RENDERING AGREEMENT

BETWEEN

UNITED FOOD AND COMMERCIAL WORKERS LOCAL 770

and

BAKER COMMODITIES INC.

AUGUST 29, 2016 – to SEPTEMBER 1, 2019
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**AGREEMENT**
THIS AGREEMENT, made and entered into this 18th day of October, 2016, by and between BAKER COMMODITIES INC., hereinafter referred to as the Employer, and UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL NO. 770, affiliated with UNITED FOOD AND COMMERCIAL WORKERS UNION, hereinafter referred to as the Union. It is in the mutual interest of the Employer and the Union to provide for a schedule of wage rates and working conditions for employees of the Employer within the jurisdiction of the Union.

ARTICLE 1
Recognition and Union Shop

1.1 For purposes of collective bargaining as to wages, hours and working conditions, the Employer recognizes the Union as the representative of all of the Employer's production workers except as hereinafter set forth. Excluded from the coverage of this Agreement are all other employees in classifications presently represented for purposes of collective bargaining by the International Union of Operating Engineers and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, and all office and clerical workers, guards, shift supervisors and supervisory employees.

1.2 It is mutually agreed that only employees doing work that arises under the jurisdiction of the Union shall be allowed to perform work as provided for in this Agreement.

1.3 All employees covered by this Agreement shall, on or immediately following thirty (30) days after their employment or on or immediately following thirty (30) days after the signing of this Agreement, whichever is later, become members of the Union and retain such membership in good standing as a condition of employment. "Membership in good standing" shall mean an employee who tenders the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership. The Union agrees to accept said employees into membership on the same terms and conditions generally applicable to other members.

It shall be the duty of the Employer to notify all new employees that they must become members of the Union on the thirty-first (31st) calendar day after the date of their employment by providing a copy of this agreement to all new employees.

1.4 The Employer agrees to notify the Union of the number and classification of new employees or additional employees needed. The Employer will consider the applicants referred by the Union, together with any other applicants. No applicant will be preferred or discriminated against by the Employer because of membership or non-membership in the Union and the Employer reserves the right to reject any applicant.

1.5 The Employer agrees to notify the Union promptly of all terminations, layoffs, hires,
rehires and other changes in the status of personnel working under the terms of this Agreement, such notice to be forwarded to the office of the Union within one (1) week after the effective date of such change.

1.6 A duly authorized representative of the Union shall have the privilege, during working hours, of contacting employees covered by this Agreement. Such representative shall, at all times, carry credentials showing his authority, and these credentials shall be displayed at any time upon request from the Employer. The Union agrees that such representative shall avoid all unnecessary visits, particularly during rush hours, and that in no event shall such representative be permitted to unreasonably interfere with production. The Union agrees further that any duly authorized representative of the Union who visits the plant must check in first with the Front Office and be announced to the Plant Superintendent or his designee before entering the plant.

1.7 The Employer agrees to prominently display the Union Shop Card at all times in at least one conspicuous place.

1.8 The Employer agrees to deduct from the pay of all employees covered by this Agreement, who furnish to it a written authorization, the dues of the Union and to remit such dues to the Union no later than the end of the calendar month following the month in which the dues are deducted. The Employer shall deduct voluntary political contributions from the paychecks of the employees in accordance with their written authorization and remit the same to the Union as provided above.

The Union shall certify to the Employer in writing each month a list of its members working for the Employer who have furnished to the Employer the required authorization, together with an itemized statement of dues owed and to be deducted for such month from the pay of such members, and the Employer shall deduct such amount from the first pay check following receipt of the statement of certification of the member and remit to the Union in one lump sum.

The Employer shall add to the list submitted by the Union the names of all regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed.

The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits and other forms of liability or loss that shall arise out of or by reason of application of the foregoing check off provisions, including but not limited to attorneys fees and litigation costs.

1.9 The Company recognizes the right of the Union to designate shop stewards from the seniority list of its regular employees. The authority of the shop steward so designated by the Union shall include, but not be limited to, the following duties and activities:
a. The investigation and presentation of grievances in accordance with the provisions of the collective bargaining agreement;

b. The collection of dues when authorized by appropriate Local Union action;

c. The transmission of such messages and information which shall originate with, and are authorized by the Local Union or its officers provided such messages and information:

(1) Have been reduced to writing, or if not reduced to writing are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Company's business;

(2) The steward has no authority to take strike action, or any other action interrupting the Company's business, except as authorized by official action of the Union;

(3) The Company recognizes these limitations upon the authority of the job steward, and shall not hold the Union liable for any unauthorized acts. The Company in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the steward has taken unauthorized strike action, slowdown, or work stoppage in violation of this Agreement.

ARTICLE 2
Strikes and Lockouts

2.1 During the term of this Agreement, the Union shall not authorize, cause, engage in, sanction or assist in any slow down, work stoppage, refusal to perform services or strike against the Employer; and the Employer shall not cause, permit or engage in any lockout of the employees covered by this Agreement.

2.2 The Employer agrees that it will not require any employee to cross a lawful picket line. The Employer will not discipline, discharge or otherwise discriminate in any way against any employee who refuses to cross a lawful picket line. The Employer will have the ability to temporarily replace employees who refuse to cross a lawful picket line during an economic strike, in accordance with National Labor Relations Board policy.
ARTICLE 3
Bulletin Board

3.1 The Employer shall establish and maintain a bulletin board conveniently accessible to the employees for the posting by the Union, and only by the Union, of official Union notices not of a political character.

ARTICLE 4
Working Conditions

4.1 It shall be the responsibility of each employee covered by this Agreement to notify the Employer of any changes of address and/or phone number within seven (7) calendar days after such change of address is effective. The employer will periodically remind employees of this requirement by putting a notice on the employee’s check stub.

4.2 The Employer will provide five (5) changes of clothes per week. The employee is responsible for his uniforms and any lost or stolen uniform replacement costs will be paid for by the employee (unless in the case of theft, the uniform was stolen from a secured place for uniforms which the Company had supplied and the employee had used). Employees are not permitted to remove uniforms from Company property.

The Employer will provide $100 per year for those employees who are required to purchase and wear their own boots and $50 per year for those employees who are provided rubber boots in the course of their duties (e.g., water plant, star grease, feed fat, etc.). Such allowance will be paid out annually to active employees during the first two weeks of October.

ARTICLE 5
Paid Sickness and Disability Leave

5.1 Computed from his anniversary date of employment, each employee covered by this Agreement shall be eligible for sickness and disability leave benefits solely in accordance with the following:

(a) Sickness and Non Industrial Accident Eligibility -- After one continuous year of employment.

Payment begins - If an employee has accumulated thirty (30) days of sick leave and has gone for six (6) months without using any sick leave benefits, sick leave benefits shall be payable commencing on the first (1st) working day; otherwise, sick leave benefits shall be payable commencing with the second (2nd) working day in each instance if satisfactory proof of illness (as defined in Section 5 below) is provided; if not, Third day in each instance
5.3 Beginning with the first (1st), second (2nd) or third (3rd) day under Section 5.1 (a) above (whichever is applicable) for sickness and non industrial accident, the amount payable for sickness and non industrial leave shall be the amount the employee would have earned at his straight time rate on his regular shift had he not been sick or disabled, less any amount he received or is entitled to receive from State Disability Insurance, State approved private disability insurance, or Workers' Compensation. However, during any year of employment, an employee's paid sickness and disability leave shall never exceed forty-two (42) days at his straight time rate on his regular shift.

The provision for the integration of sick leave pay with unemployment compensation, disability benefits and Workers' Compensation temporary disability benefits shall mean that the sum of the daily sick leave allowance hereunder and the aforesaid state disability daily benefits, exclusive of daily hospital benefits which may be payable to an employee, shall equal 100% of the employee's regular daily wage at straight time. If the sick leave allowable to an employee when so combined with State benefits exceeds 100% of his regular daily rate at straight time for any one day, then such sick leave pay allowance not received by the employee by reason of any such reduction shall be retained in the employee's sick leave pay account as part of his sick leave pay credits.

It shall be the responsibility of an employee who is absent for any period in excess of one (1) day to inform the Employer one (1) working day in advance of his intended return. It shall be the responsibility of an employee absent in excess of one (1) week to inform the Employer of his intent to return on the Thursday preceding his return.

5.4 Paid sickness and disability leave is not convertible to a cash bonus but is solely for the purpose of providing sickness or disability benefits; except that, if, after accumulating forty-two (42) days of unused sickness and disability leave, an employee does not use any paid sickness and disability leave in the next year, so that he then has forty-eight (48) days of unused sickness and disability leave, he shall be paid in cash for six (6) of those days at his then straight time rate of pay and shall retain forty-two (42) of those days as accumulated sickness and disability leave; and further excepted that if an employee retires from the company
such that he leaves the company's employment and immediately commences drawing his pension, he shall be entitled to receive upon such retirement 75% of his accumulated sick leave as a cash bonus, provided that the cash bonus shall be increased to 100% if the employee has the maximum accrual (forty-two (42) days) of sick leave at any time within the six months prior to retirement.

5.5 The Employer may request any employee who has been absent for more than 3 days to submit reasonable proof of sickness or disability. "Reasonable proof" may take the following form: (1) a certificate brought from the employee's own doctor stating the fact of the visit and a return to work date; or (2) a certificate mailed to the Company by the employee's own doctor stating that he received a call from the employee and the employee's return to work date; or (3) a certification by the employee on a form supplied by the Company on which he affirms that he was ill but did not consult with or see any doctor. Any fraudulent use of sickness or disability leave shall be considered sufficient cause for discharge.

5.6 In the case of an industrial accident where the Employer directs the employee to visit the doctor on the date of the injury, and the doctor advises such employee that he should not return to work on such day, then and in such event such employee shall be paid for the balance of such day not worked at his regular straight-time hourly rate of pay, such pay not to be charged to sick leave.

ARTICLE 6

Health and Welfare

6.1 Employees and their dependents shall be covered by the Western Alliance Trust Fund, which shall provide benefits through Kaiser for medical, MIDA for dental and Davis for vision. Effective October 1, 2016, employees and their dependents shall remain on the Kaiser $20 office visit co-pay plan at a monthly cost of $1,089.15, which is sufficient to cover 100% of the H & W benefits at the date of this agreement. Said amount shall be paid by the Employer. H & W benefits for new employees shall be effective as of the first of the month following 60 days (90 days if allowed by federal and state law) of employment.

6.2 It is the expressed intent of the parties to this Agreement that no retiree Health and Welfare benefits be created by the language contained in this Agreement. If any such benefits are created, they are only for the term of this Agreement. It is also the intent of the parties that in no event shall any employee, former employee or retiree obtain any vested right to future Health and Welfare benefits as a result of this Agreement.

6.3 The parties hereby instruct the Trustees of the Trust to amend all plan documents and any other materials distributed to employees, former employees or retirees by inserting the language of Section 6.2 of this Article.

6.4 The Employer's payments to said Trust shall be made on or before the fifteenth
(15) day of the month following any month for which payments are due, and such payments shall be for the purpose of providing insurance and welfare benefits for employees covered by this Agreement and their dependents. Any failure by the Employer to make the above specified payments when due shall constitute a material breach of this Agreement.

6.5 Should it be actuarially determined by the Trustees of the Trust that additional contributions are necessary to maintain the level of benefits and the quality of providers that existed on the date of ratification of this agreement, the employer agrees to increase its monthly contribution up to $1,133.81 per month for calendar year 2017, $1,246.80 for calendar year 2018 and $1,346.54 for the balance of the contract term in order to maintain benefits. Any unused MOB from any year will be carried forward to the next year. Any unused MOB at the end of the contract term will be carried forward to the next contract term to be used to cover future increases in excess of provided rate caps. In the event of an increase in the cost of Health and Welfare benefits in excess of the MOB agreed to by the Employer (including any carry forward from prior years), the employees shall pay excess cost of maintaining such benefits; provided however, the employer shall establish a $1,000 Excess MOB Fund for each employee which will be used to cover any required employee contributions until such fund is exhausted. If any money remains in the Excess MOB Fund at the end of the contract term, 50% of the remainder will be paid to the employees and 50% will be refunded to the Employer. New hires shall be credited with the Excess MOB Fund balance of the other employees on the new hire’s date of employment. Terminated employees shall not be entitled to any distribution at the end of the contract term.

6.6 ACCEPTANCE OF TRUST: The parties hereby agree to accept, and to be bound by, the terms of the existing Declaration of Trust providing for the Western Alliance Trust Fund, required to accomplish the provisions of this Collective Bargaining Agreement, together with any amendments which may be made from time to time to the Trust, and to become parties to the Trust. The parties hereby agree to sign the appropriate Trust Acceptance Agreement in order to implement this article.

6.7 EMPLOYER CONTRIBUTIONS: The Employer hereby agrees to contribute to the Western Alliance Trust, for purpose of providing Medical, Dental, Vision and Life and Accidental Death & Dismemberment coverage for each full-time employee and their eligible dependents. Contributions shall be payable to the Western Alliance Trust on or before the 20th of the month preceding the month of coverage and shall be deemed delinquent if not received before the 1st day of the month for which coverage is provided.

6.8 ENROLLMENT: Employer is responsible for the timely enrollment and reporting of all eligible Employees, in accordance with the effective date of coverage. The Employer is responsible for the full contribution for any un-enrolled Employee, just as the Employer would be responsible for the full contribution for an Employee who properly enrolled.
6.9 ELIGIBLE EMPLOYEE: For purposes of this Agreement a regular full-time employee is defined as a full-time employee who is on the payroll on the first (1st) day of the month and who has completed at least 60 days (90 days if allowed by federal and state law) of continuous employment. Eligible employees shall enroll in the plans offered in accordance with the rules of the Trust. All eligible full-time employees shall be covered, unless a Trust Fund waiver of benefits is in effect as provided below in Section 4.

6.10 WAIVER OF COVERAGE: Eligible employees may waive their Group Health & Welfare benefits based on having met the following three (3) conditions:
1. Employee is required to make a premium contribution;
2. Employee must submit a completed Trust Waiver form;
3. Employee must submit proof of other group health coverage.

For purposes of this Waiver of Benefits, and in accordance with Trust Fund rules, Life and Accidental Death & Dismemberment coverage in excess of the basic $2,000 offered as part of the medical may not be waived. Each full-time employee must be covered for the Term Life Benefit, including a spouse in the same employment covered by this Agreement.

6.11 MAINTENANCE OF BENEFITS: If the costs of benefits are increased during the term of this Agreement, as determined by the Trustees of the Trust, the Company agrees to pay one-hundred percent (100%) of said cost, less any the Employee Contribution.

6.12 EMPLOYEE CONTRIBUTION: Employee shall pay, through payroll deduction, their share of contributions each month, for coverage, as provided herein.

6.13 COMPLIANCE AUDITS: Employer acknowledges that the Trust may conduct compliance audits of the Employer and that the Employer has an obligation to cooperate with the Trust's representatives in connection with such compliance audits. Employer further acknowledges and understands that in the event a Trust audit results in a finding that Employer has failed to remit any required contributions, the Employer will be required to immediately remit any delinquent contributions, plus any applicable interest and/or liquidated damages assessed pursuant the Trust Agreement and/or Rules and Regulations. In addition the Employer could be responsible to reimburse the Trust for the cost of the audit, legal, administrative and other fees incurred or imposed by the Trust in connection with the audit.

6.14 AFFORDABLE CARE ACT COMPLIANCE: The Union hereby confirms, now and at all times during this agreement, that the Western Alliance Trust Fund (or any other fund chosen by the Union) offers medical benefits which comply with the requirements of the Patient Protection and Affordable Care Act (“ACA”), including, but not limited to: (a) coverage within 90 days of commencement of employment, (b) at least one plan option which meets or exceeds the ACA's
Minimum Essential Coverage Actuarial Value requirement (i.e., covers at least 60% of the employee's health benefits), and (c) coverage that meets the ACA's Affordability Requirement (i.e., the employee's contribution for a single coverage option is no greater than 9.5% of their household income).

ARTICLE 7
Pension Plan

7.1 Effective January 1, 1986 and continuing for the term of this agreement, pension benefits for the Employees shall be provided by the Baker Commodities Inc. Hourly Pension Plan.

7.2 Effective September 1, 1998, the Employees shall be entitled to a unit benefit of $60 for all service after December 31, 1985. Those employee who retired before September 1, 1998 shall be entitled to a $40 unit benefit for all service after January 1, 1986 and before January 1, 1992 and a $50 unit benefit for all service after December 31, 1991 and before September 1, 1998. Effective August 1, 2001, the pension unit benefit shall be increased from $60 to $70 for all service after December 31, 1985. Effective September 1, 2010, for all employees hired after such date the pension unit benefit will be $50 per month per year of service; provided however, that this provision shall not apply to employees hired prior to such effective date.

7.3 For vesting purposes, the Employees shall receive credited vesting service for all service with the company.

7.4 Effective September 1, 2013, past pension accruals for bargaining unit members in the Baker Commodities Hourly Pension Plan shall be frozen and future accruals from the Baker Commodities Hourly Pension Plan will cease. For employees who are not fully vested in the Pension Plan, vesting service (but not service credit) will continue to accrue as long as they continue employment until such time as they become fully vested.

7.5 Effective September 1, 2013, the Employer will participate in the UFCW International Union-Industry Pension Fund at a contribution rate of $100 per month for each bargaining unit employee who works 25 hours or more in the month. Effective September 1, 2016, the Employer will increase the contribution rate to $130 per month for each bargaining unit employee who works 25 hours or more in the month.

7.6 Effective September 1, 2013, or as soon thereafter as feasible, the Employer will allow bargaining unit employees to participate in the Baker Commodities 401(k) Retirement Plan.

ARTICLE 8
Seniority

8.1 Plant seniority shall be measured from an employee's most recent date of hire. Employees shall acquire plant seniority only upon satisfactory completion of the probationary period provided for in Article 11, at which time their plant seniority shall date from their most recent date of hire.

8.2 Classification seniority shall be measured from the employee's most recent date of entering into the classification.

8.3 On layoff and recall, assuming ability to satisfactorily perform the work, employees shall be laid off and recalled in order of their plant seniority, the most junior employee to be the first laid off and the most senior employee on layoff to be the first recalled. In any layoff situation, an employee shall be deemed "able to satisfactorily perform the work" of the position he holds on the date of layoff or any other lower bracket position.

8.3 A permanent vacancy in a job classification shall be posted by the Employer on its plant bulletin board for a period of twenty-four (24) hours and any employee within such classification may, within such twenty-four (24) hour period, submit written application on a form supplied by Employer and thereby be considered for such vacancy. Notwithstanding the foregoing, no employee may bid on or be eligible for promotion or assignment to a vacancy unless he has worked on his current job for at least one (1) calendar year or obtains the express permission of the Employer, provided, however, an employee may bid on an opening in his same job classification on another shift. In any case where no employee within the classification has applied to fill a permanent vacancy, the opening shall be reposted by the Employer on its plant bulletin board for a period of twenty-four (24) hours and any employee may, within such twenty-four (24) hour period, submit written application on a form supplied by Employer and thereby be considered for such vacancy. In the event no employee bids on the reposting the employer reserves the right to assign either the least senior qualified employee to the position or to hire a new employee for the position. In situations involving plant or classification seniority, assuming ability and aptitude are relatively equal, preference will be given to the applicant with the greatest seniority. If two or more equally qualified applicants have the same seniority, the employee whose clock time is earlier on his seniority starting date shall be given preference. If such clock time is identical, the determination shall be made by toss of a coin. For the purpose of this Section 8.3, a permanent vacancy in a job classification shall mean a vacancy of more than three (3) months' duration. The Employer and the Union shall meet to formulate a comprehensive cross-training program in order to facilitate promotion and recall rights based upon seniority.

8.4 Assuming ability and aptitude are relatively equal; employees with the greatest classification seniority will be given preference in shift assignment and in filling a temporary vacancy in a job classification. For the purpose of this Section 8.4, a temporary vacancy in a job classification shall mean a vacancy of three (3)
8.5 An employee promoted or advanced to a higher paying job classification shall receive the rate of such higher paying classification. If, within thirty (30) days, an employee fails to fulfill the requirements of a new job classification, (or if an employee has been replacing another employee absent for more than three (3) months on sickness or disability leave or other authorized leave of absence), such employee in the new job classification (or such replacement employee) shall be returned to his previously held job classification without loss of seniority and his pay rate shall be adjusted to the rate of the classification in which he is working. In addition, any employee who bids for a job in a lower paying job classification shall have his pay rate adjusted to the rate of the classification in which he is working.

8.6 Seniority shall be lost for the following reasons only:

(a) Voluntary quitting.

(b) Discharge for just and sufficient cause.

(c) Failure to report to work within three (3) working days following recovery from sickness or disability or after an authorized leave.

(d) Failure to report to the Employer for reinstatement after layoff within five (5) working days after being advised by telephone, telegram or registered letter to report for work; or failure to keep the Company and the Union advised, while on recall status, of an address where the employee can be contacted for purposes of recall.

(e) Absence due to:

(1) Layoff for a period of more than one (1) year.

(2) Leave of absence for non industrial sickness or accident for a period of more than six (6) months; provided that at the end of that period, the Company and the Union shall review the condition of the employee and an extension of the leave shall be granted if the parties determine that there is a reasonable likelihood that the employee will be fully able to return to his regular job at the end of the extension.

(3) Leave of absence due to industrial illness or accident for a period of more than one (1) year, subject to the same review and extension rights, at the end of that one year period, as are provided in (2) above.
9.1 For good and sufficient cause, the Employer may grant unpaid leaves of absence for a reasonable period, and the Employer agrees not to withhold such permission unreasonably. All such authorized leaves of absence shall be in writing with a copy for the employee and the Union.

9.2 An unpaid leave of absence may be extended if the Employer's written permission for an extension is secured, and the Employer agrees not to withhold such permission unreasonably.

9.3 Any employee, who accepts other employment while on a leave of absence pursuant to this Article, or while on sickness or disability leave pursuant to Article 5, may be terminated and discharged by the Employer.

9.4 The Employer agrees to grant a six (6) month leave of absence, to not more than one (1) employee during the term of this agreement, for the purpose of working for the Union as an union organizer.

ARTICLE 10
Funeral Leave

10.1 If necessary for an employee to lose time from work because of death in the immediate family of such employee, he shall be entitled to three (3) days paid leave of absence, (eight [8] hours per day straight time). If necessary, such employee shall be entitled to an additional two (2) days' leave of absence without pay. "Immediate family" is defined to mean an employee's father, mother, current father-in-law, current mother-in-law, spouse, sister, brother or children (including legally adopted children), and grandparents. The Employer may require the employee to provide reasonable proof of death as a condition to receiving the paid leave of absence.

ARTICLE 11
Probationary Employees

11.1 A new employee shall be on probation during the first ninety (90) days worked for the Employer, during which period, if his performance is not satisfactory to the Employer, he may be terminated. Such a termination during said probationary period shall not be subject to review through the grievance and arbitration procedure provided for in Article 12. However, if the employee continues working past the completion of his probationary period his seniority shall commence as of the first day of employment.

ARTICLE 12
Grievance and Arbitration Procedure
12.1 A grievance shall be defined as any dispute between the Employer and the Union or between the Employer and an employee concerning the interpretation or application of any of the terms of this Agreement, and all grievances must be filed in writing with the Plant Superintendent and processed in accordance with the procedure hereinafter set forth.

12.2 Grievances concerning alleged improper discharge must be presented within five (5) working days after the employee has received notice of discharge. Other grievances shall be without effect unless presented within six (6) working days from the date of the act or omission which is the basis of the grievance, unless it is impossible to know of such act or omission within said six (6) working days, in which event the grievance must be presented within six (6) working days after notice of such act or omission is first obtained by either the Union or the aggrieved employee. Also within said six (6) working days, in the case of grievances not concerning alleged improper discharge, the aggrieved employee, individually or through his Union Steward, shall discuss the grievance with the Plant Superintendent, or the latter's designated representative.

12.3 Grievances concerning alleged improper discharge and other grievances not settled under Section 12.2 of this Article, shall be discussed between the aggrieved employee individually or the Business Agent of the Union and the Union Steward involved, or their designated representative, representing the Union, and the Plant Superintendent or his designated representative, representing the Employer. Each discussion shall take place within the five (5) working days presentation period provided for in Section 12.2 of this Article in the case of grievances concerning alleged improper discharge, and such discussion shall take place within six (6) working days after failure to reach a settlement in the case of other grievances not settled under Section 12.2 of this Article.

12.4 If no settlement is reached under Section 12.3 of this Article, then within ten (10) working days thereafter, the Union may file with the employer a written notice of appeal to arbitration, and thereupon the parties shall enter into a submission agreement that shall clearly state the arbitrable issue or issues to be decided. If the parties are unable to agree on a joint statement of arbitrable issues, this submission shall contain the Union's or employee's statement of issues and the Employer's statement of issues, with the notation that the parties could not agree thereon.

12.5 If a notice of appeal to arbitration is filed within ten (10) working days after failure to reach a settlement under Section 12.3 of this Article, then also within said ten (10) working days the parties shall meet for the purpose of selecting an arbitrator. If at such meeting the parties are unable to agree upon an arbitrator, an arbitrator shall be selected from a panel of arbitrators submitted by the Federal Mediation and Conciliation Service by alternate striking of names until one (1) remains. The party who strikes the first name shall be determined by lot.
12.6 The decision of the arbitrator, subject to any remedies of the parties at law, shall be final and binding on the parties, and such shall be within the scope and terms of this Agreement, and shall not add to, subtract from, alter or change the scope and terms of this Agreement. The decision of the arbitrator must be made within thirty (30) days after hearing and the submission of briefs, if any.

12.7 In any arbitration involving a claim for retroactive pay, the Employer shall not be liable for retroactive pay for any periods of extension or delay (during the grievance and arbitration proceedings), requested formally or informally, by the Union or the employee.

12.8 The arbitrator shall be empowered to determine the time and place of hearing, if the parties cannot agree. During the hearing before the arbitrator, each party shall have full opportunity to present evidence and argument, both oral and documentary.

12.9 Subject to the provisions of Section 12.7, whatever amount of retroactive pay, if any, an employee may be found entitled to receive, shall be based upon the average number of hours, whether eight (8) or less or more per day, worked by the employee who replaced the discharge employee during the period to which such retroactive pay is applied.

12.10 Except as provided in Section 12.13 below, the grievance and arbitration procedure set forth in this Article shall constitute the sole and exclusive method of adjustment and settlement between the parties of any and all grievances as herein defined.

12.11 The time limits specified in this Article may be extended in writing by mutual agreement between the Employer and the Union.

12.12 All expenses, including the fees and expenses of the arbitrator, and all other expenses deemed necessary by the arbitrator for the proper conduct of the proceedings, including the cost of transcript if necessary, shall be borne by and divided equally between the parties to the arbitration. Any expenses connected with the calling of any witness shall be borne by the party calling the witness.

12.13 In case of a dispute between the parties with respect to contagious diseases, the appropriate City or County Health Officer shall be the final authority in determining the physical fitness of any employee or employees.

ARTICLE 13
Discharge and Discipline

13.1 No employee shall be disciplined, discharged or discriminated against by reason of his activities in or representation of the Union.
13.2 The Employer may discipline or discharge employees for just and sufficient cause in connection with misconduct occurring on Company property or on Company time. Just and sufficient cause for immediate discharge shall include, but not be limited to, drunkenness, theft or dishonesty (which shall include acts of fraud, stealing, cheating and dishonesty whether or not they meet the definition of crime under the Penal Code or other state statutes [for example, unauthorized placing of Company property in one's car even though detected before the property is taken off of Company property]), fighting, possession of firearms or an illegal weapon, possession of or use of or being under the influence of alcohol or illegal drugs (defined as drugs for which the employee does not have a valid prescription) or marijuana on Company property, fraudulent use of paid sickness or disability leave, and any other misconduct detrimental to the interest of the Employer or the employees. For purposes of this Section, Company property shall include the Employer's parking lot before, during or after work hours.

Except as provided in Section 13.3 of this Article, the Employer shall issue to employees two copies of written citations in all disciplinary cases not warranting immediate discharge. The employee may give one of the copies to the Shop Steward if he so desires. A copy of each citation issued shall also be sent to the Union. Upon receiving a total of three (3) citations, for any reason within 180 days or for the same reason within one (1) year, an employee shall be subject to immediate discharge. After the time limit in the preceding sentence has expired as to a particular written citation, it shall be retained in the employee's file but shall be marked "VOID" across its face, to indicate that it may no longer be used to directly support a discharge action.

13.3 If, for any reason, an employee's wages are garnished during his employment by the Employer, such employee shall receive a written citation after a first garnishment and after a second garnishment within ninety (90) days, or third garnishment within one (1) year, such employee shall be subject to immediate discharge.

13.4 The Employer may, from time to time, adopt rules and regulations affecting employees, copies of which shall be posted and mailed to the Union. If the Union feels any such rule or regulation is inconsistent with or contrary to the terms and conditions of this Agreement, the matter may be submitted to the grievance and arbitration procedure provided for in Article 12.

ARTICLE 14
Vacations

14.1 The Employer agrees that after one (1) year's continuous service, each employee shall receive two (2) week's vacation with pay annually; that after eight (8) years' continuous service, each employee shall receive three (3) weeks' vacation with pay annually; and that commencing on December 1, 1990 after twenty (20) years' continuous service, each employee shall receive four (4) weeks' vacation with pay
annually. Vacation pay shall be computed on the basis of the straight time rate for the work week. Vacation shall accrue on a weekly basis at the rate of .7693 hours for each week of vacation eligibility (i.e. .7693 hours x 52 weeks = 40 hours x 2 weeks' eligibility = 80 hours.),

14.2 If an employee is laid off for a total of seven (7) weeks or less during any given year, or if an employee is absent for any reason for a total of ninety (90) days or less during any given year, the employee shall still be considered continuously employed during each year for the purposes of determining his vacation eligibility. If an employee is laid off for a total of more than seven (7) weeks during his first year of employment, or if an employee is absent for any reason for a total of more than ninety (90) days during his first year of employment, such employee shall not receive any vacation benefits. If any employee is laid off for a total of more than seven (7) weeks during his second or any subsequent year of employment, or if an employee is absent for any reason for a total of more than ninety (90) days during his second or any subsequent year of employment, such employee shall have his vacation benefits prorated by omitting the period of his layoff or his absence.

14.3 An employee shall receive, for each week of vacation to which he is entitled, vacation pay equal to forty (40) times his straight time rate of pay.

14.4 An Employee with two (2) or more years' continuous service shall be allowed reasonable additional vacation time without pay up to a maximum of two (2) weeks and on a schedule acceptable to the Employer but only if such employee has not received any additional unpaid vacation time during the two (2) preceding years. Any employee who fails to timely return to work after his allotted period of vacation shall receive a written citation.

14.5 The vacation period shall be from January 1st through December 31st of each calendar year. The Employer, whenever possible, will give consideration in line with seniority to the wishes of employees concerning their individual vacation schedules within such vacation period.

14.6 Upon termination, regardless of the reason therefore, an employee shall receive accrued vacation pay.

ARTICLE 15
Holidays

15.1 The following (9) holidays are recognized as legal holidays:

- New Year's Day (January 1)
- Presidents Day
- Memorial Day
- Independence Day (July 4)
- Labor Day
Veteran's Day (same day observed by packing houses)
Thanksgiving Day
Day after Thanksgiving Day
Christmas Day (December 25)

15.3 An Employee shall receive eight (8) hours'(or ten (10) in the case of an employee regularly scheduled to work a ten (10) hour day or the holiday) holiday pay at his straight-time rate for each holiday. For holidays actually worked, an employee shall receive his holiday pay and in addition, time and one half his straight-time rate for all hours actually worked on such holiday (He shall receive two (2) times his straight time pay for all hours actually worked on the following holidays: New Years, Labor Day, Thanksgiving or Christmas). If a Holiday occurs during a vacation period, the employee shall be entitled to eight (8) hours of Holiday pay in lieu of an additional day off.

15.4 Notwithstanding, the provision of Section 15.3, if any regularly scheduled holiday (other than New Years, Labor Day, Thanksgiving or Christmas holidays) falls on a day when a beef, pork or poultry slaughter or boning house is operating, the Employer shall have the right to require any employee or group of employees to work that day. The employees shall be paid their regular straight time for that day and shall be granted a floating holiday in lieu of the holiday worked. Any floating holiday will be observed on a day mutually agreed to between the Employer and the employee.

15.5 Holidays falling on a Saturday or Sunday shall be observed on the preceding Friday or the following Monday at the Employers option. The Employer shall give two (2) weeks' prior notice of the day on which the holiday shall be observed.

15.6 No employee shall be entitled to receive holiday pay unless he has worked his full shift next preceding and next following the holiday. An employee shall be deemed to have worked if absence on said day before or said day after the holiday is due to express permission from the Employer or is due to the employee's being paid sick leave. Notwithstanding anything hereinbefore in this Section 15.6 set forth, it is agreed that in the event an employee is laid off during the week immediately preceding a calendar week in which a holiday occurs or is rehired in the week immediately subsequent to the calendar week in which holiday occurs, then, and in either of such events, the employee shall be entitled to holiday pay of eight (8) hours at straight time for a holiday occurring in such calendar week as hereinbefore in this sentence mentioned. Should an employee be on paid sick leave for a day on which a holiday is recognized, such employee shall receive holiday pay in lieu of any sick leave pay for such day.

15.7 A holiday shall start and end at the times designated by the Employer.

ARTICLE 16
Hours, Shift and Guaranteed Workweek
16.1 Except as provided in Section 16.6 of this Article, each shift shall consist of eight (8) hours, and the Employer shall establish a schedule showing the regular starting time for each shift, such schedule to be posted on the plant bulletin board and a copy mailed to the Union. The regular starting time for each shift may be changed only at the beginning of a workweek, but in no event shall the regular starting time for the first shift be before 5:00 A.M. or after 11:00 A.M., and in no event shall the Employer establish split shifts.

16.2 During each shift, at regular times designated by the Employer, two (2) rest periods shall be allowed without reduction in pay. A fifteen (15) minute rest period shall be granted during the first half of each shift (before the meal period), and a fifteen (15) minute rest period shall be granted during the second half of each shift (after the meal period). Operators shall be allowed an aggregate of fifteen (15) minutes of rest time in each half of their shift at times as shall not interfere with the proper and continuous operation of the plant. In the event an employee works 12 or more hours he shall be given an additional fifteen (15) minute rest period. In no event shall an employee combine rest periods.

A one half hour unpaid meal period shall be taken during each shift after no more than five (5) hours of work, provided however, the nature of the "Operator" job classifications prevents an "Operator" employee from being relieved of all duty and accordingly "Operators" shall be given an "on duty" meal period which shall be counted as time worked. Employees who work more than ten (10) hours in a day shall receive a second unpaid meal period after no more than ten (10) hours of work (unless waived in writing by the employee). Employees must clock in and clock out for all meal breaks. Employees are required to attest on their timecards at the end of each pay period that they have taken all meal breaks. Employees must notify their supervisor immediately if a meal break: (1) is not provided, (2) is not provided in a timely manner, (3) is interrupted, or (4) is shorter than 30 minutes. Employees who fail to take lunch breaks, who clock in early from meal breaks, or who otherwise violate meal break policies may be subject to discipline, up to and including termination.

16.3 Time clocks will record time based on a punch-in, punch-out basis, with no rounding. An employee reporting late for work during the regular work week shall be paid only for hours actually worked on the day or days he is late, and such an employee shall have the total time he is late deducted from his guaranteed workweek as set forth in this Article. In addition, if a late employee fails, within thirty (30) minutes after his regular starting time, to notify the Employer that he will be late, or calls in within that time but fails to report for work within one (1) hour of the time he calls, the Employer may refuse to permit such late employee to start work on that particular day, and in this event, such late employee shall not be permitted to include any hours for such day in his guaranteed workweek as set forth in Article 16.

16.4 The parties recognize that the regular starting time for each shift may vary in the
case of particular employees where it is necessary for efficient operation of the plant. The Employer retains the right to change the regular shift starting time of such employees, provided that each employee affected shall be given one (1) week’s notice, and provided further, that any such employee shall receive a premium of fifteen (15) cents per hour if he works the second shift and twenty-five (25) cents per hour if he works the third shift.

16.5 If an employee, other than one with a special regular starting time pursuant to Section 16.2 of this Article, is called in before the start of his regular shift, he will not, without his consent, be sent home before the end of his regular shift to avoid the payment of overtime.

16.6 An employee ordered to report on a Saturday, Sunday or holiday, shall be paid a minimum of four (4) hours' pay at his applicable straight time or overtime rate. In addition, the Employer shall make every reasonable effort to call in an employee on a day outside the regular workweek at a starting time which corresponds with the employee's starting time during the regular workweek.

16.7 It is agreed that forty (40) hours, Monday through Friday, shall constitute the workweek. Notwithstanding the foregoing, the Employer may establish a Tuesday through Saturday work week, or as provided in Section 16.6, a four day workweek. Any employee who works all or any part of the first day of a particular workweek shall be guaranteed, only as against layoff for lack of work, forty (40) straight time hours' work, or pay in lieu thereof, for such week; except that such guarantee shall not apply to an employee hired by the Company as a "casual employee" under Section 16.10 below. Overtime hours shall be used in computing such forty (40) hour guaranteed work week.

16.8 The Employer shall have the right to establish a four-day, ten hours per day workweek for any employee or group of employees. In that event, overtime will be paid only for hours worked in excess of ten (10) hours in one (1) day and forty (40) hours in one workweek; provided however, that no employee shall be required to work a four (4) day - ten (10) hours per day workweek which includes Saturday unless the Employer has been unable to obtain volunteers for such work; and provided further, that in the event employees are required to perform such work, the work will be assigned on the basis of inverse seniority starting with the least senior qualified employees.

16.9 An employee on layoff who is recalled on any day during the workweek immediately following the week of his layoff shall be guaranteed a full week's pay for the week in which he is recalled. An employee on layoff who is recalled on any day during the second or a later workweek following the week of his layoff, shall be guaranteed eight (8) hours' pay for all subsequent days of the workweek during which he is recalled.

16.10 The Company shall have the right to hire "casual employees" provided the following conditions are met: (a) they are paid a premium of twenty (20) cents per hour over the contract rate for the job they are performing (or the nearest
comparable job if their work is not strictly within a contract job classification), for all hours worked; (b) they are guaranteed four (4) hours' work or pay in lieu thereof for each day they are called and report to work; (c) they are not assigned to perform regular production work; (d) they are paid holiday pay for a holiday if they have worked the full scheduled workweek before the week in which the holiday falls, and the full scheduled workweek in which the holiday falls, and the full scheduled work week following the week in which the holiday falls; (e) they become regular employees and are assigned to the seniority roster, with seniority backdated to their first day worked, if they work thirty (30) days in any six (6) month period; (f) a pension contribution is made for them retroactive to the first day they worked for the Company if they become regular employee under (e) within twelve (12) calendar months from their first day of work; and (g) a contribution is made for them to the Health and Welfare Trust if they work eighty (8) hours in any calendar month.

ARTICLE 17
Wages and Premium Pay

17.1 Employees covered by this Agreement shall receive hourly wage rates in accordance with the classification and wage rate schedule attached hereto as Appendix "A" and by this reference made a part hereof. It is agreed, however, that the Employer shall have the right to put into effect the rate of pay for a new or changed job classification, but the Union shall have the right to contest the reasonableness of such rate, or any other change affecting the nature of an employee's job, under the grievance and arbitration procedure provided in Article 12.

17.2 Time and one-half (1-1/2) shall be paid:

(a) For all time worked over eight (8) straight time hours per day (or ten [10] straight time hours per day, if applicable).

(b) For all time worked over forty (40) straight time hours per week.

(c) For purposes of this section, holiday hours will be considered as time worked.

(d) For all time worked in excess of five (5) continuous hours without time off for lunch and until a lunch period is given, provided this requirement shall not apply to an employee on a continuous shift job who is paid for taking his lunch while standing by plant equipment.

17.3 An employee shall receive two (2) times his straight time rate plus his shift bonus, if any, for all hours worked over twelve (12) hours per day or on a shift that starts on Sunday.
17.4 It is agreed there shall be no pyramiding of overtime or premium pay.

17.5 All disputed claims for overtime shall be adjusted so that no injustice is done the Employer or employee. The Employer will maintain time clock records for the checking of overtime, and in case of a dispute, these records, together with applicable payroll records, shall be made available for inspection by the Unions' Business Agent.

17.6 Employees required to work overtime hours shall, whenever possible, be given twenty-four (24) hours' notice in advance of the overtime work. An Employee, however, will not be disciplined for refusal to perform overtime if has not been given twenty-four (24) hours' notice.

17.7 The parties have discussed compensation practices, including compensation to employees for the Donning and Doffing of protective equipment and clothing, and, after good faith bargaining agree that this negotiated agreement properly compensates employees for the Donning and Doffing of safety or sanitation equipment and walking to and from the work area. The Company shall allow 5 minutes at the start of each shift and 5 minutes at the end of each shift for compensation of Donning and Doffing. The Union agrees to fully support this negotiated Agreement if it should be legally challenged in any state or federal agency or any court action.

17.8 An employee temporarily working in a higher classification shall be paid the rate of the highest classification for the time actually worked in such classification. A temporary employee under this Section shall be one who replaces a worker who is late for work or has to take time off during the day or who is absent for the entire day.

Any employee regularly working in two (2) or more classifications during a workweek shall have his rate established at the rate for the highest classification so worked.

17.9 Pay check stubs shall show each employee's straight time hourly rate of pay, the number of straight time and overtime hours be worked during the particular pay period, and any additional payments or deductions made during such pay period.

ARTICLE 18

Automation

18.1 Should the Employer install new equipment requiring skills and/or knowledge not possessed by present employees, the Employer agrees to notify employees in advance of the installation of such equipment and of training facilities available, if any, so that employees may prepare and equip themselves for the operation of such equipment. The Employer agrees to give employment preference on a seniority basis to such employees who prepare, equip, and qualify themselves for
the operation of such equipment. If any Union not signatory hereto, and/or its members, shall claim the right to operate said equipment, then the Employer shall have the right to determine which of its employees shall be assigned to operate said equipment until such time as the Union so making such claim and the Union signatory hereto shall jointly in writing advise the Employer as to who has the right to operate said equipment as between the members of such claiming Union and the members of the Union signatory hereto. Pending the receipt by the Employer of such joint written statement, there shall be no cessation of work or other interference therewith, by the Union signatory hereto and/or its members.

ARTICLE 19
Change in Ownership

19.1 In the event of a change of the ownership of the plant, occurring for any reason, the Employer shall, nevertheless, remain liable for all monetary benefits that employees have accumulated under this Agreement to the effective date of such change. The Employer shall, in the event of sale, lease, or transfer, whether of the entire plant or a portion thereof, notify the Union within five (5) business days of such sale, lease, or transfer after the finalizing of any such transaction, and the Employer shall notify the successor, lessee, purchaser, or transferee of the existence of this Agreement, and to the extent required by applicable Federal or State laws, such successor, lessee, purchaser, or transferee shall be bound fully by the terms of this Agreement, effective at the time of such sale, lease, or transfer, and the Employer shall notify successor, lessee, purchaser, or transferee by mail with copy to the Union within five (5) days, that it has assumed all of the obligations under this Agreement, and the Union shall then promptly notify such successor, lessee, purchaser, or transferee that it, too, is bound by said Agreement.

ARTICLE 20
Non-Discrimination

20.1 The Employer agrees that it will not discriminate against any employee or applicant for employment because of race, nationality, color or creed.

ARTICLE 21
Drug/Alcohol Free Work Place.

21.1 The parties agree to a drug/alcohol free work place as the use of illegal drugs or the abuse of legal substances poses a risk to both the user and those working nearby.

21.2 Any employee requesting a medical leave to undergo in-patient substance abuse treatment shall be granted such leave, provided, however, any such leave shall comply with the requirements of the Family Medical Leave Act.
21.3 Any accident or injury at work or while on company time which requires off site medical treatment and/or results in property damage in excess of $500 shall obligate the injured employee (or any employee who might have caused or participated in the event contributing to the injury or accident) to submit to a drug and/or alcohol test and provide the results thereof to the Company. Such test shall be taken, at a location chosen by the Company, as soon as reasonably possible after the time of the injury or accident. Failure to take a required drug test will result in discharge. The aforesaid injury or accident must be other than an alleged work related illness or cumulative type of injury. Privacy of information shall be maintained at all times.

21.4 Except in cases warranting immediate discharge pursuant to Section 13.2, an employee who tests positive will receive one chance at rehabilitation and must enter a rehabilitation program in order to maintain his job. After the employee is released to return to work, he will be subject to random drug testing at any time for a period of five years. The company shall be have an unlimited right to random test during the five-year period. Nothing herein shall prevent an employee from voluntarily requesting and the Employer granting rehabilitation if the request is made before any necessity for testing under this policy occurred.

ARTICLE 22
Rights of Employer to Manage

22.1 The Employer reserves to itself all of the rights of Management, except as limited by the terms and conditions of this contract.

ARTICLE 23
Severance Pay

23.1 In the event that the Company closes its Los Angeles facility ceasing doing business and the Company's labor contract is not assumed by another company the employees who are members of Local 770 shall be entitled to Severance benefits as follows:

a. One to five years of employment, forty (40) hours of severance pay at regular hourly rates;

b. Six to ten years of employment, eighty (80) hours of severance pay at regular hourly rates;

c. Ten or more years of employment, one hundred and twenty (120) hours of severance pay at regular hourly rates.
ARTICLE 24
Term of Agreement

24.1 This Agreement shall be effective as of August 29, 2016 and shall continue in effect through September 1, 2019, and from year to year thereafter, provided, that if either party should desire to modify or terminate this Agreement, it shall notify the other party in writing not less than sixty (60) days prior to the 1st day of September, 2019 or the 1st day of September of any year thereafter.

ARTICLE 25
Health and Safety Committee

25.1 The Union has the right to appoint two (2) bargaining unit members to the Employer's Health & Safety Committee. Those members will be invited to, and allowed to participate in, all Health & Safety Committee meetings and they will be paid for their time in attendance at such meetings.

25.2 The Employer will provide fifteen (15) minutes at the end of every Safety Meeting for bargaining unit members to raise safety concerns or ask questions regarding safety at the plant.

IN WITNESS WHEREOF, the parties hereto have set their hand and seals as of the day and year written herein.

SIGNED FOR THE COMPANY:

BAKER COMMODITIES INC.

By ____________________________

Jeff Wilson

Dated 11/1/16

SIGNED FOR THE UNION:

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 770

By ____________________________

Ricardo F. Icaza

Dated November 1, 2016
APPENDIX "A"

Hourly Wage Rates

Starting Rates and Rate Structure

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Job Classifications

Operators – which classification shall include the above listed Operator, Experienced Relief Operator and Process Operator Trainee rates.

Laborers – which classification shall include all of the above listed Laborer rates.

Operator Positions

There are currently three Operator Positions, which are the Cooker Operator, Tallow Operator, and Water Plant Operator. A new operator position, Star Tanks Operator, will be created when Dario Bobadilla (a Laborer) terminates or otherwise vacates this job. There is no requirement to have each Operator position on each shift.