

**Agreement to Modify Collective  
Bargaining Agreement between Pilgrim's Pride Corporation  
And  
Bakery, Confectionary, Tobacco Workers and Grain Millers  
International Union AFL-CIO, Local #42**

Subject to ratification by the membership and bankruptcy court approval the following modifications will be made to the Collective Bargaining Agreement in existence between the parties covering certain of the Company's employees at its Carrollton, Georgia facility.

**1. Job Stewards. Article 13.**

**Section 5.** Up to two (2) stewards or a Business Agent will be allowed approximately ten (10) minutes to address new hourly employees during the Company's regularly scheduled new hire orientation sessions. The Company will notify the Union in advance of any changes in the orientation schedule including the scheduling of additional sessions.

**2. Overtime. Article 15. Hours of Work**

**Section 1.** Time and one-half the employee's regular straight-time hourly base rate of pay will be paid for all hours worked in excess of nine (9) hours in any one workday, provided however, that the employee works all scheduled hours in the workweek. If all scheduled hours are not worked, the overtime shall be calculated on the basis of hours worked in excess of forty (40) hours in that workweek.

This provision is not intended to be enacted in the event of cases of minor tardies and would be applied only if an employee received a full point for an absence in connection with the attendance policy.

~~**Section 8.** The normal work week for sanitation employees shall be from 12 o'clock midnight on Monday until the end of their scheduled shift on the following Saturday.~~ Delete this entire section 8.

**3. Standardization of Work Week and Pay Week. Article 15. Section 7.** The normal work week and pay week for all employees shall be from 12:01 a.m. on Sunday until midnight the following Saturday. Pay for all hours worked during such week shall be available the following Friday.

**4. Jury Pay. Article 19.**

**Add the following paragraph:** Hours spent on jury duty shall be count as time worked in the calculation of overtime in the week in which the hours spent on jury duty occurs.

**5. Holidays. Article 21**

Beginning in calendar 2010, there shall be eight (8) paid holidays. Each location Human Resources Manager and Local Union Representative shall determine which holidays, if applicable, will be deleted in order to arrive at eight (8) paid holidays.

Where a reduction in the number of paid holidays is necessary in order to arrive at eight (8) paid holidays, there will be a one-time lump sum payment made to each employee on the active payroll on the date of payment for each holiday deleted (up to eight hours for each holiday) at the employees regular straight-time base hourly rate of pay minus any applicable taxes.

This lump sum payment shall be made as soon as reasonably practicable following the effective date of the plan of reorganization or on \_\_\_\_\_ [last payday prior to Christmas] December 2009, prior to Christmas, whichever comes later.

**Section 1.** Employees who have completed ninety (90) calendar days of employment shall be paid for eight (8) hours at their base hourly rate of pay for the following holidays, or days which the Company observes as such:

(Delete Employee Birthday paid holiday)	
New Years Day	Labor Day
King Holiday	Veteran's Day
*Employee's Birthday	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	

**Section 7.** Vacation eligibility shall begin on the anniversary of an employee's first year of continuous service. Employees shall first be eligible for increased increments of vacation on their anniversary date of employment. There shall be no loss of eligible vacation days in the conversion from calendar to anniversary year.

**6. Article 22 Vacations:**

Section 4d. The Company agrees to amend the years of service for eligibility for four (4) weeks of vacation from twenty-three (23) years to twenty (20) years.

**7. Article 31 – Group Insurance: Replace the existing provisions of Section 2 with the following:**

Health Plans	PLAN	Effective 1/1/2009	Effective 1/1/2010	Effective 1/1/2011	Effective 1/1/2012
Employee Cost Sharing	<b>PP 500 (Core Plan)</b>	17%	20%	25%	25%
	PP 200	17%	25%	25%	Buy Up*

\*For the Buy Up option in 2012, the company will contribute the same dollars to both plans, based on the dollars contributed to the Core Plan.

**8. Exhibit A – Wage Schedule**

The following amendments are made to the wage schedule:

The effective anniversary date of the Agreement for calendar 2009 is changed to 9-13-09

The effective anniversary date of the Agreement for calendar 2010 is changed to 9-19-10

The expiration date of the Agreement is changed to 9-17-2011.

Maintenance mechanics in all classifications shall receive an additional fifty cents (\$0.50) per hour increase effective 9-13-09. This is in addition to the scheduled twenty-five cents (\$0.25) per hour increase.

Maintenance mechanics in all classification shall receive an additional twenty-five cents (\$0.25) per hour increase effective 9-19-10. This is in addition to the scheduled twenty-five cents (\$0.25) per hour increase.

**9. Miscellaneous:**

**a) Suspension of the Tuition Reimbursement Program.** The Company shall suspend the Tuition Reimbursement Program until the Plan of Reorganization (related to the bankruptcy filing) becomes effective. This provision does not apply to Company sponsored and approved training programs for maintenance mechanics and truck drivers.

**b) Printing of the modified Agreement.** The Company agrees that it shall be responsible for the printing of the modified Agreement. Prior to the printing, the Union shall designate an individual to proof the content of the modified Agreement.

**c) Union Bulletin Board.** The Company agrees to provide one (1) additional bulletin board for the posting of union literature.

**d) Orientation.** The Company agrees to provide to the Union access to all employees hired in the past sixty (60) days prior to the date of this Agreement for the purpose of union orientation.

**10. 1113 COMPLIANCE, 1113 WAIVER, CONDITIONS TO EFFECTIVENESS/ASSUMPTION, EXCULPATION**

**1. 1113 compliance** - The modifications to this Agreement (the "Modifications") were agreed to by Bakery, Confectionary, Tobacco Workers and Grain Millers International Union AFL-CIO, Local #42 and the Company in furtherance of the Company's effort to improve liquidity and profitability and successfully restructure its capital structure and operations and reorganize through the Chapter 11, and in consideration of the Company's agreements herein. This agreement as modified (the "Modified Agreement") will be binding on any Chapter 11 trustee appointed in these cases or other entity operating with the equivalent authority of a Chapter 11 trustee.

The Company and Bakery, Confectionary, Tobacco Workers and Grain Millers International Union AFL-CIO, Local #42 believe that:

- The Modifications are based on the most complete and reliable information available to the Company
- The Modifications permit the Company to avoid irreparable harm and provide for the necessary modifications to the Agreement that

are necessary, fair, and equitable in order to permit the successful restructuring and reorganization of the Company in Chapter 11 and the continuation of its business.

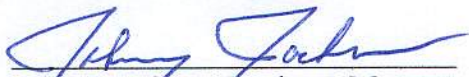
- The balance of equities favors the Company entering into the Modified Agreement and the Company's adherence thereto.

2. **1113 Waiver.** Neither the Company nor any Company affiliate will file or support any motion pursuant to 11 U.S.C. Sections 1113, 1113(e), or any other relevant provision of the Bankruptcy Code, seeking rejection or modification of, or relief or interim relief from, the Modified Agreement (a "Motion"). The Company and its affiliates specifically waive the right to file or support a Motion, and the Company and its affiliates will actively oppose any such Motion if filed by another party.

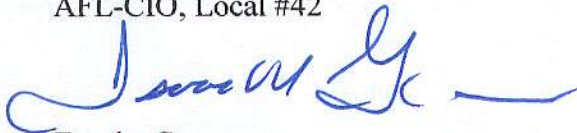
3. **Conditions to Effectiveness/Assumption** The Modified Agreement will become effective immediately upon approval by the Bankruptcy Court, for which the Company will expeditiously seek approval and the draft of such papers which the Company will review prior to filing with counsel for the Bakery, Confectionary, Tobacco Workers and Grain Millers International Union AFL-CIO, Local #42, and upon ratification by Local #42. Any plan of reorganization for the Company and its affiliates shall provide for assumption of the Modified Agreement, and the Company agrees that it will not file, sponsor or support confirmation of a plan of reorganization that does not provide for assumption of the Modified Agreement.

4. **Exculpation.** To the extent any plan of reorganization for the Company and its affiliates contains exculpation or release provisions, any such plan of reorganization will include the same plan exculpation and release provision for (a) the Company and all of its affiliates, and each of their current or former officers, directors, employees, agents, attorneys, accountants, advisors, consultants, actuaries, investment bankers, experts and other representatives, and (b) the Bakery, Confectionary, Tobacco Workers and Grain Millers International Union AFL-CIO, Local #42 and each of their current or former members, officers, committee members, employees, advisors, attorneys, accountants, actuaries, investment bankers, consultants, agents and other representatives, with respect to any liability such person or entity may have in connection with or related to the PPC bankruptcy cases; the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of any of the plan of reorganization, the disclosure statement concerning the plan of reorganization, the Restructuring Agreement, or any contract, employee pension or other benefit plan, instrument, release or other agreement of document created, modified, amended, terminated or entered into in connection with either the plan of reorganization or any agreement between the Company, the Bakery, Confectionary, Tobacco Workers and Grain Millers International Union AFL-CIO, Local #42, or any other act taken or omitted to be taken in connection with PPC's bankruptcy.

For the Bakery, Confectionary, Tobacco Workers and Grain Millers International  
Union AFL-CIO, Local #42:

  
Johnny Jackson, Business Manager

Bakery Confectionery, Tobacco Workers and Grain Millers International Union,  
AFL-CIO, Local #42



For the Company:



Jane T. Brookshire, EVP Human Resources  
Pilgrim's Pride Corporation

Date: August 21, 2009

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