

COLLECTIVE BARGAINING AGREEMENT
BY AND BETWEEN
FRY KRISP FOOD PRODUCTS, INC.
AND
UFCW LOCAL 951

Effective August 15, 2010

Expires August 10, 2013

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AGREEMENT

This Agreement, executed and effective as of the 15th day of August, 2010, by and between Fry Krisp Food Products, Inc. hereinafter referred to as the "Employer" and the United Food and Commercial Workers International Union and its Local 951 hereinafter referred to as the "Union".

ARTICLE 1 - RECOGNITION AND COVERAGE

- 1.1 The Employer recognizes the Union as the sole and exclusive bargaining agent for all full-time and regular part-time production employees, office clerical employees, and truck drivers employed by the Employer at its facility located at 3360 Spring Arbor Road, Jackson, Michigan; but excluding guards and supervisors as defined in the Act.
- 1.2 In the event the Employer ceases operations at its Jackson facility and relocates such operations to another site in the state of Michigan, the Employer shall recognize the Union as the sole and exclusive bargaining agent for all of the employees in the new location except those exempted in Article 1.1 above.

ARTICLE 2 - UNION SECURITY

- 2.1 The Employer agrees not to enter into any other Agreement with any other labor organization during the life of this Agreement with respect to employees covered by this Agreement.
- 2.2 It shall be a continuing condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution date of the Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, upon the completion of thirty (30) calendar days of service, become and remain members in good standing in the Union.
- 2.3 It shall also be a continuing condition of employment that all employees covered by this Agreement and hired on or after the date of execution shall, after completing thirty (30) calendar days of service, become and remain members in good standing of the Union.
- 2.4 For the purpose of the Union Security provision of this section, the execution date of this Agreement shall be considered its effective date.
- 2.5 To be a member of the Union in good standing as required by this section, an employee must render to the Union the periodic dues and the initiation fee uniformly required as a condition of acquiring or retaining membership. Any

employee who is required to be a member of the Union by this section and who fails to render such uniform dues and initiation fees shall not be retained as an employee in the bargaining unit so long as the Union has given written notice to the Employer and employee of such failure, and such failure is not cured by employee within seven (7) days of such notice. The Employer reserves the right to secure new employees from any source whatsoever.

- 2.6 Those employees who maintain a non-member status or change their status to a non-member status and are covered by the terms of this Agreement shall be required to pay, as a condition of employment, an initial service fee and monthly (or otherwise) service fees to the Union for the purpose of aiding the Union in defraying the cost in connection with the Union's obligations and responsibilities as the exclusive bargaining agent of the bargaining unit herein.

ARTICLE 3 - VOLUNTARY CHECK-OFF

- 3.1 The Employer does hereby agree that during the life of this Agreement, it will checkoff initiation fees and Union dues upon presentation of a checkoff authorization form from employees, in accordance with the law. The Employer will then deduct such fees and/or dues in the amounts certified to the Employer by the duly authorized representatives of the Union, at such times and place as may be designated by the Union, in writing.
- 3.2 The Employer agrees to make deductions on the first pay period of each month and deliver all monies deducted to the Secretary-Treasurer of the Union by check made payable to the Union, within ten (10) days of said deductions.
- 3.3 The Employer agrees to deduct an amount from the pay of each employee who is a Union member and who executes an appropriate voluntary checkoff authorization for the UFCW Active Ballot Club or the UFCW Local 951 Foundation Fund. Deductions shall be in the amount specified in the checkoff authorization form signed by the employee and deducted every week. The deduction shall continue for the life of this Agreement for those employees who sign UFCW Local 951 Foundation Fund checkoff authorization forms unless they are revoked individually and in writing. The deduction for the UFCW Active Ballot Club shall continue as stated by Michigan Law.
- 3.4 The Union agrees to indemnify the Employer against any liability received or imposed upon the Employer by reason of any action taken by it as directed by the provisions of this Article.
- 3.5 The Union will supply all the necessary papers and documents for the voluntary checkoff.

- 3.6 A new employee may voluntarily sign a checkoff authorization and an application blank upon completion of the probationary period.
- 3.7 The Employer shall furnish the Union with a list of deletions from the weekly checkoff list and the reasons therefore.

ARTICLE 4 - UNION REPRESENTATION

- 4.1 The Union shall have the right to designate a Steward and Alternate Steward, by shift. Persons so designated will be identified by written notice from the Union to the Employer. The Alternate Steward will function only in absence of the Steward.
- 4.2 Employees shall have the right, if they so request, to Steward representation during any disciplinary interview. The employee and the Steward shall be given a copy of any disciplinary record. The Union Steward will be invited by the Employer to attend meetings at which the Employer intends to discharge an employee.
- 4.3 The Employer shall grant to any accredited full-time Union representative, reasonable access to the place of employment, for the purpose of administering the terms and conditions of the Agreement. Such visits will not interfere with or hamper the production of the Employer.
- 4.4 The Employer agrees to release the Steward from work to attend Union sponsored functions, provided the Union gives at least one (1) week's written notice. Such absence will be without pay by the Company.

ARTICLE 5 - MANAGEMENT RIGHTS AND RESPONSIBILITIES

- 5.1 The Employer reserves and retains, solely and exclusively the right to manage the Company, to direct the work forces, including all responsibilities, powers and authorities, such as (by way of example, and not by way of limitation) the right to select and hire, to promote, to discipline, demote, or terminate for just cause, to direct and determine the products to be produced, the abandonment of any operation, the schedule of hours and shifts, the establishment of choice of methods, process and means of manufacturing, the granting of increases, layoff and recall, except as specifically relinquished or modified by provision of this Agreement. The Employer construes and the Union recognizes the provisions of this Agreement as constituting limitations and being the only limitations upon the Company's right to manage the business.
- 5.2 The Employer has the right to establish reasonable rules and regulations and agrees to make all such rules known to all members of the bargaining unit. The

Employer agrees that such rules will not be applied in a discriminatory, capricious or arbitrary manner.

- 5.3 The Union office will be provided with a copy of all such rules and will be given reasonable advance notice of any changes in the rules. Upon the written request of the Union, the Employer agrees to meet with the Union to discuss any changes in work rules, prior to the implementation of same. The reasonableness of any work rule may be challenged through the grievance procedure.

ARTICLE 6 - NO STRIKE - NO LOCKOUT

- 6.1 During the term of this Agreement, neither the Union nor the employees shall instigate, authorize, aid, condone or engage in a work stoppage, slow-down, strike or any other concerted activity which interferes with the operations of the Employer. Any employee who becomes involved in any of the above listed activities shall be subject to discipline, up to and including discharge.
- 6.2 During the term of this Agreement, the Employer will not institute a lock-out.

ARTICLE 7 - GRIEVANCE PROCEDURE

- 7.1 For the purpose of this Agreement, the term "grievance" means any dispute between the Employer and the Union or between the Employer and employees concerning the effect, interpretation, application, claim of breach or violation of this Agreement. If such dispute cannot be resolved by the employee and the immediate supervisor, there shall be an earnest effort on the part of the parties to settle the dispute through the following steps.
- 7.2 Step 1 A conference is to be held between the aggrieved employee, the Steward and the management of the Employer. The Step 1 grievance must be initiated by the aggrieved employee and/or the Steward with dated, written notification identifying the specific nature of the dispute and presented on a form provided by the Union.
- 7.3 ~~Step 1 grievances must be filed within ten (10) calendar days of the alleged violation or the employee's knowledge of the alleged violation or when the employee would be expected to become aware of the alleged violation. Step 1 grievance meetings must be held within ten (10) days (excluding Saturdays, Sundays and Holidays) of the Employer's receipt of the Step 1 grievance notification form.~~
- 7.4 Step 2 If the grievance is not resolved at Step 1, the Union may process the grievance to Step 2 of the grievance procedure. The Step 2 grievance must be initiated by the Union Business Representative with a written grievance

identifying the specific nature of the grievance and submitted to the Plant Manager.

- 7.5 The Step 2 grievance must be filed within fifteen (15) calendar days of the Employer's Step 1 response. The parties will hold the Step 2 grievance meeting within thirty (30) days (excluding Saturdays, Sundays and Holidays) of the Employer's receipt of the Step 2 grievance form.
- 7.6 Notification of the intent to arbitrate a grievance must be provided by the Union to the Employer in writing within thirty (30) calendar days of the Employer's answer to the grievance at Step 2. The arbitrator shall have no power to add to, subtract from or modify any of the provisions of this Agreement. All costs in connection with the preparation and presentation of each case will be paid by the party incurring such costs. The arbitrator's fee and expenses shall be paid by the losing party unless the arbitrator does not declare a clear "winner" and then the costs will be equally shared by the parties.
- 7.7 Grievances concerning discharges shall proceed immediately to Step 2 of the grievance procedure. A grievance concerning a discharge must be filed directly at Step 2 within ten (10) calendar days of the discharge.
- 7.8 The Employer or the Union shall have no obligation to recognize, discuss or otherwise process any grievance that is not filed or appealed within the time limits or in accordance with the procedures set forth in this article. However, nothing shall prevent the parties from mutually agreeing to extend any of the time limits set forth in this article concerning individual grievances.
- 7.9 Stewards shall be allowed to process grievances, without loss of pay, on a reasonable basis. Stewards will ask their supervisor to be released to process a grievance. If it is not possible to be released at the time of the request, ample time will be given before the end of the shift.

ARTICLE 8 - SENIORITY

- 8.1 Seniority is defined as the length of continuous service with the Employer, starting from the last date of hire.
- 8.2 Employees who are hired on the same date shall be placed on the seniority list in numerical order of the last four (4) digits of their social security number, lowest first.
- 8.3 Seniority shall be exercised in accordance with the terms and conditions of this Agreement.

8.4 Newly hired employees shall be considered as probationary for their first ninety (90) calendar days of employment. Upon completion of their probationary period such employee's seniority shall be back dated to the first day actually worked. Probationary employees may be terminated at the Employer's sole discretion. Such action cannot be challenged by the Union.

The Employer shall have the right to request up to a thirty (30) day extension of the probationary period from the Union in writing. This request must be received by the Union prior to the end of the employees' probationary period and shall not be disputed by the Union.

8.5 An employee's seniority shall terminate for the following reasons:

- (a) If the employee quits or retires.
- (b) If the employee is discharged for just cause.
- (c) If the employee is absent from work for three (3) consecutive working days without properly notifying the Employer.
- (d) If the employee fails to report for work within three (3) working days following the date the employee received, or should have received notification of recall, sent by certified mail to the employee's last known address.
- (e) If the employee fails to return on the required date following leave of absence, unless otherwise excused by the Employer.
- (f) If the employee is on disability leave for a period exceeding one (1) year.
- (g) If the employee is on layoff status consecutively for a period of one (1) year, or the length of his/her acquired seniority at the time the layoff began, whichever is less.

8.6 An employee who is transferred to or otherwise takes a job with the Employer which is outside the bargaining unit will maintain the seniority he/she accrued prior to the move to the non-unit job for a period of ninety (90) days. If during the ninety (90) day period the Employer elects not to retain the employee in the non-unit job or the employee elects not to remain in such job, the employee may exercise his/her seniority to return to the bargaining unit. Upon expiration of the ninety (90) day period, all accrued seniority and the right to return to the unit will be lost.

8.7 Seniority shall be of two (2) types, full-time and part-time. Full-time seniority shall not be lost as a result of a transfer to part-time employment, but will not accumulate during periods of part-time employment. In no case will part-time employees accumulate seniority over full-time employees.

8.8 Full-time employees are persons classified as such and regularly work an average of 32 hours per week or more. Part-time employees are persons classified as such and regularly work less than 32 hours per week.

- 8.9 When a part-time employee works twelve (12) consecutive weeks an average of thirty-two (32) hours per week, such employee shall be immediately reclassified as full-time, with full-time seniority dating back to the beginning of the twelve (12) week period. Hours used for this purpose are hours actually worked.
- 8.10 All employees shall notify the Employer in writing of any change of address within five (5) working days after such change with the responsibility for proper address and telephone number, if any, on the Company's record being that of the employee.

ARTICLE 9 - PROMOTIONS, LAYOFFS, UPGRADES, TRANSFERS

- 9.1 Where permanent job vacancies exist, the Employer shall post such openings for bid by interested employees. The posting will indicate the classification and shift of the new position. Such postings will remain posted for three (3) consecutive days (excluding Saturdays, Sundays and Holidays). The most senior employee bidding on the job, shall be awarded the job. It is understood that in order to receive the job, the senior bidder must have the mental and physical ability to perform the job.
- 9.2 The successful bidder shall be given up to a thirty (30) day break-in period to become fully proficient at the job. If the successful bidder cannot perform the job at a satisfactory level during the break-in period, he/she shall be returned to his/her original position.
- 9.3 Movement from one shift to another will be accomplished by offering the change in shift in line of seniority and requiring in the reverse order of seniority within classification.
- 9.4 Temporary vacancies caused by Section 9.1 may be filled by management selection. All other temporary vacancies shall be offered in line of seniority and assigned in the reverse order of seniority, provided that the affected employee is physically and mentally able to perform the job in question.
- 9.5 Employees shall perform any work which management directs with the understanding that when any employee is assigned a job with a lesser rate, he/she shall continue to receive his/her regular rate of pay, unless the employee is the junior seniority employee in the classification. If an employee is assigned the primary function of a higher rated job, he/she will receive the next higher rate from his/her regular rate in the higher rated classification for all time spent working in that classification.
- 9.6 Layoff shall be defined as a reduction in the work force, and when the Employer institutes a layoff, the following procedures will be used:

- (a) Employees will be laid off in the reverse order of seniority by classification.
- (b) Employees who are laid off shall have the right to bump the least senior employee in any other classification, equal to or below their own, provided they are physically and mentally able to perform the job immediately.
- (c) Employees who are bumped shall have the right to bump the least senior employee in any other classification, provided they are physically and mentally able to perform the job immediately.
- (d) Union Stewards shall have super seniority for the limited purpose of layoff and recall.

9.7 Employees shall be recalled from layoff in order of seniority. The Employer may not hire new employees while employees with seniority are on layoff, except if such employees are not physically or mentally able to perform the open job assignment.

ARTICLE 10 – MEAL PERIOD AND BREAKS

- 10.1 No less than one-half (1/2) hour shall be allowed for an unpaid meal period each shift for employees working more than four (4) hours. No employees shall be required to work in excess of five (5) consecutive hours without a meal period. No employee will be required to take a meal period until they have worked a minimum of three (3) hours into the shift.
- 10.2 Employees shall be given two (2) paid rest breaks of fifteen (15) minutes each for each eight (8) hour shift worked. Such rest breaks are to be provided on the basis of one (1) break for each four (4) hour half shift worked. The Employer will make every effort to schedule rest breaks in the middle of each four (4) hour half shift. However, in no case will employees be required to take a rest break until they have worked a minimum of one (1) hour into the half shift. Employees will not be required to work more than three (3) consecutive hours into a half shift without taking a rest break.
- 10.3 Employees who work two (2) or more hours of overtime at the end of a work shift will be given an additional ten (10) minute paid rest period.

ARTICLE 11 – HOURS OF WORK

11.1 The normal workweek for full-time employees shall consist of forty (40) hours, Monday through Friday. This definition of normal work week shall in no way be considered as a guarantee of hours to be worked, except as otherwise provided in this Agreement. The Employer shall establish starting times by classification and shift, to meet the requirements of the operation. The starting times of each production shift shall normally fall between the hours listed below:

- (a) 1st Shift - between 6:00 a.m. and 8:00 a.m.
- (b) 2nd Shift - between 2:00 p.m. and 4:00 p.m.
- (c) 3rd Shift - between 10:00 p.m. and midnight

Truck drivers' work schedules shall be based on the delivery needs of the Employer's customers. Every effort will be made to recognize the needs of all parties in establishing work schedules. The Employer shall communicate shift changes to both employees and the Union, with as much advance notice as is possible.

11.2 In the case of an involuntary reduction of hours, full-time employees shall be maximized to forty (40) hours per week in line of seniority by classification. In the event that a full-time employee is not scheduled forty (40) hours, he/she shall have the right to claim scheduled hours of part-time employees up to forty (40) hours per week.

11.3 When additional or replacement hours become available during the week, such hours will first be offered to full-time employees who have not been scheduled forty (40) hours. If the need still exists or all full-time employees are scheduled forty (40) hours, such additional or replacement hours shall be offered to available part-time employees in line of seniority, up to a maximum of forty (40) hours per week.

11.4 Work performed on Saturdays, Sundays and after eight (8) hours in any day shall be paid at time and one-half (1-1/2), so long as the affected employee has worked all scheduled hours during the work week in question, unless said employee was unable to work his/her scheduled hours due to provable illness or was otherwise excused from work by the Employer.

11.5 Time and one-half (1-1/2) will be paid for all hours worked in excess of forty (40) hours in any one (1) week. There shall be no duplication or pyramiding of overtime.

11.6 Overtime will be offered in line of seniority and assigned in reverse order of seniority, within classification. In order to require employees to stay, a minimum 2

hours notification must be given. The Employer shall not be bound by the two (2) hour notification requirement when overtime work is created as a result of factors outside the Employer's control or knowledge that would not allow the Employer to provide said notification. In such situations, the Employer shall provide as much advance notice of overtime work as is possible under the circumstances.

- 11.7 Any employee reporting for work as scheduled or instructed, shall be guaranteed two (2) hours of work or pay in lieu thereof. This provision shall not apply in circumstances beyond the control of the Employer, such as fire, flood, civil disturbance, power or equipment failure or acts of God. If any employee is notified not to report for work before leaving home, the Employer shall not be required to pay report in pay. Same applies if the Employer attempts to notify the employee by the telephone number on the Employer's records and it is incorrect due to a change not reported by the employee.

ARTICLE 12 - VACATIONS

- 12.1 An employee will become eligible for vacation with pay on each successive seniority anniversary date according to the following schedule:

<u>Years of Continuous Service</u>	<u>Vacation Time & Pay</u>
One (1) Year	One (1) week
Three (3) Years	Two (2) weeks
Eight (8) Years	Three (3) weeks
Fifteen (15) Years	Four (4) weeks

All full-time employees will receive 40 hours of pay at their straight time hourly rate for each week of vacation eligibility and 8 hours per day at their straight time rate for any vacation day(s). Part time employees are eligible for vacation with pay in accordance with the above schedule on a pro-rata basis.

- 12.2 All paid vacation is available for use on a weekly basis. However, employees eligible for more than one week of vacation may take one week of this vacation as five (5) single vacation days. When using vacation days, at least two (2) days must actually be worked during the week in which a vacation day(s) is granted. All vacation day(s) must be requested in writing at least ten (10) days prior to the date requested. This provision is not intended to allow employees to combine single vacation days and non-paid time off in order to increase the number of full weeks off per year.
- 12.3 In order to facilitate the granting of vacations, a blank vacation schedule shall be posted on January 1st of each year and remain posted until March 1st, for employees to designate the vacation week or weeks they desire. Vacations will be granted on the basis of seniority no later than April 1st of each year. Once

vacations are granted, they will not be changed by management or the affected employee and no other employee may exercise seniority rights to displace the employee from the scheduled vacation.

- 12.4 Employees who elect not to place their vacation requests on the vacation schedule will be granted vacation at the discretion of management on a first come, first serve basis, so long as all accrued vacation weeks are granted during the vacation anniversary period.
- 12.5 If a holiday recognized by this Agreement occurs during an employee's vacation, the employee will be paid holiday pay in addition to vacation pay.
- 12.6 In the case of an employee's death, payment of earned and accrued vacation pay shall be remitted to the designated beneficiary of the deceased employee.
- 12.7 Employees who quit, are laid off, or retire will be paid all earned and accrued vacation pay. Employees who are terminated for just cause, except for proven dishonesty, shall receive all earned vacation pay, but shall not receive any accrued vacation pay. Employees terminated for proven dishonesty shall not receive any vacation pay.
- 12.8 Effective on anniversary dates in 1992 and thereafter, employees on disability, personal or military leaves of absence shall have their vacation pay adjusted as follows:

1 to 30 days of leave	no reduction in vacation pay
31 to 60 days of leave	1/12th reduction in vacation pay
61 to 90 days of leave	2/12ths reduction in vacation pay
91 to 120 days of leave	3/12ths reduction in vacation pay
121 to 150 days of leave	4/12ths reduction in vacation pay
151 to 180 days of leave	5/12ths reduction in vacation pay
181 to 210 days of leave	6/12ths reduction in vacation pay
211 to 240 days of leave	7/12ths reduction in vacation pay
241 to 270 days of leave	8/12ths reduction in vacation pay
271 to 300 days of leave	9/12ths reduction in vacation pay
301 to 330 days of leave	10/12ths reduction in vacation pay
331 to 360 days of leave	11/12ths reduction in vacation pay
361 and up days of leave	no vacation pay

- 12.9 Employees who request advanced vacation pay at least fourteen (14) days prior to the commencement of an approved vacation period shall receive vacation pay for said vacation, by separate check, prior to the commencement of the vacation period. Employees who fail to make a timely request for advanced vacation pay shall receive their vacation pay, by separate check, on the first regular pay day that occurs after they return to work from their vacation.

ARTICLE 13 - PAID HOLIDAYS

13.1 The holidays covered by this Agreement for the purpose of pay are:

New Year's Day	Memorial Day
Independence Day	Labor Day
Thanksgiving Day	Christmas Eve
New Year's Eve Day	Christmas Day

13.2 Full-time employees who have completed their probationary period will receive eight (8) hours pay at their regular straight time rate of pay, for each paid holiday. Part-time employees who have completed their probationary period will receive four (4) hours pay at their regular straight time rate of pay, for each paid holiday.

13.3 In order to receive holiday pay, it is mandatory that employees work the entire shift on the last scheduled work day before the holiday and the entire shift on the next scheduled work day after the holiday.

13.4 An employee shall receive their choice of either holiday pay or one (1) day of paid leave if a recognized holiday occurs on Saturday or Sunday, except when such holiday is observed on the Friday before the holiday or the Monday after the holiday.

13.5 Work performed on a holiday shall be compensated at one and one half (1-1/2) times the employee's regular rate of pay, in addition to their holiday pay.

13.6 An employee will become eligible for personal days on their anniversary date according to the following schedule listed below, to be used prior to their next anniversary date:

<u>Years of Continuous Service</u>	<u>Number of Days</u>
After two (2) years of service	1
After three (3) years of service	2
After four (4) years of service	3
After five (5) years of service	4
After six (6) years of service	5
After seven (7) years of service	6

Full-time employees will receive eight (8) hours of pay at their regular straight time rate of pay, for each Personal Day. Part-time employees will receive four (4) hours of pay at their regular straight time rate of pay, for each Personal Day.

Employees eligible for a Personal Day must give the company at least seven (7) days notice if the absence can be scheduled in advance. Emergency use of a Personal Day will be reported to the Company as far in advance as possible.

ARTICLE 14 - HEALTH AND WELFARE

- 14.1 The Employer shall participate in and contribute to the Michigan UFCW Unions & Employers Health and Welfare Fund ("Health Fund"), and adopts and agrees to be bound by the terms and conditions of the Health Fund's Trust Agreement, as amended, and the actions taken pursuant to such provisions. The Employer shall execute the normal form of Participation Agreement concerning participation under the Health Fund.

Effective August 1, 2010, qualified employees shall be enrolled in the Health and Welfare Fund Plan at monthly contribution rates determined by the Fund Trustees as listed below.

- A. **Employer/Employee Contributions:** The monthly Employer contribution rates are effective as follows:

08/01/2010	Fixed \$ 6.00
09/01/2010	Fixed \$ 6.00
10/01/2010	Fixed \$ 6.00
11/01/2010	Fixed \$619.00
07/01/2011	Not to exceed \$668.50
07/01/2012	Not to exceed \$722.00

Effective 8/1/2010 the Employer shall make monthly contributions up to the maximum amounts listed above per eligible employee, plus an additional four (\$4.00) dollars per week for Employee only coverage, eight (\$8.00) dollars per week for Employee + 1 coverage and twelve (\$12.00) dollars per week for Family coverage for all enrolled employees.

Effective 1/1/2011 the Employer shall make monthly contributions up to the maximum amounts listed above per eligible employee, plus an additional five (5.00) dollars per week for Employee only coverage, ten (\$10.00) dollars per week for Employee + 1 coverage and fifteen (\$15.00) dollars per week for Family coverage for all enrolled employees.

These contributions are to be used exclusively for the purposes of providing benefits to associates who participate in the newly-negotiated plans as adopted by the trustees effective 1/1/11. In accordance with the Health and Trustee's Contribution Policy for New Hires, contributions for those employees newly qualifying will be made in the month that the employee completes his qualifying period to provide coverage the first of the following month.

- B. The required employee contributions to the Employer for Full-Time and Part-Time employees who are eligible for Health and Welfare benefits as of August 1ST, 2010 are listed below:

Single	\$ 25.00 per week
Single + Child/Spouse	\$ 37.50 per week
Family	\$ 50.00 per week

Part-Time employees may only choose Single coverage.

Employee contributions will be made by payroll deductions on a Section 125 pre-tax basis.

C. Working Spouse Fee

Each qualifying full-time employee electing to provide health insurance coverage to his or her spouse - if the spouse has access to health insurance through their employer (other than another contributing employer) and chooses not to take that health insurance, the employee will pay a \$100 pre-tax monthly fee for the spouse's coverage.

D. Employer contributions to the Health Fund shall be made for all qualifying employees on the Employer's active payroll as of the first pay period of each month and such contributions and related contribution reports are due on the 1st of each month but in no event shall be received at the Health Fund Office, or other location which the Trustees may designate, no later than the fifteenth (15th) of such month. Employer will continue to make contributions to the Health Fund on all qualified full-time and part-time employees even if they opt out of the coverage.

14.2 Eligibility: Full-Time employees will become eligible for Health and Welfare Coverage on the first (1st) day of the month following nine (9) months of service. Part-Time employees will become eligible for Health and Welfare Coverage on the first (1st) day of the month following eighteen (18) months of service.

14.3 Employees who are eligible for benefits will be enrolled in the Health and Welfare Fund Plan.

14.4 The Employer shall continue contributions for any said employee up to three (3) months during absence from work due to compensable or non-compensable injury or illness.

14.5 The Employer shall make monthly contributions for all eligible employees on the Employer's active payroll as of the first (1st) day of each month, payments to be made by the fifteenth (15th) of each month.

- 14.6 Employer contributions shall immediately be discontinued (as of the first of the month following the below listed events) for the reasons listed below:
- (a) Personal leave of absence;
 - (b) Voluntary quit;
 - (c) Termination for just cause;
 - (d) Layoff.
- 14.7 Employer contributions shall be resumed on the first (1st) of the month immediately following the return to work on the Employer's active payroll after illness, injury, leave of absence, layoff and/or reinstatement provided an Employer contribution had been previously discontinued.
- 14.8 **Fund Reserves:** Employer contribution rate action 7/1/12 shall be subject to two general criteria. First, that a minimum target reserve level be maintained at least equal to 4.5 months of total assets as of 6/30/13. Second, that projected fund income 14 from Employer and employee contributions must be at least equal to projected fund total expenses in the one year period ending 6/30/13. The fund consultant shall prepare a report for Trustee review and action prior to 7/1/12, taking into account known investment gains/losses prior to the rate action, but excluding estimates of investment gains/losses thereafter through 6/30/13. If the consultant report indicates that up to one (1) month Employer and Associate contribution holiday is possible within the criteria guidelines noted above, the Trustees will consider such action as part of its rate review for 7/1/12. Such holiday shall be taken in January 2013 if financial conditions at that time permit. Any trustee dispute/deadlock regarding 7/1/12 rate action shall be referred to final and binding expedited arbitration.
- 14.9 The parties agree to make their best efforts to direct the Trustees of the "Health Fund" to adopt as many cost containment measures as practical without reducing existing benefit levels. It is the desire of both parties that such cost containment measures when implemented might require a contribution rate that is less than the contribution rates listed in the Agreement to maintain benefits. However, the existing applicable benefits may be modified by the Trustees only if the proposed modifications are unanimously agreed to by every Employer Trustee (or Alternate) and by every Union Trustee (or Alternate.)
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- 14.10 The Employer is responsible for reporting the appropriate qualifying status for each employee to the Health Fund Office on a contribution report each month. The Employer accepts that failure to submit timely and correct contribution reports and contribution payments may result in interest, liquidated damages and cost assessments pursuant to the Health Fund's delinquency collection rules and/or applicable law. The Employer consents to the audit of its payroll records by persons designated by the Health Fund's Trustees for the purpose of verifying the correctness of the Employer's contribution payments in accordance with uniform audit policies adopted by the Trustees. Any underpayments disclosed by

such an audit shall be processed as delinquent contributions pursuant to the Health Fund's delinquency collection procedures. Contributions must be reported and paid each month, without regard to any prior overpayments. Prior overpayments and mistaken contributions can be claimed by the Employer pursuant to the rules adopted by the Health Fund's Trustees for refund of mistaken contributions.

14.11 **Health and Welfare Delinquencies:** If the Employer fails to make monthly Health and Welfare contributions as set forth herein, he shall be notified in writing of his delinquency, by the Health and Welfare Fund Administrator, and if said remittance is not paid within ten (10) days, notwithstanding any provisions of this Agreement, the Union, without necessity of giving any other or further notice, shall have the right to take such action as it shall deem necessary until such delinquent payments are made, and it is further agreed that in the event such action is taken, the Employer shall be responsible to the employees for any losses resulting there from. The Employer hereby waives the requirement of any notice or notices being given by the Health & Welfare Administrator or by the Union to him or to anyone else other than such notice or notices expressly provided for in this Article.

14.12 **Coordination of Benefits Rules:** When an eligible dependent has the option of receiving money in lieu of selecting health care coverage under a plan provided by such person's employer, the Michigan UFCW Unions and Employers Health & Welfare Fund will coordinate its benefits as if the other employer's benefit coverage was in force. The new coordination of benefits provision would also extend to dependent coverage and, in that situation the Fund also uses the "birthday rule" to determine which coverage is primary. It is the employee's responsibility to provide the Fund Office with information necessary to determine whether it will pay on a primary or secondary basis.

14.13 **General:** The foregoing provisions are intended to establish the basis and amount of Employer contributions to the Michigan United Food and Commercial Workers Unions and Employers Health and Welfare Fund and nothing herein contained shall be deemed to establish the benefits or beneficiaries of the Fund which shall be determined by the Trustees thereof, pursuant to the Trust Agreement, as from time to time amended, and applicable insuring agreements, as from time to time amended. The Employer's sole responsibility shall be to make the premium contributions prescribed in the Article.

14.14 The Employer reserves the right to withdraw from the UFCW Health and Welfare Fund and terminate its participation agreement under the following conditions:

1. Employer provides thirty (30) day's prior notice to the Union no sooner than July 1, 2011, identifying the effective date of withdrawal and termination; and

2. The Employer has made available to qualified employees an alternative Health and Welfare plan that the Employer has determined to be substantially equivalent to the plan in effect as of the date of the notice of withdrawal and termination; and
3. Transition to the new Health and Welfare plan will not cause a lapse in benefit coverage for any qualified employee. During the term of the agreement the rates paid by Fry Krisp, Inc. for health and welfare benefits will not exceed any other participating employer's rates for the UFCW Health & Welfare Plan.
4. In the event the company elects to withdraw from the UFCW Health and Welfare Fund, the company will have no further obligations financial or otherwise beyond the date of withdrawal from the plan.

ARTICLE 15 - RETIREMENT PLAN

- 15.1 Employer Contribution. Prior to December 1st of each calendar year, the Employer will contribute up to Four Hundred Fifty Dollars (\$450.00) to an Individual Retirement Account ("IRA") established by each eligible employee at a bank or other financial institution. Effective in 1999, the Employer maximum contribution shall increase to Five Hundred Dollars (\$500.00). The Employer's contributions shall be on a dollar for dollar match with eligible employee contributions to their I.R.A. accounts.
- 15.2 Eligibility Requirements. In order to be eligible for an IRA contribution in any year, an employee must have been in the Employer's employ for at least the twelve (12) months preceding November 11 of that year and must still be in the Employer's employ on November 11 of that year, and have contributed to his/her IRA account, prior to November 11 of the year in question.
- 15.3 The Employer shall offer employees the opportunity to make contributions to an IRA account through payroll deductions. The Employer shall select at least one (1) Jackson area bank or other financial institution for this purpose. All monies deducted from employees' pay for IRA accounts or any other payroll deduction plan shall be deposited within ten (10) calendar days in the employees' authorized account.

ARTICLE 16 - LEAVES OF ABSENCE

- 16.1 Disability Leave - An employee with six (6) months or more of seniority shall be entitled to a disability leave not to exceed twelve (12) months. The illness or injury causing the leave must be confirmed by a physician.

- 16.2 Personal Leave - An employee with six (6) months or more of seniority shall be entitled to an unpaid personal leave not to exceed three (3) months. Personal leaves will be granted to the extent business conditions allow and mutual agreement between management and the individual employee.
- 16.3 Funeral Leave - A leave of absence with pay for three (3) days shall be granted to an employee in the event of the death of a member of his/her immediate family. Immediate family shall be defined as father, mother, spouse, or child. A leave of absence with pay for two (2) days shall be granted to an employee in the event of the death of a family member defined as: brother, sister, brother-in-law, sister-in-law, parent-in-law, grandparent, grandchild, stepparent, stepchild or any blood relative residing with the affected employee. Upon request an additional seven (7) days of unpaid funeral leave shall be granted.
- 16.4 Jury or Witness Duty Leave - Leave shall be granted to any employee for jury or witness duty in a court of law. The Employer shall pay the difference between the employee's regular pay and the pay received for jury or witness duty, with a maximum liability of four (4) hours per day for three (3) days, for each incident of jury or witness duty.
- 16.5 Military Leave - Leaves of absence shall be granted to employees for the purpose of serving in the military of the United States. Any employee returning from military service shall be entitled to re-employment in accordance with applicable federal law. Employees who are members of the military reserve corps and are obligated to participate in training exercises or other reserve duties will be granted the necessary time off of work.
- 16.6 Employees on leaves of absence other than military must report for work on the date agreed, unless mutually agreed otherwise between the Employer and the employee.
- 16.7 Family Medical Leave Act and Americans With Disabilities Act - None of the provisions of this Article shall be interpreted to limit the rights of any employee to any of the provisions covered under the 1993 Family Medical Leave Act or the Americans with Disabilities Act (A.D.A.).

ARTICLE 17 - GENERAL

- 17.1 The Employer shall maintain a reasonable degree of sanitation, heating, lighting and safe working conditions. A Safety Committee shall be established, which shall consist of one (1) member of management and one (1) Union member. The Safety Committee shall meet on at least a quarterly basis. The Safety Committee shall make an earnest and concerted effort to promote safety in the plant and suggest ways to correct potential safety hazards. At each quarterly safety

- meeting, an agenda will be prepared and exchanged prior to the meeting and a written record of the meeting will be prepared. One copy of the written record will be kept by Management and a copy given to the Union member of the committee.
- 17.2 No employee covered by this Agreement shall be requested or required to take any type of lie detector test.
- 17.3 All tools and equipment necessary to perform work assigned by the Employer shall be provided by the Employer.
- 17.4 The Employer shall provide a bulletin board for the exclusive use of the Union, for the purpose of posting official Union notices. Such notices will not be inflammatory, political or derogatory to the Employer or its business.
- 17.5 Persons not covered by this Agreement are expressly prohibited from performing any work normally and/or customarily performed by bargaining unit employees, except in the case of a bona fide emergency. Management on the Employer's payroll prior to November 11, 1988 shall not be prevented from performing bargaining unit work if there is a need to fill in for absent employees, perform additional work that cannot be performed by the available work force, perform work as part of instructions to employees or work of an experimental nature. Other management shall not be prevented from performing bargaining unit work if there is a need to fill in for absent employees or employees who are late for work or who have left work early. In no case will an otherwise available employee suffer a reduction in hours due to management performing bargaining unit work.
- 17.6 The Employer and the Union mutually agree that there shall be no discrimination against any employee on the basis of race, color, sex, national origin, religious belief, age, weight, height, marital status, disability, or Union activity.
- 17.7 Upon the Employer's request, a Business Representative or other full-time Union Representative shall meet with reasonable promptness to discuss any matters of concern to the Employer regarding the conduct of an employee covered by this Agreement where such conduct might lead to discipline or discharge or where such conduct would harm peaceful relations between the parties or is deemed to be detrimental to other members of the bargaining unit.
- 17.8 Employees injured on the job shall not suffer a loss in pay if treatment for such injuries must be scheduled during their regular work shift. The Employer shall have the right to verify that such treatment must be scheduled during the affected employees' regular work shift.
- 17.9 The Employer agrees to correct any hazardous condition or equipment identified by the safety committee within a thirty (30) calendar day period. If the condition cannot be corrected in this time period, the Union member of the safety

committee will be informed as to the reason for not meeting this deadline and a new completion date established by the committee members.

ARTICLE 18 - WAGE AND CLASSIFICATIONS

18.1 All employees covered by this agreement shall be classified as follows:

General Production:	Level I	\$8.50
	Level II	\$9.00
	Level III	\$9.50
	Level IV	\$9.75
	Level V	\$10.25
Secretary	Level I	\$8.50
	Level II	\$8.75
	Level III	\$8.85
	Level IV	\$9.00
Truck Driver	Level I	\$10.00
	Level II	\$11.00
	Level III	\$12.00
	Level IV	\$15.00

Employees current pay rates not listed, will advance to the next higher Level at ratification, then continue moving at Level progressions.

Each Level represents a six (6) month progression period.

All employees at the top listed amount level will receive a two hundred dollar (\$200.00) ratification bonus and a Top Level Adjustment (TLA) amount to their base level on the following dates:

Effective 7-16-2011

\$.25

Effective 7-08-2012

\$.25

18.2 Employees on leaves of absence of thirty (30) days or less shall accrue time in classification for pay rate increase purposes. Employees on leaves of absence for longer than thirty (30) days shall not accrue time in classification for the purpose of pay rate increases beyond the initial thirty (30) days credited.

18.3 Employees who work on the second shift shall receive fifteen cents (\$.15) per hour for all hours worked. Employees who work on the third shift shall receive

twenty-five cents (\$.25) per hour for all hours worked. Second shift is defined as working the majority of the hours that fall between 3:00 p.m. and 11:00 p.m. Third shift is defined as working the majority of the hours between 11:00 p.m. and 7:00 a.m.

- 18.4 Nothing in the Agreement shall prevent the Employer from instituting or discontinuing merit pay, bonuses, commission, special gifts or other incentives, so long as the terms and conditions of the Agreement are being observed. The Employer will notify the Union of any such monetary disbursement(s) in writing within fifteen (15) days of such notice.
- 18.5 No employee, as a result of signing this Agreement, shall suffer a reduction in any wage they currently receive and shall continue to maintain such wage or benefit until such time as the contract wages exceed their wage rate.
- 18.6 Employees required to use their personal vehicles for the Employer's business will be paid the current IRS rate per mile for all miles driven.
- 18.7 If any new or revised job classifications become necessary during the term of this agreement, the Employer shall assign such classifications a job description and pay rate. The Local Union office will be given fifteen (15) days advance notice of the change. If the Union disagrees with the Employer's action, the parties shall meet promptly and attempt to resolve the conflict. If resolution is not achieved, the Union shall have the right to process the matter through the grievance procedure.

ARTICLE 19 - COMPLETENESS OF THE AGREEMENT

- 19.1 Both parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals; therefore, the Employer and the Union agree that they shall have no obligation to bargain on any other subject during the life of this Agreement.
- 19.2 It is agreed that in the event any article, section or clause of this Agreement be deemed invalid under law, that the remainder of the Agreement continue to be in full force and effect. The parties agree to begin negotiations within thirty (30) days to replace said void part of the Agreement with a valid provision.

ARTICLE 20 - DURATION OF THE AGREEMENT

- 20.1 This Agreement and amendments hereto shall continue in full force and effect until midnight of August 10, 2013, and for successive periods of one (1) year thereafter; unless either party to the Agreement notifies the other party in writing

at least sixty (60) days prior to the expiration of the Agreement of its intention to either renew, modify, or terminate this Agreement.

R. J. Muefeldt
Fry Krisp Food Products, Inc.

9-22-10

Date

Fry Krisp Food Products, Inc.

Date

2. Anderson
United Food & Commercial
Workers Union, Local 951

9-14-10

Date

David Wasy
United Food & Commercial
Workers Union, Local 951

Sept. 10, 2010
Date

Letter of Understanding
Between Fry Krisp, Inc. and UFCW 951


As a result of our recent bargaining, Fry Krisp, Inc. and UFCW 951 agree to the following:


An additional compensated vacation schedule that will begin on the employees' anniversary date in 2005 and continue on future anniversary dates, through his employment with Fry Krisp, Inc.

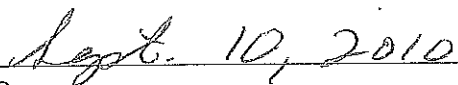
Charles Brockway (8/5/03)

Five (5) weeks of vacation


Fry Krisp Food Products, Inc.


United Food & Commercial
Workers Union, Local 951


Date


Date

