



**IUF/COLSIBA
AND CHIQUITA*
AGREEMENT ON
FREEDOM OF
ASSOCIATION,
MINIMUM LABOUR
STANDARDS AND
EMPLOYMENT IN
LATIN AMERICAN
BANANA OPERATIONS**

* The reference to Chiquita in this document includes all subsidiaries of Chiquita Brands International, Inc. that employ workers in banana operations in Latin America

PART I:

MINIMUM LABOUR STANDARDS

IUF/COLSIBA AND CHIQUITA:

- Acknowledge the fundamental right of each employee to choose to belong to and be represented by an independent and democratic trade union of his or her choice, and to bargain collectively;
- Are convinced that reinforcing democratic forms of co-operation in the company is the responsibility of both management and trade unions;
- Seek to identify practical opportunities for continuous improvement in the employment conditions of CHIQUITA employees recognizing this as a necessary condition to advance the common interests of CHIQUITA and its employees;
- Respect the responsibilities of local Chiquita managers and unions to address local issues of concern through collective bargaining and to put into practice the following general principles.

In this spirit, IUF/COLSIBA and CHIQUITA agree on the following:

ON MINIMUM LABOR STANDARDS:

1. CHIQUITA reaffirms its commitment to respect the following core ILO Conventions:
 - The principle of freedom of association (Convention Nr. 87: Freedom of Association and Protection of the Right to Organise, 1948);
 - The effective recognition of the right to collective bargaining (Convention Nr. 98: Right to Organise and Collective Bargaining, 1949);
 - The protection and facilities to be afforded to workers' representatives (Convention Nr 135, Workers' Representatives, 1971);

- The elimination of all forms of forced or compulsory labour (Convention Nr 29: Forced Labor, 1930 and Convention Nr. 105: Abolition of Forced Labor, 1957);
 - The effective abolition of child labor (Convention Nr. 138: Minimum Age, 1973 and Convention Nr. 182 Worst Forms of Child Labor, 1999); and
 - The elimination of discrimination in respect of employment and occupation (Convention Nr. 100: Equal Remuneration, 1951 and Convention Nr. 111: (Discrimination (Employment and Occupation), 1958).
2. Chiquita reaffirms its commitment to respect the rights of freedom of association and collective bargaining, as well as all laws governing the application of these rights.
 3. Chiquita shall respect the right of all personnel to form and join trade unions.
 4. Chiquita will ensure that representatives of trade unions are not the subject of discrimination and that such representatives have access to employees in the workplace. The practical details of such access will be determined through national discussions and agreement. Chiquita guarantees that employees will suffer no discrimination, threats or sanctions as a result of any such visit by a union representative
 5. Where Chiquita is engaged in collective bargaining with unions, Chiquita will continue sharing with union representatives the information about the corporation as a whole and its local operations that they reasonably require to bargain effectively.
 6. CHIQUITA acknowledges its responsibility to provide safe and healthy workplaces, and CHIQUITA and the IUF/COLSIBA agree to collaborate in efforts to further improve the health and safety of the Company's banana operations.
 7. CHIQUITA and the IUF/COLSIBA will publicize this agreement in all the Company's banana operations in Latin America.

PART II: EMPLOYMENT

In the event of any situation that would seriously affect the volume of employment, working conditions or the type of contracts of work, such as changes or transfers in production or the closure of all or part of a facility, CHIQUITA commits to:

- Respect local laws and regulations;
- Consult those local trade unions that have been duly appointed as the representatives of the affected workers, which discussions should occur as soon as possible, especially when the change affects a significant number of employees such as in a partial or total closure;
- In the case that workers are legally represented by a labor union to bargain collectively, notification will be made at the same time to the local union, COLSIBA and the IUF of any such proposed change, including in such notification both:
 - ◆ An explanation of the Company's decision; and
 - ◆ A clear indication of the consequences of the decision for workers in terms of changes in contracts, working conditions or reductions of jobs.
- Chiquita will seriously consider alternative proposals presented by unions representing Chiquita workers. Chiquita will provide a response to those proposals within a time frame agreed on a case-by-case basis.

ON SUPPLIERS:

Chiquita will require its suppliers, contract growers and joint venture partners to provide reasonable evidence that they respect national legislation and the Minimum Labor Standards outlined in Part I of this agreement. The parties agree that the effective implementation of this provision is dependent on a number of factors such as Chiquita's relative degree of influence over its suppliers and the availability of appropriate and commercially viable supply alternatives. Implementation of this part of the agreement shall therefore be jointly assessed by the Review Committee taking into account these factors.

PART III:

OVERSIGHT OF THIS AGREEMENT

CHIQUITA and IUF/COLSIBA will each appoint up to four members to a Review Committee that will meet periodically to oversee the application of this agreement and to discuss other areas of mutual concern. In case of a major conflict, CHIQUITA and IUF/COLSIBA may, in addition, include in the meeting a representative of the local union and a representative of local management.

CHIQUITA and IUF/COLSIBA recognize that this Agreement is not a substitute for, and that they should do everything reasonable to encourage, effective local bargaining processes. The parties agree that local parties should exhaust every effort to resolve local issues, and that the work of the Review Committee, as well as any intervention required between meetings of this Committee, will relate only to alleged serious and/or systematic violations of the rights outlined in this agreement.

The agendas for these meetings will be agreed in advance and both parties shall provide the relevant information necessary to carry out the intent of the meetings.

The Review Committee meetings will take place twice a year. An extraordinary meeting may be convened at the request of either party, in case a situation arises that requires urgent discussion by the Review Committee.

Chiquita, the IUF, and COLSIBA will each identify a contact person responsible to facilitate communication and the timely resolution of any emergency issues that may be identified between meetings of the review committee.

COMMITMENT TO FAIR DEALING AND CONTINUOUS IMPROVEMENT

This Agreement shall last until either party terminates it by prior written notice at least three months in advance of the termination date. During the term of this Agreement, CHIQUITA and the IUF/COLSIBA agree to:

- Negotiate in good faith with the best interest of all parties in mind;
- Communicate in an open, honest and straightforward manner;
- Avoid actions which could undermine the process spelled out in this Agreement, such as public international campaigns or anti-union retaliatory tactics, until such time as one or the other party declares there has been a failure to agree. A time frame for discussion and mutually satisfactory resolution of the issue will be agreed case-by-case by the Review Committee. No failure to agree can be declared before the expiry of that time frame;
- Work to develop among Company managers, union leaders, and employees a common understanding of effective labor management relations, recognising their direct links to:
 - ◆ the quality of the Company's products;
 - ◆ the productivity, efficiency, and flexibility of workplace practices;
 - ◆ the quality of work life of employees;
 - ◆ the social and environmental health of the communities in which Company employees live and work; and
 - ◆ the commercial success and the sustainability of the Company's operations.

Agreed by the parties in the city of San José, Costa Rica on the eleventh day of May, two thousand and one. Subscribed in the city of Geneva, Switzerland on the fourteenth of June, two thousand and one.

On behalf of the parties:

**International Union of Food, Agricultural, Hotel,
Restaurant, Catering, Tobacco and Allied
Workers' Associations (IUF)**



Ron Oswald
General Secretary



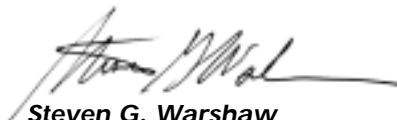
**Coordinadora Latinoamericana
de Sindicatos Bananeros (COLSIBA)**



Germán Zepeda
Regional Coordinator



Chiquita Brands International, Inc.



Steven G. Warshaw
President and Chief Operating Officer



International Labor Organization (ILO)

Juan Somavía
Director General
Witnessed

