



Long Prairie Packing Company, LLC. An American Foods Group Company

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October 19, 2018

UFCW Local 1189
Attn: Jennifer Christensen
266 Hardman Ave N.
South St. Paul, MN 55075
Sent via email to: jchristensen@ufcw1189.org

RE: Changes to Long Prairie Packing Company Tiered Incentive Program

Dear Jennifer:

This letter will serve to memorialize our discussion and agreement regarding changes to Long Prairie Packing, LLC's Tiered Incentive Program. The program was first rolled out as a pilot program in April 2016 and has continued with minor modifications since that time. Now, Long Prairie Packing intends to increase the incentive for the original two tiers by \$1 per hour and add a third tier with a \$1 incentive rate that will include all bargaining unit positions not included in the original two tiers. The updated program is attached to this letter as Exhibit A. This updated program will take effect the week of October 28, 2018, and Long Prairie Packing intends it to continue through the term of the current collective bargaining agreement between the parties, that is, December 31, 2020. The program would only be subject to reduction or elimination by Long Prairie Packing in the event of severe market changes related to the industry or the applicable labor market in and around Long Prairie Packing. In that event, Long Prairie Packing would agree to provide at least 30 days' advanced notice to UFCW 1189 setting forth the reasons for such a change.

Thanks again for working with us to get this change finalized. Please acknowledge your agreement to this change by signing below.

Sincerely,

David Paskach
VP Human Resources

UFCW Local 1189 acknowledges and agrees to the changes to the Long Prairie Packing, LLC Tiered incentive program as set forth in this letter and Exhibit A attached.

Jennifer Christensen, President UFCW Local 1189

ATTACHMENT: Exhibit A – Long Prairie Packing Tiered Incentive Program 10-28-2018

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EXHIBIT A

LONG PRAIRIE PACKING CO., LLC

Tiered Incentive Program

The Tiered Incentive Pilot Program is intended to reward highly skilled employees with perfect attendance and behavior. This program renews weekly. This pilot program begins on Monday, April 4, 2016. Incentive monies are limited to gang hours during the week while all other program requirements are necessary for all scheduled hours.

1. Employees that 'own' production positions under the Tier 1, Tier 2 or Tier 3 incentives will receive the incentive IF all program requirements are met. Employees that 'own' production positions must be able and willing to do said Tier 1, Tier 2 or Tier 3 position at any time during the program to receive the pay.
2. Employees that work partial weeks on Tier 1, Tier 2 or Tier 3 positions will receive the incentive for those hours worked on each respective position IF all program requirements are met.

Tiered Positions

Tier 1: Gutter, Split Saw, Bone Bellies, Clod Puller, Pull Tenders, Bone Chucks, Bone Ribs

Tier 2: Sticker, Legger, Flanker, Bung Dropper, CDL Certified Spotter Driver (effective 4/2/18), Head Dropper Position

Tier 3: All Other Hourly Production Positions-specifically, Hourly production floor positions, Hourly Barn Employees, Hourly Maintenance Employees

Program Requirements:

Employee must have perfect behavior for the week: NO disciplinary letters OR verbal warnings for safety or behavior.

Employees out on unpaid suspensions will not qualify for the incentive on the week(s) the unpaid suspension is served. Employees on any type of LOA will not qualify for the week(s) on which the LOA is taken.

Tiered incentive pay is intended to reward for hours worked. Hours paid out as vacation, floating holiday, personal time, etc will NOT be paid at the tier pay rate.

Employee must have perfect attendance for the week: NO call ins to miss work (paid or unpaid). Employee cannot be late, leave early, or miss time during shift. The ONLY exception is a PRE-approved time off request authorized by a supervisor. Long Prairie Packing encourages employees to request time off in advance, so all parties can schedule around these occurrences.

Tier 1 pay: additional \$4.00 per hour for the hours worked on a Tier 1 position for that week.

Tier 2 pay: additional \$3.00 per hour for the hours worked on a Tier 2 position for that week.

Tier 3 pay: additional \$1.00 per hour for the hours worked on a Tier 3 position for that week.

The program period for this incentive is yet to be determined.

4/2/18 REV 10/1/18