

AMENDED FINAL OFFER

OF

**AMERICAN CRYSTAL SUGAR COMPANY
AND UNITED SUGARS CORPORATION**

REGARDING BCTGM NEGOTIATIONS

This document shall constitute the Amended Final Offer (hereafter "Amended Final Offer") of American Crystal Sugar Company and United Sugars Corporation. This Amended Final Offer is made in an effort to reach a compromise settlement and end the current lockout. If this Amended Final Offer has not been accepted prior to 2300 military time in Fargo, North Dakota, on November 1, 2011, so as to result in a legally binding and enforceable collective bargaining agreement consisting of the terms set forth in this Amended Final Offer, then the current lockout of all employees in the bargaining units comprising BCTGM and its Locals 167G, 265G, 267G, 269G, and 372G (collectively referred to as the "Union") will continue and American Crystal Sugar Company and United Sugars Corporation will revert to their Final Offer (excluding the signing bonus which had previously expired) dated July 28, 2011 except for the clarification added as section 1.6(a)(5), and in this case employees will remain locked out until such time as the Union, American Crystal Sugar Company, and United Sugars Corporation have achieved a legally binding and enforceable collective bargaining agreement.

October 25, 2011

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**AMENDED
COMPANY PROPOSAL NO. 1
(Article I – Union Recognition)**

Modify Article I only as noted below:

1.6 Contracting Work: ~~The Company agrees that, except in cases of emergencies, it shall give the bargaining committee at the plant at least 15 working days written notice prior to the time the contract is awarded of its intention to sub-contract. The notice shall set forth the scope of the work to be performed and reasons behind the Company's intention to sub-contract. Within 10 working days of receiving the notice, the union committee may request a meeting to discuss the proposed sub-contract and the Company shall then meet with the union committee to discuss the sub-contract prior to the work being awarded. In addition the parties have agreed to a letter of agreement on implementation.~~

Modify Section 1.6, for clarification purposes only, to add a new paragraph "(a)" to read as follows:

(a) The Company shall have the right to subcontract work covered by this contract as follows:

- (1) In situations where the Company does not own equipment to perform the work;
- (2) In situations where the Company's bargaining unit employees do not have the present skills necessary to perform the work;
- (3) In situations where the company does not have a sufficient number of bargaining unit employees currently working to perform the work; or
- (4) In situations where the assignment of work out of the bargaining unit will not cause the layoff of any bargaining unit employee.

- (5) No employee will be laid off or bargaining unit position eliminated because of the Company's decision to subcontract work under Section 1.6(a).

Modify Section 1.6 by adding a new subparagraph "(b)" to read as follows:

(b) The Company agrees that, except in cases of emergencies, it will give the bargaining unit committee at the plant at least 5 working days written notice prior to the time the contract is awarded of its intention to sub-contract. The notice will set forth the scope of the work to be performed and reasons behind the Company's intention to sub-contract. Within 2 working days of receiving the notice, the union committee will meet with the Company to discuss the proposed sub-contract prior to the work being awarded. In addition the parties have agreed that notice will be given in person to the union committee designated member as determined by the union in each location. The union will at all times have a person designated for this purpose. Failure to deliver notice will result in a restart of the contract awarding process. The term "working days" is defined for purposes of this section only as being Monday thru Friday.

~~**1.8 Job Elimination:** Any employee whose job has been eliminated shall retain his/her classified rate of pay until he/she is able to successfully bid on a permanent position of equal or greater classification. Employees who are on a protected rate status must bid on positions for which they are qualified.~~ **Rate Protection:** If an employee's permanent job is eliminated, his/her pay will be frozen at the rate of pay the employee was receiving at the time of the job elimination. After the job elimination, the employee may be assigned to a position by the Company. This employee will not receive the normal annual pay increases while he or she is holding the position assigned by the Company unless they have been assigned to an equal or higher paying job classification.

After 12 months, the employee will lose his or her rate protection and will be paid at the job classification then held by the employee. However, an employee whose job has been eliminated may bid on any opening and if awarded the position will receive the classified rate of pay for the job awarded. For those employees who were assigned rate protection (through job elimination) on or before July 31, 2011, those employees will have their pay

frozen for a period of one year and then shall be subject to the provisions of this Section 1.8.

If a vacancy occurs in a classification ~~in which there are employees~~ whose classified rate of pay is equal to or higher than the employee is currently receiving on rate protection status, the senior employee in such status who is qualified shall be placed in the vacancy and the position will not be posted for bids as would otherwise be required by this contract.

In the event that an employee under the protection of this Section is placed or bids into a permanent position ~~of~~ which has a rate of pay which is equal to or greater classification than the classified rate of pay for the employee's job that was eliminated, any subsequent elimination of the new position will result in protection of the new rate ~~for the period of time specified~~ as outlined above.

**AMENDED
COMPANY PROPOSAL NO. 2
(Article II – Definitions)**

Modify Article II only as noted below:

2.4 Year-Round Employees: ~~A year-round employee shall be any employee who:~~

- ~~1. is hired as year-round;~~
- ~~2. works 75 percent of the scheduled work days in any twelve (12) month period; *(Compensible time lost by an employee need not be made up to qualify as year-round. Employees who qualify as year-round may refuse year-round seniority if they so desire, at any time they qualify for year-round.)~~
- ~~3. continues on after beet, syrup or desugarization campaign, or is laid off for a period of less than 31 days at the end of such campaign.~~

~~—All employees, except Office and Packaging, qualifying for year-round status under the 75% provision as defined above, must possess a minimum skill level of Mechanics Helper to be considered as a year-round employee. However, if an Office or Packaging Employee bids on a position outside of these areas, such employees will be required to have a minimum skill level of Mechanic Helper.~~

~~—It is further recognized that campaign employees may be retained or recalled for up to 2 weeks at the end of their assigned campaign to assist with plant cleanup and shall not become year round employees. It is further recognized that the size of the year-round crew at each factory may vary from one contract year to another; and, in this connection, it is agreed that any increase in or reduction of the size of the year-round crew at any factory during any contract year shall be based upon seniority and the ability and physical qualifications of the affected employees to perform the inter-campaign work to which they are assigned in satisfactory manner.~~

~~—*Date for calculation of whether an employee qualified under the 75% provisions will be their date of hire or any date of recall from lay-off.~~

~~**Year-Round Employees**—Example of 75% Rule
(a) 2080 hours per year + shift schedule overtime days x 75%~~

Example:

Shift work schedule

~~2,080 hours + 72 hours (9 scheduled overtime days) = 2,152~~

~~2,152 hours/8 hours per days = 269 days x 75% = 202 days~~

Straight day schedule

~~2080 hours/8 hours per day = 260 days x 75% = 195 days~~

~~Note: overtime hours not included in calculation unless scheduled work day according to rotating shift schedule.~~

~~(b) Qualifications for year round employees via 75% rule~~

~~1. Must possess skills of at least a Mechanic & Electricians Helper as below:~~

~~a. Minimum required tools (list).~~

~~b. Must demonstrate how to properly use said tools and must identify said tools by name.~~

~~c. Must successfully pass a minimum mechanical Aptitude Assessment Test.~~

~~d. Ability to read and understand written information at the 7th grade level.~~

~~e. Pass a basic welding and cutting exam.~~

~~(c) Each contract year, the Company will pay 100% of the cost of tuition and books for a basic welding and cutting course offered through a local AVTI or other means for a maximum of 10 campaign employees who are interested in obtaining the skill qualifications for Mechanic & Electrician Helper. A sign up list will be posted on October 1 of each year for a period of 15 days for employees to indicate their desire to receive training on their own time. The 10 most senior employees who are otherwise qualified for a mechanic helper will be selected for participation.~~

~~(d) Provisions of 2.4 may be waived to allow the use of bargaining unit employees for specific projects if mutually agreed to by the local union committee and local management. Such agreements must be approved by the Bakery, Confectionery, Tobacco Workers and Grain Millers International Vice President and Corporate Vice President – Human Resources.~~

Modify Section 2.4 to now read as follows:

2.4 Year Round Employees: A year round employee shall be any employee who:

- A. 1. Is designated by the Company as year round; **or**,
 2. works 85% of the scheduled work days in any twelve (12) month period; (Compensable time lost by an employee need not be made up to qualify as year-round. Employees who qualify as year-round may refuse year-round seniority if they so desire, at any time they qualify for year-round.) and, meets the entrance criteria in existence at that time for any one of the following apprenticeship programs: House 1st Mechanic Apprentice, ECT Apprentice, or Electrician Apprentice. In addition, the individual must pass a basic welding and cutting exam.
- B. Employees who have been designated by the Company as year round and bid out of the position they were designated in or are demoted from that position will lose their year round status unless they meet the requirements outlined in Article A(2) (above).
- C. Employees who hold a year-round position as of July 31, 2011 shall not lose this year-round status because of this change to section 2.4.

**AMENDED
COMPANY PROPOSAL NO. 4
(Article IV – Overtime)**

Modify Article IV only as noted below:

4.2 Overtime at Time and One-Half: Overtime shall be paid for at the rate of one and one-half (1-1/2) times the straight-time rate.

- (a) for all work in excess of eight (8) hours per day;
- (b) for all work in excess of forty (40) hours per week;
- (c) for all work in excess of eight (8) consecutive hours in two (2) days except when changing shifts;
- (d) for all work performed on the sixth (6th) day of any week.
- ~~(e) When Article IV, 4.10 does not apply, then all overtime shall be awarded according to seniority where ability is sufficient to perform the work required.~~

4.3 Overtime at Double Time: Overtime shall be paid for at the rate of two (2) times the straight- time rate of pay:

- (a) for all-work in excess of sixteen (16) hours per day;
- (b) for all work in excess of sixteen (16) consecutive hours in two (2) days, except when changing shifts;
- (c) for all work performed on the seventh (7th) day of any week.
- ~~(d) When Article IV, 4.10 does not apply, then all overtime shall be awarded according to seniority where ability is sufficient to perform the work required.~~

~~**4.9 Time Lost Not Limiting Overtime:** Time lost by an employee because of illness, injury, excused absence or while on paid sick leave or paid vacation, need not be made up to qualify for any overtime compensation. **Not Counted for Purposes of Calculating Overtime: Only hours actually worked shall count for the purposes of calculating overtime.**~~

~~**4.10 Assignment of Overtime:** During campaign when overtime is required the employee so classified who worked the preceding shift shall work the first four (4) hours and the employee so classified on the following shift shall work the last four (4) hours, except that upon mutual agreement of the employee and the Company (or employee is not available) the work may be assigned to another employee. The Company reserves the right to assign work in order to~~

avoid overtime. If the Company makes the decision that overtime will be necessary, it will be assigned by the Company based on its business needs and to the classification deemed appropriate by the Company. To the extent that the Company determines that more than one individual meets the selection criteria, it will then assign overtime to the most senior individual meeting the requirements set forth above. If an employee is awarded overtime under the provisions set forth above and it is later determined another employee should have been assigned the overtime, the employee inadvertently missed shall be offered an equal number of hours of work at the appropriate overtime rate. [The first and last sentences of this paragraph are for clarification purposes only.]

~~During inter-campaign when overtime is required, year-round employees shall have preference over campaign employees. When assigning employees to new crews that are scheduled for overtime, the more senior employees in the needed classifications shall be assigned to such work provided they have the qualifications to do the work required.~~

Employees will be notified of overtime as far in advance as possible. The Company may require employees to perform overtime work; provided, however, employees may be excused from overtime work by the Company. In the event there is a choice among two or more present and qualified employees who prefer not to work, the least senior shall be required to work the overtime.

The Company shall attempt to notify employees by 4:00 p.m. on Thursdays when Saturday or Sunday work is required during inter-campaign. If employees are notified later than 4:00 p.m. on Thursday, employees may refuse such work on the basis of seniority provided that the lowest seniority employees in the needed classifications must accept such work. The notification requirement as specified above shall be satisfied by the Company posting the names of those employees affected at a location mutually agreed upon between the Local Union and the Company.

Temporary employees (Chaska & Mason City) may not be used for overtime assignments until all eligible year-round employees have had an opportunity for such overtime.

4.12 Call Back Pay:

(e) ~~All call backs shall be made on a seniority basis where ability is sufficient to perform the work required.~~When the Company determines that a call

back to work is necessary, the Company shall determine the job classification to be called back and said call back shall be based on the individual most qualified to perform the necessary work. In the event that the Company determines there is a tie, the most senior employee shall be called in.

**AMENDED
COMPANY PROPOSAL NO. 5
(Article V – Seniority)**

Modify Article V only as noted below:

5.1 Seniority and How Lost: Modify the second paragraph of Section 5.1 to now read as follows:

An employee's service is deemed to be continuous for purposes of seniority as long as he/she works during each successive campaign and in addition thereto works each successive inter-campaign to the extent that employment is offered to him or her. Continuous service shall not be broken due to ~~lay-off~~ a layoff of ~~less than one (1) year or less~~ or absence due to sickness or injury ~~or leave of absence of one (1) year or less~~ or other reasons approved by the Company. However, an employee's continuous service shall be broken by any of the following:

- (a) ~~— (a) —~~ Voluntary quit;
- (b) ~~— (b) —~~ Discharge for just cause;
- (c) ~~— (c) —~~ ~~Lay-off~~ Layoff for a period of greater than one (1) year;
- (d) ~~— (d) —~~ Failure to return after a leave of absence ~~without~~ ~~reasonable excuse~~ when able to work;
- (e) A leave of absence of greater than one (1) year, except a leave authorized under Section 12.4; and leaves of absence relating to an employee's on-the-job injury that is covered by worker's compensation.
- (f) ~~— (e) —~~ Failure to offer his services to the Company for campaign work in accordance with the Company's rules regarding offering of services for campaign employment;
- (g) ~~— (f) —~~ Except at the start of campaign, failure to report to work within seventy-two (72) hours after recall. The Local Union shall be notified immediately of all such recalls to assist in arranging for the employee to report to work. Employees will be notified by certified mail, with a copy to the Union, if the Company is unable to notify by telephone;
- (h) ~~— (g) —~~ Leaving the bargaining unit to accept employment with the Company as a management employee;
- (i) ~~— (h) —~~ At the start of campaign, failure to report to work on the date and at the time specified provided the Company has given the employee twenty-four (24) hours notice, unless the employee has a legitimate reason for such absence.

5.6 Benefits Accumulate: A year-round employee who is laid off, so long as he retains seniority under this contract, upon recall, retains all prior accumulated year-round seniority for the purpose of computing the benefits of a year-round employee under this Agreement.

Hospital-medical coverage shall be maintained at the Company's expense for year-round employees on lay-off, so long as they retain seniority under this Agreement.

A year-round employee who is laid off may continue dental coverage at his own expense, so long as he retains seniority under this Agreement.

Employees on Disability Retirement will be covered at the Company's expense for Health and Medical Insurance Programs until eligible for Medicare or age 65. Such employee's dependents will be covered as long as they remain dependents or until the employee reaches age 65.

Early ~~Retirees~~ retirees who reach year-round status prior to January 1, 2012, and who qualify for early or normal retirement under the Pension Program may elect to continue their hospital-medical coverage until the earlier of age 65 or eligible for Medicare. If such employee elects to continue the coverage, the Company shall pay one-half ~~(1/2)~~ of the premium cost for the employee and eligible dependents and the employee shall pay the remaining one-half ~~(1/2)~~. Employees who reach year-round status on or after January 1, 2012, will no longer be eligible for retiree hospital-medical coverage.

Effective August 1, 1984, upon attainment of age 65 or eligibility for Medicare, retirees who qualify under the Pension Program may elect to purchase through the Company, a Medicare Supplement Plan for themselves and a qualifying spouse. The Company shall contribute \$15.00 per month per covered individual for those who elect to participate in the Plan and the retiree shall pay the balance of the premium cost.

A campaign employee who is laid off, shall so long as he retains seniority under Section 5.1 of the Agreement, upon being recalled, retain all prior accumulated campaign seniority for the purpose of computing campaign employee benefits under this Agreement.

5.7 Agreed
to 5-19-11

5.7 Inter-Campaign Availability:

- (a) Modify third paragraph to correct a typographical error:

It is further agreed that factory employees who are on lay-off may not use their seniority to claim the jobs listed below unless a vacancy exists. Employees who request and receive one of the below listed positions must stay in that position for the duration of the piling season and may return to the factory only as provided in Article 5.7 (b). However, this shall not preclude such employees from bidding ~~or on~~ posted positions within the factory. If awarded a bid position, the employee shall immediately move into the new job.

5.8 Seniority for Inter-Campaign Work: Campaign employees, if available, shall be considered in line for all temporary or permanent employment in the inter-campaign period when such work is available. For the purpose of this Article, employment of thirty (30) calendar days or less shall be temporary. ~~Seniority will govern in selecting employees for re-employment provided that the employee's ability and physical qualifications are sufficient to permit him to perform the duties of the job involved in a satisfactory manner.~~ The Company reserves the right to select the most qualified individuals for reemployment and in the event of a tie seniority will be used to break the tie. For seniority purposes, effective August 1, 1971, campaign employees who perform work during the inter-campaign period will be credited one (1) full day for each day of work performed, regardless of the number of hours worked.

5.12 Promotions: Promotions or changes to other classifications shall be made on the basis of ~~plant seniority provided that the employee's ability and physical qualifications are sufficient to permit him to perform the duties of the job involved in a satisfactory manner, by mutual agreement between the Union Committee and the Company. However, the Company may offer a promotion to a less senior employee if: (i) the employee has successfully completed a training program in the job under Section 5.19; (ii) the employee has demonstrated he or she is qualified by holding the job temporary under Section 5.13 or (iii) the employee has successfully completed Operational Training under Section 5.20.~~ the Company being entitled to select the most qualified individual and in the event the Company determines that there is more than one "most qualified" individual, seniority will be used to break the tie. An employee has the right to accept or reject a promotion. However, if an employee rejects a promotion, another employee with less seniority may be promoted as outlined above. The employee who rejected the promotion after commencing work in the classification must wait a year before applying for any position pursuant to Section 5.12 or 5.13 of

this Agreement. An employee accepting a promotion or change in classification shall be given a fair trial in the new classification, and shall be returned to his old position if he is unable to perform the new assignment satisfactorily. The length of the fair trial period shall be determined by ~~mutual agreement between the Union Committee and~~ the Company at the time the employee is offered a promotion. (Minimum of ten (10) working days for a Tech. I, II, III and Stations A and a minimum of five (5) working days for Stations ~~7~~ B, C, and D.)

The first sentence of the change to Section 5.13 is for clarification purposes only:

5.13 Job Openings: When vacancies occur, or new positions are created, during campaign or inter-campaign such position shall be posted ~~immediately~~ for a period of ten (10) calendar days, and such vacancy shall be filled within five (5) calendar days after the posting period ~~is~~ has ended. If a vacancy occurs the qualifications for the position to be set forth in the posted notice shall be the qualifications required to perform the duties of the position. ~~If a campaign position becomes vacant during the inter-campaign period, such position will be posted as provided above. No adjustment in rate will be effective until a fair trial period has been completed at the start of the next campaign for those employees who have not previously demonstrated they are fully qualified for the position.~~ An employee covered by this Agreement shall be permitted to apply. The Company shall be entitled to select the most qualified individual who applies for the position. In the event the Company determines that there is a tie with respect to their being more than one most qualified, seniority will be used to break the tie. If the applicant is the most qualified, he shall be placed in such position unless the employee has previously bid and been placed or awarded a lateral or a lower job classification within the last six (6) months or has failed the trial period for the posted position within the last year. Those employees who have successfully demonstrated their qualifications and who do not need a fair trial period shall receive the appropriate rate adjustment immediately. ~~An employee covered by the Agreement shall be permitted to apply for such position and if the applicant is qualified he shall be placed in such position. If it is necessary to fill such position during the time the job is posted, it may be filled on a temporary basis, and the employee who is finally accepted shall be placed in such position over the temporary employee. Applications received will be given consideration on the basis of plant seniority provided the employee's ability and physical qualifications are sufficient to permit him to perform the duties of the job involved in a satisfactory manner. However, the Company may offer a promotion to a less senior employee if: (i) the employee has successfully completed a training program in the job under Section 5.19; (ii) the employee has~~

~~demonstrated he or she is qualified by holding the job temporary under Section 5.13; or (iii) the employee has successfully completed Operational Training under Section 5.20.~~

When the Company determines to change the content of a job posting it will provide a copy of the new posting to the Union prior to posting. If requested, the Company will discuss the changes with the Union.

If a job assessment is not available in written form prior to awarding a job, it will not be required for the successful completion of a trial period. However, an on the job evaluation will still be performed.

Applications shall be ~~in writing and in duplicate on forms~~submitted in the format provided by the ~~Employer, Company~~ setting forth in detail the applicant's qualifications. ~~The original~~A copy of that application shall be filed with the ~~Personnel~~Human Resources office, and ~~the carbon~~a copy shall be filed with the Employee's Committee of the Local Union. Employees eligible for the filling of vacancies shall be limited to the ~~employees~~individuals making applications therefore, unless none of the ~~applicants~~applications qualify as determined by the Company. The names of applicants considered and the name of the ~~employee~~individual who is selected to fill the vacancy shall be ~~promptly posted on the bulletin board, and a copy will be~~ furnished to the Local Union. ~~The bulletin posting of jobs below the Technician Group and Group A Station will be suspended, however, a current list of openings will be posted on the bulletin board.~~

Employees who are awarded a lateral or downward classification change and then refuse the award shall be restricted from any further bidding on lateral or downward positions for a period of 12 months from such award.

Employees who are classified 2nd Class will be reclassified to 1st Class when they perform the work of that classification satisfactorily.

5.15 Posting of Temporary Transfers: When it can be reasonably determined by the Company ~~and the Union Committee~~ that a temporary transfer will be in effect for more than ~~fourteen (14)~~sixty (60) calendar days, the job will be posted and filled on a temporary basis under the prescribed procedure for filling vacancies ~~occurring in the Station A and Technician classifications~~outlined under Section 5.13.

~~In~~An exception to the above, temporary transfers to replace employees on ~~vacation~~a paid absence or unpaid leave of absence will not require posting.

5.19 Training Program: A training job will be posted and filled in accordance with Article 5.13, Job Openings. All employees, including those who have previously held the position for which training is being offered, should submit an application.

If the most senior applicant has had prior experience in the position and the company considers the applicant already qualified, no training will be required and the posted training position shall be terminated or shall be awarded to the next senior qualified applicant.

There will be no adjustment in classification for the training. The trainee will receive the same wage during the training period as he did before. Wages will be adjusted to the rate applicable only after he is assigned to and classified in the position.

The trainee will return to his former position after the training period is declared over if no openings exist in the position in which he received training.

The posting of jobs for training will in no way alter or change the present method of posting job openings. However, it is agreed that Employees that have been selected for and receive training will be given preference over other employees for a period of time equal to the length of training as stated in the job posting or twelve (12) months, whichever is longer in the filling of vacancies in positions for which they have been trained except for a senior employee who has had previous training on the same job or a senior employee who has held the job permanently.

If a vacancy occurs in the position being trained for and no one is otherwise qualified, the company may move the trainee into a position for which they have trained before the training has been completed if the Company feels the trainee has ability to do the job.

The trainee will return to his/her former position after the training period is declared over if no openings exist in the position in which he/she received training.

If at any time during the training period, the Company and Local Union Committee meet and agree that an employee in training is not capable of filling the position, either by lack of ability or through lack of interest shown, or at employee's option, he/she shall be returned to the former crew and job classification, and steps to obtain another trainee will be taken up with the Union Committee.

An employee shall participate in no more than one training program at a time. An employee who has successfully completed a training program must bid for an open job for which he has been trained. If awarded the position he must accept or not be eligible for training for twenty-four (24) months. If the training position was at a wage rate less than the rate the employee held at the time of the training, an employee who does not accept the position shall be reduced to the wage rate of the position, unless during the interim period of time the employee has bid on and been awarded a position at a wage rate higher than the wage rate of the training position.

In addition to the above, the Company may at its discretion provide technical training for the purposes of upgrading technical skills. ~~This training may be offered, when practical, to interested employees not normally qualified for such training, on a voluntary basis. Area Vo-Tech testing and counseling will be utilized to determine qualifications for this training.~~

The changes to Section 5.19 set forth below are for clarification purposes only:

Employees who wish to enter ~~an approved~~ degree program at ~~an area~~ Vo-Tech, College or University or attend classes that are beneficial to ACSC, can submit an application for tuition reimbursement in writing to the Company's Training Manager. If approved by the Training Manager the employee will be eligible for reimbursement ~~for~~of 75% of the cost of tuition and books. Eligible college degree programs include, but are not limited to, Engineering, Business, Agriculture, Agricultural Economics, and other programs directly applicable to the needs of A.C.S.C. Eligible Vo-Tech programs include but are not limited to, Computer Programming, Electronics, Electrical, Mechanics, Welding, Steam Engineering, Chemistry, Pipe Fitting, Accounting and Supervision. Employees may also apply for tuition reimbursement for courses, which are directly applicable and beneficial to A.C.S.C. The decision to approve or deny tuition reimbursement for a degree, program, class or course, as noted above, shall be within the discretion of the Company.

~~Application for tuition reimbursement~~ Each application must be submitted in writing to the ~~Human Resource~~ Training Manager ~~and approval.~~ Approval must be granted by the Training Manager prior to beginning of course work in order to be eligible for reimbursement. In all cases, a grade of "C" or better is required to be eligible for reimbursement. Payments for approved courses will be made after proof of completion of course and grade is presented to the ~~Human Resource~~ Training Manager.

Add a new Section 5.21, for clarification purposes only, to read as follows:

5.21 Specialized Training Programs:

(a) The Company reserves the right at its discretion to develop and manage the following programs: All programs identified by the Company as Apprenticeship Programs; all Process Technician Programs; all Packaging Technician Programs; and all other programs designated as specialized training programs by the Company. Collectively these shall be referred to as the "Programs."

(b) The Company shall have the right to determine all matters related to placement of employees into a Program; the employee's progress within the Program; and the removal of employees from the Program.

(c) The Company reserves the right at its discretion to establish a probationary period for each Program. During the probationary period, the Company may remove the employee from the Program in its discretion and the employee may withdraw from the Program. An employee who is removed or voluntarily leaves the Program during his probationary period shall be returned to the classification the employee held immediately prior to entering the Program. Any employee involuntarily removed from the Program by the Company during the probationary period will not be allowed to apply for a Program for a period of 24 months from his removal and, further, will only be able to apply for a Program after completion of the 24-month period by demonstrating to the Company's satisfaction that he has cured the deficiencies which caused the employee to be removed by the Company during the probationary period.

(d) Upon completion of the probationary period, the employee's previous position will be filled on a permanent basis and that employee will no longer be able to automatically return to his previous classification.

(e) An employee who is in a Program and successfully bids on another temporary or permanent position and is accepted into that position shall give up his right to continue in the Program that he was in and may not be eligible for reentry into another Program for a period of 24 months measured from the date the employee assumed the new temporary or permanent position.

(f) An employee who has successfully completed a Program must bid for an open position for which the employee has been trained pursuant to the Program. If awarded the position, he must accept the position and shall then not be eligible for any new Program for 24 months from the date the employee starts in the new classification for which the employee was trained.

(g) Employees that have been selected for and have successfully completed training may be given preference or assigned over other employees, to positions for which they have successfully completed training pursuant to a Program.

(h) To the extent that the terms of this Section 5.21 conflicts with any other provision of the collective bargaining agreement, the terms of this Section shall take priority.

(i) To the extent that the Company and the Union agree on the terms of a jointly sponsored state certified apprenticeship program, the terms of that agreement shall supersede this Section 5.21 for the duration of that joint agreement.

COMPANY PROPOSAL NO. 6
(Article VI – Lay-Off and Recall – Hiring and Rehiring)

Modify Article VI only as noted below:

6.2 Lay-Off and Recall:

(b) (ii) Recall – At the start of campaign, campaign employees shall be recalled ~~according to seniority~~based on classification and shift provided that the ~~employees~~employee recalled ~~have~~has the ability to perform the work required.

This change to Section 6.2(c) is for clarification purposes only:

(c) Plant Emergency - In the event of an emergency requiring a plant shut down of operations because of such emergency, employees may be laid off without the requirement of advance notice and without regard to the normal seniority provisions governing other types of lay-offs. Employees retained to assist with an emergency shut down of operations will be selected on the basis of ~~skills required~~the most qualified as determined by the Company to handle the given situation.

AMENDED
COMPANY PROPOSAL NO. 7
(Article IX – Grievance and Arbitration)

Modify Article IX only as noted below:

9.5 Steps in Grievance Procedure: In the event of a grievance, any employee affected who wishes to have the matter determined with respect to him shall file a grievance in writing with ~~a steward,~~the Company on ~~a form~~an approved ~~by the Local Union and the Company and to be provided by the Local Union,~~grievance form within ten (10) ~~working~~calendar days ~~of~~after the date ~~of the occurrence of the event that first necessitated the filing~~ of the grievance. The filed grievance claim shall describe in detail the nature of the grievance and shall ~~establish the date of the grievance and shall~~ be signed and dated by the aggrieved employee. ~~The date of filing of the written grievance shall be put on the written grievance and shall be referred to hereinafter as "the date shown on the written grievance."~~ ~~The grievance shall be prepared in quadruplicate with one copy to be retained by the employee, one copy to be available to the steward for his own use and for that of the Local Union Employee's Committee, one copy to be forwarded by the Local Union to the International Union and the original to be presented promptly to the Company.~~ The grievance shall be processed in accordance with the following steps:

STEP 1: Within five (5) days after the date shown on the written grievance, the steward and the aggrieved employee and the shift superintendent, if any, shall meet and attempt to settle the grievance. The grievance shall proceed to Step 2 if no settlement or written response is made by the Company within two (2) days after such meeting or within seven (7) days after the date shown on the written grievance, whichever is earlier.

STEP 2: Within seven (7) days after the date shown on the written grievance, and whether or not a meeting has been had in accordance with Step 1, but only if no settlement has been made pursuant to Step 1, the Employee's Committee of the Local Union shall meet with the appropriate management representative of the Company and attempt to settle the grievance. The grievance shall proceed to Step 3 if no settlement or written response is made by the Company ~~is made~~ within ten (10) days after the meeting between the Employee's Committee and the Management Representative or within seventeen (17) days after the date shown on the written grievance, whichever is earlier.

STEP 3: Within seventeen (17) days after the date shown on the written grievance, if no settlement has been made pursuant to Steps 1 and 2, a representative from the Employees Committee or a representative of the International Union shall take up the pending grievance either in person or by telephone with the Employee Relations Manager and appropriate local manager of the Company and they shall attempt to effect a settlement. If no settlement is made within thirteen (13) days after the matter has been taken up with the Employee Relations Manager and appropriate local manager or, within thirty (30) days after the date shown on the written grievance, whichever is earlier, the matter may be referred to arbitration.

9.6 Arbitration: If the parties hereto are unable to satisfactorily settle a grievance in accordance with the foregoing procedure and if such grievance arises and is presented during the term of this Agreement and concerns the interpretation or application of any of the terms or provisions of this Agreement, such grievance may be submitted by either party to arbitration as hereinafter provided. ~~Notification of the intent to arbitrate must be given by either party to the other in writing, within sixty (60) calendar days of the company's final written answer after Step 3 above. Failure to give such notification within the specified time period shall constitute a waiver of any further right to arbitration of the grievance. — Note An extension of 60 days will be granted if agreed to by both after the date of the 3rd Step meeting. —~~ Notification of the intent to arbitrate must be given by either party to the other in writing, within sixty (60) calendar days after the date of the 3rd step meeting or within sixty (60) days after the date shown on the written grievance. The time limitations set forth above relating to the time for filing a grievance and a demand for arbitration shall be mandatory. Failure to follow said time limitations shall result in the grievance being permanently barred, waived, and forfeited, and it shall not be submitted to arbitration. The time limitations provided herein may be extended by mutual written agreement between the Company and the Union. The arbitrator shall only have the power to interpret and apply the express written provisions of this Agreement and shall have no power to amend, delete, add to or modify in any way the written provisions of this Agreement. If, after a party has made a timely demand to submit the grievance to arbitration, an arbitration hearing must be commenced within six (6) months from the date of the notice of intent to arbitrate. The failure to commence the arbitration within the time provided above shall result in the grievance being withdrawn and it may not be submitted to arbitration unless by mutual written agreement of the parties. The fees and expenses of the arbitrator for the arbitration shall be born by the losing party. Each party shall be responsible for its own arbitration expenses.

9.7 ~~If the Union and the Company are unable to agree upon an arbitrator within five (5) days after the first meeting to attempt to select an arbitrator, the Union and the Company shall apply jointly to the Director of the Federal Mediation and Conciliation Service for the designation of a list of at least 9 arbitrators. The Union and the Company shall attempt agreement as to the selection of an arbitrator from this list.~~ The Union and the Company will select an arbitrator within 30 days from the date the demand for arbitration has been received by the non-moving party. The arbitrator shall be selected from a list of nine (9) arbitrators provided by the Federal Mediation and Conciliation Service. The moving party shall be responsible for requesting this list. Absent agreement, the arbitrator shall be selected from this list with the Union and the Company, in rotation, each striking one name from the list until only one name remains, the determination of which should strike the first name to be determined by lot. The arbitrator whose name remains on the list at the conclusion of this striking procedure shall be the arbitrator who shall hear the unresolved grievance. It shall be the duty of each party to cooperate in the selection of the arbitrator as promptly as possible, to notify the arbitrator of his selection, to attend any hearing called by the arbitrator and to provide such evidence and testimony as the arbitrator may request or as he may deem necessary to reach a fair and impartial decision. ~~The arbitrator shall have authority to act only with respect to grievances which arise and are presented during the term of this Agreement and which relate to the interpretation and application of the provisions of this Agreement and his~~ The arbitrator's decision shall be final and binding on all parties. The arbitrator shall be requested to issue his decision with all reasonable dispatch after the close of the hearing before him and, at the request of either party, shall prepare a statement in support of his decision. ~~The fees and expenses of the arbitrator for the arbitration shall be borne equally between Company and the Union.~~

AMENDED
COMPANY PROPOSAL NO. 8
(Article XII – Leaves of Absence)

Modify Article XII only as noted below:

12.3 Use of Paid Time During FMLA: Employees on a Family Medical Leave Act (FMLA) qualifying leave of absence will be expected to use all available vacation time, floating holiday, personal day or sick leave during such leave of absence. In this connection, sick leave is only available for personal illness or disability of the employee, in order to care for the employee's spouse due to that person's severe illness or injury, or because of the illness or injury to a child as defined by applicable law.

COMPANY PROPOSAL NO. 9 - AMENDED
(Article XIII – Holidays)

Modify Article XIII only as noted below:

Modify Section 13.1, for clarification purposes only, to now read as follows:

13.1 Recognized Holidays: The recognized holidays under this Agreement are: New Year's Day (January 1), Good Friday, Easter Monday, Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (the day appointed by the President or Governor of the State in which the factory is located), Christmas Day (December 25). Year-round employees shall receive three (3) additional floating holidays, which may be taken at anytime during the contract year at the employee's discretion provided that no interference with the employer's operation will result. Campaign employees who are working in the factory or the quality lab (for the entire beet campaign) shall be granted one (1) paid floating holiday commencing with their third (3rd) consecutive campaign. Such day must be scheduled in advance and not interfere with the factory operation.

Factory Campaign and Quality Beet Lab employees working during inter-campaign prior to August 1 shall be eligible for three (3) floating holidays to be taken during the inter-campaign period, provided they are scheduled and do not interfere with the employers operation. If a campaign employee has taken a paid floating holiday during the previous campaign, the number of floating holidays available shall be limited to two (2).

The Company shall determine, in its discretion, the appropriate staffing levels, if any, to be utilized on holidays.

COMPANY PROPOSAL NO. 10 - AMENDED
(Article XIV – Vacations)

Modify Article XIV only as noted below:

14.1 Vacation Schedule:

(a) A year-round employee shall become eligible for vacation in accordance with the following schedule:

<u>Years of Continuous Service</u>	<u>Vacation</u>
1	1 Week
2	2 Weeks
6	3 Weeks
15	4 Weeks
20	5 Weeks
25	6 Weeks

For all new employees hired on or after August 1, 2011, the vacation schedule will be as follows:

<u>Years of Continuous Service</u>	<u>Vacation</u>
<u>1</u>	<u>1 Week</u>
<u>2</u>	<u>2 Weeks</u>
<u>6</u>	<u>3 Weeks</u>
<u>15</u>	<u>4 Weeks</u>
<u>20</u>	<u>5 Weeks</u>

The weeks referred to in this Section 14.1:

(a) ~~s~~ Shall consist of a week of 40 straight time hours.

~~(b) — In the event an employee is an inpatient at a hospital or there is a death in the immediate family, an employee on vacation shall not be required to use vacation but may use sick leave or funeral leave if the employer is notified promptly. Funeral leave will be granted pursuant to Paragraph 15.5, provided the employee attends the funeral.~~

14.3 Prorated Vacations: ~~Any~~^A year-round employee ~~who has worked~~must work 1000 or more compensated hours during the applicable 12 - month vacation qualifying period ~~shall be entitled to his full vacation. For any year-round employee who has qualified for vacation and who may not have worked 1000 compensated hours during the applicable 12 month period, then the employee's vacation, with pay, will be prorated on the basis of one-twelfth (1/12) of the full vacation for each 83 compensated hours worked~~to be entitled to vacation which shall be prorated if the employee did not have a minimum of 2080 compensated hours during ~~such~~the 12-month qualifying period. ~~When an employee returns to work after a leave of absence due to injury or illness, for the purpose of determining such employee's vacation eligibility it shall be assumed such employee worked the required number of hours in the preceding year and the year in which he returned to work to make such employee eligible for a full vacation as specified in Paragraph 14.1 (a) above based on the employee's seniority.~~ Vacation shall not accrue during a leave of absence.

Modify Section 14.5, for clarification purposes only, to now read as follows:

14.5
Agreed to
5-19-11

14.5 Scheduling of Vacations: Vacations may be scheduled at any time during the year at the employee's convenience provided it is scheduled in advance and that no interference with the Employer's operations will result. A vacation scheduling period shall be in effect each year from January 1 through March 15, during which time employees may submit their vacation requests for scheduling and approval. (The vacation scheduling period for employees assigned to packaging lines will be until two (2) weeks after the inter-campaign shift schedule begins or March 15, whichever is later.) Any vacations scheduled and approved during that period of time shall not be subject to change as a result of bumping by a more senior employee who submits a vacation request after March 15. Where requested vacation periods prior to March 15 conflict, preference shall be given to the ~~oldest~~most senior employee in point of service. A senior employee may bump a junior employee for a vacation time period only if both employees submitted their requests after the March 15 scheduling period and the senior employee requests such vacation two (2) or more weeks prior to the commencement of such vacation period. Except in the case of emergency, employees shall give reasonable notice when taking individual vacation days.

COMPANY PROPOSAL NO. 11
(Article XV – Sick Leave and Paid Absence)

Modify Article XV only as noted below:

15.1 Sick Leave, Short Term and Long Term Disability Benefits: Year-round employees shall be eligible to receive five (5) sick leave days each contract year commencing the date of attaining year-round status. Unused sick leave days may be accumulated, or “banked,” each year and carried forward for use in succeeding years.

Campaign employees, commencing with their third consecutive campaign, shall be eligible to receive each contract year, not to exceed five (5) full days with pay provided that payment shall be made only for those scheduled days which employee would have worked had the disability not occurred. Agriculture harvest and quality lab employees shall be eligible for one (1) day with pay commencing with their third consecutive campaign.

Employee or employees eligible for sick leave shall receive regular wages for such leave, providing said employee or employees cooperate, if possible, by giving notice in advance of the starting time of their shift and their illness. The employer may require evidence from a medical authority in the event this privilege appears to be abused.

In addition to the sick leave days provided above and after six (6) months of year-round employment, year-round employees shall be eligible for a short-term disability plan providing ~~80~~60% of base pay, up to a maximum of 26 weeks duration, for each separate disability which may occur. Base pay shall be the employees’ regular classified rate of pay times eight (8) hours per day to a maximum of forty (40) hours per week. All applications for short-term disability benefits must be verified by the employees’ attending physician.

The Company agrees to establish and maintain for the life of this Agreement, a voluntary Long Term Disability plan for year round employees which it shall select at its own discretion. The plan shall be non-contributory by the Company and shall be set forth in a separate document apart from this Agreement, but shall be considered a part of this Agreement. The terms and conditions set forth in the Long Term Disability Plan document shall resolve all questions regarding interpretation of this benefit.

15.2 Eligibility Limitations, Accumulation of Sick Leave and Short-Term Disability Benefits:

(a) Year-Round Employees

(i) If an employee is unable to work because of illness or accidental injury, short-term disability benefits will be payable commencing with the eighth (8th) consecutive regularly scheduled workday of absence from work.

~~(ii) If an employee is unable to work because of an accidental injury or an illness requiring hospitalization, benefits will be payable commencing with the first regularly scheduled day of absence from work.~~

(iv) Employees suffering ~~illnesses not requiring hospitalization~~ may illness or accidental injury must use sick leave or vacation ~~days~~ to provide 100% base pay until such benefits have been exhausted or until short-term benefits begin, whichever occurs first. When short-term disability benefits are being paid, sick leave or vacation ~~days may~~ must be used at the rate of ~~20~~40% for each day of disability until such available ~~days are exhausted~~ sick leave and vacation time is exhausted. In cases of injury that are deemed eligible for workers' compensation benefits, employees may use available sick leave and/or vacation only to supplement workers' compensation benefits.

(b) Campaign Employees

(ii) Employees going from a campaign status to year-round status shall carry over their campaign sick leave accumulated.

In industrial injury or disability cases, workmen's compensation benefits and sick benefit allowance shall be paid separately, but in the event workmen's compensation payments cover all or part of the period during which sick benefit allowances are paid, the sum of the two shall not exceed the sick benefits payable for said period, and the unused portion of the accumulated sick leave will continue to be credited to the employee. In the event that an employee's absence due to industrial injury or disability extends beyond the sick leave or short-term disability period he shall receive only workmen's compensation for the excess period.

**AMENDED
COMPANY PROPOSAL NO. 12
(Article XVI – Miscellaneous)**

Modify Article XVI only as noted below:

16.8 Comprehensive Medical and Dental Plan: ~~The Company agrees to maintain for the life of this Agreement for eligible.~~ The comprehensive medical and dental plan in effect on July 31, 2011, shall remain in effect without change through December 31, 201~~2~~1, at which time those plans will be eliminated. ~~Effective January 1, 2012~~3, eligible year-round employees ~~a comprehensive medical and dental plan. The plan shall be set forth in separate booklets apart from this Agreement, but shall be considered a part of this Agreement~~will be covered by the American Crystal Sugar non-contract health and dental insurance plan(s) on the same terms and conditions that those plans are made available to Company non-contract employees and as those plans may be changed by the Company from time to time. For those eligible employees who select coverage, the Company will pay the same percentage of the established premium for the selected coverage as the Company pays for its non-union employees and as that may change from time to time.

Medical Benefit Summary:

~~Each employee selects a provider from the managed care network prior to January 1 of each year. Eligible services received from the selected provider are paid at Network benefit levels; services provided out-of-network are paid at a reduced benefit level as follows:~~

	Network	Out-of-Network
Comprehensive Medical	Deductible, then 80%	Deductible, then 70%
Chiropractic	Deductible, then 80%	No Coverage
Prescription Drugs	\$8 co-pay, closed-generic formulary	
Mental Health	Deductible,	Deductible,

	Then 80% *30 days per year	then 70% *30 days per year
Outpatient	40 hours per year	40 hours per year
Chemical Dependency	Deductible, Then 80% *30 days per year	Deductible, then 70% *30 days per year
Inpatient	130 hours per year	130 hours per year
Outpatient	130 hours per year	130 hours per year
Deductible	\$150 per person \$450 family aggregate	Additional \$200 per person \$350 per person maximum
Coinsurance	\$500 per person \$1500 family Aggregate	Additional \$800 per person \$1300 per person maximum
Annual Maximum Out-of-Pocket	\$650 per person \$1950 family Aggregate	Additional \$1000 per person \$1650 per person maximum

~~*Inpatient services are reviewed and must be medically necessary.~~

~~Dental Benefit Summary~~

- ~~1) Basic and Preventive Services –~~
- ~~\$50 annual family deductible~~
- ~~80% of eligible charges after satisfaction of deductible.~~

- ~~2) Major Services –
\$50 annual deductible per person
50% of eligible charges after satisfaction of deductible.~~
- ~~3) Maximum basic, preventive, and major services per year – \$1,600.~~
- ~~4) Orthodontic Benefit \$50 deductible
75% of eligible charges after satisfaction of
deductible
\$1,500 maximum lifetime benefit~~

~~The medical and dental plan document shall prevail in all benefit determinations.~~

16.10 Group Retirement Plan:

6) Normal retirement (unreduced) – After age 60. Employees who reach year-round status on or after January 1, 2012, and are eligible to participate in the retirement plan shall have normal retirement (unreduced) occur on or after age 65.

16.14 Notification of Absence: If an employee calls in to notify the Company of his/her inability to report for work prior to the beginning of such employee's shift, the Company will consider the call timely if it is made one-half (1/2) hour before the start of the employee's scheduled shift. This provision does not guarantee that such call-in ~~shall~~ automatically excuse such employee, but rather each such absence shall be considered on its individual merits. It shall be considered an unexcused absence if the employee fails to call in at least one-half (1/2) hour prior to the start of his/her scheduled shift and is then absent for the entire shift and it shall also be considered an unexcused absence if the employee fails to call in one-half (1/2) hour before the start of his/her scheduled shift and the employee is then late for work by more than thirty (30) minutes.

* * *

AMENDED
COMPANY PROPOSAL NO. 13

The following language shall replace the current language of the contract which appears on page 101 under the category "DRUG AND ALCOHOL TESTING POLICY":

"During the term of the Agreement the Company will maintain a Drug and Alcohol Testing Policy that will be compliant with applicable state law in effect on August 1, 2011. Thereafter, should any applicable state law require a practice or procedure that is more stringent to the Company than the applicable state law in effect on August 1, 2011, then the applicable law shall apply. The Company will publicize this policy."

COMPANY PROPOSAL NO. 14 - AMENDED
(Attendance Program)

The Employer proposes to change aspects of the Attendance Program found at pages 102 and 103 of the current collective bargaining agreement. Those changes are as follows:

Excused Absences

Modify Paragraph 8 of this Section to now read as follows:

8. Pre-authorized medical absence with a ~~16~~24 hour notice and proper medical documentation.

Other Absences

1. An employee shall be granted up to ~~40 hours~~ five (5) occurrences (defined as a scheduled shift or part of a scheduled shift) of unscheduled absences per contract year. To be eligible to take this time off from a scheduled shift, as noted above, the employee must have sufficient floating holidays, vacation time, personal day, or, if appropriate, sick leave time to cover all hours of the absence. If the employee did not have sufficient paid time, as noted above, to cover the entirety of the absence, said absence shall be considered unexcused. The minimum call-in requirements of Section 16.14 must be met in connection with taking an unscheduled absence as described above. ~~Unscheduled absences shall be paid from sick leave time, floating holidays, or vacation time, as appropriate and as available to the employee.~~

2. After employee has exhausted ~~40 hours~~ five (5) occurrences of ~~unscheduled~~ absence time, ~~they~~ as described in paragraph 1 above, that employee shall be subject to progressive discipline as noted later in this section, but this shall be separate from other non-attendance violations for each subsequent occurrence.

3. The following shall constitute unexcused absences for which progressive discipline as noted later in this section shall be applied for each unexcused absence:

(a) The failure to call in at least thirty (30) minutes prior to the start of the employee's scheduled shift;

(b) Not having paid time to cover an absence as described in Paragraph 1 above; or

(c) Not calling in at least thirty (30) minutes before the start of the employee's scheduled shift and if the employee is more than thirty (30) minutes late for the start of his/her scheduled shift. If an employee reports to work more than thirty (30) minutes tardy from the start of his scheduled shift, the Company reserves the right to send the employee home for that shift and that employee shall not be eligible for any pay for that shift.

~~34.~~ Tardiness. An employee who ~~does not call in a timely fashion shall be subject to~~ fails to report to work on time and is thirty (30) minutes or less late for work, shall be assessed a tardy for that late to work, whether or not the employee called to say he was going to be late. Progressive discipline, as noted later in this section, shall be assessed for each tardy after the third tardy in a contract year. But this progressive discipline, ~~but shall be~~ separate from other non-attendance violations.

~~4. An employee who is tardy more than five days shall be subject to progressive discipline, but separation from other non-attendance violations for each subsequent occurrence.~~

5. An employee who is absent 3 days without a call in will be terminated.

~~6. Any employee entitled to sick leave with unscheduled absence time remaining at contract year end, may have the balance paid (up to 40 hours) at the employee's hourly rate.~~ If an employee has unused "occurrences" at contract year end as provided for in paragraph 1 above, and who has a sick leave balance may have the balance paid (up to 40 hours) at the employee's hourly rate. One "occurrence" shall equal eight hours for purpose of the sick leave buy back up to a maximum of forty hours. Example: an employee with three remaining occurrences may buy back up to twenty-four hours of available sick leave.

Progressive Discipline

1st Offense – Verbal Warning

2nd Offense – Written Warning

3rd Offense – One-Day Suspension

4th Offense – Termination

It should be understood that these are guidelines and are not absolute and inflexible rules. The merits of each case will determine what and when any disciplinary action is to be taken.

COMPANY PROPOSAL NO. 15 - AMENDED
(Addendum Relating to Four 10-Hour Day Schedules for Inter-Campaign Work)

Modify Section 5(d) of the document entitled "Addendum Relating to Four 10-Hour Day Schedules for Inter-Campaign Work" (found at page 104 of the contract) to now read as follows:

(d) ~~When Article IV, 4.10 does not apply, then all overtime shall be awarded according to seniority where ability is sufficient to perform the work required.~~ Overtime shall be awarded pursuant to Article IV, 4.10.

COMPANY PROPOSAL NO. 16

(Addendum Relating to Moorhead Packaging and Warehouse Operations)

Modify "Addendum Relating to Moorhead Packaging and Warehouse Operations" (found at page 108 of the contract) by deleting Paragraph A. "Established Core Compliment of Year-Round Positions." This deletion would cover all the language commencing at the middle of page 109 of the current contract to the top of page 110. The portions of Paragraph A entitled "Classification and Wage Schedule," "Emergency Situations," and "Moorhead Packaging/Warehouse Classification and Wage Schedule" shall remain part of the contract.

AMENDED
COMPANY PROPOSAL NO. 18

American Crystal Sugar Company makes the following proposals:

1. Wages. Wage increases shall be determined by the permanent job classification held by each employee and the wage rate established for that classification under the most recent Collective Bargaining agreement. However, where new classifications have been established that are not a part of the most recent collective bargaining agreement, the base rate for those employees will be as established in Exhibit I. Wage increases for such classification rates of pay are noted below:

- A. Contract Classifications \$20.87 and Above*
First year of the contract - \$.85 per hour
Second year of the contract - \$.67 per hour
Third year of the contract - \$.48 per hour
Fourth year of the contract - \$.48 per hour
Fifth year of the contract - \$.48 per hour
~~Sixth year of the contract - \$.24 per hour~~
~~Seventh year of the contract - \$.24 per hour~~

- B. Contract Classification \$15.11 Through \$20.86*
First year of the contract - \$.80 per hour
Second year of the contract - \$.62 per hour
Third year of the contract - \$.43 per hour
Fourth year of the contract - \$.43 per hour
Fifth year of the contract - \$.43 per hour
~~Sixth year of the contract - \$.22 per hour~~
~~Seventh year of the contract - \$.22 per hour~~

- C. Contract Classifications Less than \$15.11*
First year of the contract - \$.75 per hour
Second year of the contract - \$.57 per hour
Third year of the contract - \$.38 per hour
Fourth year of the contract - \$.38 per hour
Fifth year of the contract - \$.38 per hour
~~Sixth year of the contract - \$.20 per hour~~
~~Seventh year of the contract - \$.20 per hour~~

* For employees subject to rate protection, wage increases, if any, will be governed by the provisions of Section 1.8 of Company Proposal No. 1.

In year two of the contract the classification rates shall be:

- A. \$21.72 and above
- B. \$15.91 through \$21.71
- C. Less than \$15.91

In year three of the contract the classification rates shall be:

- A. \$22.39 and above
- B. \$16.53 through \$22.38
- C. Less than \$16.53

In year four of the contract the classification rates shall be:

- A. \$22.87 and above
- B. \$16.96 through \$22.86
- C. Less than \$16.96

In year five of the contract the classification rates shall be:

- A. \$23.35 and above
- B. \$17.39 through \$23.34
- C. Less than \$17.39

2. ~~Duration. The Company proposes a five year contract to be effective on the date of ratification by the Union through and including July 31, 2016.~~ The Company proposes a contract that will commence when bargaining unit employees are first recalled to work pursuant to a return to work agreement to be negotiated with the Union, American Crystal Sugar Company, and United Sugars Corporation and said contract will run through July 31, 2016.
3. Should this Amended Final Offer be accepted prior to 2300 military time in Fargo, North Dakota, on November 1, 2011, so as to result in a legally binding and enforceable collective bargaining agreement consisting of the terms set forth in this Amended Final Offer, then the Union, American Crystal Sugar Company and United Sugars Corporation will expeditiously meet to negotiate the details of a return to work agreement covering, among other things, a timetable for returning employees to work. It is the goal of American Crystal Sugar Company and United Sugars Corporation that eligible employees will return to work with 10 days of the date the contract is ratified by the Union membership.

From the Union's Proposal, the Company proposes the following:

1. Modify Preamble as proposed by the Union in its written proposal of May 6, 2011, identified as Union Proposal No. 1.
2. Modify Section 3.4 as proposed by the Union in its written proposal of May 6, 2011, identified as Union Proposal No. 5.
3. Modify Section 14.1(b) to provide:
 - 3 years – 2 vacation days
 - 5 years – 3 vacation days
 - 10 years – 4 vacation days
 - 15 years – 5 vacation days
 - 20 years – 6 vacation days
 - 25 years – 7 vacation days
4. Modify Section 15.1 as proposed by the Union in its written proposal of May 6, 2011, identified as Union Proposal No. 15.
5. Modify Section 15.5 as proposed by the Union in its written proposal of May 6, 2011, identified as Union Proposal No. 16.
6. Add a Roth IRA for United Sugars 401(k) Plan as identified in Union Proposal No. 22.
7. Add \$1.50 to Mason City and Chaska shift leads as identified in Union Proposal No. 24(b). This language shall not be added to the collective bargaining agreement.
8. Pension:
 - a. Year 1 - \$0.25 increase
 - b. Year 2 - \$0.25 increase
 - c. Year 3 - \$0.25 increase
 - d. Year 4 - \$0.25 increase
 - e. Year 5 - \$0.25 increase

AGREEMENT TO FINAL OFFER

The BCGTM and its respective Locals 167G, 265G, 267G, 269G, and 372G (collectively referred to as the "Union") hereby agree to the terms of the Companys' Final Offer more specifically set forth above. These terms will represent the only modifications to the current collective bargaining agreement which is dated August 1, 2004, through July 31, 2011. This document shall constitute a legally binding and enforceable collective bargaining agreement between the Union, American Crystal Sugar Company and United Sugars Corporation.

BCTGM INTERNATIONAL UNION

by: _____ Date: _____

Its: _____

BCTGM LOCAL 167G

by: _____ Date: _____

Its: _____

BCTGM LOCAL 265G

by: _____ Date: _____

Its: _____

BCTGM LOCAL 267G

by: _____ Date: _____

Its: _____

BCTGM LOCAL 269G

by: _____ Date: _____

Its: _____

BCTGM LOCAL 372G

by: _____

Date: _____

Its: _____

AGREED TO:

AMERICAN CRYSTAL SUGAR COMPANY

by: _____

Date: _____

Its: _____

UNITED SUGARS CORPORATION

by: _____

Date: _____

Its: _____

EXHIBIT I OF THE COMPANY'S FINAL OFFER OF JULY 28, 2011, ENTITLED
"WORK CLASSIFICATION AND WAGE SCALE"
IS INCLUDED
AS PROPOSED BY THE COMPANY IN THIS AMENDED FINAL OFFER OF
OCTOBER 25, 2011