



COLLECTIVE BARGAINING AGREEMENT

BETWEEN

SMITHFIELD PACKAGED MEATS CORPORATION

AND

**UNITED FOOD AND COMMERCIAL WORKERS
UNION LOCAL 770**

July 16, 2018 - August 1, 2022

TABLE OF CONTENTS

Article 1 - Recognition of the Union	3
Article 2 - Non-Discrimination	4
Article 3 - Management Rights	4
Article 4 - Grievances and Arbitration	7
Article 5 - Probationary Period	9
Article 6 - Seniority	10
Article 7 - Work Guarantee	12
Article 8 - Workweek and Overtime	13
Article 9 - Meal and Break Periods	14
Article 10 - Working Conditions	15
Article 11 - Wages	17
Article 12 - Health Insurance	19
Article 13 - Pension	19
Article 14 - Vacations	20
Article 15 - Holidays	21
Article 16 - Funeral Leave	22
Article 17 - Leave of Absence	23
Article 18 - Sick Leave	23
Article 19 - Union Leave	24
Article 20 - Veterans Reemployment Rights	24
Article 21 - Bulletin Boards	25
Article 22 - Union Access	25
Article 23 - No Strike, No Lockout	26
Article 24 - Safety Committee	27
Article 25 - Renewal of Work Authorization	28
Article 26 - Change in Ownership	28
Article 27 - Separability Savings and Complete Agreement	28
Article 28 - Past Practice	29
Article 29 - Termination	29

AGREEMENT

THIS AGREEMENT is entered into by and between Smithfield Packaged Meats Corp., Vernon, CA. ("Employer" or "Company") located at 3049 East Vernon Avenue, Los Angeles, California and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 770, AFL-CIO, ("Union.")

ARTICLE 1

RECOGNITION OF THE UNION

Section 1. The Employer recognizes the Union as the representative for purposes of collective bargaining as to wages, hours, and working conditions on behalf of all production workers except Operating Engineers, Teamsters, office and clerical workers, non-working foremen, and any and all supervisory employees.

Section 2. As a condition of employment, all employees shall pay to the Union the initiation fees and/or reinstatement fees and periodic dues or fees lawfully required by the Union. This obligation shall commence ninety (90) days after the effective date of this Agreement for all those employed on the effective date of the agreement and on the thirty-first (31st) day following the date of employment for all hired after the effective date of this agreement.

Section 3. The Company shall deduct Union membership dues, initiation fees and assessments from the wages of each employee from whom the Company has received a written assignment, in compliance with the laws of the United States and the regulations authorizing such deductions. The Company shall forward all deducted amounts to the Secretary-Treasurer, or other authorized representative of the Union, on or before the fifteenth (15th) day of each calendar month during the term of this Agreement.

Section 4. The Union Shall indemnify and save the Company harmless against any and all claims, demands, suites or forms of liability including attorney fees that shall arise out of, or by reason of, any action taken, or not taken, by the Company

for the purpose of complying with the check-off or Union dues or for any provisions of this Article or on reliance of any list, notice or assignment furnished under such provisions.

ARTICLE 2

NON-DISCRIMINATION

Section 1. The Employer and the Union agree that neither will discriminate against any employee or applicant for employment because of race, national origin, ancestry, sex, age, color, religion, creed, disability, medical condition as defined under California law, marital status, sexual orientation, gender identity and expression, union activity, or lack of union activity or any other prohibited basis of discrimination under applicable local, state or federal law. This principle shall apply to all aspects of wages, hours and conditions of employment.

Section 2. The Employer absolutely prohibits sexual harassment of its employees by co-employees, management employees, outside vendors, or visitors. Any proven violation of this policy may result in immediate discipline up to and including discharge. The Employer will make reasonable accommodations for employees with disabilities provided they do not cause an undue hardship to the Employer's business. Written requests for accommodations should be submitted to Human Resources specifying the nature of the accommodations which will allow the employee to perform the essential functions of the employee's position.

ARTICLE 3

MANAGEMENT RIGHTS

Section 1. The Employer reserves and retains solely and exclusively all inherent management rights, powers and authorities in managing its business unless expressly modified by this Agreement.

Section 2. Without limiting the generality of the foregoing, the Employer has the right to control the use of all Employer property and to manage the facility and direct the work of the employees, including, but not limited to, the right to discharge, suspend, or otherwise discipline employees for just cause; to demote, transfer or promote employees; to establish, assign and change work shifts; to allocate and assign work to employees; to determine the amount of work needed and to lay employees off.

Section 3. The Employer also has the right to do the following: determine the product, services and/or work to be performed; establish and change the processes, equipment, and facilities; determine the materials to be used and the size and character of any inventories; set standards and judge the quality and quantity of work, as well as other work performance factors; maintain quality and efficiency of operations.

Section 4. The Employer shall also retain the right to establish, consistent with production needs, work schedules for employees, including the determination of starting times and the number of hours to be worked; to determine or change the number of employees necessary to operate any department or classification of the Employer; to determine the management organization for each department; to select who shall be hired or not hired; to utilize temporary employees; to determine the required skill, qualifications and other abilities of employees; to evaluate the performance and skills of employees; to develop and implement job specific tests and evaluations to determine employee skills, abilities, and performance; to decide where or when training on a particular operation or job is required, how much training is required, and the right to move, retrain and transfer employees; to establish or modify job duties and classifications, including the skills required for each job; and to use complete discretion in the employment of the services of all supervisors, including the right to assign supervisory personnel to perform bargaining unit work.

Section 5. The Employer may transfer work between any of its facilities. It may also determine the location of the business, including the establishment of new business and business units, divisions, or subdivisions and may relocate, sell, lease or close present business units and other operations in whole or in part.

Section 6. The Employer has the right to subcontract or contract out work. If the decision to subcontract work would result in the layoff of employees, the Employer will give thirty (30) days' notice to the Union so there is ample time to negotiate over the effects of its decision to subcontract.

Section 7. The Company shall have the right to establish or revise reasonable attendance, work, substance abuse, drug and alcohol testing, functional testing, smoking and safety rules by which all employees shall abide. The Company shall also have the right to establish or revise a reasonable disciplinary policy to address employee violations of these rules. The Company rules and/or disciplinary policy will become effective five (5) days after they have been posted in the workplace and the Union has been notified.

Section 8. It is agreed that the listing of the foregoing management rights shall not be deemed to exclude other rights of management not specifically listed. Any other right relating to management of the Employer's business and the direction of the work force, which the Employer has not specifically abridged by this Agreement, is specifically retained by the Employer.

Section 9. The failure of the Employer to exercise any right reserved by it, or the exercise of any right in a particular way, shall not be deemed a waiver of the Employer's right to exercise such right in a different manner, or preclude the Employer from exercising such right in the future.

Section 10. Foremen or other personnel may perform any duties, including bargaining unit work, that are necessary to conduct business, provided they are not used to replace bargaining unit personnel on a permanent basis.

Section 11. The Employer's exercise of its management rights shall not be subject to the grievance and arbitration provisions of this Agreement unless they conflict with other specific provisions of this Agreement.

ARTICLE 4

GRIEVANCES AND ARBITRATION

Section 1. Grievances, for purposes of this Agreement, are defined as questions of interpretation and application of specific provisions of this Agreement. This Article requires a grievance to be filed on any matter covered by any provision of this Agreement even if the matter is also governed by state, federal or local law. It is the intention of the parties to this Agreement to resolve all such matters promptly.

Section 2. Any grievance must be taken up directly between the employee, with or without the Union steward, to the employee's department supervisor within three (3) days after the employee knew or reasonably should have known of the occurrence giving rise to the grievance. The parties shall attempt to resolve the grievance.

Section 3. If the matter is not resolved, it must be reduced to writing and presented to the Director of Human Resources or his designated representative within six (6) days after the employee knew or reasonably should have known of the occurrence giving rise to the grievance. The Director of Human Resources or his designated representative and the Union steward and/or business agent will meet and discuss the grievance at a mutually agreeable time. This meeting will take place within three (3) working days of the written grievance.

Section 4. The written grievance must contain a description of the conduct complained of, the Section of the contract allegedly violated and the relief requested. Any grievance which fails to conform to these requirements may be disregarded by the Employer and may not be processed further. Unless management objects to the form of the grievance at the time of the meeting in Section 3 and provides the Union time to amend the grievance, management cannot use the Union's failure to comply with this provision as a defense at any later stage of the grievance procedure.

Section 5. The Director of Human Resources or designated representative shall issue a written decision within five (5) days following receipt of any grievance which conforms to the requirements of Section 4 above.

Section 6. If the Union declines to accept or does not receive the Employer's response described in Section 5 above, it may proceed to arbitration. At any step in this grievance procedure, the Union shall have the final and exclusive authority, with respect to any aggrieved employee covered by this Agreement, to decline to process a grievance, complaint, difficulty or dispute further, if in the Union's judgment such grievance or dispute lacks merit or lacks justification under the terms of this Agreement. No employee covered by the terms of this Agreement shall have any individual right outside of the Union to process a grievance beyond the second step of the grievance procedure set forth in this Article.

Section 7. If the Union wishes to proceed to arbitration, it must notify the Director of Human Resources or designated representative, in writing within ten (10) days of the day of the decision by the Employer described in Section 5 above or forty (40) days of the date the employee knew or reasonably should have known of the event giving rise to the grievance, whichever occurs first.

Section 8. No matter may be submitted to arbitration which has not been raised as a written grievance, and no written grievance may be submitted to arbitration unless and until it contains a description of the conduct complained of, the Section of the contract allegedly violated, and a statement of the relief requested.

Section 9. Failure to adhere to the limitations set forth in this Article shall permanently bar any further processing of the grievance, including the submission of said grievance to arbitration; provided, however, that the time limits can be extended by mutual agreement.

Section 10. In the event that a proper and timely notice of intent to arbitrate is made by the Union, the Union or the Employer shall request from the Federal Mediation and Conciliation Service a list of seven (7) arbitrators. Upon receipt of this panel of seven (7) arbitrators, arbitrator names shall be struck alternately until only one remains. The Union shall strike the first arbitrator. A letter will then be drafted notifying the arbitrator selected and asking that person to submit with his reply of acceptance earliest dates of availability. Both parties will make every reasonable effort to strike arbitrators

within fifteen (15) days of receiving the panel from the Federal Mediation and Conciliation Service.

Section 11. In rendering a decision, the arbitrator shall be governed and limited by the provisions of this Agreement, applicable law and the expressed intent of the parties as set forth in this Agreement. The arbitrator shall have no authority to add to, subtract from, or modify any of the terms and provisions of this Agreement and shall confine his judgment strictly to the facts submitted in the hearing, the evidence before him, and the express terms and provisions of this Agreement and applicable law. To the extent that the arbitrator complies with these limitations, the arbitrator's decision shall be final and binding upon the parties.

Section 12. The expense of the arbitrator shall be borne equally by the parties. The total cost of any stenographic record or transcripts shall be paid by the party ordering same; provided, however, that if the arbitrator requests a transcript, the cost of the stenographic record shall be borne equally by the parties; provided further that each party shall bear the cost of obtaining its own copy.

Section 13. In the case of discharges only, an arbitrator must be agreed upon and an arbitration held within sixty (60) days of the date that the Union requests arbitration. If the selected arbitrator cannot hear the matter within this sixty (60) day period, another arbitrator must be selected and the time limits complied with.

ARTICLE 5

PROBATIONARY PERIOD

Section 1. The Employer shall have the right to hire any person as a new employee. Every new employee will have a probationary period of ninety (90) calendar days. Employees on probation may be terminated for any nondiscriminatory reason.

Employees terminated within the probationary period shall have no recourse to the grievance and arbitration provisions of this Agreement, except to pursue claims that are statutory in nature.

Section 2. Probationary employees will not be eligible for any benefits granted to regular employees under this Agreement. No terms of this Agreement other than this Article, Article 2 and the appropriate wage rate will apply to probationary employees.

ARTICLE 6

SENIORITY

Section 1. The Company recognizes the principle of departmental seniority. Departmental seniority is an employee's most recent period of continuous employment with the Company in a particular department.

Section 2. If there is a layoff, employees shall be laid off on the basis of departmental seniority if they are able to perform the work; the employee with the least seniority in the department shall be the first to be laid off.

Section 3. Recall of employees will be in the reverse order in which they were laid off, provided that employees being recalled are still able to perform the work.

Section 4. If there is a layoff in any particular department and the Company has temporary vacancies in other departments for which the Company is hiring, such employees on layoff shall be hired for temporary vacancies in accordance with seniority, provided they have the qualifications and ability to perform the work required of them in the vacant positions.

Section 5. Laid off employees shall notify the Employer of any change of address or forwarding address. The Employer shall notify the laid off employees of recall by return receipt requested mail to the employee's last known address with a copy to the Union. If there is no answer from the employee within three (3) working days, he shall lose his seniority rights. If it is found that the employee is out of town, the time shall be extended to seven (7) days.

Section 6. In advancement and preferential placement of employees, seniority shall govern where ability is relatively equal. If the employee fails to fulfill the requirements of the new job within a reasonable trial period, the employee shall be

returned to his former job without loss of seniority. If an employee is promoted or advanced to a higher paid job, he shall receive the new rate of pay upon transfer. Employees will be limited to (2) successful bids in any rolling twelve (12) month period. Employees bidding to a higher level job will be allowed to do so even after they have already exercised their two (2) successful bids in a rolling twelve (12) month period.

Section 7. When a vacancy of more than ninety (90) days' duration is created, the Employer shall post a notice in the department and give preference on a seniority basis to employees of said department.

Section 8. For legitimate business reasons, employees may be transferred temporarily from one department to another. Transfers will be consistent with the seniority provisions of this Agreement. Prior to implementing a temporary transfer, the Employer will seek volunteers among the surplus positions. Volunteers who have the ability to perform the work will be selected by seniority. If there are insufficient volunteers, employees who have the ability to perform the work will be selected by inverse seniority.

Section 9. In the event two (2) or more employees have the same starting date in the department, then the starting date with the Company will prevail. Whenever the Employer hires two (2) or more employees for the same department on the same day, sequence of hiring shall be recorded in the personnel file.

Section 10. Failure to perform work for any reason, for a period of twelve (12) months will result in a loss of seniority unless state or federal law dictates a different result.

Section 11. If an employee fails to report for work at the end of an authorized leave of absence, his seniority rights will be terminated, unless the employee notifies the Employer of a proven emergency before the end of the leave and the Employer agrees to extend the leave of absence.

Section 12. Failure to return to work for a period of six (6) months because of a non- occupational illness or injury will result in loss of seniority unless state or federal law dictates a different result.

Section 13. It is mutually understood and agreed to by the parties that any employee who fails to report to work for three (3) consecutive working days or more without contacting or notifying his Employer of such absence, shall be deemed to have voluntarily quit, except in the case of proven emergency.

Section 14. Any employee rehired within 30 days of termination will have seniority restored.

ARTICLE 7

WORK GUARANTEE

Section 1. The guaranteed work week will be thirty-two (32) hours or the equivalent in straight-time pay at the employee's regular hourly rate. While unworked national holidays will be used in computing the guaranteed work week, overtime hours will not. No temps (agency help) may perform bargaining unit work in the department during weeks when bargaining unit members in the department do not have the opportunity to work forty (40) hours.

Section 2. Employees laid off and called back to work the week immediately following the week of layoff shall be guaranteed their full week's pay. If employees are called back the second week or later, they shall be guaranteed pay for the day they are called back and the balance of the days in that week.

Section 3. When an employee reports more than one (1) hour late for work and a replacement for him is being used, the Employer shall not be required to permit him to work that day and his guarantee for the week shall be forfeited. Paid time off, including sick leave, will be used in computing the guaranteed workweek, but shall not forfeit the guarantee for the week.

Section 4. The work week guarantee will not apply if work is interrupted by acts of God such as an earthquake, fire, flood, or other national disaster or if events outside of the Employer's control such as a utility interruption, regulatory stoppage, unavailability of product, or other unexpected interruption prevents the Employer from operating.

ARTICLE 8

WORKWEEK AND OVERTIME

Section 1. It is agreed that forty (40) hours shall constitute the regular workweek. It is understood that the foregoing does not restrict the amount of time an employee can be required to work. Hours of work, including overtime, will be scheduled in line with work requirements.

Section 2. Overtime shall be paid at the rate of time and one-half (1 ½) after forty (40) hours in any one (1) work week and after the employee's regular shift (8 or 10 hours). Paid sick time will not count toward computing overtime. The regular hourly rate of employees who perform work at different rates in a workweek shall be based on the appropriate "weighted average" calculation under the FLSA and California wage and hour laws.

Section 3. All overtime in the department shall be distributed substantially equally, according to seniority among workers in the department. (The intent of this clause does not mean that everyone in the department will get the same amount of overtime. In distributing overtime in a department, the Company may attempt to give work hours to employees who have not completed forty (40) hours in that department, before assigning overtime if the available employees have the ability to perform the work, and as long as Production/Operations is not slowed down or disrupted.) The Employer shall keep time clock records relating to employees covered by this Agreement for recording time worked. Employees are required to clock out at the designated time clock. It is agreed that the payroll records of the Employer relating to

employees covered by this Agreement shall be made available for inspection to the authorized representative of the Union upon request.

Section 4. If overtime is not assigned on a department-wide basis, the Company will first seek volunteers. If there are not sufficient volunteers, employees will be required to work. The Company will distribute both voluntary and mandatory overtime, in a department, substantially equally, consistent with the principles of seniority. The parties recognize that this will not result in everyone in a department receiving the same amount of overtime.

Section 5. If possible, employees, who are not regularly scheduled to work on weekends, will be notified on Thursday if they will be required to work on Saturday or Sunday. Whenever the daily schedule is extended beyond the regularly scheduled workday, the Company will make every effort to inform employees before or during the employees' lunch break that day. If employees are not notified by the end of their lunch break, the Company will provide an opportunity during or after the last break for employees to call family or other caregivers to make necessary arrangements for them to work overtime.

ARTICLE 9

MEAL AND BREAK PERIODS

Section 1. Two (2) relief periods shall be allowed on days where the employee works a seven and one-half (7 ½) hour or greater shift without deduction of pay, at regular times in each shift to be determined by the Employer. These relief periods will be scheduled, consistent with production requirements, reasonably close to the middle of the work period. The morning relief period will be fifteen (15) minutes. If the shift will last in excess of seven and one-half (7 ½) hours, the afternoon relief period will be thirteen (13) minutes. The Company will continue its current practice with regard to relief periods on ten (10) hour shifts. It is agreed that these relief periods allow for at least ten (10) minutes of time during which employees are relieved from all duties. An employee whose shift is three and one-half (3 1/2) hours or less is not entitled to a relief period.

Section 2. Employees working more than six (6) hours shall be entitled to at least a thirty (30) minute lunch, which must be taken within the first six (6) hours of work. This lunch period is unpaid. It is mutually agreed that this meal period allows employees to be relieved of duty for (30) minutes. Employees working more than six (6) hours without time off for lunch shall be paid for all time worked and will receive one (1) additional hour of pay. However, the meal period may be waived by mutual consent of the Company and the employee if the employee's shift is no longer than six (6) hours.

Employees who work more than ten (10) hours shall be entitled to a second meal period, which must be taken within the ten (10) hour period. As with the first meal period, the second meal period is unpaid, and during that time employees will be relieved of all duty for a period of thirty (30) minutes. The second meal period may be waived by mutual consent of the employee and the Company if the shift is no longer than twelve (12) hours, and the employee has taken the first meal break.

Notwithstanding the above, if there is a mechanical breakdown within one (1) hours of a scheduled meal period or rest break, the Company may, at its option, reschedule such break or meal period in accordance with operational requirements of the Company. Employees who miss meal breaks or take late meal breaks as a result of such an event will receive one (1) additional hour of pay.

Section 3. The employer will not unreasonably restrict an employee's use of the restroom facilities.

ARTICLE 10

WORKING CONDITIONS

Section 1. It is mutually agreed that the Employer will furnish its employees with coats and such uniforms as may be required by the Employer. Coats and uniforms will be made available as close to each department as practicable. The Employer shall launder all working uniforms of employees.

Section 2. Whenever practical, the Employer will provide at least three (3) days' notice of a schedule change for an entire department. The parties recognize, however, that the schedule for less than an entire department may be changed with less notice.

Section 3. Employees will receive the higher rate of pay for time spent on jobs carrying rates higher than the rate of the employee's own job for actual time worked.

Section 4. If the Employer establishes a new job, it will notify the Union in writing. After discussing the new job with the Union, the Employer will establish the job rate.

Section 5. The Employer shall furnish necessary tools, including knives, whetstones and steel.

Section 6. All disciplinary warnings shall be reduced to writing with copies given to the employee and the Union. These warnings must be issued within ten (10) days of when the Company knew or reasonably should have known of the violation. All disciplinary notices shall be void after three hundred sixty- five (3 65) days. If a copy is not sent to the Union, the warning notice is null and void.

Section 7. Temporary employees may be utilized as long as each temporary employee works no more than one thousand (1,000) regular hours in a calendar year. Temporary employees who work more than one thousand (1,000) regular hours in a calendar year will be converted to regular status with their seniority date being the date of the conversion. Days worked as a temporary employee will not be considered days worked for probationary period purposes.

ARTICLE 11

WAGES

Section 1. The minimum wage rates for the following classifications will be effective on the dates noted in this Article:

Effective July 16, 2018 -- \$0.50 ACB

Grade	Starting	After Probation	After 6 months	After 1 year
A (1)	\$12.85	\$13.10	\$13.20	\$13.35
B (2)	\$13.10	\$13.35	\$13.45	\$13.60
C (3)	\$13.55	\$13.80	\$13.90	\$14.35
D (4)	\$14.05	\$14.30	\$14.55	\$15.10
E (5)	\$14.55	\$14.80	\$15.05	\$15.60

Effective July 1, 2019 -- \$0.50 ACB

Grade	Starting	After Probation	After 6 months	After 1 year
A (1)	\$13.35	\$13.60	\$13.70	\$13.85
B (2)	\$13.60	\$13.85	\$13.95	\$14.10
C (3)	\$14.05	\$14.30	\$14.40	\$14.85
D (4)	\$14.55	\$14.80	\$15.05	\$15.60
E (5)	\$15.05	\$15.30	\$15.55	\$16.10

Effective January 6, 2020 -- \$1.00 ACB

Grade	Starting	After Probation	After 6 months	After 1 year
A (1)	\$14.35	\$14.60	\$14.70	\$14.85
B (2)	\$14.60	\$14.85	\$14.95	\$15.10
C (3)	\$15.05	\$15.30	\$15.40	\$15.85
D (4)	\$15.55	\$15.80	\$16.05	\$16.60
E (5)	\$16.05	\$16.30	\$16.55	\$17.10

Effective January 4, 2021 -- \$1.00 ACB

Grade	Starting	After Probation	After 6 months	After 1 year
A (1)	\$15.35	\$15.60	\$15.70	\$15.85
B (2)	\$15.60	\$15.85	\$15.95	\$16.10
C (3)	\$16.05	\$16.30	\$16.40	\$16.85
D (4)	\$16.55	\$16.80	\$17.05	\$17.60
E (5)	\$17.05	\$17.30	\$17.55	\$18.10

Effective January 3, 2022 -- \$1.00 ACB

Grade	Starting	After Probation	After 6 months	After 1 year
A (1)	\$16.35	\$16.60	\$16.70	\$16.85
B (2)	\$16.60	\$16.85	\$16.95	\$17.10
C (3)	\$17.05	\$17.30	\$17.40	\$17.85
D (4)	\$17.55	\$17.80	\$18.05	\$18.60
E (5)	\$18.05	\$18.30	\$18.55	\$19.10

Section 2. Employees who have been designated as lead persons will be paid a minimum of seventy-five cents (\$.75) above the schedule for Class E employees.

Section 3. The Company retains the sole and exclusive right to create, modify or discontinue incentive plans. The administration of these plans is not subject to the grievance and arbitration procedures of this contract and is at the complete discretion of management.

Section 4. All employees starting to work between 2:00 p.m. and midnight will receive fifteen cents (15¢) per hour shift differential.

Section 5. Employees will be paid weekly on Fridays. Paycheck stubs shall show rate of pay, straight time and overtime hours worked and deductions.

Section 6. Wage increases and bonuses will be effective on the first payroll period beginning after the applicable contract or individual anniversary date.

ARTICLE 12

HEALTH INSURANCE

Section 1. The Company agrees to provide health insurance coverage. Details of the health insurance plan can be found in the Summary Plan Description. Any changes to the plan will be announced periodically.

Section 2. As a condition of participation in the health insurance plan, eligible employees must make required employee premium contributions. Effective January 1, 2019, the Company will provide health benefits through the Smithfield Health Insurance Plan. For the duration of the contract the Company will maintain the same Schedule of Benefits which is attached hereto as Exhibit "B." The cost of the medical insurance premium will be shared. For 2019 and 2020, the weekly premiums will be fixed at \$14.00 for single, 29.50 for ee+1, and 42.25 for family. For years 2021 and 2022 the cost of the medical insurance premium will be shared with the Company paying eighty-two and half (82.5%) and the employee paying seventeen and a half (17.5%) not to exceed a 6% increase in the weekly premium amounts.

ARTICLE 13

RETIREMENT PLAN

Section 1. Current employees, at the time of ratification, who are participating in the Money Purchase Plan, will have the option to remain in the same plan or opt-out of the Money Purchase Plan and be enrolled into Smithfield's 401(k). At that time, the Money Purchase Plan will no longer be an option for employees who opt-out of the Money Purchase Plan.

Current employees, who elect to opt-out of the Money Purchase Plan and elect to enroll into Smithfield's 401(k), as well as, all new hires after ratification of the

contract, will only be eligible to participate in Smithfield’s 401(k) Tax Deferred Plan. The Company shall withhold from an employee’s earnings amounts agreed and deposit such monies into a 401(k) account in the employee’s name in compliance with the Internal Revenue Code and E.R.I.S.A. Effective August 1, 2018, all new hires and rehires will be automatically enrolled, after a 90 day waiting period, in the Plan to contribute two percent (2%) of their eligible compensation. The Company will match employee contributions at the rate of fifty percent (50%) of the first four (4%) contributed to the Plan by each employee. All matching contributions will be deposited pursuant to the guidelines of the Plan.

ARTICLE 14

VACATIONS

Section 1. Subject to the remaining provisions of this Article, employees earn vacation according to the following schedule:

Continuous Service	Vacation
1 year	1 week
3 years	2 weeks
8 years	3 weeks
17 years	4 weeks

Section 2. Employees must work a minimum of eighteen hundred (1,800) regular hours during the previous calendar year in order to qualify for full vacation pay for the following year. Vacation hours used will count as hours worked for vacation qualification purposes. Employees who work less than eighteen hundred (1,800) but more than nine hundred (900) hours in the previous year will be entitled to ten percent (10%) of their vacation pay for each one hundred and eighty (180) hours worked. Employees who work less than nine hundred (900) hours will not be entitled to vacation pay or a year accrual for vacation purposes with the exception of employees who retire in the middle of the year. Employees will not begin to accrue vacation until they have completed 6

months of employment. When an employee will reach an anniversary entitling him or her to the next level of vacation accrual during the calendar year, the Employer will load the additional week of vacation at the beginning of that calendar year provided that the additional week will be forfeited if the employee terminates before reaching the anniversary date entitling him or her to the additional week.

Section 3. Employees shall be allowed reasonable additional vacation time without pay, upon a schedule mutually agreeable to the Employer and the employee, providing the employee has not had additional vacation the two (2) previous years.

Section 4. The vacation schedule shall be during the calendar year.

Section 5. A vacation schedule shall be posted in each department during the month of November. Employees shall select their vacation period by seniority during this time period. Such choice shall be subject to the approval of the Employer, and the Employer shall not arbitrarily nor capriciously withhold such approval. The Employer shall give its approval not later than December 1st.

Section 6. An employee will receive forty (40) hours at the employee's straight-time rate for each week of vacation earned, unless the vacation pay is being prorated.

Section 7. Upon termination of employment, employees will receive the balance of the unused vacation and what has accrued for the following vacation year. In the event that an employee separates employment prior to completing their third, eighth, or seventeenth year of service, they will forfeit the additional vacation hours that are granted at the completion of the third, eighth, and seventeenth year of service.

Section 8. When a holiday occurs during an employee's vacation, they shall receive their vacation pay and holiday pay.

ARTICLE 15

HOLIDAYS

Section 1. The following days shall be regarded as holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Section 2. Employees who reach one (1) year of service will be granted two (2) floating holidays on their anniversary. Each subsequent year, their floating holiday grant will be on January 1st. Employees with two (2) years or more will be granted three (3) floating holidays on January 1st of each subsequent year. Employees must request use of the floating holidays at least two weeks in advance. Employee requests will be considered, but operating requirements as determined by the Company will control. Floating holidays cannot be taken during a week in which a holiday has occurred or in connection with an employee's vacation. Floating holidays not used during a calendar year will be paid at the end of the calendar year.

Section 3. All employees shall be paid at the rate of an eight (8) hour day at straight time for all holidays. Employees working these days shall receive time and one-half (1 ½) the regular rate of pay, for all hours worked on the holiday plus holiday pay.

Section 4. Holidays falling on a Saturday or Sunday will be observed on Friday or Monday.

Section 5. If an employee is laid off during the week immediately preceding the week in which a holiday occurs, or recalled in the week immediately after the week in which a holiday occurs, the employee will receive holiday pay.

Section 6. An employee must work the entire scheduled workday preceding and following the holiday in order to be eligible for holiday pay.

ARTICLE 16

FUNERAL LEAVE

Section 1. In the case of the death of a member of the employee's immediate family, the employee shall receive two (2) days' funeral leave with pay, for the purpose of arranging for and attending the funeral and memorial services. For purposes of this Section, one (1) day's funeral leave pay shall be eight (8) hours at the employee's regular straight-time hourly rate. If an employee requests, he shall receive an additional three (3) days' funeral leave without pay.

Section 2. For the purposes of this Article, an immediate family member is defined as a spouse, registered domestic partner, father, mother, brother, sister, children including legally adopted children, mother-in-law, father-in-law, grandparents and grandchildren.

Section 3. The Employer may require reasonable proof of a death in the employee's immediate family and the relationship to the employee.

ARTICLE 17

LEAVE OF ABSENCE

Section 1. Necessary leaves of absence may be granted upon written request by the employee desiring such leave, provided reasonable advance notice is given to the Company. All leaves of absence granted shall be in writing with a copy sent to the Union. Leaves of absence forms will be provided by the Employer in English, Spanish, Vietnamese, Chinese and Laotian. Other appropriate language shall be determined jointly between the Union and the Employer. An authorized absence will not interrupt seniority unless an employee is otherwise gainfully employed during such leave. In that case, seniority rights under this Agreement shall be automatically severed.

Section 2. The Company will comply with applicable state and federal law with regard to family and medical leave and any other required leaves.

ARTICLE 18

SICK LEAVE

Section 1. Company agrees to abide by the State mandated sick pay law and will grant each employee three (3) sick days on July 1st of each year. Upon termination of employment, the unused balance will be forfeited. If the employee is rehired within 12 months of termination, the unused/unpaid balance will be restored.

Section 2. Unused sick days will be paid within 2 weeks of July 1 of each year to those still employed as of the date of pay out. On July 16, 2018, upon ratification of this agreement, the Company will pay out all frozen balances to current eligible employees at their current rate of pay as of June 26, 2018.

ARTICLE 19

UNION LEAVE

Section 1. Employees shall be allowed time off without pay for official Union business, including positions as a business representative, provided the employee requests such leave in writing at least two (2) weeks prior to the first (1st) day of his expected absence. If an employee takes a position as a business representative, said employee shall retain seniority rights only for a period of thirty (30) days.

During the thirty (30) day period that the employee retains seniority rights, the employee shall not visit the Employer's plant. After thirty (30) days, the employee's seniority shall be terminated. If the employee returns within thirty (30) days, the employee may not protect seniority for another thirty (30) day period as a business representative until after one (1) year from the date of his return to employment. It is further provided that the total of such time off in any one (1) year shall not exceed thirty (30) days unless prearranged between management and Union Representatives by mutual agreement. In all other cases, time off without pay for official Union business will be granted upon reasonable verbal request to the employee's immediate supervisor.

ARTICLE 20

VETERANS REEMPLOYMENT RIGHTS

Section 1. The Employer agrees to abide by applicable state and federal law relating to military leave. If necessary, least senior employees shall consent to be laid off to make way for the returning veteran.

Section 2. Servicemen returning shall be granted vacations with pay the same as other employees, based on accrued time with the Company and military service.

ARTICLE 21

BULLETIN BOARDS

Section 1. The Employer shall maintain four (4) bulletin boards near the time clocks. After receiving permission from the Employer, the Union may post official notices relating to the bargaining unit. The Employer's permission will not be unreasonably denied.

ARTICLE 22

UNION ACCESS

Section 1. Local Union officers and designated service representatives shall have the right to visit the Company's plant at any time during normal working hours for the purpose of investigating grievances or for reviewing the operations with notice to the Director of Human Resources or his designee, and shall not interfere with production. The duly authorized representatives of the Union shall have the right to visit the break and common areas as approved by the Company.

Section 2. The Union shall maintain an up-to-date listing of all authorized officers, representatives and stewards of the local Union with the Director of Human Resources or his designee.

Section 3. The Company agrees to allow, during orientation, Union representatives the opportunity to discuss the Union's role at the plant and solicit signatures on application and dues authorization forms. Such presentations will not normally exceed fifteen (15) minutes.

Section 4. In all cases of discipline, the Company will notify the employee or their right to have a Union Steward or Union Representative present during the meeting to discuss the infraction and the presence of such Steward will not be denied. Copies of written reprimands or warnings will be given to the Union within seventy-two (72) hours of the disciplinary action. A Union steward or Union Representative can be present during any or all terminations at the request of the employee being terminated. Whenever practical, the Company will notify the Union and allow a Union Steward to be present during locker inspections or in the event padlocks need to be cut or removed from occupied lockers.

ARTICLE 23

NO STRIKE, NO LOCKOUT

Section 1. During the term of this Agreement, there shall be no strike, work stoppage, picketing, honoring of any picket line or demonstrations, work slowdown, sympathy strike, deliberate withholding of production or suspension of work, boycott (primary or secondary) or any other form of economic pressure directed against the Employer or any of its services on the part of the Union, its members, or any individual covered by this Agreement. The Union further agrees that it will not interfere with the business of the Employer by sanctioning or conducting a boycott of the Employer's products or by sanctioning or conducting a boycott on the handling of goods procured from a source or destined to a point where a labor controversy or dispute may exist.

Section 2. In the event of a breach of this provision, the Union shall immediately declare publicly that such action is unauthorized and shall promptly order its members to resume their normal duties notwithstanding the existence of any picket line.

Section 3. The Employer agrees that it will not put into effect any lockout during the term of this Agreement.

Section 4. Neither the violation of any provisions of this Agreement, nor the commission of any act constituting an unfair labor practice or otherwise made unlawful by any federal, state or local laws will excuse employees or the Union from their obligations under this Article's provisions.

ARTICLE 24

SAFETY COMMITTEE

Section 1. A Health and Safety Committee shall be established at the Farmer John plant. The Committee shall be composed of one (1) employee representative from each department elected by the employees in that department and an equal number of representatives selected by the management. One (1) Union representative shall be included in each meeting and/or other activity of the Committee.

Section 2. Committee members shall be paid by the employer for time spent at monthly Health & Safety meetings and for all authorized work related to their functions as a committee member.

Section 3. Review and monitoring of the Employer's Disaster and Evacuation plan will be considered a function of the Committee.

Section 4. In the event a department steward or employee feels that the line speed and/or crewing of a job or jobs is found to constitute an unsafe situation, or varies from the mutually agreed to line speed and crewing standards, the department steward or employee may contact their department Supervisor and make them aware of the situation. If no action is taken, or the supervisor's response is unacceptable to the steward or employee, the steward or employee may address this situation with the Operations Manager and a Union Representative. If the action or decision is unacceptable to the Union, the situation may be addressed through the grievance procedure.

ARTICLE 25

RENEWAL OF WORK AUTHORIZATION

Section 1. In the event an employee is terminated as a result of an expired work authorizations, the Company will immediately inform the Union in writing.

Section 2. An employee who has been terminated as a result of an expired work authorization will be given a reasonable amount of time, up to 90 days (which may be extended upon agreement with the Union) to present an updated work authorization and be considered for reinstatement to an open position, with retroactive seniority.

Section 3. The Company will hold such employee's bid job for thirty (30) days after termination. After the thirty (30) days, the employee will be allowed to choose an open position.

ARTICLE 26

CHANGE IN OWNERSHIP

Section 1. If there is a change in the ownership of the plant, the Employer will remain liable for all monetary benefits that employees have accumulated under this Agreement, up to the effective date of such change. The Employer agrees, in the event of a proposed sale, lease or transfer, whether of the entire plant or a portion thereof, to notify the Union of such proposed sale, lease or transfer, prior to the finalizing of any such transaction. The Employer agrees to notify the successor, lessee, purchaser or transferee of the existence of this Agreement.

ARTICLE 27

SEPARABILITY SAVINGS AND COMPLETE AGREEMENT

Section 1. If any state or federal legislation, court decision or government regulation invalidates any article or section of this Agreement, all other articles and sections not invalidated will remain in full force and effect. The Company and Union will

meet to negotiate new contract language to replace the article or sections which have been invalidated.

Section 2. The Company and the Union agree that the relations between them will be governed by this Agreement. Modifications to this Agreement will not control unless reduced to writing and executed by the Company and the Union.

Section 3. The parties acknowledge that during the negotiations resulting in this Agreement, each had the unlimited right to make proposals with respect to all subjects of collective bargaining. The understandings and agreements arrived at by the parties after exercise of that right are set forth in this Agreement. Therefore, the Company and the Union each waive the right and each agrees that the other will not be obligated to bargain collectively with respect to any matter referred to by this Agreement or with respect to any subject not specifically referred to in this Agreement, except those required by law, even though such subject may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated this Agreement.

ARTICLE 28

PAST PRACTICE

Section 1. This Agreement supersedes any previous oral and written agreements between the Company, its employees and the Union. The Company will not be bound by any past understandings, practices and/or customs between the Company, its employees, and the Union on matters not specifically governed by the terms of this Agreement.

ARTICLE 29

TERMINATION

Section 1. This Agreement shall be in effect from July 16, 2018 and continue in full force and effect until August 1, 2022, and from year to year thereafter, unless

terminated by either party by written notice of termination sent by registered mail to the other not more than sixty (60) days prior to August 1, 2022 or prior to August 1 of any year thereafter.

With their signatures, authorized representatives of the Company and the Union have agreed to this Collective Bargaining Agreement on the 27th of June, 2018 in Downey California.


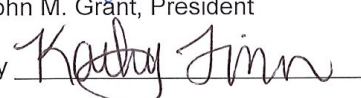
FOR THE COMPANY:

FOR THE UNION:

SMITHFIELD PACKAGED MEATS

UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL NO. 770

By 
By 

By 
John M. Grant, President
By 
Kathy A. Finn, Secretary-Treasurer

Notes

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