

## Hormel Foods Final Offer

**September 6, 2023**

The terms and changes set forth below constitute the Company's final offer for agreements with UFCW Local 1155, UFCW Local 663, UFCW Local 1473 and UFCW Local 1996, along with all tentative agreements agreed upon by local committees. Items upon which the Parties reached tentative agreement are denoted with "TA." This final offer is conditioned upon ratification without a labor dispute.

If this proposal is ratified and accepted on or before October 8, 2023, the first-year wage increases will be applied retroactively to September 11, 2023. The Company will make retroactive payments on or before December 15, 2023.

### Wages:

The Company offers the following wage increases for all chain plant bargaining unit team members:

- First Monday after Ratification - \$2.25/hour
- Year 2 (9/9/24) - \$0.75/hour
- Year 3 (9/8/25) - \$0.25/hour
- Year 4 (9/14/26) - \$0.25/hour

### Night Wage Premium (TA on 8/30/23):

The Company will increase the night premium for both second and third shift by \$.75/hour to \$1.00/hour the first Monday after ratification.

### Vacation:

The Company offers to modify the vacation benefits at the beginning of the next vacation year as follows:

<b>Years Worked</b>	<b>Vacation Time</b>
<b>6 months</b>	<b>1 week</b>
2 years	2 weeks
<b>5 years</b>	<b>3 weeks</b>
15 years	4 weeks
25 years	5 weeks
30 years	6 weeks

### Paid Bereavement Leave (TA on 8/30/23) effective the first Monday after ratification:

The Company will pay the team member's regular base pay for each day of approved bereavement leave. Time off will be paid, provided:

- a). The team member notifies their supervisor at their earliest opportunity by including available details related to the request and the time away needed.
- b). In most instances, bereavement time will be taken to coincide with funeral or memorial services or other formal acknowledgement of an individual's passing. While bereavement time does not have to be taken consecutively, the time away from work should be connected with activities related to the loss of the loved one.
  - i. The first day of absence does not occur prior to the day of such death.
  - ii. The last day of absence is not later than six months from the day of such death. In the event of a delayed funeral or other circumstance such as settling an estate, the HR Manager may approve dates beyond six months from the date of death.
  - iii. The day of absence is a day of the team member's regularly scheduled workweek, not including overtime days, on which the team member would have otherwise worked had it not been for the death.

Upon request, team members must furnish proof to the Company of the death, their relationship to the deceased and the date of the funeral/formal service.

Team members who are on a leave of absence or lay-off will not qualify for paid bereavement leave. Bereavement pay will not be paid in addition to any other kind of pay such as holiday pay, vacation pay, short-term disability, etc.

Time paid for bereavement leave will be counted as hours worked for overtime/premium pay purposes.

#### Length of leave

I. For spouse, child (including miscarriage or still birth) and parent, including other persons who have raised the team member in a parent-child relationship (i.e. uncle or aunt):

- Team members on a five-day 8-hour shift schedule will be granted up to five days / 40 hours maximum
- Team members on a 12-hour shift schedule will be granted up to three and a half days / 42 hours maximum
- Team members on a four-day 10-hour schedule will be granted up to four days / 40 hours maximum

II. For sibling, grandchild, grandparent, parent-in-law including other persons who have raised the team member's spouse in a parent-child relationship (i.e. uncle or aunt), child-in law, grandparent-in-law:

- Team members on a five-day 8-hour shift schedule will be granted up to three days / 24 hours maximum
- Team members on a 12-hour shift schedule will be granted up to three days / 36 hours maximum
- Team members on a four-day 10-hour schedule will be granted up to three days / 30 hours maximum

III. For great-grandparent, sibling-in-law, and great-grandparent-in-law:

- Team members on a five-day 8-hour shift schedule will be granted one day / 8 hours maximum
- Team members on a 12-hour shift schedule will be granted up to one day / 12 hours maximum
- Team members on a four-day 10-hour schedule will be granted up to one day / 10 hours maximum

\*Step relationships are covered.

Any additional days of absence must be arranged with the team member's supervisor. The team member and manager will determine if unpaid or whether substitution of other paid time off will be required.

**Benefits changes are effective January 1, 2024, unless otherwise indicated.**

**Short Term Disability (TA on 8/31/23):**

The Company will provide 26 weeks of short-term disability for all eligible team members after a five-day waiting period.

**401K (TA on 8/30/23):**

Currently the company match and per hour contribution are different based on years of service. To be inclusive across all team members, once a team member is eligible for the 401(k) plan, they would receive a company match of 50% of 2% up to \$500. This includes team members hired prior to 1/1/90 and those team members with under 5 years of service. (Currently pre-1990 hires get \$0 and team members with under 5 years of service get up to \$300). The Company will increase the per hour contribution from \$.20 to \$.25 for all participants as well. This contribution will be made for each hour worked. (Currently pre-1990 hires and team members with under 5 years of service get \$0). The Company will also add Roth as a contribution option.

**Pension:**

The Company offers to increase the base pension benefit by \$1 in 2024 from \$33 to \$34. As in the past, anyone retiring between ratification and December 31, 2023, will be eligible for the pension increase in 2024.

The Company offers to increase the 30-year pension bonus from \$10 to \$11.

**Health and Welfare Plan:**

The Company offers to make no increases to deductibles or out-of-pocket maximums, and will make modest increases to the employee contributions as illustrated in the tables below:

		2023	2024	2025	2026	2027
<b>Traditional Plan Deductible</b>	Employee	\$ 850	\$ 850	\$ 850	\$ 850	\$ 850
	Employee + Children	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
	Family	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550

<b>Traditional Plan Out of Pocket</b>	Employee	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
	Employee + Children*	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100
	Family	\$ 9,350	\$ 9,350	\$ 9,350	\$ 9,350	\$ 9,350

Prescription drug OOP - No change

**Employee Contributions - Medical and Rx**

	Current (2023)	2024	2025	2026	2027
Employee	\$32.00	\$35.00	\$35.00	\$35.00	\$35.00
Employee + Children	\$44.00	\$50.00	\$50.00	\$50.00	\$50.00
Family	\$59.00	\$68.00	\$68.00	\$68.00	\$68.00

**Employee Contributions - Dental and Vision**

	Current (2023)	2024	2025	2026	2027
Employee	\$7.00	\$8.00	\$8.00	\$9.00	\$9.00
Employee + Children	\$11.00	\$12.00	\$12.00	\$13.00	\$13.00
Family	\$16.00	\$17.00	\$17.00	\$18.00	\$18.00

**The Health and Welfare Plan offer includes the following enhancements for plan participants:**

- **Fertility assistance through Progyny** which provides inclusive, comprehensive treatment options for healthier pregnancies and babies and providing support for all paths to parenthood.
- A new tool, **Hinge Health**, to help employees conquer joint and muscle pain, recover from injuries, prepare for surgery, and stay healthy and pain free.
- Similar to the current dependent care flexible spending account, **expand to include a Flexible Spending Account (FSA, also called a "flexible spending arrangement")**. This is a special account you have the option to put money into tax-free that you use to pay for certain out-of-pocket health care costs, subject to the terms and conditions of the FSA plan.
- **Omada** is a personalized program with one-on-one coaching, specialist support and smart devices to help members lose weight and manage diabetes.

**The Health and Welfare Plan offer includes the following enhancements for all employees regardless of whether they are plan participants:**

- **Enhanced Employee Assistance Program (EAP) with mental health support and access.** Currently 3 free sessions and moving to 8 free sessions. Precision mental health care through traditional care and digital solutions.
- **Expanded basic and optional life insurance:**
  - **Basic (Company paid):**
    - Currently \$12,500 for employee life and \$5,000 for AD&D.
    - Increase to 1 times annual salary up to \$50,000 for both.
  - **Optional life and AD&D (Employee paid and subject to terms and conditions of the plan):**
    - Currently available for employees in increments of \$12,500, \$25,000, \$50,000 or \$75,000.
      - Increase and expand options to 1/2 to 6 times annual salary with a max of \$600,000.
      - Also, add Optional employee AD&D 1 to 10 times salary with a max of \$500,000.
    - **Optional Spouse life insurance** currently at \$10,000-\$25,000 in \$5,000 increments.
      - Increase to \$10,000-\$50,000 in \$5,000 increments.
    - **Current optional dependent child life insurance** \$5,000.
      - Expand to include \$5,000 or \$10,000 options.

**General (TA on 8/30/23):**

The Employer and the Union will work to welcome people with diverse backgrounds into the workplace. Behaviors include but are not limited to; working to understand cultural

differences, working constructively with employees accommodated as a result of the employer's duty to accommodate and valuing other's differing style and contributions. A side-agreement will be created at each of the four (4) plants to address and discuss such issues. A committee consisting of team members selected by the Union and an equal number selected by management will be created to address these areas in a cooperative way. The committees will be established for the term of the agreement and may be extended by mutual agreement of the Union and Company. The Company may have its corporate DE&I Director or their designee(s) facilitate or participate in the committee meetings.

(TA on 8/30/23):

The Company and the Union will split the cost of printing and translation of contracts. The contracts will be printed and distributed as soon as possible after ratification.

**Fremont** (TA on 9/6/23):

Remove Fremont plant from inter-plant transfer clause.