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AGREEMENT

This Agreement made and entered into by and between JBS USA, LLC, its successors and assigns (hereinafter called the "Company") and District Union Local 227 of the United Food and Commercial Workers International Union (hereinafter called the "Union") as representative of such employees of the Company as are butcher workers, excluding all other employees including salesmen, office employees, supervisors, city, country and over-the-road truck drivers, dock hands, helpers, mechanics and garage men and operating engineers under the jurisdiction of Local 320, International Brotherhood of Firemen and Oilers.

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 Union may designate one (1) Union Plant Representative among the Company's employees who shall have as their job duties administration of this Agreement including safety assignments and the processing of grievances. The Company will pay the Union Plant Representative Bracket 6 pay up to forty (40) hours per week upon receiving a signed and dated form from the Union Plant Representative setting forth a summary of issues addressed with the status. The Union Plant Representative will punch in and out for attendance purposes. The Company agrees to grant the Union Plant Representative one (1) day of paid leave each calendar year for Steward Training and Education. The Union Plant Representative will continue to receive benefits on the same terms following designation as a Union Plant Representative.

When the Union Plant Representative is not at work for a scheduled absence the Union will assign another Steward to fill the position for that time period.

The Union Plant Representative program shall be reviewed by the Company and Union as needed to recommend adjustments, if any. If the program has not served the intent and purpose of Article 2 of this Agreement, the Company may discontinue the program with a ninety (90) day written notice.

Section 4 – Should the Company add a second shift Cut and Kill there will be another Union Plant Representative for second shift.

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 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 – Foremen or other personnel may perform duties that are necessary in the conduct of the business under the following circumstances; for the purposes of breaking in a new operator or operators on a new job and instructing operators; for the purpose of taking an operator's place temporarily in such cases as failure to show up to work or who had to be relieved due to injury or sickness or who for other reasons is temporarily absent from the job.

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.

Section 4 – The Company may institute, add to, modify or change work rules, absentee policies and drug screen programs subject to the union's right to utilize the grievance and arbitration provisions of the contract. Copies of the foregoing will be sent to the Union.

ARTICLE 4-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 such 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 good 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 provision 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.

Section 5 – A representative designated by the Union will be permitted to meet with new employees during the Company’s initial orientation program for new employees for the purpose of informing such employees of their rights and responsibilities as members of the Union. Such union orientation will normally not exceed one-half (1/2) hour in duration; however, should a situation arise requiring additional time the Company will grant necessary time to complete the union orientation session.

ARTICLE 5- NON DISCRIMINATION

Section 1 – 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, veterans status of disability.

Section 2 – **Harassment Prohibited** – Harassment of any employee due to that employee’s race, color, sex, religion, national origin, age, veterans 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 upon a person’s protected status, such as sex, race color, ancestry, religion, national origin, age, disability, marital status, or other protected status. The Company will not tolerate harassing conduct that affects tangible job benefits; that interferes unreasonably with an individual’s work performance; or that creates an intimidating, hostile or offensive working environment.

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

Prohibited sexual harassment may include explicit sexual proposition, sexual innuendo, suggestive comments, jokes, obscene language or gestures, displays 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 other 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 Manager. The Company will investigate all such complaints thoroughly and promptly. To the fullest extent practicable, 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 the 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 alternative. 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, as amended, and the provisions of the this Agreement. However, in the event a reasonable accommodation may necessitate the modification or waiver of any provision of this Agreement, the Company and the Union will meet to discuss same.

Section 5 – Gender Reference – It is understood that any and all reference in this Agreement to the masculine gender shall also refer to the feminine gender and any and all references to the feminine gender shall also refer to the masculine gender unless the context clearly indicate the contrary.

Section 6- Waiver of Contractual Rights – If any employee claiming a violation of this Article elects to proceed to an administrative agency or to court during the pendency of a grievance or at any time prior to the issuance of the written opinion and award of an arbitrator, the grievance will be considered to have been withdrawn without prejudice.

ARTICLE 6 – CHECK-OFF AND UNION SECURITY

Section 1 – The Company, upon written authorization of the employee, shall deduct from the pay received each week by such employee, the Union dues, initiation fees and assessments for the current week and promptly remit same to the appropriate officer of the Union. Deductions for dues shall be done on a weekly basis.

Section 2 – The Union shall indemnify and save the Company harmless from any claims, suits, judgments, or attachments, and from any other form of liability as a result of

making any deduction in accordance with the foregoing authorization and assignment under the conditions permitted by law.

Section 3 – The Company will check –off for ABC as per written instructions from the Union.

Section 4 – The Company will provide the Union a computer printout setting forth the amount of each deduction, reasons for not making deductions and other relevant information.

Section 5 – Once during each twelve (12) month period during the term of this Agreement, the Local Union will be furnished by the plant a list of the names and addresses of employees in the bargaining unit.

Section 6 – All present employees, as a condition of continuing employment shall become members of the Union not later than the thirty-first (31st) calendar day of employment, shall become members of the Union not later than their thirty-first (31st) day of employment. All employees present and future shall be required to maintain continuous membership in the Union in good standing as a continuous condition of employment during the life of this Agreement. These provisions covering the Union membership shall become effective only if and when the parties have complied with the applicable requirements of federal laws.

ARTICLE 7 – GRIEVANCE PROCEDURE

Section 1 – Should the Union or any individual employee desire to process a grievance pertaining to a specific violation of this Agreement, or violation of employee’s working conditions, the matter shall be handled according to the following steps. In the event of disciplinary action involving a discharge, it is understood that a grievance which may be filed will commence at the Step 2 level within ten (10) working days of knowledge.

Step 1. The employee involved, with a Union representative if he so desires, shall present the matter (verbally) to the affected Supervisor within three (3) working days of the knowledge of the incident. The Supervisor shall answer the employee with (3) working days.

Step 2. If the matter is not settled in the First Step, the Union shall present the matter to the Human Resources Manager or his designated representative and his affected supervisor. Grievances in this Step must be presented in writing within ten (10) working days after the answer of the First Step. The Human Resources Manager or his designated representative shall have five (5) working days in which to give an answer in writing to the Union.

Step 3. If the matter is not settled in the Second Step, the Union shall present the matter to the General Manager or his designated representative. Grievances in this step must be presented in writing within ten (10) working days after the answer in Second Step. The

General Manager or his designated representative shall have five (5) working days within which to give his answer in writing to the Union.

Section 2 – Pre-Arbitration Hearing (Step 4) – If the matter is not settled in the Third Step, the Union shall present the matter to the Company Industrial Relations Division. Grievances in this step must be presented in writing within ten (10) working days after the answer at the Third Step. The Company Industrial Relations Division shall have five (5) working days in which to give the Union an answer in writing. The affected steward and the employee shall present the grievance on their own time. If the grievance is not resolved in this step the grievance may be submitted to an impartial arbitrator to be selected by mutual agreement of the parties. (If both Company and Union agree in writing to waive 4th step, grievance will go directly to arbitration.) A written request for arbitration shall be made within seven (7) days of the Pre-Arbitration answer. A written request for arbitration shall be made within thirty (30) days of the written notification that the Union wishes to arbitrate. If such written request is not made within the thirty (30) day time limit to the Federal Mediation and Conciliation Services the grievance shall be ended and the subject matter of the grievance shall be settled. Either party shall have the right to request a list of seven names from the Federal Mediation and Conciliation Services. The parties will strike names alternately to determine which arbitrator shall sit on the arbitration. His decision in the grievance shall be final and binding upon the employee(s) involved and upon the parties to this Agreement, provided he shall not have authority other than to apply the terms and conditions specifically set forth in this Agreement. It is recommended that the Arbitrator shall submit his decision, in writing within thirty (30) days after the conclusion of the hearing or hearings as the case may be. The compensation and necessary expenses of the arbitration shall be borne equally by the Company and the Union.

The parties may, by mutual agreement, substitute binding or non-binding mediation in place of or prior to arbitration.

Section 3 – The parties agree that the time allowed to process a grievance is adequate. If the Union fails to process a grievance in the time specified herein, the grievance is ended. However, if either party requests a reasonable extension, the time limit specified for any step of the grievance procedure may be extended by mutual agreement of the Company and the Union representative involved in that step. Such agreement must be in writing, for a definite time period, and signed by each representative. In the event the Company fails to answer the grievance in the specified time period, the grievance shall automatically advance to the next step.

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

Section 4 – In the event an employee is reinstated by an arbitrator, the maximum liability of the Company shall be the employee's lost JBS earnings reduced by all compensation received by the employee during the discharge period from other employment, unemployment compensation, worker's compensation or other earnings.

Section 5 – If grievances are scheduled during working hours, the Company will make available the designated Union representative, the affected steward and the grievant to attend such meetings.

Section 6 – The Company will provide space to the Union for a desk and file cabinet for use by the steward.

ARTICLE 8 – GUARANTEE

Section 1 – The Company guarantees to each regular, full-time employee thirty-six (36) hours of work or pay equivalent to the thirty-six (36) hours at his straight-time hourly rate of pay for each week of employment Monday through Friday, Tuesday through Saturday or for shift operators, first five continuous days 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 full shift on which the plant is unable to operate because of the above.

Section 2 – Employees displaced or recalled because of the operations of the seniority provision of the Agreement, shall receive pay for only those hours worked in the week of such displacement or recall.

Section 3 – The Company shall notify affected employees of a shorter workweek on or before Friday of the prior week, in which event the guarantee shall be reduced to thirty-two (32) hours pay at their regular rate not to exceed seven (7) times per contract year per employee. This section will be calculated on an individual employee basis in determining the seven (7) times the guarantee may be reduced to thirty-two (32) hour pay.

Section 4 – Daily Guarantee – Employees called or recalled to work will be provided with a minimum of four (4) hours work or pay in lieu of work, barring an emergency and where the Company notifies employees a minimum of two (2) hours prior to their scheduled starting time via "WHAS". Such pay to start from the hour the employee is required to work.

ARTICLE 9 – SENIORITY

Section 1 – For the purposes of this Article, unless otherwise specifically stated, all time limits referred to in "days" shall be understood to be calendar days.

An employee is probationary employee and shall not acquire seniority rights until he has completed forty-five (45) actual days of work within ninety (90) calendar days. For the purpose of achieving benefit hours only (i.e., jury duty, holiday pay, funeral leave, guarantee) the probation period shall be thirty (30) calendar days. It is understood that the Company may at its sole discretion discipline or terminate a probationary employee. It is also understood that the time spent in the Casual Crew shall not be counted as time spent in the probationary period. Upon completion of the employee's probationary period they will be considered to be a regular full-time employee.

The Company may, with advance notice to the Union, extend an employee's probationary period up to fifteen (15) workdays for appropriate reasons. Such extensions shall be in writing and signed by the Company the Union and the employee involved. It is understood that the Company will not abuse the use of probationary extensions.

Section 2 – There will be five (5) Seniority Divisions:

Slaughter	Boning
Fabrication	Value Added Product
Maintenance	

Section 3 – There will be departments within a division for selection of vacations.

Section 4 – Biddable job vacancies, including new jobs, but excluding Bracket zero (0) jobs, will be posted in a centrally located bulletin board and the sign in sheet will be in the Human Resources Department from Thursday through Tuesday. Except for new operations in a trial or experimental status, job openings will be posted one week after the vacancy occurs or the previous jobholder qualifies for their new position. Anyone interested in the vacancy will be required to sign the posting. If an employee signs more than one vacancy during the posting period, they must indicate the order of their preferred choice. (eg#1 = first choice, #2 = second choice, etc) Should an employee fail to indicate the preferred choice, the Company will make the determination. In the event that a higher preferred choice becomes available, the employee will be eligible for that position. The employee will be considered the successful bidder when that bid is awarded. Employees are responsible to notify Human Resources if they would like to be removed from previously signed bid or bids prior to being awarded the previously signed bid. The vacancy will be filled by the employee with the greatest plant seniority. The successful bidder will be notified within five (5) workdays after the posting is removed. Jobs in a new operation in a trial or experimental statues will be posted within ninety (90) days of the start of such operation except in those instances when the Company needs additional time to test or experiment with an operation. In such cases the Company will advise the union of the circumstances surrounding its decision to extend the trial of the operation.

The Company will establish a system (sometimes referred to as an "aging" sheet) to monitor the progress of job placements in the plant. The "aging" sheet or system will be reviewed by the Company and the Union on a regular basis as needed for the purpose of

expediting the job bidding process. The Company will move successful bidders to their new jobs within 30 days following the Monday after being awarded the job. The Company will be allowed an additional 30 days to move employees who bid from Bracket 6, 5, or 4 jobs, provided a conscientious effort is being made to train replacements for these employees. Employees who are not moved to their new jobs within these time frames will be paid the higher of (1) their new bid job or (2) the job from which they bid, until such time as they are moved to their bid job.

Employees not placed in such bid job within thirty (30) days of the date of being awarded the job, will be paid an additional thirty-five cents (\$.35) per hour over the approved rate of the job until such employee is placed on the bid job. This applies to all jobs with the following exceptions: People moving from a Bracket 6, Bracket 5, or Bracket 4 job will not be eligible for the thirty-five cent (\$.35) penalty for a period of sixty (60) days from the date the job was awarded. Subject employee will not be eligible to receive such pay until and unless employee qualifies on the new job, at which time such pay shall be retroactive.

Successful bidder who are unavailable to transition to their new job for person reasons lasting sixty (60) days will be passed over and the next senior bidder will be awarded the job. This provision will not apply to those employees who are not moved within the applicable thirty (30) or sixty (60) days as outlined in this section.

A vacancy which results solely from the filing of a biddable job vacancy will be filled by assignment until the prior holder has qualified, at which time it shall be posted in Human Resources from Thursday through Tuesday. Biddable vacancies in the maintenance division shall be filled in accordance with the provisions of standards of training established by the Company and the Union. All assignments will be based upon seniority and ability to perform the job. An employee who bids and receives a job cannot bid onto another job until he has become fully qualified on his current job.

Section 5 (a) – An Employee who bids and receives a job and it later develops he cannot perform such job or learn it within a reasonable time, shall return to the job for which he was last qualified. The successful bidder to a new job vacancy will be placed on the bid job for no less than five (5) full individual workdays within a continuous ten (10) workday period. The employee must decide whether to accept or turn down the job within this time period. After this initial period of time, the employee can only be removed from the job by management disqualification or by successfully bidding to another job vacancy after he become qualified.

An employee will be considered a successful bidder at the time they are the most senior employee on the posting and will be awarded the position. Employees may successfully bid downward or laterally twice in any twelve-month period.

Notwithstanding the foregoing sentence, if there is a newly created operation, an employee may bid on it even though they have used their downward or lateral bids.

Employees with one (1) year of credited service who are displaced from their job as a result of their job being temporarily discontinued, may, on the Monday following the first full calendar week of such displacement, displace any junior employee within their department provided they are qualified to perform the job of the employee being displaced.

In the event of a layoff in any division, and it appears that such layoff will last in excess of two (2) weeks, an employee with one (1) year of credited service who is displaced from his job may at the time of layoff displace any junior employee in the plant, providing the employee is qualified to perform the job of the employee being displaced. In the event a laid off employee is not qualified to perform another job, he will displace the least senior person in the plant, excluding maintenance employees, providing they are qualified to perform the job or learn it within a reasonable period time. In either case, employees will be recalled to the original department in accordance with seniority and will not have the right to remain in the department where they displaced a junior person. Should the layoff be declared permanent, the employee will be permanently assigned the job of the employee they displaced. Employees shall lose no seniority rights when laid off or when displaced by a senior employee. Recall from layoff shall be by seniority provided the employee is qualified to perform the job or learn it within a reasonable time.

In the event that the Company can give advance notice of a short-term layoff (two weeks or less), employees within the effected department may request to take a voluntary layoff based on seniority and qualifications.

Section 5 (b) – Notwithstanding the above provisions of this Section, the Union Plant Representative of the Union at the Company shall be considered to have the highest plant seniority and the assistant stewards of the Union, in alphabetical order, shall be considered to have the highest plant seniority.

Section 6 – An employee shall lose his seniority and employment rights for the following reasons:

- a. Voluntary quitting (if an employee is absent from work for three (3) or more consecutive days without good cause, he shall be deemed to have voluntarily quit).
- b. Discharge for cause.
- c. He has been off the active or benefit payroll for a period of twelve (12) months. Employees recalled from layoff will have seven (7) working days to return to work after being notified by certified letter or telegram, return receipt requested, sent to their last know address. Employees failing to report within seven (7) working days of the date the certified letter or telegram was sent will lose their employment rights.

- d. Employees shall furnish the Company in writing their address for purpose of giving notices required to be given. All notices shall be deemed to be given to an employee when mailed to his last known address furnished to the Company by the employee.

Section 7 – Seniority lists shall be maintained by the Company and shall be posted every ninety (90) days in at least three (3) conspicuous places and a copy shall be furnished to the Union.

Any protest as to the correctness of the seniority list must be made in writing to the Company within thirty (30) days after the list is posted and delivered to the Union or the list will be deemed final.

Additions and deletions to the seniority list shall be furnished to the local Union monthly.

Section 8 – An employee who leaves the bargaining unit to accept a position with management will lose all seniority rights if he remains away from the bargaining unit for more than thirty (30) days.

Section 9 – When the Company has advance notice that an employee will be absent for a full week or longer, the employee with the most department seniority requesting the job may be moved to fill the vacancy if qualified and on a lower rated job. Assignments will be made on Monday of each week. There will be a limit of one move to fill such vacancies. Subsequent opening will be filled by assignment.

Section 10 – Non-production work done as overtime, such as scraping and painting overheads, cleaning rails, miscellaneous clean-up, fire watch and etc. shall be offered out by plant wide seniority, excluding the Slaughter Division which will be offered by department seniority. The most senior employees will be awarded the overtime if qualified to perform the job. Should no one accept the overtime, the least senior qualified employees will be required to work.

Section 11 – Should the Company choose to augment the weekend production overtime workforce a notice will be posted in Human Resources identifying the department and job skills where work is to be performed. The most senior qualified employees requesting this overtime will be assigned to work. Once an employee signs the overtime list such overtime becomes mandatory.

Section 12 - When feasible, the principle of Senior may/Junior must will apply on daily temporary vacant production and maintenance jobs provided multiple moves are not involved. Jobs are to be filled between start-up and first break.

Section 13 - Employees who have given long and faithful service to the Company and are unable to perform heavy work shall be given preference for such light work as they are still capable of performing.

Section 14 – Employees with fifteen (15) years of service or more may notify the Human Resources office and place their name on file for a specific department(s) containing Bracket zero (0) jobs. When a Bracket zero (0) vacancy arises within the selected department(s) the listed employee will be transferred relinquishing all rights to their current bid job and associated bracket rate of pay.

Employees utilizing this process may use it no more than twice over the life of their career with the Company.

ARTICLE 10-WAGES

Section 1 – The wage rates shall be as set forth in Appendix A.

Section 2 – Regular and Learner Rates

- (a) No employee shall receive less than the applicable brackets provided for in the wage schedule for the job they perform, except in the case of learners. Employees who bid downward will receive the rate of the job to which they bid, employees who bid upward will receive the rate of the job from which they bid until qualified in such new job.

Regular and Temporary Assignment

- (b) For the purposes of this Agreement, an employee's regular rate of pay shall be the authorized rate of his highest rated regular assignment. In the case of an employee being paid a learner's rate under the provisions of Subparagraph (a) above, such learner rate shall be deemed the authorized rate of the job for the purpose of this Subparagraph (b). An employee shall be paid at such regular rate of pay for all hours worked by him while he has such regular assignment, except that for hours worked on a temporary assignment, and for only such hours, he may be entitled to a higher rate of pay under the provisions of the following Subparagraph (b).
- (c) An employee who performs work on a job not his regular assignment or not one of his regular assignments shall be paid for hours worked on such job at the authorized rate for such job or at his regular rate of pay (as defined in Subparagraph (b) above), whichever is higher; provided, however, that if such job is a combination job (a combination job being a job in which the work is covered by two (2) or more job classifications and is performed in the same work cycle), the employee shall be paid for the hours worked on such combination job at the authorized rate for the highest rated job in such combination or at his regular rate of pay (as defined in Subparagraph (b) above), whichever is higher; further provided that (a) if such job consists of work which is covered by two (2) or more job classifications where such job classifications are performed independently and separately of one another, as distinguished from two (2) or more job classifications which are performed in the same work cycle, and (b) if such employee during the course of his work day performs all of the job classifications

covered by such job, the employee shall be paid for the hours worked on that day on such job at the authorized rate for the highest rated job classification included in the job. The higher rate called for in each of the situations described above will be paid for the entire day when the employee works 50% or more of his hours in such day on the higher rated assignment. If any employee is required to temporarily fill a job paying a lower rate, his rate shall not be changed.

Section 3 – Night Compensation – Twenty cents (\$0.20) per hour additional compensation will be paid for work performed between the hours of 6:00 p.m. and 6:00 a.m. Such additional compensation for night work will be added to the regular rate of pay only for purposes of computing daily overtime under Article 25, Section 2(c) when such overtime is worked between the hours indicated above.

Section 4 – Rate Schedule – Rates paid to employees will be available in the Human Resources office for the authorized Union Representative to see at their request.

Section 5 – Payroll Deductions – An itemized statement of payroll deductions shall be furnished with every pay check, envelope, or cash payment, depending on the mode of paying wages.

ARTICLE 11 – CLOTHES CHANGING AND PAY PRACTICE

Section 1 – Clothing Changing – The Company will compensate employees in accordance with applicable law.

Section 2 – Clothing Allowance – It is agreed that the wage rates provided for in the wage rate schedule have been adjusted to include an allowance in lieu of the Company furnishing clothes.

Section 3 – Laundering – Repairing – The Company will continue in effect the present practice of laundering or making minor repairs to the employees' outer work clothes.

ARTICLE 12 – EQUIPMENT FURNISHED BY THE COMPANY

Section 1 – Furnishing Tools – The Company will furnish to employees using them, knives, steels, whetstones, meat trimmers' hooks and overhauling hooks. These tools are to be furnished in addition to all heavy tools and safety devices now being furnished by the Company. The company will to provide boot vendor service.

The Company will provide for an outer garment for maintenance employees when assigned to dirty jobs.

The Company will issue one (1) pair of rubber boots to hog pen employees on an old for new exchange basis. The Company will provide one (1) insulated coverall, no more than once every two (2) years on an old for new exchange basis, to livestock handlers in the hog pens and kill floor employees who drive hogs in the tunnel. New employees will pay

for boots and coveralls; the Company will reimburse them when they become regular full-time employees.

In the event the Company elects to implement an employee uniform or special clothing program, the cost of such program will be borne by the Company.

The Company will provide an allowance of sixty dollars (\$60.00) each contract year to employees who have bid and own a maintenance position or dolly driver for over one (1) calendar year (on the job).

Section 2 – Safety Devices – The Company shall furnish, at its own expense, all safety equipment which it requires the employees to use and the employees must use such equipment so furnished. An employee must turn in to the Company such furnished safety equipment when its use is no longer required, when replacement is deemed necessary and when employment is terminated.

In lieu of Company issued safety glasses, employees may submit their corrective lens prescription to the Company for prescription safety glasses. Except in cases of accidental breakage on the job, prescription safety glasses will be provided no more than once in a twelve (12) month period and only when necessary by virtue of a change in the employee's corrective prescription.

ARTICLE 13 – HOLIDAYS

Section 1 – (a) The following shall be considered as holidays, provided that where one of said holidays falls on Sunday, such holiday shall be observed on the following Monday, if so nationally observed, and further provided, that to the extent federal legislation has established or will establish national observance of any such holiday either on a day other than the calendar day regularly observed in the past or on a day which is substituted for an existing holiday, the nationally observed day shall be the holiday:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Fourth of July	Christmas Day

Two (2) personal holidays will be provided to regular full-time employees each contract year. These holidays will be scheduled at the same time employees are scheduled for vacation.

New employees will be eligible for these holidays six (6) months following the completion of their probationary period.

- (1) For any holiday the General Manager may, by written agreement between him and the Local Union, substitute a day other than the holiday.
- (2) The holiday shall consist of the twenty-four (24) hour period starting at 12:01 a.m. on the calendar day, except that by written agreement between

the Local Union and the Local General Manager, in the case of employees who are regularly assigned to full-time to a continuous operation which is performed twenty-four (24) hours per day and seven (7) days per week during the holiday week, the holiday may consist of the twenty-four (24) hour period beginning at the employee's regular starting time on the calendar holiday or, in cases where the holiday falls on Sunday and is observed on Monday, on the calendar Monday on which the holiday is observed.

(b) Eligibility for Pay for Holiday Not Worked: All regular full-time employees shall be paid for each of the holidays set forth in Section 1 above, provided:

- (1) they are on the payroll and report to work less than 15 minutes after their designated start time and work the hours as ordered on their last scheduled work day before the holiday and their first scheduled work day after the holiday. However, if the employee has been late (by less than 15 minutes) prior to or after a holiday within the previous 12 months, the holiday will not be paid or
- (2) they are laid off:
 - During the holiday week having worked the hours as ordered during the holiday week
 - Before the holiday and are called back to work and work the hours as ordered for the day or days subsequent to the holiday during the week in which the holiday occurs.
 - During the calendar week preceding the holiday week and are called back to work and work the hours as ordered during the calendar week following the week in which the holiday occurs.
- (3) they are laid off during the calendar week preceding the week in which Christmas Day occurs and are called back to work and work the hours as ordered for the day or days during the calendar week following the week in which New Year's Day occurs in which event they shall be paid for both Christmas and New Year's Day.
- (4) The purpose of requiring the employees to work the hours as ordered is to discourage willful tardiness and absenteeism on the employees' last scheduled work day before and their first scheduled work day after the holiday.
- (5) Employees absent from work on account of sickness or accident on a holiday who are entitled to sickness and accident benefit payment under Article 26 for the week in which such holiday occurs, or who during such week are in the waiting period provided for in Article 26 or who during such week would have been in such waiting period if they qualified for sickness and accident benefit payments, shall be paid for eight (8) hours at their regular rate of pay, less the amount of sickness and accident benefit payments actually paid under Article 26 for that holiday.
- (6) If one of the above holidays covered by Subparagraph (a) above occurs within an employee's vacation period, he shall be paid eight (8) hours' pay at his regular rate of pay in addition to his vacation pay. For the purposes of this

Subparagraph, an employee's vacation period shall be deemed to include the week or weeks immediately following the week in which he was laid off to the extent of the number of weeks of vacation pay that he received under Article 14.

- (7) If one or more of the above holidays occur while an employee is away on leave of absence for any reason, the employee shall receive no pay for such holiday or holidays.
 - (8) When a day is substituted for a holiday as provided in Subparagraph 1(a)(1) above, the substituted day will be deemed to be the holiday, provided that where an employee by reason of layoff is not eligible for pay for holiday not worked for the day substituted for the holiday under Subparagraph 1(a)(1) above, he shall receive pay for holiday not worked if he would have received such pay but for the substitution of the day for the calendar year.
 - (9) If an employee fails to report to work or fails to work the hours as ordered on a holiday, he shall receive no pay for not working on that holiday. Employees will be called to work on holidays in departments other than their own only in emergency.
 - (10) If one of the above holidays covered by Section 1(a) above occurs while the employee is given time off by permission without pay to attend such Union functions as a conference or convention or negotiations, he shall be paid eight (8) hours' pay at his regular rate of pay.
- (c) Amount of Pay for Holiday Not Worked - Employees shall be paid for eight (8) hours at their regular rate of pay during the employee's last scheduled work day prior to the holiday.
 - (d) Hours paid but not worked on a holiday shall be considered as work time in computing the additional compensation due, if any, under Article 25, Section 2.

ARTICLE 14-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, four (4) weeks after their fifteen (15th) anniversary and five (5) weeks after their twenty-fifth (25th) anniversary (effective on April 8, 2007) with the Company. For the purposes of this Article, anniversary date is defined as the employee's seniority date.

Employees with five (5) or more years of service may elect to take no more than one (1) week of vacation (five (5) workdays) individually and employees with ten (10) or more years of service may elect to take no more than two (2) weeks of vacation (ten (10) workdays) individually provided:

- (a) written request for the vacation day(s) is submitted to the Human Resources least ten (10) calendar days in advance.
- (b) the day requested is not a Monday;

- (c) granting the requested day off will not displace any employee previously scheduled time off;
- (d) the request can be accommodated and is approved by Management.
- (e) that when the request is for a Friday the employee must indicate on the request form whether or not they will report for work on the scheduled Saturday following the day requested.

Section 2 - Vacation pay shall be calculated on a forty (40) hour work week at the rate of pay based on the employee's regular hourly rate at the time of vacation. For employees with at least ten (10) continuous years service, vacation pay shall be calculated using the average number of hours (total hours compensated in the previous vacation year divided by 52 weeks) or 40 hours at the rate of pay based on the employee's regular hourly rate at the time of vacation, whichever is greater.

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 - 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 5 - The year for vacation purposes is April 8 through April 7. All vacations will be scheduled and taken during the plant's vacation year, beginning annually on April 8. In order to qualify for vacations under this Article, an employee must have arrived on time and worked at least one-hundred ninety six (196) days in the previous vacation year and have passed his anniversary date. The employee must be on the active payroll at the beginning of the vacation year.

Section 6 - Employees will be permitted to receive pay in lieu of taking vacation in excess of one week.

Section 7 - No employee will be required to take vacation while off for a work-related injury. The employee, however, must take any vacation scheduled during their absence prior to returning to work.

Section 8 - In the event an employee quits or is discharged prior to taking an earned vacation, the employee will be paid for the vacation time earned. There will be no pro-rata vacation paid in this event.

Section 9 - Pro-rata vacation will be paid to employees who retire on unreduced age pensions as established by the current pension plan. This pro-rata vacation will be based on the days worked each quarter from April 8 of the year in which the employee retires to the date of retirement.

Section 10 - Employees who have become eligible for a vacation in a particular vacation year and who will become eligible for an additional week's vacation for the first time during the vacation year shall be eligible on April 8 for the additional week's vacation.

He may take his vacation, including each additional week, during the vacation year in which the required service will be completed. In the event an employee's employment is terminated after he has taken vacation and before his anniversary date the vacation pay will be deducted from his last check.

ARTICLE 15 – CASUAL CREW

Section 1 - The Casual Crew will serve as a pool of casual employees to supplement the regular full-time force. Casual Crew employees will only be used to fill temporary vacancies, such as but not limited to vacation relief, S & A relief and other vacancies where the regular holder of the job is temporarily absent but is expected to return. The number of Casual Crew employees working at any one time shall not exceed fifteen percent (15%) of the work force.

Newly hired personnel will normally be placed in the Casual Crew. Personnel added to the regular full-time work force will normally be drawn from the ranks of the Casual Crew.

Casual Crew employees if not hired full-time prior to sixty-five (65) calendar days, will be considered probationary employees.

Section 2 - Members of the Casual Crew are not full-time employees regardless of the hours which they work. The Company may remove an individual from the Casual Crew at its discretion. Members of the Casual Crew will be paid only for actual time worked and are not eligible for the weekly guarantee provision, holiday pay, funeral leave pay, vacation pay, double-time pay or health and welfare benefits provided by the Company, or the other fringe benefits given regular, full-time employees except as indicated in this Section 2.

A Casual Crew member is eligible for time and one-half pay for hours worked in excess of forty (40) hours in any work week.

The wage rate for the Casual Crew will be straight time for hours actually worked at 70% of the applicable base wage rate.

Casual Crew members will participate in the regular breaks of the shift for which they are working.

If a Casual Crew member is chosen for probationary employment, time worked as a Casual Crew member will not be counted towards credited service or seniority with the Company. Casual Crew member's seniority date will be the date of hire as a probationary employee. Further, Casual Crew members who are hired as probationary employees will go through the probationary period just as any other newly hired, probationary employee – and failure to qualify will cause dismissal from the Company and prevent that employee's return to the Casual Crew.

Section 3 - The Company will not temporarily assign a regular full-time employee to a different job if there is an available Casual Crew employee who is qualified to perform that job. To the extent practicable, the Company will train Casual Crew employees on different jobs.

Section 4 - It is understood that the provisions of Article 15 shall be suspended for the term of this agreement unless and until the company gives written notice to the union at least 60 days in advance of activating the provisions of this Article.

ARTICLE 16 – MILITARY POLICY AND SUMMER ENCAMPMENT

Section 1 – (a) Employees leaving work for military services in the uniformed service shall be accorded all rights to which they are entitled under the provisions of The Uniformed Services Employment and Reemployment Rights Act (USERRA).

- (b) An employee who leaves or has left a position in the employ of the Company in order to enter upon active service in the Armed Forces of the United States, under such circumstances that under the laws of the United States he has the right to be re-employed by the Company provided he satisfies the conditions of such laws, shall, upon his having satisfied such conditions, be restored to that position to which he is entitled under such laws.
- (c) Unless the Company is required by said laws of the United States to do otherwise, the provisions of the preceding Section 1(b) mean that such employee shall be reinstated in his former position or to a position carrying a rate not less than that in effect at the time of his return on his former position unless during his absence:
 - (1) An opening has occurred on a higher rated job and an employee with less seniority than the veteran has been placed on such job during the veteran's absence and is working on such higher rated job when the veteran returns. In such a case, the returned veteran will be offered the higher rated job, provided he can do the job or learn it in a reasonable time. If he accepts such job, he will displace the employee on the higher rated job, and the employee so displaced shall have the right to displace any employee junior to him in the plant provided he can do the job or learn it within a reasonable time.
 - (2) A reduction has occurred so that the veteran if he had not been absent on account of military service, would not now occupy the job he left. In such case, the returned veteran will be offered a job equivalent to that he would have been entitled to under the operation of the applicable seniority provisions had he not been absent on account of military service. Employees displaced by a returning veteran will have rights in accordance with the normal seniority practice.
- (d) (1) For the purpose of Article 9 of this Agreement, an employee's seniority shall accumulate from the date on which he leaves his position in order to enter upon active service in the Armed Forces of the United States, until the date on which he is restored to a position in accordance with Article 16 to the extent that it would have accumulated had he not entered upon such active service.

(3) No employee will be granted vacation pay or sickness and accident benefits while on or for such active service.

Section 2 – Veterans who return with physical handicaps will be given the same re-employment opportunities as other veterans, and it is understood that those not qualified to perform their regular jobs may be placed on work which they are physically able to perform without loss of seniority.

ARTICLE 17 – LEAVE OF ABSENCE

Section 1 – (a) Leaves of absence (without pay) may be granted for good and sufficient reason on the basis of length of credited service for employees with at least one (1) year of service as follows:

LENGTH OF SERVICE	LEAVE OF ABSENCE
One (1) to five (5) years	Two (2) weeks
Over five (5) years	Three (3) weeks

In conjunction with the approved leave of absence, eligible vacation time may be granted if requested.

- (b) Leaves of absence of longer duration than those provided for above may be granted by the Company at its discretion, for such reason as it considers proper.
- (c) An employee elected to public office with duties and responsibilities requiring him to be away from work may be allowed a leave of absence without pay for the time necessary to carry on the duties of such office, provided the term or total amount of successive terms is four (4) years, or less, upon proper notice to the Plant Superintendent fifteen (15) days prior to the date on which he desires the leave to begin. This paragraph is not applicable in the case of any employee elected to such a successive term as would require him to be away from work for more than four (4) consecutive years.

Section 2 – Leave of absence will not be granted for the purpose of allowing an employee to take another position temporarily, try out new work, or venture into business for himself. If a leave of absence is not granted, and the Union so requests, the Company will meet with the appropriate parties to discuss the reasons for the denial and re-evaluate the feasibility of granting a leave of absence.

Section 3 – Union Business – Employees, not exceeding a number agreed upon by the Company and the Local Union, chosen by the Union to attend Union business outside the plant shall, with permission of the Company, be granted leave of absence without pay, not exceeding thirty (30) days.

Section 4 – Full-Time Union Position – One (1) employee appointed to a full-time position with the Union, upon proper notice, shall be granted a leave of absence, without pay, not to exceed the life of this Agreement; and upon one (1) week's notice of their desire to return again to work for the Company, which notice must be received within

seven (7) days after the termination of this Agreement, shall be placed upon their job previously held without loss of seniority or vacation rights, provided they are capable of performing the work. It is understood that no such employee will be granted a vacation or vacation pay while in the service of the Union on such leave of absence provided that where, prior to the date the employee commences his leave of absence, he became eligible for a vacation but did not exercise his vacation rights, the Company's obligation with respect to such unexercised vacation rights shall be satisfied by a cash payment equal to the amount which the employee would have been paid had he been granted the vacation for which he became eligible commencing with the day he starts his leave of absence.

Section 5 – The Company reserves the right to require employees to use accrued paid leave prior to taking unpaid leave when requesting a qualified leave of absence under FMLA. Previously scheduled vacation time off work will still be honored even if the employee received the pay during the FMLA leave.

ARTICLE 18 – JURY DUTY

When a regular full-time employee is called for jury service, the employee shall be compensated work group time for time lost from his job at his regular straight-time hourly rate less the compensation received for jury duty, but in no case more than eight (8) hours per day or forty (40) hours per week.

An employee is required to report to work the hours prior to jury service, provided the employee is able to work four (4) hours. If an employee is excused and does not serve on the jury, he will be required to immediately report to work provided there are four (4) hours of work remaining for his work group.

An employee will not qualify for jury service pay as provided above, unless he informs his supervisor promptly upon receiving notice to serve or when released from jury service.

Any employee who is working on the night shift shall be transferred to the day shift during the period he is on jury duty.

ARTICLE 19 – SAFETY & ERGONOMICS

The Company agrees that it has the sole responsibility to provide a safe workplace and to correct safety hazards, and that nothing in this Agreement shall imply that either the Local or the International Union has undertaken or assumed any portion of that responsibility.

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

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

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

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

A Joint Company-Union Safety & Ergonomic Committee composed of six (6) employee representatives appointed by the Union and a number appointed by the Company shall meet monthly. Meetings of the Committee shall be scheduled at such times, and in such a manner, as not to interfere with the orderly operation of the plant.

The Safety & Ergonomic Committee shall convene once each month and at such other times as the Safety Director of the Plant shall determine in order to carry out its functions. The duties of the Committee shall include the review and investigations of safety & ergonomic practices, rules and safety & ergonomic conditions in the plant and the handling of safety & ergonomic complaints. The Company shall cooperate in including a representative designated by the Union in all OSHA inspections, to the extent required by law or mutually agreed as beneficial to the safety effort. Any member of the Committee may introduce items concerning health and safety to the Committee's agenda.

Prior to such monthly meetings, each employee Committee member will be permitted to make an inspection of his assigned area of the plant. Additional inspections may be scheduled subject to such controls as the Safety Director may impose.

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

Hours spent by employee Committee members in the performance of their duties as members of the Committee shall be compensated by the Company at their regular hourly rates.

The Company will pay lost working time for bargaining unit Safety & Ergonomic Committee members as may be necessary to attend safety training programs or seminars scheduled by management. The Company will provide unpaid leaves of absence for Employee Committee members to secure training or attend seminars in occupational safety and health sponsored by the Union.

The Company will also grant one (1) day off per year with pay to one (1) bargaining unit Safety & Ergonomic Committee member for the purpose of attending a Health and Safety

training program sponsored by the Union. Management Committee member may also attend the training program.

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

The Company and the Union recognize the complexity and importance of ergonomic issues in the meat industry. The Company has indicated its support for progress in this area and that significant attention will be given to this concern by Management.

The Company and the Union agree to identify jobs that may be considered for ergonomic job rotation. The joint Company-Union Safety & Ergonomic Committee will review and recommend positions for job rotation. In the event that the committee reaches gridlock on the implementation of a job rotation for ergonomic reasons, the matter will be referred to the plant General Manager and the President of the Local Union or his designated officer. In the event that they are unable to reach agreement, the matter will be referred to ergonomist to determine if the proposed job rotation would assist ergonomic issues. These recommendations will be supported by ergonomic study and appropriate documentation.

ARTICLE 20 – BULLETIN BOARDS

Union notices may be posted on designated bulletin boards to be provided by the Company in the dressing rooms and at the commonly used main entrance or entrances of the plant on Company property, subject to the approval of the Plant Superintendent as to contents.

ARTICLE 21 – RELIEF PERIOD

Relief periods: All employees shall receive a fifteen (15) minute rest period each day, as near the middle of the morning work period as practicable. A ten (10) minute rest period will be given to all employees who work more than seven (7) hours, forty-nine (49) minutes, as near the middle of the afternoon work period as practicable. Any employee required to work past 10½ hours will be given an additional fifteen (15) minute rest period. Employees working double shift will follow second shift break schedule. All times referred to in this Article are exclusive of time paid under the Donning and Doffing Agreement.

In case of mechanical breakdown or unusual circumstances employees will not be sent to relief period more than forty-five (45) minutes earlier or later than their normal relief period.

ARTICLE 22 – WAGE RATE CLASSIFICATION – NEW OR CHANGED JOB CONTENT

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

ARTICLE 23-STATE OR FEDERAL STATUTES

Section 1 – Nothing in this Agreement shall require the Company or the Union to take any action which shall be unlawful by reason of any applicable present or future state or federal statute.

Section 2 – In the event state or federal legislation provides for benefits which duplicate, are lesser in amount or duration, or are greater in amount or duration, than those specified in this Agreement, negotiations on the effect of such legislation will be conducted by the representatives of the Union and the Company.

Section 3 - "Settlement Agreement and Agreement to Amend Applicable Collective Bargaining Agreement", i.e., employees engaged in Unique Jobs compensation for PPE Time, entered into in 2009 is hereby incorporated by reference."

ARTICLE 24-ADVISE OF REASON FOR DISCIPLINE

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

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

Section 2 – When a decision is made regarding disciplinary action, the Company shall impose such action in a prompt manner.

Section 3 – In the event of an investigation of wrongdoing, an employee who has a legitimate reason for believing that he may be subject to disciplinary action may request Union representation by a steward of choice, if available, within the concerned department.

Section 4 – Except for violations of the drug and alcohol policy, warnings, disciplinary actions, or other derogatory information more than eighteen (18) months old shall not be considered in disciplinary actions or as evidence in arbitration proceedings.

In the administration of the Company's attendance policy, warnings, disciplinary actions, or other derogatory information more than twelve (12) months old shall not be considered in disciplinary actions or as evidence in arbitration proceedings.

ARTICLE 25 – HOURS OF WORK

Section 1 – The basic workday of an employee shall be eight (8) hours. The basic work week of an employee shall start with Monday and end with Sunday. It is understood that an employee's basic work week shall be forty (40) hours. However, nothing in this Section shall prevent the Company from altering the basic workday or work week where it desires to do so in light of production demands. Furthermore, this is not a guarantee of eight (8) hours in a day or forty (40) hours in a week.

Section 2 – Double the employee's regular straight time hourly rate of pay shall be paid for all hours worked on a holiday. This shall be in addition to pay, if any, payable under the Holidays Section for holidays not worked.

- (a) Double the employee's regular straight-time hourly rate of pay shall be paid for all hours worked on Sunday except for shift operators who will receive double their rate of pay for work performed on their designated Sunday.
- (b) One and one-half (1½) times the regular rate of pay shall be paid for work performed on an employee's sixth (6th) consecutive day of work in the same work week.
- (c) An employee shall be paid one and one-half (1½) times straight time hourly rate of pay for all hours worked over eight (8) in any one work day.
- (d) One and one-half (1½) times the employee's regular straight time hourly rate of pay shall be paid for all hours worked over forty (40) in one work week.
- (e) There shall be no pyramiding of overtime.
- (f) Double shift work, when available, will be posted in the Human Resources office. Employees may sign the posting and will be selected by seniority and qualification.
- (g) Nothing in this Agreement implies in any way that UFCW Local 227 relinquishes its right to represent Sanitation employees should Sanitation employees and Sanitation activities return to the bargaining unit at the Louisville, KY facility.

Section 3 – For the purpose of computing pay for hours worked on a holiday or the sixth (6th) consecutive day or Sunday or the seventh (7th) consecutive day, a shift cutting across two calendar days shall be treated as work on the day in which the shift begins.

Section 4 – Meal Periods – Employees required to work more than five (5) consecutive hours without a meal period shall be compensated at one and one-half (1½) times their regular rate of pay for all time worked in excess of five hours until a meal period is

granted by the Company; provided, however, that five and one-half (5½) hours may be worked at only the regular rate of pay when this will complete the day's work, or (except for mechanical department employees who work on the breakdown) in case of mechanical breakdown.

In case of mechanical breakdown or unusual circumstances, employees will not be sent to meal period more than forty-five (45) minutes earlier or later than their normal meal period.

Section 5 – Definition of Shift Operator – For the purpose of this Agreement, shift operators are defined to be employees regularly assigned to maintenance, engineering, smoke house tenders, rendering waste water treatment:

- (a) whose work week may begin on a day other than Monday, and/or
- (b) whose job requires continuous operation

Section 6 – Overtime work in all jobs shall continue to be performed by the employees regularly assigned the jobs at the end of the regular shift, regardless of seniority. This also applies when the whole day is subject to overtime rates.

When an employee is assigned to another department between start-up and first break to fill a vacancy for a full workday, that employee will be given the option to leave with the department to which he was assigned or return to his home department if it is still in operation.

Section 7 – After ten (10) hours of work, employees will receive a \$4.00 meal ticket.

Section 8 - The Company will make available to the Union a copy of the weekend work schedule each week.

The parties agreed no change in the language was necessary as the Company agreed to allow scheduled maintenance employees who want to be off to be relieved if at all possible.

The Company will provide a written performance evaluation program for maintenance employees. The employee and supervisor will review the employee's job requirements, progress toward meeting the requirements and areas needing improvement.

Section 9 - The Company agrees to establish a procedure whereby production employees may receive relief from Saturday or Sunday work if the plant is not in full operation. The Company will communicate the specifics of the procedure to the production workforce within (30) days of ratification.

ARTICLE 26-SICKNESS AND ACCIDENT

Section 1 – When employees are absent from work because of disability due to sickness or accident, and when such absences and their continuation are supported by acceptable

medical evidence, payments shall be made in accordance with the terms and conditions hereinafter set forth.

Section 2 – All absences shall be considered as starting with the eighth day of accident or sickness unless the employee is hospitalized in which event coverage will begin with the second day of hospitalization.

Section 3 – A participating employee will qualify for payments if at the onset of his disability:

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

Section 4 – The Company will pay the entire cost of the sick leave insurance program.

Section 5 – It is the avowed purpose of this policy to provide income for employees who qualify only when they are physically unable to work.

Section 6 – The weekly sickness and accident benefit paid to each eligible employee shall be two-hundred forty dollars (\$240.00). Effective January 3, 2011, the weekly benefit shall increase to two-hundred seventy dollars (\$270.00) for production employees and three-hundred fifty dollars (\$350.00) for maintenance.

Section 7 – Weekly Benefits will continue while the employee is unable to work up to a maximum of thirteen (13) weeks for any one absence: payment will be reduced by payments made for other absences during the twelve (12) months immediately preceding the onset of the current absence. Benefits will stop at the end of the Maximum Benefit Period even if the employee is still totally disabled.

There will be no duplication of sick leave, vacation or short term disability benefit for the same period of time.

Section 8 – All benefits will be paid to the employee. Any benefits remaining unpaid to the employee at the time of death will be paid to the employee's estate.

ARTICLE 27 – HEALTH AND WELFARE

Section 1 - The Health & Welfare Trust Fund shall be jointly administered by the Employer and the Union. The Health & Welfare Trust Fund shall provide Health Care, Eye Care, and Employee only Dental. On an annual basis, there will be a participant enrollment and an annual dependent and eligibility audit conducted by the Fund Administrator. The Employer may upon reasonable notice and at its expense, audit the Fund's enrollment and eligibility data on an annual basis. The Employer will make contributions on behalf of eligible full time employees who have waived coverage. Employees who waive coverage will not be eligible for any benefits provided through the Fund or the Employer until the next open enrollment. The Bargaining Parties recognize

that plan design and plan modifications shall be determined by the Trustees of the Health & Welfare Fund.

Employee Medical, Vision and Dental weekly contribution is:

Louisville 2010 **All Employees hired prior to August 1, 2010

	Health & Rx	Dental	Vision	Total
Single	\$12.50			\$12.50
Employee + 1	\$12.50	\$5.25		\$17.75
Employee & Spouse	\$12.50	\$5.40		\$17.90
Family	\$12.50	\$9.40		\$21.90

Louisville 2011 **All Employees hired prior to August 1, 2010

	Health & Rx	Dental	Vision	Total
Single	\$13.00		*	\$13.00
Employee + 1	\$14.50	\$5.40 ***	*	\$19.90 ***
Employee & Spouse	14.50	\$5.40 ***	*	\$19.90 ***
Family	\$16.00	\$9.40 ***	*	\$25.40 ***

*Benefit cost is included with Health & RX cost.

** Rates are based on August 1, 2010 rates and plan design. Company's cost fixed for life of the Collective Bargaining Agreement. If the cost goes above benchmark, plan design and/or co-pay will change.

***Projected Dental may change for 2011

Louisville Hired after August 1, 2010

Plan 205 -First 36 months of coverage

After 36 months of service Plan PS2 if trustee approved based on funding and reserve levels

Co-Pay Per Week

Health and RX	Dental		Total	
	Option 1	Option 2	Option 1	Option 2
Employee = \$13.50	N/C	N/C	\$13.50	\$13.50

Employee + 1 \$20.00	\$5.40*	\$5.40*	\$25.40	\$25.40
Employee + 2 \$23.00	\$8.00	\$5.40	\$31.00	\$28.40
Employee + 3 \$26.00	\$10.00	\$9.40	\$36.00	\$35.40
Employee + 4 \$29.00	\$11.00	\$9.40	\$40.00	\$38.40
Five or more \$32.00	\$12.00	\$9.40	\$44.00	\$41.40

*Rate subject to reset on January 2011

General Issues

1. The Company's contribution to the Health & Welfare Trust fund will be fixed for life of the Collective Bargaining Agreement at \$412.84. If the cost goes above benchmark, plan design and/or co-pay will change.
2. If the Health & Welfare Fund Contributions are sufficient to fund the Health & Welfare Benefits, and the cost is less than the benchmark set by the parties, the excess portion of the Company's contributions will be transferred to wages and other benefits.
3. The Company agrees by separate contribution to fund 50% of the salary and benefits of the Care Manager that will be employed by the fund and work with the JBS Group and the PS2 Group. The Care Manager will be selected in concert with the JBS Medical Director. The Care Manager will work under the direction of the fund administration but with advice and guidance from the JBS Medical Director and/or other JBS Care Managers.
4. The Health Fund and JBS will share claims data as much as possible for the benefits of the Care Manager.
5. In the event recently enacted Health Care Reform causes cost changes in excess of the norm to Health Care, as provided by this agreement, the Company and Union will meet to discuss what changes, if any, may occur to address cost changes related to such legislation on the same basis as they do in other JBS UFCW Represented Plants.
6. JBS and the Health Fund will work together to assist each other in enrollment and eligibility programs.
7. JBS, UFCW Local 227 and the Health Fund administrator will meet twice a year in January and July to review health care plans and ways to provide quality coverage at an affordable cost.

The Employer shall continue to provide the following benefits under the current contract conditions: Sickness & Accident, Prescription, Life Insurance.

The Prescription Drug Benefits will be as follows:

	Current	1/1/2011
Rx Retail Co-pay	Generic \$7 Formulary \$15 Brand \$ 30	PPL Gen \$7 PPL Brand \$15 Other Generic 20% or \$15 Min. \$30 Max. Other Brand 20% or \$30 Min. \$60 Max. Specialty 20% or \$50 Min. \$100 Max.
Rx Mail Order Co-pay	Generic \$15 Formulary \$30 Brand \$60	PPL Gen \$17.50 PPL Brand \$37.50 Other Generic \$37.50 Other Brand \$75.00 Specialty \$250.00

Effective January 1, 2011, there will be annual combined maximum on “specialty drugs” of \$1200 per member.

The Company will complete an “Annual Performance Review” of the medical/prescription drug plan. This Annual Performance Review will be conducted in July of each year and look back at the period of January 1 through December 31.

The Company will maintain the co-pay levels in effect on January 1, 2011, if the PPL prescription penetration level is sixty-five percent (65%) for the 2011 Annual Performance Review, seventy percent (70%) for 2012 Annual Performance Review and seventy-five (75%) in 2013 Annual Performance Review. The PPL prescription penetration level will be measured as the number of PPL prescriptions issued versus the total number of all prescriptions issued. If the penetration levels fall short of the targeted levels the Company may increase the “Other” co-pay percentage by the shortfall percentage amount (retail and mail order). However, the dollar minimum will remain the same. If the targeted penetration level is achieved in a subsequent year the “Other” co-pay will revert back to the appropriate level for the target achievement. The Company will periodically review and determine if any adjustments are necessary to the drugs on the PPL.

To the extent it is available, outpatient specialty drugs must be obtained through the pharmaceutical network and not the medical provider network.

Given the dynamics of specialty drugs, the parties have agreed to review the specialty drug program during the Annual Performance Review to determine the appropriate co-pay levels, maximums, coverage duration, etc.

Employer agrees to payroll deduct optional Dental Coverage for the Health & Welfare Plan.

The Union when requested by the Company will provide justification for any contribution increase. Disputed issues concerning the contribution increase will be resolved by way of the arbitration procedure as outlined in Article 7 of this Agreement.

If the Employer/Employee contributions create a Trust Fund reserve that is in excess of the Fund's reserve policy, the Employer/Employee will receive a Pro-Rated credit against future contributions, on a semi-annual basis in February and August of each year.

Contributions to the Trust Fund shall be discontinued as of the first of the month immediately following the employee's loss of eligibility to participate in the Company benefit plans. Contributions shall resume the first of the month immediately following the employee's eligibility to participate in the Company benefit plans.

Section 2 - To qualify for enrollment in the Medical, Group Life Insurance, Vision, Prescription Plan, Dental Plan and Sickness and Accident Plan, the employee must have six (6) months service. An employee must enroll and pay the employee weekly contribution rate by means of payroll deduction to be covered under the group insurance plans. Coverage will commence the first day of the calendar month following enrollment, provided the employee is then on the active payroll. Such plans will become a part of this Agreement by reference. The sickness and accident benefits as described in Article 26 will not be available to employees until twelve (12) months of service.

The Company agrees to payroll deduct for optional, voluntary benefits as directed by the Union.

Section 3 - The Company will provide Group Life Insurance at a level of fifteen thousand dollars (\$15,000). The employee must have six (6) months service. Coverage will commence the first day of the calendar month following enrollment. Employees will be given the option to purchase additional group life insurance in the amounts of ten thousand (\$10,000), to five hundred thousand (\$500,000) in increments of ten thousand (\$10,000) by payroll deduction, provided the Company can access and make available such coverage. Cost will be based upon age of employee. Should the Union arrange for Group Life Insurance at higher increment amounts, the Company will make payroll deductions when appropriate deduction documents are provided.

The Company agrees to payroll deduct, on a pre-tax basis, for the Health & Welfare Fund any changes that may be necessary.

OPTIONAL LIFE INSURANCE

Basic Life	Basic AD&D	Supp Life	Supp AD&D	Depend Life	Spousal Depend Life	Children Depend Life	Depend AD&D
15,000	15,000	10k-500k increments of 10k	10k-500k increments of 10k	N/A	10k-100k increments of 10k guarantee issue of 50k	Children 2,500-5000; 7,500-10,000 (children under 6mo-1k)	Spouse 50%; Children 15% up to 50% if there is a full family; 40% spouse, 10% child up to 50% of employee's supp add election (based on employee's supp add election)

ARTICLE 28 -- FUNERAL LEAVE

Section 1 – When a regular full-time employee is absent from work for the purpose of arranging for or attending the funeral of a member of his immediate family, the Company will pay him for eight (8) hours at his regular rate of pay for each day of such absence up to a maximum of three (3) consecutive scheduled workdays, provided that:

- a. The employee is on the active payroll on the date of the death of the member of his immediate family, and
- b. The employee notifies his supervisor of the purpose of his absence not later than the first day of such absence, and
- c. Payment will be made for a day of absence only if such day is one (1) of the three (3) days either commencing with the day of such death or the day after such death and is a day during which the work group in which the employee is employed did work and on which the employee would have worked had it not been for the absence, and
- d. No payment will be made for any day of absence which is later than the day of such funeral except where the employee attends the funeral at a location where the necessary time for travel extends the absence beyond the day of such funeral, and at a distance of one hundred and twenty five (125) miles and beyond from the Louisville, KY facility, and
- e. The employee, when requested, furnishes proof satisfactory to the Company of the death, his relationship to the deceased, the date of the funeral, and the employee's actual attendance at such funeral, and
- f. Eligible employees who provide documentation, acceptable to management, who are not able to attend the funeral, will be allowed the day off for mourning and will be compensated at their regular rate of pay for the number of hours they would have otherwise been scheduled to work up to a maximum of eight (8) hours for the day of the funeral.

Section 2 – For purposes of this Article, a member of an immediate family means only the employee's spouse, child, step child, mother, father, sister, brother, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandchild, or grandparent. Step mother and step father may be considered in lieu of mother and father.

ARTICLE 29 – SUBCONTRACTING

The Company may subcontract night sanitation. The Company may also subcontract maintenance work so long as it does not cause any maintenance employee to be laid off or have their regular hours reduced whenever the Company does not have the tools or equipment or time or skills to perform the work.

The Company will not subcontract any other bargaining unit work unless it is currently subcontracted.

ARTICLE 30 – UNION VISITATION

Where it might become necessary for qualified representatives of the International Union or Local Union to visit production areas in the unit in order to become familiar with any points involved, the manager or superintendent will, upon proper advanced notice to management, be ready within a reasonable time to accompany such representatives in visiting any specific locations in production areas that might be necessary.

The Company agrees to implement a procedure to facilitate securing union representation for employees as quickly as practicable. Every attempt will be made to obtain Union representation within one (1) hour of the request

ARTICLE 31-PENSION

Section 1 - For regular full-time employees who have a seniority date before April 8, 1991, the Company shall pay to the Pension Fund of Local 227 seventy-five dollars (\$75) per month. Payments shall be made for those employees who have worked at least eighty (80) hours in the previous calendar month. Payments shall be made on or before the tenth (10Th) day of the month following the month during which qualifying hours are worked.

For regular full-time employees who have a seniority date on or after April 8, 1991 and with three (3) or more years of service, the Company shall pay to the Pension Fund of Local 227 forty dollars (\$40) per month, remitted monthly, providing such employees worked at least eighty (80) hours in the previous calendar month. Payments shall be made on or before the tenth (10Th) day of the month following the month during which qualifying hours are worked. Effective January 1, 2014 the Company shall increase its contribution to forty-five dollars (\$45) per month.

For regular full-time employees with one year of service, but less than three years, the Company shall pay to the Pension Fund of UFCW Local 227 twenty-two dollars (\$22) per month, remitted monthly, provided such employees worked at least eighty (80) hours in the previous calendar month. Payments shall be made on or before the tenth (10Th) day of the month following the month during which qualifying hours are worked. Effective

January 1, 2014, the Company shall increase its contribution to twenty-five (\$25) dollars per month.

Section 2 - The Company will make available payroll deductions to facilitate employee participation in a sponsored Section 401(k) Plan for bargaining unit employees.

ARTICLE 32 – MISCELLANEOUS

Section 1 - Refrigeration Work

The Company and the Union agree that employees represented by Local 320 will perform work on refrigeration and engine room equipment. Such employees will not perform general maintenance work unrelated to refrigeration. It is further understood that on those occasions where assistance is needed, employees represented by Local 227 will be called upon for such assistance.

Employees represented by Local 227 will fabricate drip pans.

Section 2 - The Company will maintain the current Meat Purchase Program.

Section 3 – Credit Union

The Company agrees to payroll deduct a weekly amount, authorized by the employee, for deposit into an account of the credit union of their choice.

Section 4 - Multicultural Education Fund

The Company agrees to contribute twenty thousand dollars (\$20,000) to a joint Multicultural Educational Fund in the initial year of the new Agreement. Each year thereafter the Company will contribute an amount necessary, up to twenty thousand dollars (\$20,000), to bring the uncommitted balance of the fund up to twenty thousand dollars (\$20,000).

Section 5 - Company will accept volunteers, by seniority, to train on weekends for the purpose of becoming qualified Checker/Loaders. This opportunity is made possible in order to have additional help available in the plant when needed to loan to Shipping.

ARTICLE 33 – LINE SPEED ADJUSTMENTS

Line Speed Adjustments

This letter of understanding is entered into by and between JBS USA, LLC for its Louisville, KY facility and the United Food and Commercial Workers, Local Union No. 227.

In an effort to resolve concerns with the daily line speed adjustments, the following will apply:

Management employees responsible for the periodic adjustments of line speed will document and sign off in the line speed log. Employees designated by the Union as line speed monitors will have the opportunity to review the line speed log, check the actual line speed against the log and sign off. Line speed variances may be addressed with Management employees responsible for setting the line speed to resolve any variance issues. Union line speed monitors will be advised of the scheduled line speed adjustments on a daily basis.

ARTICLE 34 – NEW FACILITY

In the event JBS USA, LLC were to elect to build a new facility in the Louisville area during the term of this agreement, the Company will recognize Local 227 as the bargaining representative of the employees in the new facility, accept the existing work force in the new facility without loss of seniority and accept the existing labor agreement for the new facility provided:

1. The location of the new facility is within the geographic jurisdiction of Local 227.
2. A mutually acceptable transition agreement is reached between the Company and the Union in advance of the construction of the new facility.

ARTICLE 35 - WAIVER, ENTIRE AGREEMENT AND SEVERABILITY

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 that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union, for the term of this Agreement, each voluntarily and unqualifiedly 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 – Severability – 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 provision has been held invalid or to which compliance with or enforcement has been restrained, shall not be affected thereby.

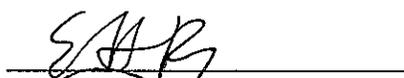
ARTICLE 36 - DURATION OF AGREEMENT

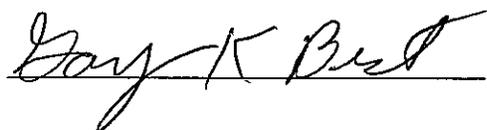
This Agreement shall become effective June 28, 2010 and shall remain in full force and effect until June 30, 2014. Either party may, on or before sixty (60) days prior to the expiration date of this Contract, give notice to terminate the Agreement. If such notice is not given, the Agreement shall renew itself for successive one (1) year periods until notice is given. Such notice shall be given by registered or certified mail.

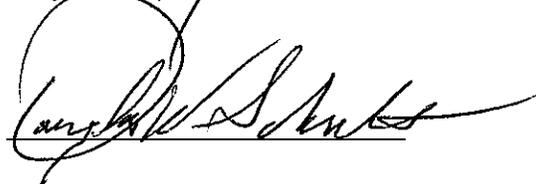
The parties to this Agreement, JBS USA, LLC and UFCW Local 227, hereby agree that within sixty (60) days before the end of the third (3rd) year of this Agreement, they will meet and confer regarding the terms and conditions of this Agreement. They further agree that they will renew this Agreement and all of its' terms for one (1) additional year beyond the third (3rd) year of the Agreement.

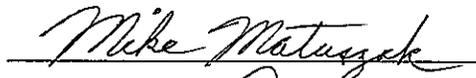
JBS USA, LLC
Louisville, KY

District Union Local 227 of the
United Food & Commercial
Workers International Union

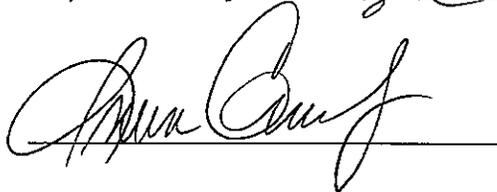


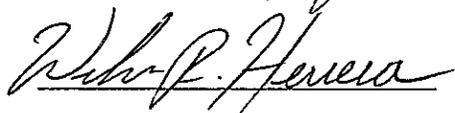












APPENDIX A - WAGE RATES

PRODUCTION

Upon ratification Base Rate to be \$13.00.

Effective June 27, 2011 the starting rate, base rate and progression rates will be increased by twenty-five cents (\$.25) per hour.

Effective June 25, 2012 the starting rate, base rate and progression rates will be increased by fifteen cents (\$.15) per hour.

Effective December 24, 2012 the starting rate, base rate and progression rates will be increased by twenty cents (\$.20) per hour.

Effective June 24, 2013 the starting rate, base rate and progression rates will be increased thirty cents (\$.30) per hour.

STARTING RATES (Effective 06/28/10)

Minimum Starting Rate	\$11.50
3 mos.	11.75
6 mos.	12.00
9 mos.	12.25
12 mos.	12.50
15 mos.	12.75
18 mos.	13.00

Add Brackets to Base Rate: (Effective 06/26/06)

Bracket # 6 (& Master Butcher)	1.75
Bracket # 5	1.25
Bracket # 4	.90
Bracket # 3	.30
Bracket # 2	.18
Bracket # 1	.05
Bracket # 0	Base

BRACKET ZERO (0) JOBS ARE NOT SUBJECT TO JOB BIDDING.

SEE: APPENDIX B for brackets applicable to job classification.

Work group-time hours worked will be established by the Company on a work group-time basis.

MAINTENANCE

Effective	6-28-10	6-27-11	6-25-12	12-24-12	6-24-13
Mechanic	\$15.95	\$16.20	\$16.35	\$16.55	\$16.85
Electrician	\$16.95	\$17.20	\$17.35	\$17.55	\$17.85

Apprentice Mechanic/Electrician** Plus thirty cents (\$.30) per hour

Journeyman Mechanic/Electrician Plus sixty cents (\$.60) per hour

Master Mechanic Plus one dollar (\$1.00) per hour

Master Electrician Plus one dollar (\$1.00) per hour

Master Welder Plus one dollar (\$1.00) per hour

**Mechanics who become electricians will be Red Circled at their current rate of pay upon entering the program if more than the base rate for electrician.

UPGRADING OF EMPLOYEES WILL BE DETERMINED BY MANAGEMENT

Additional compensation may be earned based on the following schedule:

SKILL TESTING

1 + \$.10 = .10

2 + \$.10 = .20

3 + \$.10 = .30

4 + \$.10 = .40

5 + \$.10 = .50

6 + \$.25 = .75

7 + \$.15 = .90

8 + \$.15 = \$1.05

100% Test Completion = .15

\$1.20 maximum

DEPARTMENT QUALIFICATIONS

One department = \$.40

Two departments = .80

Three departments = 1.20

MISCELLANEOUS DEPARTMENTS

Insulator \$.40

Ergonomics .40

Welder .40

Machinist .40

\$1.20 maximum

ELECTRICIANS

One floor = .40

Two floors = .80 Shift Differential: 2nd shift* 3rd shift*

Three floors = 1.20 \$.50/hr \$.25/hr

\$1.20 maximum

The Company will provide assistance upon request to maintenance employees for testing purposes. This assistance may include, but is not limited to, oral exams, reader, etc. Maintenance employees can retest upon request.

*At the current time, second shift hours are 2:00 p.m. to 10:19 p.m. and third shift hours are 10:00 p.m. to 6:19 p.m., however, management reserves the right to change these times according to production needs.

APPENDIX A - DESIGNATED DEPARTMENTS

The following Departments are for selection of vacations only:

SLAUGHTER DIVISION DEPARTMENTS

- Day Pens
- Night Pens
- Day Hog Kill
- Night Hog Kill
- Day Variety Meats
- Night Variety Meats
- Day Rendering
- Night Rendering

CUT DIVISION DEPARTMENTS (FABRICATION)

- Day Cut Floor
- Night Cut Floor
- Day Pork Assembly
- Night Pork Assembly
- Day Fresh Conversion
- Night Fresh Conversion
- Day Shipping / Receiving
- Night Shipping / Receiving
- Day Skinless Bellies
- Night Skinless Bellies

BONING DIVISION DEPARTMENTS

- Day Ham Boning
- Night Ham Boning
- Day Loin Boning
- Night Loin Boning
- Day Picnic Boning
- Night Picnic Boning

MAINTENANCE DIVISION

VALUE ADDED PRODUCT DIVISION DEPARTMENTS

- Day Smoked Meats
- Night Smoked Meats
- Day Ground Pork/ Tray Pack
- Night Ground Pork/ Tray Pack
- Day B06
- Night B06
- Day Food Service Chops
- Night Food Service Chops
- Day Miscellaneous Value Added
- Night Miscellaneous Value Added

Driving of Hogs

The driving of hogs received at night after original penning will be done by members of Local 227. Company personnel or truck drivers shall be allowed to unload, drive and pen hogs.

Hazmat Team

Active and qualified employees who serve on the HAZMAT team will receive five hundred dollars (\$500.00) annually for their services. The payment will be made on the payroll check in weekly gross amount.

APPENDIX B

BRACKETS

(0)	0
(1)	.05
(2)	.18
(3)	.30
(4)	.90
(5)	1.25
(6)	1.75

JOB CLASSIFICATION BY DEPARTMENT

(Effective 06/28/10)

<u>KILL FLOOR</u>	<u>BRACKET</u>
Gutter	6
Back Saw	6
Sticker	5
Retain Butcher	5
Shackler (rotate with pick up Downed Hogs)	5
Hog Opener	5
Scalder	4
Pull Leaf Lard	4
Operate Lard Starter/Pull Leaf Lard	4
Gambreler (Rotate w/Turn Hogs)	4
Brisket Saw	4
Shaver	3
Header	3
Hog Skinner	3
Trimmer (Straight Knife)	3
C Hooks & Pull Bungs	3
Notch Toes – Clipper	3
Expose Gam Cords	3
Hand Skinner Operator	3
Clean Coolers/Dolly/Scale	3
Trolley Room	3
Remove Stick Wound	3
Scrape Lard (Whizzard Knife)	2
Expose Gam Cords	2
Neck Breaker	2
Bung Dropper	2
Trimmer (Straight Knife)	2
Remove Kidneys	2
Break Aitch Bones	2
Hang Hogs/Pocket	2
Remove C Hooks & Pop Kidneys	2
Operate Lard Starter	2
Stunner	2
Cut Off Jowls	2
Bobcat Operator/Drive Hogs	2
Trimmer (Whizzard Knife)	2
Peg Heads	1
Hog Driver	1
Turn Hogs	1
Feed Chain – Pull Nails	1
Pull Heart Fat	1
Push Hogs	1

KILL FLOOR cont.

	<u>BRACKET</u>
Janitor	1
Remove Spinal Cord	1
Labor	0

VARIETY MEATS

	<u>BRACKET</u>
Pull Snouts – Feed Jaw Bone Puller	2
Separate Viscera	3
Tonguer	3
Peg & Skin Heads	3
Cheeker	3
Head Backer	3
Chisel Cheeks	3
Trim/Save Ears	3
Record/Stack Off/Palletize	2
Packer/Scale	2
Add Trimmer (Straight Knife)	2
Add Cut off, Pack, and Scale Bungs	2
Add Feed Stomach Opener	2
Feed Stomach Machine	2
Mark Snouts	2
Mark Temple	2
Make Boxes and Label	2
Separate Hash Guts	1
Strip, Flush, and Invert Bungs	1
Janitor	1
Labor	0

CASINGS

	<u>BRACKET</u>
Pull Pancreas/Cut Casings Rotation	3
Machine Operator/Finish Operator Rotation	3
Salt Operator	2
Bundler	2
Pack Casings/Pack Pancreas	2
Janitor	1

HOG PENS

	<u>BRACKET</u>
Bobcat Operator/Livestock Handler	2
Livestock Handler	1

Labor	0
<u>CUT FLOOR</u>	<u>BRACKET</u>
Pull & Aside Ribs	5
Machine Operator – Box Former	5
Align for Ham Cutoff	5
Lift Neck Bones	4 (Red Circle)
Rough Boners/Utility	4
Trim Loins Draw Knife	4
Align for Shoulder Cutoff	4
Loin Puller Operator	4
Band Saw Operator	4
Skin Butts	3
Align Butt/Picnic Saw	3
Remove Rib Wing Bone	3
Trim Loins / Hand Skinner	3
Trimmer (Straight Knife)	3
Trimmer (Whizzard Knife)	3
Remove Tails	2
Rob Bellies (Whizzard Knife)	2
Clean Channel	2
Dolly/Scale/Record	2
Remove Diaphragm Meat	2
Trim & Inspect Diaphragm Meat	2
Align for Hind Foot Cutoff	2
Align for Front Foot Cutoff	2
Packer	2
Trimmer	2
Scaler	2
Hang and Trim Hogs	2
Remove Spinal Cord	1
Push Sides	1
Align Loins for Trimmer	1
Push Hogs	1
Turn Bellies	1
Feed Fatback Skinner	1
Janitor (Floor)	1
Turn Hogs/Steam Vac	1
Load Loin Saddles	1
Labor	0

PORK ASSEMBLY**BRACKET**

Band Saw	4
Injector Operator	4
Rib Trimmer	3
Blend/Mix Trimmings	2
Gas Flush Machine Operator	2
Scale & Record and Dry Ice Loins	2
Trim & Inspect Jowls	2
Packer	2
Dolly/Scale	2
Six Shooter Operator	2
Scaler	2
Rotary Cryovac Machine Operator	1
Make Boxes	1
Loin Stuffer	1
Stack Off	1
Dolly Operator	1
Strap & Palletize	1
Feed Jowl Skinner	1
Janitor	1
Wipe Condensation	1
Make Combos	1
Bagger	1
Split Front Feet	1
Labor	0

FRESH CONVERSION**BRACKET**

Scale Clerk	5
Band Saw Operator	4
Reject Belly Butcher	4
Sanitation Specialist	3
Packer	2
Trimmer	2
Scaler	2
Recondition Product	2
Hock Saw Feeder	2
Dolly Operator	1
Make Combos	1

FRESH CONVERSION (CONT'D)

Janitor	<u>BRACKET</u>
	1
Labor	0

SKINLESS BELLIES

Final Trimmer	<u>BRACKET</u>
	4
Skin Patch Bellies	3
Align Bellies	2
Trimmer (Whizzard Knife)	2
Packer	2
Dolly Operator	1
Feed Line/Dumper Operator	1
Labor	0

PICNIC BONING

Dolly/Shipping Preparation	<u>BRACKET</u>
	5
Boner	4
Skinning Machine Operator	3
Trimmer Mechanical Knife	2
Trimmer	2
Separate Roasts	2
Dolly Operator	1
Janitor	1
Tumbler Operator	1
Packer	1
Labor	0

SHIPPING/RECEIVING

Checker/Loader	<u>BRACKET</u>
	5
Checker/Loader Inventory	5
Rotate Product	4
Temp Check	2

SHIPPING/RECEIVING (cont'd) **BRACKET**

Janitor 1

Labor 0

SHIPPING/RECEIVING DRY PRODUCTS **BRACKET**

Receiving 3

Labor 0

LOIN BONING **BRACKET**

Jarvis Saw Operator 5

Utility Operator 5

Remove Tenderloin (Straight Knife) 4

Boner 4

Remove Featherbone 4

Align for Sirloin Cut Off 4

Remove Backribs 4

Band Saw Operator 4

Trim Sirloin (Straight Knife) 3

Remove Belly Strip and Pad (Straight Knife) 3

Final Trim & Inspect 3

Dolly Operator/Recorder 3

Defat Loin (Whizzard Knife) 3

Peel Tenderloin 3

Trim Ribs 3

Hand Skinner Operator 3

Scale & Pack Ribs 2

Align Loins 2

Remove False Lean 2

Janitor 2

Rotary Cryovac Machine Operator 2

Operator Mechanical Meat Separator 2

Remove Button Bones 2

Scaler 2

Scale/Grade Loins 2

Operate Vat Dumper Feed Line 1

Bagger 1

Packer 1

Stack Off/Dolly 1

Make Boxes 1

Labor 0

BLENDING(Night Pork Assembly)

Transport/Scale/Record	2
Operate Dump/Record	2
Operator Mixer/Blender	2
Ice/Cap/Label Combos	2
Dolly/Six Shooter Operator	1
Labor	0

BRACKET**HAM BONING**

Master Butcher	6 (Job eliminated except for incumbents)
Boner	5
Dolly/Shipping Preparation	5
Defatter – Mechanical Knife	4
Skinner Machine Operator	3
Trimmer and/or Membrane Skinner Operator	2
Dump Pans/Box 90-10	2
Box Trim/Make Combos	2
Dolly/Tumbler Operator	1
Janitor	1
Inspect Ham Skins	1
Labor	0

BRACKET**RENDERING**

Utility	5
Expeller Operator/Cooker	5
Lard Cooker	5
Hydrolizer Operator/Pet Food	3
Blood Plasma Operator	3
Blood Drier Operator	3
Operate Sewage Treatment	3
Sanitation Specialist	3
Mag Belt/Metal Detector Belt Operator	2
Scrubber Operator	2
Labor	0

BRACKET

FOOD SERVICE CHOPS**BRACKET**

Band Saw Operator	4
AEW Operator	4
Scaler	2
Dolly Operator	1
Packer	1
Strap & Palletizer	1
Janitor	1
Labor	0

SMOKED MEATS**BRACKET**

Smoker	5
Solution Maker	4
Vacuum Tumbler Operator	4
Rack Wash	3
Injector Operator	3
Scaler	2
Smoker Helper	2
Strap & Palletize	1
Box Maker	1
Dolly Operator	1
Labor	0

CASE READY**BRACKET**

Machine Operator	2
Gas Flush Operator	2
Scaler	2
Dolly Operator	2
Trayer	1
Strap & Palletize	1
Bagger	1
Janitor	1
Labor	0

MISCELLANEOUS VALUE ADDED**BRACKET**

Chunk Dry Salt/Inspect	4
Pack Bulk Dry Salt	2

Pump Operator	2
Pack Barrel Pork	2
Dolly Operator/Recorder	2
Multivac Operator	2

Load Pockets	1
Pack Dry Salt	1

Labor	0
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<u>GROUND PORK</u>	<u>BRACKET</u>
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Blender Operator	4
Multivac Operator	4

Grinder Operator	3
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Stuffer/V-Mag Operator	2
Dolly Operator	2
Scaler	2

Strapper Operator	1
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Labor	0
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<u>B06</u>	<u>BRACKET</u>
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Multivac Operator	4
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Dolly/Stock	2
Scaler	2
Dolly/Scale	2
Netter/Stuffer	2

Box Off/Label	1
Machine Operator/Pre-Price	1
Wipe Seals	1
Load Pockets	1
Inspect/Label Product	1
Bagger	1
Rotary Cryovac Machine Operator	1
Strap & Palletize	1
Dumper/Leaker Operator	1
Floor	1

Labor	0
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LETTER OF UNDERSTANDING

(Revised 06/06)

The parties have agreed to a rate progression acceleration program, hereafter referred to as "Quick Start", to waive the starting rate progression on a weekly basis for employees who are performing qualified work on Job Brackets 6, 5, 4 and 3 and who maintain perfect attendance during the week.

For the purpose of Quick Start any absence (other than an excused absence) will be considered a violation of perfect attendance and the employee will be paid in accordance with the starting rate progression for the week in which the absence occurred. An accrual of three (3) tardies in a month will result in a forfeiture of Quick Start for the next month.

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

- 1) The employee is subsequently disqualified when Management determines that employee no longer is qualified. The Company reserves the option to disqualify a job holder once previously qualified if that individual can no longer perform the job for any reason. A disqualified employee shall return to normal progression rate.
- 2) The employee is moved to a lower than Bracket 6, 5, 4 and 3 job to which the employee bid. Such employee shall move back to normal progressive rate.

Vacation pay will be calculated at the Quick Start rate, provided the employee qualifies for Quick Start three months prior to the vacation.

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

LETTER OF UNDERSTANDING

Alternate Production Schedule

This Agreement is entered into by and between JBS USA, LLC for its Louisville, KY facility and the United Food and Commercial Workers, Local Union 227.

The Company and Union agree that should the Company elect, during the life of the current CBA, to install an alternative production schedule the following will apply. These amendments will only apply to employees working under the alternate production schedule.

A minimum of sixty (60) calendar days written notice will be give to the Union.

The Company and Union will coordinate to achieve job placement by plant wide seniority and skill.

Overtime compensation at one and a half (1-1/2) of the regular rate of pay after eight (8) hours will be replaced with one and a half (1-1/2) of the regular rate of pay after ten (10) hours.

Overtime compensation at one and a half (1-1/2) times the regular rate of pay for the 5th and 6th consecutive day of work in the same workweek.

Overtime compensation at two (2) times the regular rate of pay for work performed on their designated Sunday.

Employees may trade scheduled days off with opposite scheduled individuals with similar skills when requested and approved the Company, provided no overtime penalty will apply when granting such request.

Employees may request to voluntarily work on their scheduled days off as may be needed based on seniority and skill.

Holidays will be compensated at ten (10) hours to match the alternate schedule.

Article 8 Guarantee language shall apply.

In the event an employee works less than thirty eight (38) scheduled hours or is paid less than pay equivalent to thirty eight (38) hours at their straight time hourly rate of pay in a given workweek, the daily overtime as outlined in Article 25 Section 2(c) shall apply. Hours employees are absent for any reason will be deducted from the thirty-eight hours.

This side letter agreement in no way changes the Company's rights in Article 3 - Management Rights under the CBA.

LETTER OF UNDERSTANDING

Pension

Employees who have a seniority date before April 8, 1991 (A Group) and who have completed thirty (30) years of service and who have reached sixty (60) years of age will be able to continue working for the company and draw from their pension.

This letter of understanding is subject to legal review and the approval of the Pension Fund Trustees.

Employees must complete a minimum break in service of thirty (30) days, but no longer than ninety (90) days prior to returning to work. The employee will be able to return to the same rate of pay on the same or similar job, maintain vacation and benefit eligibility, and will have a new seniority date reflective of their return date. Prior to the break in

service there will be an agreement between the Company, Union and individual member regarding the return to work.

The employee will be treated as a new hire in respect to future Pension Benefit contributions.

LETTER OF UNDERSTANDING

Method of Payment

It is agreed the method with which the Company pays the employees will state all deductions, hourly rates, hours worked, straight time and overtime. It is understood and agreed that the employees shall be paid on a weekly basis. It is agreed the method by which the Company can pay employees may include any acceptable means, to include, paychecks, cash, direct deposit, pay cards, debit cards, etc. If the Company elects to change its method of payment they will first meet with the Union and discuss the change.

LETTER OF UNDERSTANDING

During the negotiations that led to this agreement, qualifications as below were discussed. The listings below are the qualification at that time.

Apprentice Mechanic

1. He/She have basic mechanical/electrical skills.
2. Is in need of a considerable amount of supervision.
3. Needs assistance from Journeyman or Master Mechanic
4. Has a general understanding of safety as well as company policies and the ability to implement all.
5. He/She will clean up after themselves.
6. Knows when and how to use log books.
7. He/She asks for help when needed.
8. Can communicate with all mechanics on his/her shift.

Journeyman

1. Has average mechanical/electrical skills.
2. Requires minimum supervision.
3. Has the ability to troubleshoot and repair pneumatic as well as hydraulic systems.
4. He/She is able to repair gearboxes, pumps, etc.
5. Has a clear understanding of safety and company policies with the knowledge of implementing all.
6. Uses log books when needed.
7. Able to clean up after his/herself.
8. Continues to ask for help when needed.
9. Completes PM's in a timely manner.
10. Has knowledge of basic welding skills and the ability to use a cutting torch.
11. Communicates with Maintenance Mechanics on his/her as well as between shifts.

Master

1. Make necessary repairs and adjustments without supervision.
2. Proficient in assembly, disassembly, repairing and rebuilding of all equipment in three departments.
3. Clear understanding of safety and company policies with the ability to implement all.
4. Uses the log books when needed.
5. Able to clean up after his/herself
6. Completes PM's and is able to test his/her work.
7. Communicates with Maintenance Mechanics on his/her shift as well as between shifts.
8. Completes assignments promptly and safely.
9. Works well with production supervisor in assigned area.
10. Able to complete all work in a professional manner.
11. Continues learning of new equipment.

Welder-Fabricator-Ergonomics

1. Stick Weld 45D Butt Weld in Place Black Pipe
2. TIG Weld 16 GA. Flat S.S.
3. TIG Weld 16 GA. VS.S.
4. TIG Weld 16 GA. 90D S.S.
5. TIG Weld 10 GA. Flat S.S.
6. TIG Weld 10 GA. V.S.S.
7. TIG Weld 10 GA. 90D S.S.
8. Stick Weld 10 GA. Flat S.S.
9. Stick Weld 10 GA. VS.S
10. Stick Weld 10 GA. 90D S.S.

Any changes to the above listed qualifications will be discussed with the union and appropriate wage adjustments will be implemented. Nothing in this Letter of Understanding limits or restricts the Company's right to set qualifications, determine qualifications or change qualifications. Any "appropriate wage adjustment" will be determined by Article 22.

LETTER OF UNDERSTANDING

Article 8 - Guarantee

The Company and the Union have discussed the current and near term state of the industry and the potential impact on production volumes. In an effort to provide additional security for the overall employee base and assist the Company through a potential down turn in the industry, the parties have entered into the following understanding that is hereby incorporated into the Agreement between JBS USA, LLC for its Louisville, Kentucky facility (hereinafter the Company), and the United Food and Commercial Workers District Union Local 227 (hereinafter the Union).

It is understood that the Collective Bargaining Agreement references seven (7) thirty-two (32) hour weeks during each of the four (4) contract years for a total of twenty eight (28) during the life of the agreement. It is further understood and agreed to in this Letter of

Understanding that the Company may use an additional eight (8) thirty-two (32) hour weeks during the life of the agreement for a total of thirty-six (36). Any thirty-two (32) hour week may be used at any point during the life of the Collective Bargaining Agreement but may not use more than (10) thirty-two (32) hour weeks in any contract year.

Days of work missed due to additional guarantee weeks will be used in the calculation of vacation eligibility.

This Letter of Understanding expires on May 1, 2014. However, the thirty-two (32) hour weeks referenced may be used until the expiration of the contract.

LETTER OF UNDERSTANDING

Electrical Safety Program – Electrician Pay

This Letter of Understanding is entered into by and between JBS, USA, LLC, formerly known as Swift & Company, its successors and assigns and District Union Local 227 of the United Food and Commercial Workers International Union, and hereby made apart of the current collective bargaining agreement dated June 28, 2010.

In March of 2008, a revision was made to the JBS Electrical Safety Program. This revision involves a change to our work practices, PPE, training, and qualification process. There are now two levels of qualified employees. Attached is a copy of the classification parameters for both a Level Ones and Level Two Qualified Person within the electrical safety program. Note that the Level Two exam must be taken and successfully passed prior to taking Level One exam. However, the Level Two exam is not the only prerequisite for taking the Level One exam.

All electricians at the JBS Louisville Plant that do not hold a current license with the state of Kentucky will be required to take and pass the Level One exam with a score of 80% or higher. In order to provide quality training for these individuals, a training course has been developed in a partnership with Ivy Tech. The course is an 8 week curriculum meeting on each Monday and Wednesday for 4 hours each day. Each electrician will attend this training except those that have already passed the Level one exam or are exempt from the exam. After completion of the training course, each electrician will then take the Level One exam outline in the JBS Electrical Safety Program. If an employee does not reach a passing score, they will be required to attend the Ivy Tech 64 hour course again prior to retaking the Level One exam. Failing the Level One exam will not result in an electrician losing any portion of their compensation if they attend the Ivy Tech Course prior to taking the exam. However, once the electrician fails the Level One exam, he/she can no longer perform those tasks which are Level One Qualified Person tasks outlined in the JBS Electrical Safety Program. For those electricians employed by JBS at the time of this agreement, they will have two opportunities to attend the Ivy Tech course at the company's expense in order to attain the skills and knowledge to successfully pass the Level One exam. If after they have competed the 64 hour course with Ivy Tech two times, and still cannot achieve a passing score, they will no longer be

classified as an electrician and will not perform tasks requiring Level One Qualifications outlined in the JBS Electrical Safety Program. Again, this will not impact the pay rate for any existing electricians as long as they attended the 64 hour Ivy Tech course. The company reserves the right in these instances to require the electrician to return for a third time through the Ivy Tech course, based on the needs of the company and the past performance of the electrician on previous exams. All costs of the training course will be paid by JBS. The employee will also receive pay for the hours they attend class during the 8 week course.

In order to give electricians the best opportunity to pass the Level One exam on the 1st attempt, attendance in the Ivy Tech course prior to taking the exam is preferred. Any electrician that refuses to attend the Ivy Tech course and then proceeds to fail the Level One exam will lose the pay associated with being an electrician and will receive the pay grade for a mechanic. They will not be eligible to return to the electrician pay rate until they have taken the Ivy Tech course and passed the Level One exam.

Current "hot glove certified" employees may or may not require hot gloves to perform their level two job functions. Only those mechanics whose job responsibilities will require them to enter a panel that has exposed live components for the purpose of lockout will be issued hot gloves after passing the Level Two exam. If it is deemed that a mechanic works in an area that does not require hot gloves for purposes of lockout, that mechanic will not be issued hot gloves. If he/she was previously hot glove certified under the previous program, the pay rate for that individual will not be reduced. If the employee has never received "hot glove pay", then he/she will not be eligible for that pay unless a change occurs which would require them to have hot gloves as PPE to lockout equipment for which they have responsibility. If it is determined that a mechanic does require the use of hot gloves as PPE for the purposes of locking out a piece of equipment for which they have responsibility then hot gloves will be issued to that employee once they have successfully completed electrical safety training and passed the Level Two exam. If that employee has never been "hot glove certified" in the past, then they will be eligible for the \$0.25/hour pay increase that was agreed upon between the Local 227 UFCW and JBS Louisville. If that employee is already receiving the \$0.25 hot glove pay then no change will occur to their pay rate once they pass the Level Two exam. If a mechanic has never been hot glove trained and the company determines that they have no need for hot gloves as PPE for locking out purposes, then they will not be issued hot gloves and will not be eligible for the \$0.25 pay increase.

The company will allow some mechanics, mechanics on a limited basis, to take the Level One exam. Those eligible to take the exam will be based on the need for Level One Qualified employees in the department and seniority within the department. Mechanics will not be eligible for the Ivy Tech course unless they have:

1. been approved by the company as eligible based on need and seniority
2. has failed the Level One exam, but scored higher than 50%

If a mechanic takes the Ivy Tech course and still does not pass the Level One exam, then he/she will not be eligible to be Level One Qualified Person as outlines in the JBS Electrical Safety Program. If a mechanic passes the Level One exam, they will receive a

\$0.25/hour increase in pay if they are already receiving a \$0.25 additional per hour for previous hot glove certification. They will receive a \$0.50/hour increase in pay if they are not currently receiving an additional \$0.25/hour for previous hot glove certification.

All maintenance employees, including electricians, will be required to complete Electrical Safety Training annually. Only the Level Two exam will be administered annually. Level One Qualified employees will not be required to take the Level One exam annually.

LETTER OF UNDERSTANDING

Production Trainer Position

This Agreement is entered into by and between JBS USA, LLC for its Louisville, KY facility and the United Food and Commercial Workers, Local Union 227 and is hereby made a part of the Collective Bargaining Agreement dated June 28, 2010.

The Company has elected to create the position of Production Trainer. The parties agree these positions are bargaining unit positions and subject to the current Collective Bargaining Agreement with the exceptions below:

When a Production Trainer vacancy occurs the company will post an "interest posting." This posting will be posted in the same area and for the same duration as other bid jobs. These positions are subject to the bidding provisions as outlined in Article 9 of the CBA, while seniority will be considered it will not be the only or the deciding factor as other factors will be used as outlined below:

Knowledge of the department.

Ability to work with others.

Less than 4 attendance occurrences on file.

Qualified in at least 2 or more knife jobs.

The Company shall select and remove employees from the Production Trainer position.

Employees will have the right to return to their job within (14) fourteen days should they decide they have no interest in the trainer job.

The Production pay bracket will be 5.

Trainers will be assigned a certain department and will train those scheduled department hours in which ever division the trainers are needed. Trainers will be able to bid on overtime postings after they finish their department scheduled hours.

Test periods. The training program will be evaluated in 6 months. Should the Company decide to terminate the program, all trainers are to return to their original job.