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## AGREEMENT

This Agreement effective this 3<sup>rd</sup> day of **February, 2019** is between Twin City Hide, Inc., hereinafter referred to as the "Employer", and the UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL -1189, hereinafter referred to as the "Union".

### ARTICLE 1 RECOGNITION

1.1. The Employer recognizes the Union as the exclusive Collective Bargaining Agent for all full-time and part-time production and maintenance employees, including drivers, at the Employer's So. St. Paul, Minnesota operation, excluding Office Clerical Employees, Guards, Supervisors, and all other employees as defined in the Act, as amended.

1.2. The Company will not bargain collectively with any other Labor Organization affecting employees in the Certified Unit.

**1.3 The Company agrees not to enter into any agreements with their employees individually or collectively, which are in anyway contrary to the terms of this Agreement.**

### ARTICLE 2 UNION SHOP AND DUES CHECKOFF

2.1. It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the date on which this Agreement is signed shall remain members in good standing, and those who are not members on the date on which this Agreement is signed shall on the **sixty-first (61<sup>st</sup>)** day following the day on which this Agreement is signed become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after the date on which this Agreement is signed shall, on the **sixty-first (61<sup>st</sup>)** day following the beginning date of such employment become and remain members in good standing in the Union.

2.2 "In good standing," for the purposes of this Agreement between this Union and this Employer, is defined to mean the payment of a standard initiation fee or a standard reinstatement fee, if applicable, and standard monthly dues as applied uniformly to all employees covered by this Agreement.

2.3. The Employer agrees to deduct Union dues and initiation fees from the wages of employees in the bargaining unit who voluntarily provide the Employer with a written authorization which shall not be irrevocable for a period of more than one (1) year, or beyond the termination date of this agreement, whichever occurs sooner. Such deduction will be made by the Employer from the wages of the employees during each calendar month and will be transmitted to the Union. In the event that no wages are due the employee, or that they are insufficient to cover the required deduction, the necessary deduction shall be made from the employee's wages in the immediate following month at the time which is the usual and customary time for dues and initiation fees deductions. Said amount will thereupon be transmitted to the Union. Together with the transmittal of deductions referred to above, the Employer shall furnish the Union with a list of the employees for whom deductions were made.

2.4. The Union agrees to refund promptly any dues found to have been improperly deducted and transmitted to the Union and to furnish the Employer with a record of such refund.

### ARTICLE 3 SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the parties hereto, their successors, purchasers, lessees, assignees, or whatever, during the life of this Agreement.

### ARTICLE 4 POLICY

The Employer agrees that it will not discriminate against any employee or applicant, as prescribed by federal or state laws or their membership or activity in the Union.

### ARTICLE 5 MANAGEMENT

5.1. The management of the plant and the direction of the working force, including the right to hire, suspend or discharge for just cause and the right to relieve employees from duty because of lack of work, or for other legitimate reasons, are vested exclusively in the Employer; provided, however, that it will not be used for the purpose of discrimination against any employee, or to avoid any of the provisions of this Agreement.

5.2. Foremen or Supervisors shall not perform production work, except to instruct, or in cases of emergencies.

ARTICLE 6  
RATES OF PAY

6.1. The hourly wage rates and classifications paid shall be shown in Appendix A attached hereto and made a part of this Agreement.

6.2. Employees on a night shift shall be paid **twenty cents (\$0.20)** per hour in addition to their regular rate of pay for all hours worked.

6.3. Employees shall have one rate of pay under this Agreement, which shall be the rate of pay for the job classification to which an employee is regularly assigned.

6.4. An employee who is temporarily assigned a job that carries a premium pay rate, will be paid that premium pay rate for the hours worked in that position.

6.5. If an employee is suspended or quits, and is rehired, he will get his rate of pay back, at the time he is rehired.

ARTICLE 7  
REST PERIODS AND LUNCH PERIOD

7.1. There will be a twenty (20) minute relief period per eight (8) hour shift, and a ten (10) minute rest period in any day less than eight (8) hours.

7.2. There shall be a one-half (½) hour lunch period in any day where the employee is to work an excess of six (6) hours per day.

**7.3. After ten and one-half (10 ½) hours of work, an additional paid fifteen (15) minute break will be scheduled.**

**7.4. When employees are required to work more than twelve (12) hours in any one day the Company shall give an additional thirty (30) minute unpaid meal period.**

ARTICLE 8  
EQUIPMENT

8.1. The Company will pay employees (\$10.00) a week for necessary things for work.  
**Given that the Company already pays for equipment as set forth elsewhere in this Article, this weekly payment is intended to compensate employees for any pre- or post-shift preparation or wash up time (i.e. donning and doffing).**

8.2. The Company shall provide knives, steels, aprons, mesh gloves, arm guards, earplugs, boots and hard hats where necessary for all employees at no cost to the employee. The Company will reasonably replace this equipment at no cost provided the employee turns in the equipment needing to be replaced.

ARTICLE 9  
HOURS OF WORK AND GUARANTEED TIME

9.1. Eight (8) hours shall constitute the basic work day. Forty (40) hours shall constitute the basic work week.

9.2. Time and one-half (1-1/2) shall be paid for all hours worked in excess of eight (8) hours in any one day or forty (40) hours in any week, whichever is the greater, in the event the employee works each day of the week that they are scheduled.

9.3. Except for those employees on an approved vacation, receiving holiday or bereavement pay or other paid leave of absence, an employee who fails to work all of the scheduled days in any work week shall be ineligible to receive daily overtime. Such employee shall be paid overtime for hours worked in excess of forty (40) hours weekly or thirty-two (32) hours in a holiday week.

This provision shall not apply in weeks in which the Company dismisses employees early due to lack of work, mechanical breakdowns or shutdowns for any reason.

9.4. Time and one-half (1 & ½) shall be paid for all hours that an employee works on the sixth (6th) consecutive day of work. In holiday weeks, this provision will apply to the fifth (5th) day of work.

9.5. In weeks in which an entire day is celebrated as a holiday, the work week shall be four (4) days of eight (8) hours each or a total of thirty-two (32) hours. In holiday weeks overtime will be paid on all hours worked in excess of eight (8) in a day or thirty-two (32) in the week. The provisions above which requires employees to work all of the scheduled days to receive daily overtime shall have a thirty-two (32) hour threshold on holiday weeks.

9.6. There shall be no pyramiding or duplicating of overtime.

9.7. An employee who reports for work shall be paid not less than four (4) hours that day at his regular rate of pay.

9.8. The basic work week shall be either Monday through Friday or Tuesday through Saturday. Employees who work on their scheduled day off (Monday or Saturday) shall be paid at the rate of one and one-half (1 ½), providing he has worked all scheduled days of the current week. If the employee is absent, he must have an acceptable excuse. (See Article 18)

9.9. If the Employer needs change to a Tuesday through Saturday Work week, employees shall first volunteer if interested, and then the Employer shall use inverse seniority in filling his schedule.

ARTICLE 10  
HOLIDAYS

10.1. The following days shall be considered as holidays:

New Year's Day	Labor Day
Thanksgiving Day	Good Friday (One-half day)
Christmas Day ( <b>One half day</b> )	Decoration Day = <b>Memorial Day</b>
<b>Christmas Eve (half day)</b>	
Fourth of July	

10.2. The Company agrees that any change in holidays or additional holidays by the Packers it services, will be honored as paid holidays by the Company.

10.3. It is further agreed that should the Company be forced to operate on any of the additional holidays due to a Packer killing, these additional holidays will be half holidays.

10.4. Employees shall receive eight (8) hours pay at his regular rate of pay for each of the above named Holidays, four (4) hours pay for Good Friday **and Christmas Eve**, providing that all regular employees worked the scheduled day before the holiday and the scheduled day after the holiday unless excused.

10.5. Regular part-time employees shall be paid four (4) hours pay for each of the above named holidays, two (2) hours pay for Good Friday **and Christmas Eve**.

10.6. Any employee who is required to work on any of the above named holidays shall receive double (2 times) the regular rate of pay for all hours worked, in addition to the eight (8) hours pay for the holiday.

10.7. Employees who work past midnight on Good Friday and Christmas Eve shall receive double time for those hours worked.

10.8. If any of the above named holidays occur within an employee's vacation he shall be given an additional day off and be paid eight (8) hours pay for that day.

10.9. When any of the above holidays fall on the employees scheduled day off, Saturday or Monday, each eligible employee shall be paid an additional eight (8) hours pay, at his regular rate of pay. If any of the above listed Holidays fall on Sunday, it shall be observed on

the following Monday.

10.10. All employees who have **five (5)** years or more of employment with the Employer shall receive eight (8) hours of pay at the employee's regular hourly rate of pay for their birthday.

## ARTICLE 11 VACATIONS

11.1. Employees after having completed the following years of service shall be entitled to the corresponding weeks of vacation with pay:

- After one (1) year, one (1) week
- After **two (2)** years, two (2) weeks
- After **seven (7)** years, three (3) weeks
- After **fifteen (15)** years, four (4) weeks

11.2 An employee who works 1600 hours or more in their anniversary year shall be entitled to a full vacation period as determined in 11.1. If an employee works less than 1600 hours in any anniversary year, they shall receive one-tenth (1/10<sup>th</sup>) of a full vacation period for each 160 hours worked.

The following days will be counted in determining whether or not employees have worked the minimum sixteen hundred (1600) hours:

- (a) Days actually worked
- (b) Holiday's paid for but not worked.
- (c) Days absent due to compensable injury compensable illness, on the basis of five (5) days for each week of absence.
- (d) Five (5) days of each week paid vacation.
- (e) Days of excused absence for Union Business.

11.3. A new employee shall become eligible for his first vacation with pay upon his first Anniversary date, provided he has worked a minimum of Sixteen hundred (1600) hours during his first Anniversary Year, counting as days worked those set forth in Section 11.2.

11.4. Vacation pay for each week of vacation shall be computed on the basis of forty (40) hours. Employees shall receive their vacation pay at the time they take their vacation. There shall be no carryover of vacations. At the end of the employee's anniversary year any unused vacation will be paid out.

11.5. **Vacation request forms shall be submitted to management for approval no later than two (2) weeks before selected dates. Approval shall be granted by seniority by shift on a first-come-first-serve basis. A vacation schedule shall be posted in the break**

**room.**

11.6. When a holiday occurs during an employee's vacation, such employee shall be granted an additional day off and be paid eight (8) hours pay.

**11.7 Upon retirement or termination of employment, employees with over one (1) year of service with the Company will be entitled to be paid out all earned and accrued vacation up to the date of retirement or termination of employment. The Employer will not be responsible after one hundred eighty (180) days or as required by law.**

ARTICLE 12  
SENIORITY

12.1. Seniority will operate on a plant-wide basis.

12.2. Plant seniority shall operate as to layoffs and re-hire.

**12.3. Employees shall be probationary employees for the first sixty (60) days of employment and during such period may be discharged by the Company with or without the same causing a breach of this Agreement or constitute a grievance. Such probationary period may be extended up to an additional thirty (30) days. If by the fifty-fifth (55<sup>th</sup>) day of employment, the Company requests said extension of the Union. Notice of extension, in writing, signed and dated by the employee affected by the extension and received by the Union shall constitute a request.**

12.4. On recall from layoffs, if the employee cannot be reached by telephone, he shall be given notice by Certified Mail and be given seven (7) days in which to report.

12.5. The seniority of an employee shall be considered broken and all rights forfeited when he:

- (1) Voluntarily leaves the service of the Employer
- (2) Is discharged for just cause
- (3) Fails to return to work when recalled under Section 12.4 above
- (4) Has been out of employment by the Employer for a period of one (1) year. Time off for sickness or accident, compensable or not shall not break seniority rights.

12.6. Employees proved to have been suspended, laid off out of turn or discharged without just cause, will be returned to their former position with full seniority and may be paid for all time lost, depending on the Arbitrator's decision.

12.7. Promotions within the bargaining unit shall be made according to plant seniority, providing the ability prevails, or the employee can learn the job in a reasonable length of time.



12.8. The Employer agrees to post notice of **premium** jobs in the plant for **five (5) working** days. The employee with the most seniority in the plant shall be given an opportunity to qualify for the job **with the exception of Lead/SIT which will be chosen at Management's discretion.**

12.9. The plant manager will have a sign up sheet for employees who wish to be considered for the posted position. The employee shall have to request to sign the sheet to be considered for the position.

12.10. An employee who successfully bids for a job and becomes qualified shall be ineligible to bid for another job for six (6) months.

12.11. An employee shall have an equivalent of fifteen working days to qualify for the posted job. At that point the employee will either begin to receive the premium or shall be returned to their previous position with no loss of seniority.

12.12. The plant seniority of each employee shall be posted in the plant and copies given to the Union. The seniority lists shall be revised each six (6) months.

12.13. Employees who fail to qualify for promotions as set forth above, shall be returned to their former job without loss of seniority.

12.14. For **vacation purposes only, each shift** shall have their own seniority, however, in case of lay-off, plant seniority will apply. **Should a lay-off occur then temporary agency employees will be laid off first.**

### ARTICLE 13 GRIEVANCE AND ARBITRATION

13.1. When a grievance arises in the plant, the employee (with or without the Union representative) may attempt first to settle the matter with the plant foreman. In the event that this is unsuccessful, the representative of the Union shall be called so that the matter may be settled without loss of time to either party.

13.2. If the grievance cannot be resolved on a local level, a representative of the Employer and a representative of the Union shall, within seven (7) calendar days, attempt to reach a settlement of the controversy, dispute or disagreement.

13.3. In the case of wage discrepancies, the Employer agrees to submit to the Union upon request from the Union any and all wage data concerning same.

13.4. Any claimed grievance of any kind, except grievances relating to pay, to be acted upon or accepted as valid for any reason, must be filed in writing with the Employer and the

Union within thirty (30) calendar days of each alleged act of violation, except that pay grievances, shall be collectable over a period of time covering two (2) years or back to the effective date of the agreement, whichever is more.

13.5. Any controversy over the interpretation of or the adherence to the terms and provisions of this agreement, including all claims for wages which cannot be settled by negotiations, shall be submitted to mediation or arbitration by either party notifying the other involved in writing of its desire to do so. Notification of desire to submit the grievance to arbitration must be made within thirty (30) calendar days following exhaustion of the steps above.

13.6. Any discharge or dispute that cannot be resolved under the provisions above may be referred by mutual agreement to the Bureau of Mediation Services of Minnesota in an attempt to reach an agreement on a resolution. The party wishing to submit the dispute or discharge to non-binding mediation shall do so in writing within fifteen (15) calendar days following the exhaustion of the remedies in this Article. The parties, by mutual agreement, may elect to bypass Mediation and refer the matter directly to Arbitration.

13.7. The Board of Arbitration shall be composed of one (1) representative of the Union, one (1) representative of the Employer, and a third (3rd) neutral party selected by agreement of the first two (2). The parties must select their representatives within five (5) calendar days of receiving written notice of desire to arbitrate. If these two (2) cannot agree upon the selection of the third (3rd) neutral party within seven (7) calendar days from the date of their selection, either party may call on the Federal Mediation and Conciliation Service to submit a list of seven (7) arbitrators. The Union and the Employer representative shall alternately strike one (1) name from the list of seven (7) until only one (1) name remains, who then, shall be appointed the neutral member of the board. The party making the request for arbitration shall strike the first (1st) name. The Board of Arbitration shall meet promptly and shall hear all the evidence in the case or cases referred to it and render its majority decision thereon within seven (7) calendar days of the date of the final submission of the case to it. Each party shall bear the expense of presenting and preparing its own case and the expense, including any if such there be, in connection with the neutral member, to be borne equally by the parties. There shall be no recourse to any other method of settlement unless a party fails to accept and comply with the award, in which case, the award may be enforced by further action of the party in whose favor such award has been given. The majority decision of this Board of Arbitration shall be final and binding upon all parties involved.

13.8. During the period of adjustment or arbitration, as provided in this article, the conditions in effect at the time of the notification of the claimed grievance shall continue in effect pending final decision.

13.9. All the Arbitrator's expenses shall be borne equally by the Parties. The expenses incurred by each party in the preparation of their case shall be their individual responsibility.

ARTICLE 14  
STRIKE-LOCKOUT

The Union agrees that during the term of this agreement, there shall be no strike by the Union or its members. The Employer agrees that there shall be no lockout during the term of this Agreement.

ARTICLE 15  
HEALTH AND SAFETY

15.1. The Employer shall make reasonable provisions for the health and safety of its employees at the plant during the hours of their employment in accordance with State and Federal Laws.

**The Employer may use cameras in the workplace to investigate potential safety issues, misconduct and/or rules violations, and it shall be able to use any footage as part of the disciplinary, grievance and arbitration process, as long as it provides the Union with a copy of any such footage. It is understood that the cameras will not be used to “spy” on employees.**

15.2. No Employee shall be required to continue to work under conditions hazardous to health, life or limb.

15.3. The company shall form a safety committee consisting of two (2) employees from the union and two (2) from management who will have monthly walk through, and provide written reports to improve the working conditions of the plant.

ARTICLE 16  
LEAVES OF ABSENCE

16.1. Leaves of absence beyond regular vacation to which an employee is entitled will be granted for any good reason and in cases of sickness and injury. The Employer shall comply with the Federal Medical Leave Act (FMLA) and State Medical Leave Laws.

16.2. Employees on a case by case basis, may apply for a leave of absence. Such leave must be requested at least four (4) weeks in advance, whenever possible. The employee must explain the reason for the leave and the expected time to return. Leaves of absence will not be granted so the employee can take a position in another plant, try out new work elsewhere, or venture into business for himself.

16.3. Absence from work because of Union business shall be granted without pay by

the Employer.

16.4. Employees who are drafted or enlist into the Armed Forces of the United States shall receive all rights and benefits they are entitled to under the Laws of the Federal Government.

16.5. When an employee loses time from work to perform Jury Services, the Employer will pay him his regular rate of pay for each hour of such absence, less jury fees received for performing such service.

16.6. When an employee is absent from work for the purpose of arranging or attending the funeral of a member of his immediate family, the Employer shall pay him for eight (8) hours pay for each day missed up to three (3) days.

For the purpose of this Section, a member of the immediate family means the employee's spouse, children, Mother, Father, Sister, Brother, Mother-in-law and Father-in-law, **Adopted Children, Grand-Father, Grand-Mother, Sister-In-Law and Brother-In-Law.**

#### ARTICLE 17

#### HOSPITAL, MEDICAL, SURGICAL, AND LIFE INSURANCE AND TCH 401K PLAN

17.1 Except for the provisions of 17.3, the Employer agrees to pay the cost of a full comprehensive Hospital, Medical, Surgical, and Major Medical Insurance Plan for their full-time employees, and their dependents, after having attained three (3) months seniority.

17.2. The Employer agrees to pay the cost of a mutually agreed to Life Insurance Plan for their employees.

**17.3. The Employer will maintain health care plans similar in design to the current plans offered. Employee premiums will increase 0% the first year of this Agreement and 5% each subsequent year as follows:**

#### Single

Year	<u>Core</u>	<u>Buy Down</u>
2019	\$50.36	\$22.82
2020	\$52.88	\$23.96
2021	\$55.52	\$25.16
2022	\$58.30	\$26.42
2023	\$61.21	\$27.74

Family

<u>Year</u>	<u>Core</u>	<u>Buy Down</u>
2019	\$107.15	\$53.54
2020	\$112.51	\$56.22
2021	\$118.13	\$59.03
2022	\$124.04	\$61.98
2023	\$130.24	\$65.08

17.4 The Employer will provide a 401K plan to its employees. The plan will be offered to the employee at the time of hire and will take effect after thirty (30) days. The employer will provide a 100% match of up to the first 3% of the deferred wages for employees who participate in the plan. Any Employer contributions are subject to the vesting rules of the plan; (employee contributions are considered vested). The 401K plan is subject to the terms and conditions outlined in the plan documents; in the event of questions in interpretation of this benefit, the plan document will prevail.

**Vesting**

Less than one (1) year = 0%  
One (1) year = 20%  
Two (2) years = 40%  
Three (3) years = 60%  
Four (4) years = 80%  
Five (5) years = 100%

ARTICLE 18  
MISCELLANEOUS PROVISIONS

18.1. The Employer shall provide space on a bulletin board in the Plant, for Union notices and information.

18.2. Any no call/no show shall be deemed to be an unexcused absence.

18.3. An employee who calls in sick shall be required to notify the plant daily of their inability to return to work. The exception is where the employee has an excuse that covers a specific length of time.

18.4. The Employer and the Union shall establish a comprehensive policy on absences. This policy will include the disciplinary measures the Employer intends to take in the event that an employee exceeds acceptable absenteeism levels. An employee who is disciplined under such attendance policy retains all rights to object to the discipline as provided above.

18.5. Should the Employer install new equipment, create or modify current jobs. The Employer and the Union shall meet to identify new jobs and determine an appropriate rate of pay.

18.6. The Employer shall have the right to examine the **work performance of any job**. Should the check clearly identify errors **or subpar execution** of a significant amount, and determine the need for discipline, the following employee correction method shall be exercised.


1. For the first occurrence, a verbal warning would be given.
2. If the problem continues or is repeated within thirty (30) days, a written warning shall be issued. This warning must clearly identify the problem causing the warning to be issued.
3. Should none of these steps solve the problem, the Employer may remove the the employee from the position.
4. The time frames contained herein shall be absolute and if an employee continues to work beyond the thirty (30) days in each of steps 1, or 2, the step must be repeated.

ARTICLE 19  
TERM OF AGREEMENT

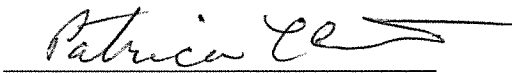
This Agreement shall become effective as of **February 3, 2019**, except where other dates are specified, and shall remain in full force and effect until **February 3, 2024**, and will continue in effect from year to year thereafter, unless notice is given in writing by either party not less than sixty (60) days prior to the termination date of its desire to amend or terminate this Agreement.

Dated this 21 day of June 2019.

TWIN CITY HIDE, INC.  
WORKERS

By:   
Title: V.P. operations

UNITED FOOD AND COMMERCIAL  
WORKERS  
UNION LOCAL 1189

By:   
Title: Representative

APPENDIX "A"

WAGES

Increase pay rates for all employees, current employees shall receive increases retroactive to 2/3/19.

Standard:	2/2/19	2/2/20	2/2/21	2/2/22	2/2/23
	\$15.55	\$16.05	\$16.55	\$17.05	\$17.55
Premium Jobs:	2/2/19	2/2/20	2/2/21	2/2/22	2/2/23
Graders/Fleashers	\$16.55	\$17.05	\$17.55	\$18.05	\$18.55
Fork Lift Operator	\$17.05	\$17.55	\$18.05	\$18.55	\$19.05
Shipping/Receiving	\$17.15	\$17.65	\$18.15	\$18.65	\$19.15
Lead/SIT	\$17.55	\$18.05	\$18.55	\$19.05	\$19.55

**Maintenance/Driver Pay:**

The starting wage will be a minimum of one dollar (\$1.00) over the premium scale rates.

Annual increases for Maintenance/Driver employees will be no less than the annual percentage increase for premium positions.

The Employer may pay a higher rate for a Maintenance/Driver employee based on the annual review of the employee's skill.

Employees who work all scheduled hours during the work week will qualify for the one dollar fifty cents (\$1.50) per hour incentive program. The only exceptions to this requirement are vacation, floating holidays, holidays, and pre-approved absences (three days' notice with supervisory approval) or leaves of absence protected by Federal, State or Local laws or regulations, or this agreement, or days excused by the Employer due to "acts of God".

As of the date the Contract is signed, any non-listed job will be paid at their normal rate.

Premium rates to be paid for listed jobs. Employees who currently receive premium pay for non-listed jobs will continue to receive the premium rates. As of the date the Contract is signed, all non-listed jobs will be paid at their normal rate. Further, as non-posted jobs become available, they will be posted as non-premium jobs.



## APPENDIX "B"

### Quality Control and Production Committee:

The parties agree, during the life of this Agreement to establish and maintain an in-house committee comprised of a minimum of six Union members, the Union representative and several management employees (including the owners). The goal of this committee will be to review production levels and the quality of the product produced. Initially, meetings will be held monthly, but in no case shall they meet less than every three months.

The workforce shall select the committee from the following departments: tank pullers, fleshers, trimmers, graders, computer operators, green crew. The Union stewards shall be on the committee but could fill a slot from the above named jobs. This committee shall be paid at straight time rates for time spent in the meetings. The meeting times may be adjusted to coincide with production levels and may fluctuate.

The committee's purpose will be to identify problems on the work floor and develop procedures to overcome them. The employer will cooperate by supplying all information relative to production and quality. No committee member shall be disciplined for comments made during the meetings.

In past contract negotiations, the parties have established production levels to determine pay increases. In an effort to break away from that practice, the committee shall have broad latitude in respect to raises or modifications in the compensation package due employees. i.e. should production or quality levels fall below the committees recommendations, the yearly increase could be off-set, delayed or negated. On the other hand, should production and quality exceed committee recommendations, the Union and the Company could implement incentive programs in whatever manner deemed reasonable.

