

DAIRY FARMERS OF AMERICA FINAL OFFER

Terms and Conditions of New Collective Bargaining Agreements

This Final Offer is made by Dean Foods Company and the applicable subsidiaries of Dean Foods Company (together the “Selling Entities”) to the International Brotherhood of Teamsters National Bargaining Committee on behalf its affiliated Local Unions (the “Union”) in connection with the potential sale of certain assets of the Selling Entities to Dairy Farmers of America, Inc. (“Buyer”).

All existing terms and conditions of the Collective Bargaining Agreements (other than any such agreement solely and exclusively related to an Excluded Facility), including agreements that have expired and have not yet been renewed (the “CBAs”), shall remain in effect, subject to the following modifications. These modifications, combined with the remaining terms and conditions of the CBAs, shall form the new collective bargaining agreements (the “New CBAs”).

The terms outlined below shall be effective as of the Closing Date, unless otherwise specifically set forth below. DFA or the applicable DFA subsidiary (“Buyer Entity”) agree to assume the New CBAs as of the Closing Date.

Duration

1. All CBAs with an original term that is expired as of the Closing Date shall be extended for a period of two (2) years from the original date of expiration. To the extent there is an extension agreement already in place, the CBA shall be extended two (2) years from the Closing Date.
2. All other CBAs shall be extended for a period of two (2) years from their current expiration dates. For example, if a contract has two (2) years remaining, this will add two (2) years for a total of four (4) years.
3. The modifications outlined in this Final Offer shall remain in effect for a minimum of five (5) years from the Closing Date, at the conclusion of which they may be subject to discussion as the CBAs come up for renegotiation in the normal course.

Wage Rates

4. Wage rates shall be maintained at current levels, subject to any increases outlined in the CBAs. (For example, if there is a wage increase scheduled in a current CBA, that wage increase will still take effect as outlined in the current CBA, whereas the increases outlined in paragraph 5 below, will only take effect during the contract extension years.)
5. The following wage rate increases shall apply to the contract extension years described in Paragraphs 1 and 2 above:
 - a) Extension Year 1: 1.5%
 - b) Extension Year 2: 1.5%

For expired CBAs that have been extended for two (2) years pursuant to Paragraph 1, the first wage rate increase shall take effect as of the Closing Date and shall be payable within 30 days and the second shall take effect on the next contract anniversary date. For expired CBAs that were subject to a written extension agreement that provided for retroactivity on wages, the first wage increase shall be paid retroactive to the original contract expiration. For all other contracts, the rate increase shall take effect on the applicable CBA anniversary dates.

Overtime/Premiums

- 6. For CBAs with daily overtime provisions, overtime shall be payable after ten (10) hours worked in a day for employees on a 5x8 schedule and after twelve (12) hours worked in a day for employees on a 4x10 schedule, unless applicable state law requires otherwise.
- 7. All wage premiums tied to work performed on a Saturday or a Sunday shall instead be tied to work performed on the sixth (6th) and the seventh (7th) day worked in a workweek, respectively.

Work Schedules

- 8. To the extent not already clearly set forth in the CBAs, management shall have the right to utilize non-traditional workweeks, such as non-consecutive days and weekend work.

Delivery/Route Optimization

- 9. To the extent not already clearly set forth in the CBAs, management shall have the right to (a) modify, eliminate, or transfer drops, stops, routes, or other elements of its distribution network to address unprofitable and/or inefficient operations and (b) subcontract drops, stops, routes, or other elements of its distribution network in connection with drops of less than twenty-five (25) cases.

Health & Welfare Benefits

- 10. Employees covered by a multiemployer health and welfare benefit plan shall continue to be covered by that plan, with employer contributions to the applicable fund provided in accordance with the applicable CBA.
- 11. Employee covered by a health and welfare benefits plan sponsored by the Selling Entities shall be transitioned as follows: a) current coverage levels shall remain in effect through December 31, 2020; and b) effective January 1, 2021 coverage shall be transitioned to the Buyer’s plans outlined below, to the extent an applicable benefit offering listed below is currently offered to employees of the particular bargaining unit (for example, employees offered vision or dental coverage today will be offered that coverage as provided below subject to the applicable cost-sharing):

Current Plan Design	Effective as of Closing Date	Effective 1/1/21*
Dean 300 Plan	Dean 300 plan design in a mirror plan sponsored by Buyer	Employees to have a choice of either the (1) Buyer PCB PPO or (2) Buyer PCB HDHP
Dean FlexSelect	Dean FlexSelect plan design in a mirror plan sponsored by Buyer	Employees to have a choice of either the (1) Buyer PCB PPO or (2) Buyer PCB HDHP
Dean SmartChoice Medical Plan	Dean SmartChoice plan design in a mirror plan sponsored by Buyer	Employees to have a choice of either the (1) Buyer PCB PPO or (2) Buyer PCB HDHP

Dean Dental Value Plan and Dental Enhanced Plan	Dean Dental plan design in a mirror plan sponsored by Buyer	Dental benefits to be provided as offered to Buyer's hourly non-union employees
Dean Vision Service Plan	Dean Vision Service Plan design in a mirror plan sponsored by Buyer	Vision benefits to be provided as offered to Buyer's hourly non-union employees
Dean Short-Term Disability Plan	Dean Short-Term Disability plan design in a mirror plan sponsored by Buyer	Short-term disability benefits to be provided as offered to Buyer's hourly non-union employees
Dean Long-Term Disability Plan	Dean Long-Term Disability plan design in a mirror plan sponsored by Buyer	Long-term disability benefits to be provided as offered to Buyer's hourly non-union employees
Dean Group Life/AD&D Plan	Dean Group Life/AD&D plan design in a mirror plan sponsored by Buyer	Group Life/AD&D benefits to be provided as offered to Buyer's hourly non-union employees
Health Care Flexible Spending Account Plan	Health Care Flexible Spending Account benefits to be offered in a mirror plan sponsored by Buyer	Health Care Flexible Spending Account benefits to be provided as offered to Buyer's hourly non-union employees
Dependent Care Flexible Spending Account Plan	Dependent Care Flexible Spending Account benefits to be offered in a mirror plan sponsored by Buyer	Dependent Care Flexible Spending Account benefits to be provided as offered to Buyer's hourly non-union employees

*These benefits shall be offered on the same terms as provided to the Buyer's (or applicable Buyer Entity's) other union and non-union hourly employees, and may be terminated, amended, eliminated, modified, or replaced at management's discretion and to the extent permitted by law.

12. Employee contributions toward the cost of health and welfare benefits shall be increased by the following amounts:

- a) Effective January 1, 2021: additional 5% of the cost of benefits
- b) Effective January 1, 2022: additional 5% of the cost of benefits
- c) Effective January 1, 2023: additional 2.5% of the cost of benefits
- d) Effective January 1, 2024: additional 2.5% of the cost of benefits

These increases shall be applicable to employees who are not cost-sharing today, as well those cost-sharing at a level below twenty percent (20%). In no event shall these increases result in an employee contributing more than twenty percent (20%) toward the cost of coverage, unless such higher amount was provided for in the applicable CBA. To the extent a CBA provides for employee contribution rate increases that exceed those outlined above, those greater increases shall remain in effect. Employee contributions shall be administered through a payroll deduction.

Retiree Medical Benefits

13. Any obligations with respect to retiree medical benefits shall be eliminated. The only exception shall be for retiree medical benefits provided through a Teamster-sponsored multiemployer plan, where the benefit is provided through the existing health and welfare contribution rate. This provision shall take effect immediately upon ratification of the New CBAs by the applicable Union membership and, in any event, prior to the Closing Date.

Pension/Retirement Benefits

14. Any obligations or provisions with respect to a multiemployer pension fund, including obligations or provisions with respect to participation and/or contributions, shall be eliminated and the Selling Entities shall cease participation in these funds. This provision shall take effect immediately upon ratification of the New CBAs by the applicable Union membership and, in any event, prior to the Closing Date.
15. Any provisions with respect to participation, contribution, or any other obligation to a pension plan or 401(k) plan sponsored by the Selling Entities shall be eliminated. This provision shall take effect immediately upon ratification of the New CBAs by the applicable Union membership and, in any event, prior to the Closing Date.
16. For bargaining units for whom the Selling Entities are currently obligated to contribute to one of the following “Green Zone” multiemployer pension plans, each bargaining unit shall have the opportunity to elect one of options (a, b, or c) listed below.
 - Central Pennsylvania Teamsters Pension Fund (“Central PA Fund”)
 - Milk Drivers and Dairy Employees Local Union No. 246 of Washington, DC Pension Fund (“Milk Drivers Fund”)
 - Rockford Area Dairy Industry Local 754 IB of T Retirement Pension Plan (“Rockford Fund”)
 - Western Conference of Teamsters Pension Trust Fund (“WCTPTF”)

The election among these options shall be a one-time, irrevocable election, shall apply to all employees in the bargaining unit, and shall be communicated to the Buyer or the applicable Buyer Entity in writing. Until such election is made and communicated to the Buyer or the applicable Buyer Entity, the Buyer or the applicable Buyer entity shall not be obligated to participate in or make contributions to any retirement plan under any of the options listed below. Under no circumstances shall the Buyer or the applicable Buyer Entity contribute to or participate in the Central PA Fund, Milk Drivers Fund, or the Rockford Fund.

- a) 401(k) Plan Participation: The Buyer or the applicable Buyer Entity shall offer 401(k) plan participation as described in Paragraph 17 below; or
- b) Western Conference of Teamsters Pension Trust Fund: The Buyer or the applicable Buyer Entity shall contribute to the WCTPTF, effective as of the Closing Date and under the following conditions. The Buyer or applicable Buyer entity will contribute to the WCTPTF on behalf of such bargaining units at a rate that reflects a twenty-five percent (25%) reduction from the contribution rate currently in effect for the funds listed above for the applicable bargaining units. Any contribution rate in effect for the funds listed above that is not currently an hourly rate shall be converted to an hourly rate using an

assumption of 2,080 work hours per year, before application of the reduction. The reduced contribution rate shall be the rate going forward and will not be subject to increases, unless employees on a bargaining unit basis elect to redirect future wage rate increases to pension. Any such election to redirect a future wage increase to pension will be made by the applicable Local Union in writing sixty (60) days in advance of the scheduled wage rate increase and be limited to half of the scheduled wage rate increase (for example, a \$.30/hr wage rate increase could be split up to \$.15/hr to pension and \$.15/hr to wages). Additionally, within ninety (90) days from the Closing Date, each bargaining unit may elect to defer from current wages an amount not to exceed twenty-five percent (25%) of its current contribution rate to the applicable fund, which then shall be included in the overall contribution rate. Participation in the WCTPTF shall, however, be subject to Trustee approval.

- c) Central Pennsylvania Teamsters Retirement Income Plan 1987: The Buyer or the applicable Buyer entity shall contribute to the Central Pennsylvania Teamsters Retirement Income Plan 1987 at a rate that reflects a twenty-five percent (25%) reduction from the contribution rate currently in effect for the Central PA Fund, provided the Central Pennsylvania Teamsters Retirement Income Plan 1987 is and at all times has been a defined contribution plan that is separate from the Central PA Fund and not subject to Title IV of ERISA, including but not limited to the withdrawal liability provisions therein. This option only shall be available to bargaining unit(s) for whom the Seller or applicable Selling Entity currently have an obligation to contribute to the Central PA Fund.

17. For bargaining units for whom the Selling Entities are currently obligated to contribute to a multiemployer pension other than those listed in Paragraph 16 above, Buyer or the applicable Buyer Entity shall not contribute to or participate in such pension plan. These plans include, but are not limited to, the following:

- Central States, Southeast and Southwest Areas Pension Fund
- Dairy Industry-Union Pension Plan for Philadelphia and Vicinity
- New England Teamsters and Trucking Industry Pension Plan
- Valley of Virginia Co-operative Milk Producers Association Retirement Plan

For these bargaining units, Buyer or the applicable Buyer Entity will offer the following employer contribution structure through a 401(k) plan. The same shall apply for bargaining units working under any CBA with respect to which the WCTPTF (or the Central Pennsylvania Teamsters Retirement Income Plan 1987, as applicable) does not accept participation:

- a) Employer matching contribution of 50% on the first 6% of employee deferrals (3% match opportunity)
- b) Employer contribution of \$155 per month
- c) A 5-year graded vesting schedule will apply to employer contributions made on behalf of new hires who are not currently employed by Seller or the applicable Seller Entity.

For employees currently accruing benefits in a single-employer defined benefit pension plan, Buyer or the applicable Buyer Entity will not assume any such pension plan and will offer the following employer contribution structure through a 401(k) plan:

- a) Employer matching contribution of 50% on the first 6% of employee deferrals (3%

match opportunity)

- b) Employer contribution of \$140 per month
- c) A 5-year graded vesting schedule will apply to employer contributions made on behalf of new hires who are not currently employed by Seller or the applicable Seller Entity.

Employees not currently participating in a multiemployer pension plan or a single- employer defined benefit pension plan will be able to participate in a 401(k) plan with the same employer contribution formula that currently applies to the particular bargaining unit. A 5-year graded vesting schedule will apply to any employer contributions made into a 401(k) plan on behalf of new hires who are not currently employed by Seller or the applicable Seller Entity.

Employees working under a collective bargaining agreement that currently allows for employee elective deferrals into a 401(k) plan with no employer match shall be permitted to continue those elective deferrals into a new, substitute Teamster multiemployer 401(k) plan.

For purposes of this Paragraph 17, individual bargaining units may on a one-time basis elect between the Teamsters National 401(k) Savings Plan and the Supplemental Income 401(k) Plan, provided the Plan accepts participation using the contribution formula and other terms identified above. This election shall be made in writing.

Other Items

- 18. The successor clauses in the CBAs shall be waived on a one-time basis in connection with the sale transaction contemplated by this Final Offer.
- 19. All “zipper” clauses or similar clauses shall be eliminated.
- 20. In recognition of the fact that the terms outlined above will apply across a broad range of operations and agreements, the New CBAs will memorialize the parties’ agreement to work in good faith following the Closing Date to apply the terms of the New CBAs in a manner consistent with the spirit and intent of this document.