

TERM SHEET
2021-2025 COLLECTIVE BARGAINING AGREEMENT
UFCW LOCAL 1189 & LONG PRAIRIE PACKING, LLC

1. TERM

- 5 years: 1/1/2021 – 12/31/2025

2. WAGES: INCREASE

- Year One Increase: \$1.50/hour all positions
- Years Two – Five Increase: \$0.30/hour all positions

3. WAGES: ALLOCATION OF INCREASE TO BASE OR TIER PAY¹

- Tier 1 and 2 positions
 - \$1.50/hour increase to base pay in year 1
 - \$0.30/hour increase to base pay in years 2-5
- Tier 3 jobs:
 - \$1.00/hour increase to base pay in year 1
 - \$0.50/hour increase to tier pay in year 1
 - \$0.30/hour increase to base pay in years 2-5

4. REALLOCATION OF TIER PAY TO BASE PAY IN TIERS 1 & 2

- Newly created \$2.75 tier pay replaces former tier 1 and tier 2 pay.
- The reduction in tier pay is added back into base pay for jobs in these tiers.
 - Tier 1 positions receive a \$1.25 addition to base pay because of the reduction in tier pay from \$4.00 to \$2.75.
 - Tier 2 positions receive a \$0.25 addition to base pay because of the reduction in tier pay from \$3.00 to \$2.75.

5. JOB GRADES

- See attached master list showing base and tier pay by job classification. Exhibit A.
 - Changes that result in a reduction in base pay are red circled for 2 years if currently owned.
- Company pick – Company retains existing picks plus the shackler and head restrainer position.

6. PAID TIME OFF PROGRAM

¹ Tier pay is also referred to as incentive pay. Under expiring contract, tier 3 pay was \$1.00, tier 2 was \$3.00 and tier 3 was \$4.00.

- Replaces all former contract terms concerning vacation, paid personal time and the floating holiday.

- Features of PTO plan
 - Accruals are same as Company non-union plan (see below “PTO ACCRUALS”)
 - PTO accrues from date of hire
 - PTO available to use after 6 months per contract (see “PTO SCHEDULING”)
 - To qualify for daily and weekend overtime, an employee must have worked all scheduled hours during the work week. The only exceptions are: paid holidays, funeral leave, preapproved/scheduled PTO (i.e. PTO with Notice and Approval; Not Emergency Use), and jury duty which will be considered time worked for purposes of this Section and these exceptions will be paid at the employee’s regular straight time hourly rate. (see “PTO SCHEDULING”)
 - With one exception noted below, PTO hours used during a work week will be paid at the employee’s base hourly grade pay rate for the employee’s owned job, plus hourly incentive. (see “PTO RATE OF PAY”)

- The Company will rollover all accrued vacation under expiring contract into the PTO plan. No employee will lose any accrued vacation time through the rollover process.

7. PTO ACCRUALS

PTO is provided in lieu of vacation or paid personal time, and the amount of time accrued for PTO will be based on hours worked and the employee’s length of service with the Employer. PTO is in addition to the Employer’s paid holiday schedule, as well as its funeral/bereavement leave program.

ACCRUAL SCHEDULE

Accrual during 1 st and 2 nd years of continuous employment	0.04 hours for every hour worked
Accrual during 3 rd , 4 th and 5 th years of continuous employment	0.05 hours for every hour worked
Accrual during 6 th through 10 th years of continuous employment	0.06 hours for every hour worked
Accrual during 11 th through 20 th years of continuous employment	0.07 hours for every hour worked
Accrual during 21 st year and beyond of continuous employment	0.08 hours for every hour worked

The calculation of accrued PTO will be based on minimum work hour increments of 5 hours due to timekeeping system limitations. That is, if an employee worked 52 hours in the week, his/her PTO accrual for that week would be based on 50 hours, with the remaining 2 hours being carried over and added to the following week’s PTO accrual calculation, and so on. The accrued PTO balance will be displayed on the employee’s payroll check stub or payroll advice.

8. PTO RATE OF PAY

- Except as noted below, the rate of pay for PTO hours paid under this program is the employee's base hourly grade pay rate for the employee's owned job, plus hourly incentive.
- The exception to the above rule applies where an employee is terminated for cause or who voluntarily terminates employment without notice of at least two weeks. In that case, accumulated PTO hours are paid out at the base hourly grade pay rate only, without hourly incentive.
- PTO Pays out automatically once accrual of 240 hours of PTO if not used per Company plan
- All PTO hours are paid at the non-overtime rate, regardless of when or how used.

9. PTO SCHEDULING

- With one exception concerning the use of PTO for personal emergencies, the process of scheduling PTO will be the same as the process currently in place and, further, as defined in the expiring contract but as applied to the scheduling of the former vacation allowance.
- Use of PTO requires six (6) months of continuous employment.
- Scheduling PTO with Notice and Approval. Consistent with the process currently in place, PTO will be scheduled as follows:
 - A master vacation schedule will be posted by December 15th of each year. Employees will be given the opportunity to request weeks of PTO by seniority during the first full week of January.
 - Employees may select individual days of PTO by seniority during the second week of January.
 - The PTO time of each employee will be assigned in a department or zone on a divisional seniority basis.
 - Thereafter PTO will be scheduled in order of employee requests consistent with the Company's production requirements. The Company will respond to an employee's request for vacation within two (2) business days of the request.
 - PTO with Notice and Approval will count towards hours worked for purposes of daily or weekly overtime, but is paid at the employee's base hourly grade pay rate for the employee's owned job, plus hourly incentive.
- Personal emergency use; Notice only. This feature is new to the contract.
 - Sixteen (16) hours of PTO are available in 2 hour increments for employee emergencies on notice to employer only. The company will use a 365 day lookback period to determine usage of the 16 hours.
 - Emergency use PTO is in minimum increments of 2 hours up through a maximum daily usage of 8 hours.

- Emergency use PTO will not count towards hours worked for purposes of daily or weekly overtime.

10. PTO AND LEAVES OF ABSENCE

Time off for certain leaves of absence, such as jury duty or funeral/bereavement leave pursuant to the union contract will not require the use of paid time off. FMLA leaves will require the use of accrued PTO in accordance with the Company's Leave of Absence Policy. Employees should check with their union representative, Human Resources Manager, or their immediate supervisor regarding these circumstances.

11. EMPLOYER 401K MATCH

- Employer will make a matching contribution to employee contributions to the Union 401k Plan, with amendments, as defined below.
- The employer matching contribution will be:
 - 2% dollar for dollar match in 2021 and 2022.
 - 3% dollar for dollar match in 2023, 2024 and 2025.
- The vesting schedule for the employer matching contributions for new participants will be 5 Years of Vesting Service (defined in the Union 401(k) Plan, as amended), at 20% per year. That is, on completion of 5 Years of Service, the employer matching contribution would be fully vested. The participant must be employed on the last day of the plan year and complete a Year of Service (1000 Hours of Service) to receive the employer match.
- The vesting schedule for the employer match for existing participants in the Plan (as defined in the Union 401(k) Plan) will not change. The participant must be employed on the last day of the plan year and complete a Year of Service (1000 Hours of Service) to receive the employer match.
- The timing of the launch of the match in year one will depend on finalizing the plan amendment, setting up the new structure with the plan administrator, and creating updated enrollment materials for the employees. This will most likely be completed in the first calendar quarter, but since the match would pertain to all of 2021 earnings by participants, employees would have the opportunity to take advantage of a full match in 2021 with additional deferrals.

12. PAID HOLIDAYS

- New Year's Day, Labor Day, Memorial Day, Thanksgiving Day, July 4th, Christmas Eve Day, Christmas Day
 - Employees will work Christmas Eve 2021 (8 hours knocking time) so as to have 3 consecutive days off, resuming Monday. Side letter establishes no precedent in working a holiday under any other scenario.
 - In 2022, Employees will be off 3 consecutive days (12/24 – 12/26) resuming work on 12/27

- Notwithstanding anything else in the contract, Employees will not receive more than three (3) consecutive days off due to a holiday so that the Company can resume operations on the fourth calendar day after being closed for three (3) consecutive days.

13. MISCELLANEOUS

- Timeline for escalating grievances to HR modified to run for ten (10) after meeting with Superintendent.
- Medical premium employee contribution share remains unchanged at 29.5% for the 5 years of the new contract.
- Non-discrimination clause updated.
- Job posting to stay up until a candidate signs for the job.
- Call in procedure for absences: Notice provided between 12 hours and 30 minutes prior to shift is considered timely.
- Second shift time worked with a scheduled start on a Saturday no later than 4:00 pm, shall be paid at the rate of time and a half (1 ½) of the regular rate of pay regardless of whether the shift extends into Sunday.