

WORKING AGREEMENT

BETWEEN

HORMEL FOODS CORPORATION

KNOXVILLE, IOWA

AND

UFCW LOCAL NO. 431

1/27/2020 - 1/8/2024

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AGREEMENT

This Agreement, made and entered into between Hormel Foods Corporation, Knoxville, Iowa, identified as the Employer, party of the first part, and District Local #431 of the United Food and Commercial Workers International Union, identified as the Union, party of the second part.

ARTICLE I - RECOGNITION

1.1 It is the intent and purpose of the parties hereto that this Agreement shall promote and improve industrial relationship between the Company and its employees, and to set forth herein basic rates of pay, hours of work and working conditions to be observed by the parties.

1.2 The Company recognizes the Union through its representatives as the sole collective bargaining agency of the production and maintenance employees at the employer's Knoxville, Iowa Dry Sausage Processing Plant located at 209 North Godfrey, excluding all office and clerical employees and technical employees, sanitation and janitorial employees, salesmen, professional employees, guards, watchmen and supervisory employees, as defined in the National Labor Relations Act, NLRB Case No. 18-RC-11455.

1.3 The Union recognizes that the Company has and shall retain and exercise all managerial authority or prerogatives limited only by the express terms and provisions of this Agreement or as otherwise agreed in writing. No agreement or understanding shall be in effect between the parties unless it is in writing. Nothing in this Agreement shall be construed in any way to abrogate or interfere with the Union's or the employees' rights under its terms, including the use of grievance and arbitration procedures. Nothing in this Agreement shall be construed to in any way interfere with the Company's right to establish hiring criteria and standards (including drug screening, etc.), hire, lay off, and discharge employees for just cause; manage, make disposition of, and determine the numbers of the working force; to make job assignments, eliminate, change or consolidate jobs, sections, departments or divisions; determine products to be manufactured, processed or handled by the employees, or the discontinuance of the manufacturing, processing or handling of such products; the change of, or introduction of new or improved production methods or equipment; transfer work to other Company locations; the establishment of productivity levels; the right to schedule production and determine the amount and volume thereof; and to determine the assignment of work to be done by outside contractors after due consideration to the interests of the regular employees, and to contract out such work; to determine all methods of selling, marketing and advertising products,

including the pricing of products and the distribution of such products; and to make all financial decisions.

1.4 The Company will not assign work normally performed by unit employees to management employees except on occasion where it is clearly necessary, including but not limited to training and instruction of both unit and management employees, and situations which are or appear to be emergencies to management. Supervisors are expected to work often enough on each job under their supervision to maintain sufficient skill to train new employees.

1.5 The Union, in its own behalf and on behalf of the employees, agrees that during the life of this Agreement, there shall be no strikes, slowdowns, refusals to or interferences with work, sympathy strikes, boycotts or picketing by the Union or the employees. No officer or representative of the Union shall authorize, aid or condone any such activity, and no employee shall participate in any such activity. The employer agrees that during the life of this Agreement, there shall be no lockout of the employees.

ARTICLE II - SECURITY AND CHECK-OFF

2.1 On or after the thirtieth (30th) day following the effective date of this Agreement, or no later than the thirtieth (30th) day of permanent employment, all production, and maintenance employees shall be and remain members of the Union in good standing as a condition of continuing employment during the life of this Agreement.

If the present laws of the State of Iowa, affecting the above, are changed so that it may be lawful, this Section 2.1 shall become effective immediately and not before.

2.2 Deduction from the employee's pay for union dues, initiation fees, or assessments shall be made by the Company for those employees who confirm in writing to the Company acceptance of the check-off provisions. Such duly-executed authorization shall continue in effect throughout the employee's period of service with the Company, unless terminated in accordance with the law.

All union dues and initiation fees and assessments deducted by the Company under the provisions of this Agreement shall be remitted promptly to the Financial Secretary-Treasurer of the local union, whose name shall be placed on file with the Company by the Union in writing and shall remit same to the local union officials by the fifteenth (15th) day of each month.

2.3 The Company shall deduct an amount from the pay of each employee who is a union member and who executes an authorization on the standard form used for that purpose by the UFCW Active Ballot Club. The deduction shall be in the amount specified in the checkoff authorization form signed by the employee. The deduction shall continue for each employee during the life of this Agreement unless such employee revokes his or her authorization in writing. The amounts deducted shall be transmitted promptly to the UFCW Active Ballot Club in care of the local union, along with an alphabetized list of the employees whose deducted amounts are being transmitted and the amount transmitted for each. The frequency and time of deductions and procedures to be followed in connection with this checkoff of political contributions will be as close as possible to those followed in connection with the checkoff of union dues and initiation fees, subject to such modification as may be agreed upon provided that, at the Company's option, deduction and payment may be made less frequently, but at intervals no greater than quarterly. No checkoff shall be made in violation of any state or federal law or regulation.

ARTICLE III - NON-DISCRIMINATION

3.1 Neither the employer, the Union or fellow employees shall discriminate against any individual because of his race, sex, age, color, national origin, religion, or in any other manner prohibited by applicable law, with respect to opportunity for or tenure of employment or with respect to any term or condition of employment or any other right, benefit, duty or obligation created and/or protected by the provisions of this Agreement.

3.2 Chapter one hundred five A (105A) Code 1971, of the Iowa Law as amended by Senate File 1148, Sixty-fourth General Assembly, provides that: "After a person with a disability is employed, the employer shall not be required under this chapter to promote or transfer the person to another job or occupation, unless, prior to the transfer the person with the disability, by training or experience, is qualified for such job or occupation. Any collective bargaining agreement between an employer and labor organization shall contain this section as a part of such agreement."

3.3 The parties recognize the Americans with Disabilities Act (ADA) prohibits discrimination against individuals with disabilities. Accordingly, the Company and the Union agree to cooperate fully in compliance with the ADA regulations.

ARTICLE IV - HOURS OF WORK AND OVERTIME

4.1 The Company shall attempt to provide a basic workweek of forty (40) hours, as nearly as possible. If, in the opinion of the Company, it becomes necessary to work longer than forty (40) hours in a week, the employee shall do so.

4.2 One and one-half (1 1/2) times the regular rate of pay shall be paid for all hours actually worked in excess of forty (40) hours in any one week or all hours actually worked in excess of eight (8) hours in one day.

4.3 The workweek shall be Monday, 12:01 a.m. through Sunday, 12:00 p.m., with one and one-half (1 1/2) times the hourly rate paid for all hours actually worked on Saturday and two (2) times the hourly rate paid for all hours actually worked on Sunday, except that those employees who are normally required to work on Saturday shall be paid one and one-half (1 1/2) times their hourly rate when required to work their designated day in lieu of Saturday, and those employees who work on Sunday shall be paid two (2) times their hourly rate when required to work their designated day in lieu of Sunday. Maintenance employees on an alternative schedule are excluded from this provision. Alternative schedules are addressed in Article 4.7.

4.4 In addition to regular holiday pay, employees shall receive double the regular rate of pay for all hours actually worked on holidays, except employees who are normally scheduled to work on holidays shall be paid two (2) times their hourly rate in addition to holiday pay when required to work on the day designated as their day in lieu of the holiday.

4.5 In the instances of overtime payments, there shall be no pyramiding or duplication of overtime or premium pay under any of the provisions of this Agreement.

4.6 In instances where employees are injured on the job and they are unable to complete their day's work, they shall be paid for that day. Their pay for the day shall be gang time unless the gang works more than eight (8) hours, in which instance they shall be credited with eight (8) hours pay. Early start employees shall receive their early start time in addition to the gang time or eight (8) hours outlined above.

4.7 The Company has established an alternative 4/3/3/4 schedule for Maintenance employees in the Packaging department. This will be limited to a maximum of eight (8) positions. Employees with this schedule will work twelve (12) hour shifts. Employees with this schedule will not receive premium pay for

working Saturdays or Sundays. Employees with this schedule will receive one and a one-half (1 ½) times the regular rate for hours worked over eight (8) in a day. Employees with this schedule will receive two (2) times the regular rate for hours worked over sixty (60) in a week. Employees with this schedule will receive twelve (12) hours of Holiday pay if the Holiday falls on a scheduled day and eight (8) hours of Holiday pay if the Holiday falls on an unscheduled day. For purposes of qualifying for vacation under article 7.2, employees with this schedule must work at least one hundred (100) days in the calendar year.

ARTICLE V - GUARANTEED TIME

5.1 The Company will guarantee a minimum of thirty-six (36) hours of pay per week for the first five (5) scheduled workdays for all regular hourly employees who present themselves for work each workday as instructed and work the number of hours they are instructed to work.

5.2 During any workweek when employees are absent, tardy, or are excused from work for personal reasons, they shall have their thirty-six (36) hours pay guarantee reduced by the number of hours which they missed by such absence.

5.3 Employees reporting for work as scheduled shall be guaranteed four (4) hours of work or pay in lieu thereof.

5.4 The foregoing guarantee provisions shall not apply to any workweek during which normal operations are restricted due to cause beyond the reasonable control of the Company.

5.5 In those weeks in which a holiday occurs, the thirty-six (36) hour weekly guarantee shall be reduced to twenty-eight (28) hours. Should there be more than one holiday in any given week, the guarantee will be further reduced by all of the holiday hours paid for the second and subsequent holidays. During Christmas week, the weekly guarantee shall be reduced by an additional one and seven-tenths (1.7) hours because of the Christmas Eve hour agreement.

ARTICLE VI - HOLIDAYS

6.1 The following days shall be considered as holidays:

New Year's Day
Easter Monday
Memorial Day (last Monday in May)
Third Monday in June
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
Christmas Day

6.2 Those holidays falling on Sunday will be observed on the following Monday.

6.3 All regular full-time hourly paid employees shall be paid for eight hours at their basic hourly rate of pay for each of the holidays set forth above. Posted general work employees shall be paid their holiday pay at the rate they received the workday immediately preceding the day of the holiday. Hours paid for holidays shall in no way be credited as hours worked for purposes of penalty pay.

6.4 In order to qualify for payment for time not worked on a holiday, employees must report for work and work the hours as ordered on the last scheduled workday before and the first scheduled workday after the holiday, unless they are excused by their supervisor.

6.5 If one of the above holidays occurs within the employee's vacation period, they will be given their regular vacation pay plus an extra day's holiday pay for the holiday or take the holiday during their vacation and schedule an extra day's vacation at a later date if they so notify supervision prior to the vacation sign-up period.

6.6 Employees off the payroll on an official leave of absence, as defined in ARTICLE XI, will receive no holiday pay for holidays occurring during such leaves of absence.

6.7 Employees off drawing disability pay shall receive regular holiday pay when holidays occur during the first two weeks of absence. Holidays occurring after the first two weeks will be paid as regular days of disability.

6.8 The Company designates the Knoxville National's Saturday and Sunday as annual summer maintenance shutdown weekend. No operations will be scheduled.

ARTICLE VII - VACATIONS

7.1 Vacations shall be granted on the following basis:

A. Employees who have completed one (1) year of continuous employment will receive one (1) week of vacation.

B. Employees who have completed two (2) years of continuous service will receive two (2) weeks of vacation.

C. Employees who have completed seven (7) years of continuous service shall receive three (3) weeks of vacation.

D. Employees who have completed fifteen (15) years of continuous service shall receive four (4) weeks of vacation.

E. Employees who have completed twenty-five (25) years of continuous service shall receive five (5) weeks of vacation.

F. Employees who have completed thirty (30) years of continuous service shall receive six (6) weeks of vacation.

7.2 Continuous service is defined as one year of service for each anniversary year (anniversary date to anniversary date) in which the employee has at least one hundred fifty (150) days actual working service. Those days of paid vacation, paid holidays and paid sick leave, up to a maximum of fourteen in one year, shall be counted as days worked for the purpose of this paragraph.

7.3 After employees have taken their first vacation, all subsequent vacations will be taken on a calendar year basis. If employees take their vacation in a given calendar year prior to their actual anniversary date, and subsequently are discharged, voluntarily quit, or are laid off, any overpayment due the Company because of early vacation will be withheld from any wages due and owing the employee.

7.4 Vacations will be granted on a year-round basis for the period selected by the employees, by seniority, insofar as practicable, but final determination shall be vested in the management so that orderly operation of the plant will be assured.

7.5 Employees shall be paid their hourly rate times forty (40) hours for each week they are on vacation. Posted general work employees shall be paid their vacation pay at the rate they received the workday immediately preceding the vacation.

7.6 If, while an employee is on vacation, a death occurs in the employee's immediate family as outlined in Article XI, Section 11.4E, the employee shall, if he notifies the Company in advance of the funeral, be entitled to have additional days of vacation equal to the number of funeral days for which the employee was qualified.

ARTICLE VIII - SENIORITY

8.1 In reductions of the work force, seniority shall be followed to determine who shall be laid off, provided those remaining are qualified for the jobs which are left open, or can learn the job to the satisfaction of management within a reasonable length of time.

8.2 Seniority shall be followed in rehiring laid-off employees. In rehiring, the employees will be put back to work on the basis of seniority, providing they are qualified for the job which is open, or can learn the job to the satisfaction of management within a reasonable length of time.

8.3 Promotions will be made and vacancies filled on the basis of seniority, aptitude, and ability. Seniority shall be the determining qualification and the employees shall be given an opportunity to prove their aptitude and ability through job performance.

When permanent vacancies occur, these permanent jobs will be posted on the bulletin board weekly on Thursday. Bids will come down weekly on Tuesday. The most senior employee bidding shall receive the job. If no employee bids on the job, the Company shall have the option of assigning the junior employee in the plant the job, hiring an employee to fill the job, or leaving the job open and filling it with a general worker, if necessary. Employees who successfully bid and receive new jobs shall be moved to their new job as soon as possible. In the event they have not been placed on their new job within twenty-five (25) calendar days, they shall begin to receive the rate of the new job, if it is higher. In the event they have not been placed on their new job within sixty (60) calendar days, they shall begin to receive an additional \$0.25 per hour. In the event they have not been placed on their new job within ninety (90) calendar days, they shall begin to receive another additional \$0.25 per hour. Those employees who cannot physically check the

postings on the main bidding board shall call the plant ~~on Friday~~, during office hours, to be advised, by the Superintendent or Steward, of the postings. If an employee cannot learn a job in a reasonable time, he/she shall be disqualified from that job, and the next most senior employee who bid on the job shall be awarded it. The disqualified employee will be assigned, by management, to an open job.

Employees bidding and receiving permanent jobs shall not be allowed to bid until eight (8) calendar months have expired from their last bid. This eight (8) month rule shall not be in effect when employees have an opportunity to bid up to a higher classification.

In awarding jobs for the Maintenance Department, qualifications will be taken into consideration as well as seniority; however, the most senior in seniority shall receive the job so long as he can perform the duties of the job. Qualifications, ability and aptitude will be determined by the Company. Job applicants will be given reasonable opportunity to prove their abilities and aptitudes through testing procedure and/or through job performance. In no case will an opportunity be given when the safety of the employee or fellow employee becomes a factor.

Employees who, in the opinion of the Company, will be off work for extended periods of time, for reasons such as military leave or disability of long duration, shall have their jobs posted "temporary". Successful bidding employees shall hold these jobs as their own until such time as the absent employee returns. Should the absent employee not return, the job shall be posted at that time as a permanent job.

In instances where the Company eliminates a job, employees may return to their last previously held job (if they have the seniority to claim it), replace the youngest employee in seniority in the plant and claim that job, or claim any unsigned job.

When two or more jobs are combined on a day-by-day basis, the job owner with the most seniority will have preference in claiming the job. When two or more jobs are combined on a permanent basis the job owner with the most seniority will have preference in claiming the job, and if no job owners claim the job it will be posted.

8.4 A probationary period of three (3) months shall apply in the case of new employees, during which time they shall be considered temporary employees and may be laid off or relieved of their duties at any time at the discretion of the Company. An employee shall have no job bidding rights during his/her probationary period. After the completion of a three (3) month probationary

period, the employees' seniority dates will revert back to their original date of hire.

8.5 The seniority of employees will be considered broken, all rights forfeited, and there is no obligation to rehire if they:

- A. Voluntarily resign,
- B. Are discharged for cause,
- C. Fail to return to work when recalled or cannot be located after reasonable effort on the part of the Company. A reasonable time shall be seven (7) days. It shall be the duty of all employees to keep the employer informed as to their current address.
- D. Have been on layoff for a period of twenty- four (24) months or longer.
- E. Are released before the completion of their probationary period.
- F. Are absent due to health reasons for twelve (12) consecutive months or longer; however, by mutual agreement, these employees may have their seniority extended.

8.6 Any employee who loses seniority through separation and is subsequently rehired shall, for the purposes of pension and vacation, be able to make up the period of the break in seniority at the rate of one year for each month of break. It is understood that the employee must make up the entire break before receiving any credit for any part of it.

ARTICLE IX - GRIEVANCE PROCEDURE

Should a difference arise between the Company and the Union or its members employed by the Company, as to the meaning and application of the provisions of this Agreement, or should any local trouble of any kind arise in the plant as to the meaning and application of the provisions of this Agreement, the matter shall be handled in accordance with the following procedure, however, upon mutual agreement by both parties, the time limits expressed within this provision may be extended.

Step 1- A first step meeting will be held between the aggrieved

employee(s), a steward if requested and the immediate supervisor within two (2) working days of the occurrence of the difference. The supervisor shall provide the employee(s) with a written answer within two (2) working days of the meeting.

Step 2- in the event the problem cannot be resolved as outlined in step 1 above, the shop steward will reduce the grievance to writing and present it within five (5) working days of the answer received in step 1 to the Manager of Human Resources. The Human Resource Manager shall investigate the grievance with all parties concerned in the most effective manner and give the Union a written reply within 10 working days of their receiving the written grievance.

Step 3- in the event the grievance cannot be resolved as outlined in step 2 above, then a meeting shall be held within 10 working days with the Plant Manager, company managers that need to be involved, Union Business Representative and union stewards that need to be involved. The Plant Manager shall give the Union their written reply within 10 working days of such meeting.

Step 4- In the event the problem cannot be solved in any of the preceding steps, it shall be referred to an arbitrator who is mutually satisfactory to both the Company and the Union. However, the notice of intent to submit such grievance to arbitration shall be given to the other party in writing not more than ten working days after the Company has given its answer in writing to the grievance under the terms of step 3. The decision of the arbitrator shall be final and binding on all parties. In making his decision, the arbitrator shall be bound and governed by the provisions of this Agreement and restricted in his award to his application to the facts presented to him which are involved in the grievance.

Step 5- The arbitrator's fee and all expenses incurred by him shall be equally borne by both parties.

ARTICLE X - HEALTH, WELFARE & PENSIONS

10.1 The Company agrees to provide for enrollment the benefits of its Health Care, Prescription Drugs, Dental Care, Vision Care, Disability, Life Insurance, and Pension Plans. For a detailed description, the Employee Benefits Booklet (Summary Plan Description), which is distributed to each employee, provides a detailed summary of the various plans, administration and procedures for appeal.

ARTICLE XI - LEAVES OF ABSENCE

11.1 Active Duty Military Leave

In the event an employee is required by law to enter the military service of the United States, he shall have the right to be reinstated in accordance with the provisions of the Selective Service Act, or such other legislation governing his reinstatement rights as may be applicable. Such employee, upon being honorably discharged from military service and being otherwise eligible under said Act to be reinstated, shall have such seniority as he would have had had he continued in the employ of the Company during the period of service, provided he presents himself within ninety (90) days from the time he receives his official separation from the military.

11.2 Temporary Duty Military Leave

Any employee who is a qualified member of the National Guard or the Organized U.S. Reserve of the Navy, Army, Air Force, Marines or Coast Guard, and who participates in a regular encampment or cruise with his branch of the service, or who is ordered to active duty during an emergency or disaster, such as fire, flood, riot, tornado, earthquake, etc., will be granted a leave of absence and will be paid the amount equal to the difference between base pay for the military tour of duty and the amount he would have earned at base pay had he remained at work with his gang, up to a maximum of two (2) weeks (ten (10) working days, eight (8) hours per workday, five (5) days per workweek) in any calendar year.

11.3 Union Leave

A. In the event that an employee (no more than two from this plant) is chosen by the Union to transact business for the Union or any of its affiliates, such employee is eligible for an unpaid union leave of absence. The length of time such employee shall be on leave shall be determined by their term of office or employment by the Union. This unpaid leave shall be granted for a minimum of thirty (30) days and a maximum of the duration of the term of office or employment. When the term of office or employment ceases, the employee shall return to work in the service of the employer with no impairment of seniority rights.

B. Unpaid leaves of absence for duly-elected delegates to union

conventions shall be granted for periods not to exceed seven (7) calendar days, and to no more than two (2) delegates at one time. Seven (7) calendar days notice shall be given the Company prior to granting of unpaid convention leaves.

C. Unpaid excused time for other union business reasons shall be granted consistent with the proper operation of the business.

D. Time away from work for union business in excess of five (5) working days per year will be subject to vacation's eligibility determination and profit sharing prorated as outlined in Article VII and Article XII.

11.4 Funeral Leave

Employees covered by this Agreement, when absent from work for the purpose of arranging for or attending the funeral of a member of their immediate family as defined below, shall be paid their base pay (eight hours times their applicable rate) for each day of such absence up to a maximum of three (3) days, provided:

An employee will be paid for three (3) days at eight (8) hours each, in the event of death of spouse, child (including step), parent (including step), siblings (including step), natural grandchild, son in law, daughter in law, mother in law, father in law, regardless of what day the death occurred on, provided:

A. The employee notifies the Company of the purpose of his absence on the first day of such absence;

B. The employee, when requested, furnishes proof satisfactory to the Company of the death, his relationship to the deceased, the date of the funeral and the employee's actual attendance at such funeral or memorial service.

Employees will be granted one (1) day of paid funeral leave to attend the funeral of the employee's and/or current spouse's grandparents, , brother-in-law or sister-in-law.

In the event that the employee is not able to attend the funeral service of an immediate family member or grandparent, as defined above, the employee will be granted 1 day of paid Funeral Leave. The employee, when requested, will furnish proof, satisfactory to the Company, of the death and the employee's relationship to the deceased.

11.5 Jury Duty

Employees covered by this Agreement, when absent from work to perform jury service on orders from the Court, shall be paid the difference between their jury pay and their base pay, which is eight (8) hours times their regular rate. This difference pay shall be made only for days when the employee would have worked had he not been summoned for jury duty. The employee will be required to present a statement from the Court that will indicate the day or days he served on jury, the amount he was paid, and the dates he was excused from serving on the jury. Employees shall be required to report for work whenever they are not serving on the jury. Night shift employees shall, upon being excused from court, contact supervision concerning their work schedule for that day. They need not report at their normal starting time, but may, if they choose, report late by the same amount of time as they served on jury duty that day.

ARTICLE XII - WORKING CONDITIONS

12.1 The Company shall provide work garments to the employees and shall provide laundry service for these garments.

12.2 The Company shall furnish employees with safety devices or equipment whenever their use is necessary for the protection of the employees. The Company shall continue their safety shoe program that is currently in effect.

12.3 Any clothing or safety items furnished by the Company shall remain the property of the Company. They shall be replaced by the Company, provided the worn-out piece is turned in and has not been carelessly damaged.

12.4 For plant mechanics, the Company shall replace any tools broken or worn out in the performance of their plant maintenance duties, providing the tool is accounted for and the mechanic's supervisor approves the replacement.

12.5 Employees who are absent from work due to injury or illness shall notify the Company on the first day they are so absent from work, and if they fail to so notify the Company, shall on the fourth day be considered as voluntarily laying off.

12.6 The Company shall retain the right to make from time to time reasonable rules and regulations not inconsistent with the provisions of the Agreement, and employees shall be obligated to comply with such rules and regulations.

12.7 All employees shall be required to scan in on their own card when dressed for work, just prior to their starting time, and scan out upon completing their scheduled work. Employees shall scan only their own time card.

12.8 When employees are required to work on jobs which are classified at a rate higher than the rate they carry for one hour or more, they shall receive the higher rate for all time spent on the higher-rated job. When assigned to lower-rated jobs, they shall carry their own rate.

12.9 Employees shall be granted a fifteen (15) minute rest period each morning, provided they are required to work more than three (3) consecutive hours before the scheduled lunch period. Employees shall be granted a fifteen (15) minute rest period each afternoon, provided they are required to work more than three (3) consecutive hours after the completion of the scheduled lunch period or more than eight (8) net clock hours in the workday. The duration of the rest period is the time span from the employee's production stop until they start producing following the break.

12.10 Employees shall be granted a 30-minute first meal period no later than five and one-half (5 1/2) hours after their starting time except in cases of emergency, or unless six (6) hours will complete the day, or in the case of early start employees who request their lunch period with the gang they regularly work with and the Company mutually agrees. In instances where more than five and one-half (5 1/2) hours are worked before the first meal period and none of the above conditions exist, one and one-half (1 1/2) times the hourly rate shall be paid for all hours worked beyond five (5) hours, until the first meal period is granted. Employees engaged in continuous operations, including but not limited to the Smokehouse, shall be exempt from this Article but shall be entitled to eat meals on Company time if not provided relief.

12.11 Employees who are required to work more than ten and one-half (10 1/2) hours in any one day shall be given the sum of five dollars (\$5.00) for the purchase of a second meal, and three-tenths of an hour in which to eat the meal. Employees may, if they choose, finish the work for the day and be credited with the time.

12.12 Second and third shift employees with a regular start time after 12:00 noon and prior to 2:00 am, will receive a \$.25/hr. night premium for all hours worked.

12.13 When required by the Company, the cost of physical examinations will be borne by the Company.

12.14 The Company will provide the Union with bulletin board space where appropriate union notices may be posted.

12.15 The Company will notify the Union of all new hires and terminations.

12.16 There is presently in existence a Joint Earnings Plan. With respect to this Joint Earnings Plan, the determination of the Board of Directors of the Company shall be final and their determination shall not be subject to arbitration or any other appeal. The Board will determine what is or what is not income applicable to the Plan; to whom, to what extent, in what manner, and at what times payments to employees shall be made; together with all other questions relative to the operation of the plan and to the distribution or accrual of any income thereunder. The existence of the Plan and its inclusion in this Agreement shall not be considered a contract in any form between the Company and the Union, or between the Company and individual employees, nor shall it be the basis of any legal or equitable right to any employee or group of employees.

ARTICLE XIII - SAFETY COMMITTEE

The Knoxville Safety Committee is comprised of a Safety Chairman (who is a management employee), three permanent members from the bargaining unit, (one from the Maintenance Department and two from the Production Department). The committee shall meet at specified times for the purpose of addressing all subjects necessary to ensure the safety of the plant and the workers. All pertinent subjects will be discussed. One safety committee member will be paid lost time when attending the Governor's Safety Conference.

ARTICLE XIV - DISCIPLINE

14.1 Upon any instance of bad workmanship, misconduct, unexcused absence, excessive unexcused tardiness, failure to follow instructions, disregard of plant rules, or any breach of discipline which cannot be handled informally, the management will use the following procedure:

- A. First offense - written warning will be issued.
- B. Second offense - written strike will be issued.
- C. Third offense - a second written strike will be issued with a

suspension of five (5) working days selected by management.

D. Fourth offense - a third written strike will be issued which will result in discharge.

14.2 First offense written warnings will remain in effect for a period of either six months or six months beyond the expiration of the last strike written for the same offense as the warning, whichever is longer. Written strikes will remain in effect for a period of one year. A strike will only be issued after an employee has been given a written warning for that particular type of offense. Strikes do not necessarily have to be for the same type of offense for an employee to be suspended or discharged.

14.3 In instances of gross misconduct, the following, but not necessarily limited to the following, may be considered "just cause" for immediate discharge:

A. Use or possession of firearms on Company property or inside the plant.

B. Use or possession of alcoholic beverages, drugs, or other unlawful chemical substances on Company property or inside the plant.

C. Recklessness, carelessness, or horseplay which results or could result in injuries to employees or destruction to Company property.

D. Proven theft.

E. Insubordination.

14.4 Discipline for attendance will be issued and served to the employee within fourteen (14) days of the return of employee, all other discipline will be issued within fourteen (14) days of incident. Second strike suspensions will be served within three (3) months of being issued.

ARTICLE XV - WAGES

15.1 Wage rates and classifications as they apply to the individuals covered by this contract are contained in Appendix A attached to this contract.

15.2

A. Effective January 11, 2021, all non-maintenance base rates shall be increased by forty cents (\$.40) per hour. Maintenance base rates shall be increased by sixty cents (\$.60) per hour.

B. Effective January 10, 2022, all non-maintenance base rates shall be increased by forty cents (\$.40) per hour. Maintenance base rates shall be increased by sixty-five cents (\$.65) per hour.

C. Effective January 9, 2023, all non-maintenance base rates shall be increased by fifty cents (\$.50) per hour. Maintenance base rates shall be increased by fifty-five cents (\$.55) per hour.

15.3 The quality control and production starting rate will be one dollar (\$1.00) below base rate for the term of the contract with increases of fifty cents (\$.50) after three (3) months of employment. At six (6) months of employment, the rate will be increased to the base rate. Classification pay will be added immediately. This progression will be adjusted by any change in base pay.

15.4 Cost-of-Living Adjustment

A. There shall be in effect a cost-of-living adjustment based on the Consumer Price Index, U.S. New Series - For Urban Wage Earners and Clerical Workers, U. S. Department of Labor (1967 = 100).

B. There shall be a semi-annual adjustment of one cent (\$.01) per hour for each three tenths (.3) movement in the Index effective the first full pay period on or after January 1 and July 1, based on the movement in the Index for the previous November and May.

C. The cost-of-living adjustment referred to in A and B above shall not be operative during the term of this Agreement and no adjustments shall be called for during this contract.

ARTICLE XVI - PLANT CLOSING

16.1 Notice of Closing

The Company will give notice of permanent closing of the plant at least six (6) full calendar months prior to such closing. At the time the six months notice of closing is issued, each employee shall be given option sheets which will detail the options which are available to the employees. At least 120 days prior to the actual separation, a joint Company/Union meeting will be held wherein each employee will be given a complete explanation of all options.

16.2 No Layoffs in Anticipation of Closing

The Company will not make layoffs in anticipation of the issuance of a notice of permanent plant closing pursuant to the foregoing for the purpose of avoiding the pay herein provided. If employees are laid off within a period of 45 days before a notice of closing, the Company will, upon request, furnish the Union information and records bearing upon the reason for such layoffs, and if it shall be established that such layoffs were made in anticipation of the notice of closing, for the purpose of avoiding the pay herein provided, the laid-off employees shall be entitled to the same rights under this Section as if they were on the active pay roll on the date of the notice of closing of the plant.

16.3 Severance Allowance

Severance allowance shall be paid to eligible employees who are permanently separated from employment due to permanent plant closing.

- A. Severance allowance shall not be paid to employees
1. with less than one (1) year of continuous service,
 2. who are discharged for cause,
 3. who voluntarily resign,
 4. who retire on pension,
 5. who are laid off due to business fluctuations or an employment reduction,

6. who refuse an offer of employment by the Company in another unit of the business, the location of which is a reasonable commuting distance.

B. Severance allowance shall be computed on the basis of one (1) week's pay for each continuous year of service. Payment shall be computed on the basis of forty (40) hours per week at the employee's regular rate.

ARTICLE XVII - TERMINATION

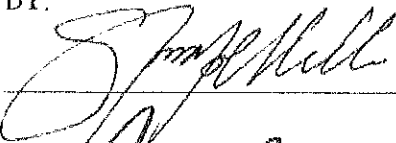
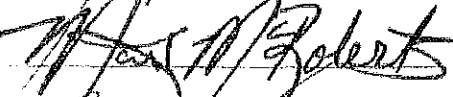
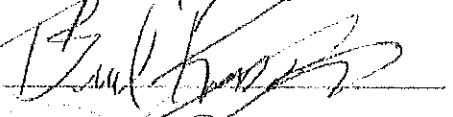

17.1 This Agreement shall be in full force and effect from January 27, 2020, to and including January 8, 2024, and shall continue in full force and effect from year to year thereafter unless written notice of a desire to change, modify, or terminate this Agreement be given by either party to the other sixty (60) days prior to the annual date of expiration.

IN WITNESS HEREOF, the parties have set their hands and seal this 24 day of June 2020.

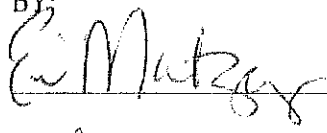
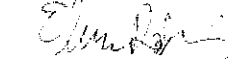
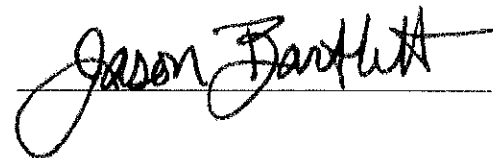
DISTRICT LOCAL #431
UFCW - KNOXVILLE, IA

HORMEL FOODS CORPORATION

BY:

BY:

APPENDIX A

Effective 1/27/2020

CLASS I

<u>GENERAL PRODUCTION WORK</u>	2020 \$19.05/hr
Bander Operator	2021 \$19.45/hr
Boxing Product	2022 \$19.85/hr
Cut Down Product	2023 \$20.35/hr
General Work	
Pack, Scale & Record	
Packaging Product	
Scaling Product	
Stripout	

CLASS II

<u>SEMI-SKILLED PRODUCTION WORK</u>	2020 \$19.22/hr
AG800 Operator	2021 \$19.62/hr
Cryovac Line	2022 \$20.02/hr
Dry Room Cleanup	2023 \$20.52/hr
Dry Room Service	
Manufacturing Service	
Multi-Vac Operator	
Packaging Room Utility	
RTE Utility	
Strip Out/Machine Operator	
Tote Service	
Wash Vats & Racks	

CLASS III

SKILLED PRODUCTION WORK

	2020 \$19.35/hr
Batcher Operator	2021 \$19.75/hr
Batcher Service	2022 \$20.15/hr
Mixer/Grinder Operator	2023 \$20.65/hr
Packaging Service & Chill Cooler	
Pillow Pack Operator	
Pre-break Microwave Operator	
Receiving Clerk	
Shipping Clerk	
Slicer Operator/Strip-Out Machine Operator	
Stuffer/Hanger Operator	

Skilled General Worker	2020 \$19.70/hr
	2021 \$20.10/hr
	2022 \$20.50/hr
	2023 \$21.00/hr

CLASS IV

Smokehouse Operator	2020 \$20.35/hr
	2021 \$20.75/hr
	2022 \$21.15/hr
	2023 \$21.65/hr

CLASS Q-1

Quality Control Auditor	2020 \$18.45/hr
	2021 \$18.85/hr
	2022 \$19.25/hr
	2023 \$19.75/hr

CLASS Q-2

Quality Control Utility	2020 \$18.75/hr
	2021 \$19.15/hr
	2022 \$19.55/hr
	2023 \$20.05/hr

CLASS M-1

MECHANICAL TRAINEE

2020 \$21.80/hr
2021 \$22.40/hr
2022 \$23.05/hr
2023 \$23.60/hr

CLASS M-2

BEGINNING MECHANIC

2020 \$24.00/hr
2021 \$24.60/hr
2022 \$25.25/hr
2023 \$25.80/hr

CLASS M-3

MECHANIC

2020 \$25.00/hr
2021 \$25.60/hr
2022 \$26.25/hr
2023 \$26.80/hr

CLASS M-4

MECHANIC

2020 \$26.00/hr
2021 \$26.60/hr
2022 \$27.25/hr
2023 \$27.80/hr

CLASS M-5

MECHANIC

2020 \$27.00/hr
2021 \$27.60/hr
2022 \$28.25/hr
2023 \$28.80/hr

Skills enhancement courses will be paid in increments of twenty-five (\$.25) per completed course. Qualified courses will be determined by the Company.

Shop Time	1-2	3-4	5-9	10-14	15-19	20+
Bonus	years	years	years	years	years	years
	Base +	Base +	Base +	Base +	Base +	Base +
	\$0.20	\$0.40	\$0.60	\$0.80	\$1.00	\$1.20

Shop time bonus is based on years of service in Maintenance at the Knoxville plant.

EMERGENCY RESPONSE TEAM ("ERT")

An ERT member shall receive \$0.35 above his or her bid rate. ERT members shall be selected by, and in the sole discretion of, the Company.

Letter of Understanding – District Local 431 UFCW and Hormel Foods Corporation

Effective January 27, 2020

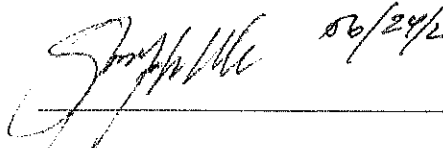
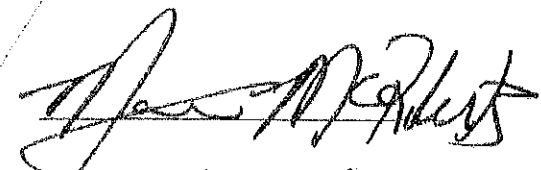


The undersigned parties agree to follow these provisions:

1. The Company will provide a copy of all job postings and a list of all job bidder to the Union, by providing the job postings and bid slips to the Union after the posting has expired and the job has been awarded to the successful bidder.
2. Employees who are off work on disability or FMLA shall only be contacted by HR, Medcor, or the Plant Manager.
3. The Company will provide new employees a copy of the attendance policy during orientation.
4. If the Company requires employees to wear steel toed shoes in the future, the Company will either provide the footwear or reimburse the employee for the cost of the footwear, subject to a maximum reimbursement amount established by the Company in its sole discretion.
5. Employees hired after the start of the vacation year must choose from open vacation weeks. The Company will not force first year employees to take unpaid vacation, but vacation not taken during the vacation year will be forfeited.
6. Employees recalled to work after their shift ended, but on the same day, will receive a second four-hour guarantee and will be eligible for any overtime pay for hours worked over eight in a day.
7. The cost of printing the contract will be evenly split by the parties.
8. The Company will bear the cost of prescription safety glasses for employees who are required to wear prescription safety glasses by the Company.

DISTRICT LOCAL #431

UFCW - KNOXVILLE, IA

BY:

 06/29/2020




HORMEL FOODS CORPORATION

BY:

