 1. A safety committee consisting of sixteen (16) employees selected by the Union, and representatives of the Company shall meet monthly, on Company time, for a minimum of one (1) hour, and discuss their findings and recommendations relating to safety. Each will have one half (1/2) hour per week to tour their area for safety purposes. Pictures of these individuals will be posted so all employees can readily recognize their safety representatives.

Section 2. It is the Company's responsibility to investigate the Committee's recommendations and to advise the Committee within one (1) week of the action taken, if any.

Section 3. Any special safety committee deemed necessary (i.e. PBX, TCCS, Hides/Tannery, Forward Warehouse) will have at least one member of the above committee as a member of that special committee.

ARTICLE 24 BENEFITS

Effective January 1, 2003 the Company agrees to make available for regular full-time employees the following comprehensive benefit program. The following 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. Employees hired on or after January 1, 2003 will automatically be enrolled for single coverage and may elect family coverage if they wish.

1. Medical with One (1) Million Dollar Life Time Maximum
2. Prescription Drug Card
3. Company Paid Life
4. Company Paid Accidental Death and Dismemberment
5. Short Term Disability Insurance – available after one (1) year of full-time service.
6. Retiree Health Insurance Plan

* See Appendix A

The following additional coverage shall commence on the first day of the month following six

(6) months of participation in the group health plan as defined above at no additional costs and shall terminate on the employee's last day of employment.

1. Dental
2. Vision

The following optional coverage's are available at additional costs and shall terminate on the employee's last day of employment.

1. Voluntary Life – available on the first day of the month following three (3) months of full-time service.
2. Voluntary Accidental Death and Dismemberment – available on the first day of the month following three (3) months of full-time service.
3. Long Term Disability Insurance – available after one (1) year of full-time service.

Employee's monthly contributions for the Company's Group Health Plan, which includes: Medical, including one (1) million dollar life time maximum, Dental, Vision, Prescription Drug Card, Company Paid Life, Company Paid Accidental Death and Dismemberment, and Short Term Disability will equal 25% of the total cost of the base health plan. If during the term of this agreement the average cost per covered employee of the Company's base group health plan should increase or decrease, the employee's contribution will increase or decrease as necessary to equal 25% of the total Company's base group health costs. A trailing twelve (12) months of group health expenses will be used to calculate the cost per covered employee. Effective every September (end of Company's fiscal year) the Company will review and calculate the average cost for the previous twelve (12) month period. On January 1 of each year, new contribution levels will be increased or decreased if applicable. This coverage shall be in accordance with the benefit program agreed upon by the parties.

Employees on any type of leave of absence will be required to pay their benefit contribution during that period in order to maintain their benefit coverage.

The employer reserves the right to change carriers and/or third party administrators or become insured during this term of agreement.

The Company reserves the right during the term of this Agreement to modify the design features of the group health plan only to incentivize employees to use certain medical providers.

ARTICLE 25 UNION VISITATION AND STEWARD CLAUSE

Section 1. 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.

Section 2. The Company recognizes the right of the Local Union to designate job stewards and alternates from the Company's seniority list.

ARTICLE 26 BULLETIN BOARDS

Section 1. A bulletin board shall be made available at the job site at all times for the use of the Union. Notices may be posted on such bulletin board for matters such as union meetings, social affairs, union elections, and other internal union affairs. All such notices listed above must be signed by an officer of the Local Union and/or a Business Agent of the Local Union.

ARTICLE 27 WAGES

Section 1. The wage rates shall be as set forth in Appendices B, C, D and E.

It is expressly understood and agreed that this contract shall be reopened in January 2006 solely for the purpose of discussing adjustments in the hourly wage rates and for no other purpose whatsoever. It is expressly understood and agreed that notwithstanding the foregoing that each and every term and condition of the agreement, including the agreement itself, will remain in full force and effect until its expiration date, including for the purposes of illustration, Article 9, entitled Company and Union Responsibilities.

ARTICLE 28 SAVINGS AND RETIREMENT PLAN

Section 1. The Company will contribute to a fund, which is to be administered through the Trust Fund Agreement and Declaration of Trust of the SOUTHERN STATES SAVINGS AND RETIREMENT PLAN, the sum of fifteen dollars (\$15.00) per week for each week of employment for each full-time, regular employee commencing with the first pay period following one (1) year of continuous service.

Section 2. By the execution of the Agreement, the Company authorizes the Employer's

Associations which are parties hereto to enter into appropriate trust agreements necessary to the administration of such Fund, and to designate the Employer Trustees under such Agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

Section 3. If an employee is absent because of illness or injury and notifies the Company of such absence, the Company shall continue to make the required contributions for a period of four (4) weeks.

Section 4. Contributions to the Fund must be made for each week for each regular, full-time employee, even though such employees may work only part-time under the provisions of the Agreement. Employees who work either temporarily or in cases of emergency under the terms of this Agreement shall not be covered under the provisions of this Agreement.

Section 5. Action for delinquent contributions may be instituted by the Local Union or the Trustees. Employers who are delinquent must also pay all attorneys fees and costs of collections.

Section 6. Employees hired prior to January 1, 2003 shall be eligible for the Southern States contributions as defined above in Article 28, Savings and Retirement Plan. Employees hired on or after January 1, 2003 shall be eligible to participate in the Company's 401k plan according to the plans eligibility requirements.

Effective January 1, 2003 the Company agrees to make available the following Retirement Savings Plan to cover employees in the Amarillo plant bargaining unit.

1. Employees are eligible to participate on the first day of the month following the month coincident with or following three (3) months of full-time service.
2. Employees can save from 2 to 60 percent, up to IRS limitations, of their pay on a pre-tax basis.
3. After completion of one (1) year of service, the Company will match, dollar-for-dollar, the employees' contribution up to three (3) percent of pay. Plus, the Company will match half (1/2) of the employees further contributions up to the next two (2) percent of pay.
4. Employees are immediately one-hundred percent (100%) vested in their and the Company's contributions.
5. Generally, there are three ways in which an employee can receive their accounts: 1) distributions when employment ends; 2) withdrawals; and 3) loans. Withdrawals and distributions are subject to income taxes.

ARTICLE 29 WAGE RATE CLASSIFICATION - NEW OR CHANGED JOB CONTENT

Section 1. 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. If the Union disagrees with the hourly rate, it may file a written grievance at Step 2 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 department, giving proper consideration to the job content and skill involved.

ARTICLE 30 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 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 the exercise of the 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 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 Contract or any written amendment hereto shall be held invalid by operation of law or by any 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 Contract and of any written amendments thereto, or the application of such Article or Section to persons or circumstances other than those as to which such provisions has been held invalid or to which compliance with or enforcement has been restrained, shall not be affected thereby.

**ARTICLE 31
DURATION OF AGREEMENT**

This Agreement shall become effective November 11, 2002 and shall remain in full force and effect until November 11, 2007. Either party may on or before sixty (60) days prior to the expiration date of this Contract give notice to terminate the Agreement. If such notice is not given, the Agreement shall renew itself for successive one (1) year periods until notice is given. Such notice shall be given by registered or certified mail.

Dated this 22nd day of November, 2002.

FOR THE UNION:

Rusty Stepp
Alfredo Soltero
Geno Provost
Rocky Blevins

FOR THE COMPANY:

Bruce Pautsch
David Hixson
Kurt W. Suther
Hector Gonzalez
James Crow

**ARTICLE 32
UNION MANAGEMENT COMMITTEE**

The Company and the Union agree to appoint members of a Union-Management Committee which shall include among its members, the Business Representatives of the Union, who shall meet monthly.

APPENDIX A

**Group Health & Other Benefits
Summary of Coverage**

(This Summary of Coverage contains only the highlights of the employee welfare benefit plans available to hourly Team Members, and is not meant to interpret or expand or in any way change the provisions of the governing plan documents. This document is a summary only and therefore does not attempt to cover all of the details of each employee welfare benefit plan, including all of the conditions, limits and exclusions applicable to the provision of benefits under these plans.)

Cost

The cost of Group Health Plan coverage is shared by Tyson Foods and its Team Members. Weekly payroll deduction amounts are as follows:

	BASIC	PREMIUM
Single Coverage	\$10.00	\$15.00
Family Coverage	\$27.00	\$40.00

Each Team Member enrolled in the Group Health Plan will have the amount of his or her required contribution deducted from each paycheck on a before-tax basis.

SUMMARY CHART OF MEDICAL BENEFITS

Description	Basic Plan		Premium Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible Individual Family	\$300 \$600	\$300 \$600	\$300 \$600	\$300 \$600
Coinsurance	80% of network fee schedule	50% of out-of-network fee schedule	80% of network fee schedule	50% of out-of-network fee schedule
Out-of-Pocket Maximum Individual Family	\$2,300 \$4,600	No Limit	\$1,300 \$2,600	No Limit
Lifetime Maximum	\$1,000,000		\$1,000,000	
Covered Expenses				
Primary Care Office Visit (Provided by OB/GYN, Pediatrician, Internist, or Family Practice)	\$20 Copay (deductible waived)	After deductible, 50% of out-of-network fee schedule	\$20 Copay (deductible waived)	After deductible, 50% of out-of-network fee schedule
Specialty Office Visit	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule
Hospital/Surgical Inpatient & Outpatient	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule
Hospital Pre-notification Penalty	50% of Plan benefits to a maximum of \$1,000		50% of Plan benefits to a maximum of \$1,000	
Lab & X-ray	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule
Emergency Room	After deductible and \$100 copay, 80% of network fee schedule	After deductible and \$100 copay, 50% of out-of-network fee schedule	After deductible and \$100 copay, 80% of network fee schedule	After deductible and \$100 copay, 50% of out-of-network fee schedule
Home Health Care/Hospice	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule
Chiropractic \$500 annual maximum	After deductible, 50% of network fee schedule	After deductible, 50% of out-of-network fee schedule	After deductible, 50% of network fee schedule	After deductible, 50% of out-of-network fee schedule
Mental & Nervous <i>Inpatient</i> -10 day annual max <i>Outpatient</i> -30 visit annual max	Not Covered until 5 continuous years in the health plan	Not Covered until 5 continuous years in the health plan	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule
Substance Abuse <i>Inpatient/Outpatient</i> -30 visit annual max \$2,000 annual maximum \$25,000 lifetime maximum	Not Covered until 5 continuous years in the health plan	Not Covered until 5 continuous years in the health plan	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule
Preventive Care Services Routine Physicals Routine Mammograms Well Child Visits Well Child Immunizations	Not Covered Not Covered Not Covered Subject to	Not Covered Not Covered Not Covered Subject to	After deductible, 80% of network fee schedule	After deductible, 50% of out-of-network fee schedule

(up to age 17) Hearing Exams & Tests	deductible & coin. Not Covered	deductible & coin. Not Covered	
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Note: Benefits under the Group Health Plan are subject to medical necessity and usual and customary standards and to customary limitations and exclusions which means that benefits will not be available for certain procedures, services and expenses, including, but not limited to the following categories: Cosmetic Procedures, Operation on Teeth, TMJ & Related Care, Obesity & Weight Control, Gastric Bypass, Tobacco Addiction Treatment, Education or Training, Artificial Insemination, In vitro Fertilization, Hearing Aids, Vision Therapy, Radial Keratotomy/Lasik, and Experimental/Investigational.

CareMark Prescription Drug Coverage

Prescription drug coverage under the Group Health Plan begins following eligibility and enrollment for medical coverage.

Prescription drugs are purchased through the Caremark CarePerform Network or the Caremark Mail Service Program. On-line internet services are available at www.caremark.com. You can also call Caremark at 1-800-390-2319.

Prescription drugs purchased out-of-network are subject to an annual deductible.

Prescription Drug Coverage	In-Network	Out-of-Network
Retail (Up to 30-day Supply)		
Generic	100% after \$10 co-pay	\$50 deductible then 50% of network fee schedule
Preferred Brand (on Caremark's Preferred Drug List)	100% after \$20 co-pay	\$50 deductible then 50% of network fee schedule
Non-Preferred Brand (not on Caremark's Preferred Drug List)	100% after \$30 co-pay	\$50 deductible then 50% of network fee schedule
Mail Order (Up to 90-day Supply)		
Generic	100% after \$20 co-pay	\$50 deductible then 50% of network fee schedule
Preferred Brand (on Caremark's Preferred Drug List)	100% after \$40 co-pay	\$50 deductible then 50% of network fee schedule
Non-Preferred Brand (not on Caremark's Preferred Drug List)	100% after \$60 co-pay	\$50 deductible then 50% of network fee schedule

Dental Care Coverage

Dental coverage under the Group Health Plan starts automatically six months after medical coverage and the type of coverage will be the same as the medical choice of Family versus Single and Basic Plan versus Premium Plan.

There is no provider network for dental services. All dental claims are processed by CIGNA, and the Plan pays up to usual and customary charges.

Dental Coverage	BASIC	PREMIUM
Deductible (Calendar Year)	\$50/Individual	\$50/Individual
Annual Benefit Maximum	\$500/Individual	\$1,000/Individual
Preventive	100% of usual and customary	100% of usual and customary
Basic	After deductible, 80% of usual and customary	After deductible, 80% of usual and customary
Major	After deductible, 50% of usual and customary	After deductible, 50% of usual and customary
Orthodontic • \$500 lifetime maximum	Not covered	50% of usual and customary for dependent children under age 23 only.

Covered Care

Preventive: Includes routine exams, cleanings and bitewing x-ray twice each year.
Basic: Treatments such as fillings, extractions, periodontal visits and root canals.
Major: Treatments such as TMJ, crowns and dentures.

Vision Care Coverage

Vision coverage under the Group Health Plan starts automatically six months after medical coverage and the type of coverage will be the same as the medical choice of Family versus Single and Basic Plan versus Premium Plan.

Vision coverage, provided through Vision Service Plan (VSP), features a network of independent vision care providers. **There is no coverage for out-of-network providers.**

Vision Coverage	BASIC	PREMIUM
Eye Examination	\$25 co-pay Once every 12 Months	\$20 co-pay Once every 12 Months
Lenses*	\$25 co-pay Once every 24 months	\$25 co-pay Once every 24 months
Frames*	Up to \$75 retail value Once every 24 months	Up to \$120 retail value Once every 24 months
Contact Lenses*	\$25 co-pay up to \$75 retail value ¹ Once every 24 months	\$25 co-pay up to \$120 retail value ¹ Once every 24 months

*Coverage is for either contact lenses OR frames/lenses, but not both.

Lenses include standard single vision, bi-focal and tri-focal lenses. Other lens types such as progressive, shaded, etc. can be purchased at an additional cost.

¹Your allowance applies to the cost of your contact lens exam and contact lenses. A 15% discount is applied to the cost of your contact lens exam from a VSP Provider. Your contact lens exam is performed in addition to your routine eye exam to check for eye health risks associated with improper wearing or fitting of contacts.

**APPENDIX B
RATES OF PAY - PRODUCTION**

Effective November 25, 2002, the rates of pay shall be:

Carcass/Hides:

Start Rate: \$9.00 to be a minimum
Progression: \$.50 @ 6 months, base @ 1 year.

	At Ratification	11/10/03	11/08/04	11/14/05	11/13/06
Base Rate	\$.55	\$.20	\$.20	\$.20	\$.20
Increase					
New Rate	\$10.50	\$10.70	\$10.90	\$11.10	\$11.30

Processing:

Start Rate: \$9.00 to be a minimum
Progression: \$.50 @ 6 months, base @ 1 year.

	At Ratification	11/10/03	11/08/04	11/14/05	11/13/06
Base rate	\$.55	\$.20	\$.20	\$.20	\$.30
Increase					
New Rate	\$10.25	\$10.45	\$10.65	\$10.85	\$11.15

CARCASS/TANNERY

Base

Cattle Drivers & Stockyards
Clean & Rinse Heads
Squeegee
Pack Rennets, Lungs
& Ined. Livers
Box Maker
Wash Tallow Cars
Rendering Clean-Up

Hang/Dump Cars
Separate/Bag Eartags
Hang Hides
Pack Weasand
First Hangoff & Cut
Off Hocks
Grade/Brand Tongues

Blow Hocks
Clean Up
(Production)
2nd Hangoff & Cut
Off Hocks
Painter
Grade Green Hides
Grade/Inspect
Check & Head Meat

Grade 1 (Base + \$.05)

Cut Off Front Feet
Dehorn & Notch Ears
Trim Grubs & Bruises
Rip Face/Notch Ears
Wash Tails & Trim
Trim Midline
Split Heads

Save Sweetbread
Save Brains & Pitts
Rail Off and Push Up
Number & Eye Paper
Trim Man (Cooler)
Remove Foreshank
Wash Tails

Wash Beef
Notch Tails. Drop
Flanks
Clear Necks
Save Tendons

Grade 2 (Base + \$.10)

Trim Glands from Head
& Tongue
Cold Offal & Load Out
Product
Load Out Product--
Rendering
Save Racquet & Suture
Gut
High Trim
Remove Pizzle Cord/
1st High Trim
Pull, Wash & Hang Rennets

Run Rounds
Remove Pluck, Separate
Hearts & Lungs
Pull Pancreas & Remove
Round
Separate Paunch & Peck
Remove Paunch & Lung
Open & Dump Paunchs
Wash Paunchs
Trim & Scrape Paunch
Hot Beef Roller

Denude Tripe
Sack Tripe
Strip Weasands
Pack Hot Offal
Push Cold Cattle
Operate Steam Vac
Stamper
Pack & Scale Offal
Fork Lift Operator
Push Hot Cattle

Grade 3 (Base + \$.15)

Poleman
Manifester
Freezer Man
Knocker
Shackler
Rip Tails & Mark Pattern
Mark Aitch & Trim Mid-Line
Operate Side Puller
Saw Brisket
Operate Up Puller
Drop Bungs & Notch Tails
Dejoint Heads
Raise Gullets

Operate Belly Ripper
Operate Chiseler
Pre Gutter
Rod Weasand
Tongue Dropper
Laundry
Pull, Cut Fat & Tie Gut
Trim Paunch & Peck
Trim Hearts & Livers
Skin & Devein Livers
Head Boners
Saw Horn & Tag Cattle
Lipper

Sawing (Cooler)
Flush Heads
Rendering
Operators
Hide Scalers
Rib Down & Trim
Up Puller and Tie
Down Operator
Drop. Tag. Flush &
Trim Heads

Grade 4 (Base + \$.30)

Ribbing
 Skin Heads
 Sharpen Air Knives
 Sharpen Straight Knives
 Lugging Buggy Crew (load)

Rendering Leadman
 Trim Out
 Final Rail
 Pop Kidneys
 Flething Machine
 Operator Grade 4
 + \$.20
 Hide Trimmers + \$.20

Sticker
 Operate Down
 Puller

Grade 5 (Base + \$.90)

Rib & Stamp Beef
 All Air Knife Skinning Jobs
 Cooler Leadman

Lugger
 Edible System Mechanic
 Hide Fork Lift Operator

Blue Wring Crew
 Lime Flesh Crew

Grade 6 (Base + \$.95)

Leg Front Feet (Pattern Marker)

1st Leg

2nd Leg

Grade 7 (Base + \$1.15)

AHT

Grade 8 (Base + \$1.25)

Utility

Grade 9 (Base + \$1.80)

Gutter

Beef Splitter

PROCESSING, CLEANUP**Base**

Floor Clean-up (Dry Clean-up
 All Lines)
 Rehang Rounds
 Pull Meat & Bone From Table
 Watch Bone Hole
 Extruder Operator (All Lines)
 Haul, Weigh. & Dump Inedible
 General Worker Trim &
 Ground Beef
 Box Ground Beef
 Stuff Meat in Bags (All Lines)
 Apply-Bone Guard
 Zip-Net Chuck Roll,
 109 Ribs
 Compactor Clean-Up
 Hang Trolleys

Grade 2 (Base + \$.10)

Trim Boneless Short Rib
 Pull 80/20 Arm/Trim
 Foreshank
 Retrim 50/50 Trim
 Trim Baby Bones
 Spare Rib Bone Cleaner
 Trim Deckle
 Whizard (All Lines)
 Trim 60/40
 Trim Chuck Tender
 Pack Meat in Boxes
 Trim Rib Eyes
 Retrim Shank Meat
 Finger & Trim Brisket
 Bone
 Wash & Trim Dirty
 Meat & Bone
 Drop Chucks

Packaging Set Up &
 Breakdown
 Scrape Bone Dust &
 Boneguard C-P
 Scrape Bone Dust &
 Measure Chuck C-P
 Combo Fabricator (M.H.)
 Control Fat Percentage
 Lean Picker
 Case Sealers Box Checkers
 Box Spare Ribs
 Dump 60/40 Trim
 Inspect 50/50 Trim
 Label Boxes
 Pull Out Rib Caps
 Pull 60/40 Chuck Caps

Trim Short Ribs & Bones
 Clean Ribtail Bones
 Pull Deckle & Oyster
 Trim Contamination
 Drop Elephant Ear
 Drop Hinds
 Trim Chuck Short Ribs
 Trim Clods
 Whizard Operator
 80/20 Trimmer
 Clean Short Rib Bones
 (Rib & Chuck)
 Trim Kosher Rib
 Finger Plate Bones
 Clean Brisket Bones
 Trim Shanks
 Trim Oysters
 Trim Fat & Bone From Trim

Inspect 80/20 Trim
 Inspect Shank Meat
 Bag & Transfer
 Special Trim
 Bag Ball Tip
 Handle Rejects &
 Supplies
 Bag Flap Meat/Bag
 Tri Tip
 Boneguard & Bag
 Short Rib
 Bag Flank Steak
 Rework Boxes
 (Rejects)
 Night Cleanup
 Skinner Operator

Drop Wings
 Pull Spinal Cords
 (C-P)
 Arm Trimmer (C-P)
 Trim Shin & Shanks
 (C-P)
 Box Sealer (M.H.)
 Knife Lean Corner
 From Plate
 Lane Sorter (M.H.)
 Retrim Hindshank
 Retrim 80/20 Trim
 Retrim Shank Meat
 Label & Pack Meat
 in Boxes
 (All Products)
 Bag & Box Kidney
 Night Cleanup
 Leadperson

Grade 3 (Base + \$20)

Saw Wings
 Drop Kidney & Hanging Tender
 Saw Kosher Ribs
 Pull & Trim Lifter Meat
 Trim Inside Skirts
 Trim Outside Skirts
 Trim Flank Steaks
 Trim Brisket
 Trim Hanging Tenders
 Bone & Trim Loin Wings
 Pull Feather Bones
 Pull Finger Bones
 Trim Strips
 Q.C. Whizard Test (10 Bone Test)
 Separate & Trim Bottom Sirloin/Trim Ball, Tri, & Flap

Bone & Trim Knuckles
 Trim Insides
 Trim Goosenecks
 Whizard Gooseneck Cartilage
 Grinder/Blender Operator
 Saw Hocks
 Operate 8200's, 8300's (All Products)
 Seam Rounds (Table)
 Trim Top Sirloins
 Trim Outside Loins (C-P)
 Box Sorter (M.H.)
 Tare Setter (M.H.)
 Box Loader
 Trim Boneless Blade Chuck

Trim Blade Roll
 Trim Kosher Lifter Meat
 Remove Finger Bones From Strip
 Remove Button Bones From Strip
 Scale & Manifest
 Resaw Short Rib
 Lumper (M.H.)
 Panel Operator

Grade 4 (Base + \$35)

Unload Trams
 Push Up & Transfer Beef
 Pull Tags & Feed Chain
 Bone Arms
 Roll Chucks
 Pull Flank Steaks
 Drop Gooseneck (Chain)
 Fork Lift Operator
 Packaging Lead Person

Rework Product (Rejects)
 Bone Foreshank (Table C-P)
 Middle Transfer
 Blade Trimmer (C-P)
 Bone Arm (C-P)
 Round Trimmer (C-P)
 Saw Loin Wing From Loin (C-P)
 Hydrosept Operator

Separate Bottom Butt From Head Loin (C-P)
 Separate Hind Shanks
 Separate Arm Chuck
 Separate Foreshanks (Chain)

Grade 5 (Base + \$50)

Drop Chuck & Clod
 Bone Brisket (C-P)
 Drop Flank
 Pull Scapula, Pull & Trim Tender
 Pull Kosher Rib

Pull Tissue, Lift Skirts, & Bone Plates
 Trim Pastrami
 Trim Tenders
 Pull Aitch Bones
 Light Utility

Rework Lead Person
 Laundry Operator
 Box Former Operator (M.H.)
 Picker (M.H.)

Grade 6 (Base + \$.65)

Well Saw (All)
 Saw Shells

Pull 13th Rib
 Lugging Buggy (Grade 6 + \$.15)

Knife Sharpener

Grade 7 (Base + \$1.15)

Saw Ribs
 Saw Strip

Bone Top Sirloin
 Seam Rounds (Chain)
 Saw Chine Bone & Short Rib From Rib

Pull Knuckle (Regular & Peeled)
 Pull Knuckle & Drop Round (C-P)

Grade 8 (Base + \$1.50)

Split Forequarters & Lift Skirt

Chuck Saw
 Operate Loin Clippers

Grade 9 (Base + \$1.55)

Bone Ribs

Grade 10 (Base + \$2.75)

Pull Clod

Pull Tenders

Bone-Blade Chucks

**APPENDIX C
 RATES OF PAY - MAINTENANCE**

Level:	M0	M3	M4	M5	M6	M7	E7
Current Rate	\$9.80	\$9.80	\$10.35	\$10.85	\$11.35	\$12.40	\$12.80
Prop Rate	\$11.00	\$11.00	\$11.00	\$12.00	\$12.55	\$14.25	\$15.25
Change	\$1.20	\$1.20	\$.65	\$1.15	\$1.20	\$1.85	\$2.45

Note: M0, M3 and M4 shall be considered the start rate in maintenance and will be a minimum rate subject to change. Maintenance rates of M5 and above will be subject to the contractual increases in Processing starting with year 2 of the new agreement.

Effective Date	Increase
November 10, 2003	\$.20
November 08, 2004	\$.20
November 14, 2005	\$.20
November 13, 2006	\$.30

**APPENDIX D
RATES OF PAY - TRANSCONTINENTAL COLD STORAGE**

<u>Position</u>	<u>Rate at ratification</u>
Labor	\$9.00
Janitor	\$9.00
Warehouse 2	\$9.60
Warehouse 3	\$9.85
Scanner Operator	\$9.45
Pusher	\$10.10
Forklift	\$10.60

The Freezer rates (except the start rate) will be subject to the "Processing" contractual increases for year 2, 3, 4 and 5 of this agreement.

<u>Effective Date</u>	<u>Increase</u>
November 10, 2003	\$.20
November 08, 2004	\$.20
November 14, 2005	\$.20
November 13, 2006	\$.30

**APPENDIX E
RATES OF PAY - FORWARD WAREHOUSE**

<u>Position</u>	<u>Rate at ratification</u>
Labor	\$9.00
Janitor	\$9.00
Forklift	\$10.45
Picker Forklift	\$10.75

NOTE: The above Warehouse rates (except the start rate) will be subject to the "Processing" contractual increases for year 2, 3, 4 and 5 of this agreement. OT after eight (8) hours shall no longer apply in the Warehouse.

<u>Effective Date</u>	<u>Increase</u>
November 10, 2003	\$.20
November 08, 2004	\$.20
November 14, 2005	\$.20
November 13, 2006	\$.30

MEMORANDUM OF UNDERSTANDING

This memorandum is hereby made a part of the Labor Agreement between IBP, Dakota Dunes, South Dakota, for its Amarillo, Texas facility and Teamsters Local Union 577 dated November 11, 2002 through November 11, 2007.

SUBJECT: COMPLEX NIGHT CLEANUP

Cleanup operations shall be conducted on a complex wide basis. Employees will not be allowed to bid into clean up from other divisions for the purpose of transferring to the other production divisions. A reasonable number of clean up employees will be allowed to bid to either carcass or processing divisions each month.

For the Company:

Hector Gonzalez

For the Union:

Rusty Stepp

MEMORANDUM OF UNDERSTANDING

This memorandum is hereby made a part of the Labor Agreement between IBP, Dakota Dunes, South Dakota, for its Amarillo, Texas facility and Teamsters Local Union 577 dated November 11, 2002 through November 11, 2007.

SUBJECT: DIVERSITY COMMITTEE

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 Amarillo, Texas 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 issues, 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 (as listed) and employee representatives (as designated by the Union). Membership will include Plant Manager, Plant Superintendent, Plant Personnel Managers, Plant Union Representatives, Processing (two from A shift and two from B shift), Kill Floor (two from A shift and two from B shift),

Rendering (one), Material Handling (one), Clean-Up (two, one from Processing and one from Slaughter), Maintenance (two, one from Processing and one from Slaughter), and Hides (one).

The Diversity Committee shall meet monthly at a time and place designated by Plant Management.

For the Company:

Hector Gonzalez

For the Union:

Rusty Stepp