

AGREEMENT

BETWEEN

RMS HOLDINGS, LLC

AND

UNITED ASSOCIATION OF JOURNEYMEN AND  
APPRENTICES OF THE PLUMBING AND PIPE  
FITTING INDUSTRY OF THE UNITED STATES AND  
CANADA, AFL-CIO,  
LOCAL 798

(March 1, 2015 through December 31, 2017)

This AGREEMENT is made by and between RMS HOLDINGS, LLC, 601 Aurora Business Park Drive, Conroe, TX 77301-4769 ("RMS" or "Employer") and the UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA, AFL-CIO, LOCAL 798 ("Local 798" or "Union") (collectively, "the Parties").

**ARTICLE I**  
**SCOPE AND COVERAGE**

A. This Agreement shall apply to and cover all work performed by the Employer at its facility located at 601 Aurora Business Park Drive, Conroe, TX 77301-4769 ("the Facility") pertaining to the assembly, building, maintenance, mobilization and repair of automatic welding equipment, and weld procedure development.

B. Employees covered by this Agreement may be requested to perform welding procedures in the Employer's Facility by an employer or entity leasing automatic welding equipment from the Employer. RMS agrees to grant unpaid leave to such Employee to perform such welding procedures so long as such welding procedure work is covered by the terms and conditions of the United Association National Pipe Line Agreement ("NPLA"). Such Employee shall be permitted, upon request to the Employer, to return to his job in the same classification and at the applicable rate of pay and benefits for such classification. Any such work performed on welding procedures by said Employee while on unpaid leave shall not be covered by the terms of this Agreement.

C. An Employee covered by this Agreement may be granted unpaid leave by the Employer if the Employee is offered the opportunity to perform work on the Employer's equipment while it is being used in the field by an employer or entity other than the Employer so long as such field work is covered by the terms and conditions of the NPLA.

**ARTICLE II**  
**JOB CLASSIFICATIONS**

Employees performing work under this Agreement ("Employees") shall be classified in accordance with the following:

A. "Journeyman" shall be a person hired as an Automatic Welding Technician.

B. "Helper" shall mean a person hired to assist a Journeyman on work covered by this Agreement.

C. "Trainee" shall mean a person hired as a Trainee I, Trainee II or Trainee III determined with reference to the following skill sets, which can be developed during employment at RMS, or for those with existing experience, can be determined through a review of employment history and a demonstration of skills to the Employer:

1. Trainee I: has limited pneumatic, electrical, welding or hydraulic experience.
2. Trainee II: has more specialized knowledge in pneumatics, electrical, welding or hydraulics than a Trainee I, and has experience with general equipment troubleshooting and maintenance **in** some but not all of the above areas with limited supervision.
3. Trainee III: has more specialized knowledge of pneumatics, electronics, welding and hydraulics than a Trainee II, and has experience with general equipment troubleshooting and maintenance on all equipment with limited supervision.

### **ARTICLE III** **DUES CHECKOFF**

A. The Employer recognizes the Union as the sole and exclusive bargaining representative for all Employees at the Facility covered by this Agreement with respect to wages, hours and other terms and conditions of employment.

B. Upon request of the Union, and upon presentation of proper authorization forms executed by the individual Employees, the Employer agree to deduct from the wage of such individual Employee's union initiation fees and dues, and shall pay over to such Local Union the amount so deducted.

C. All sums of money withheld by an Employer from the paycheck of Employees as Union initiation fees or dues for the benefit of Employees' Local Union shall be transmitted to the Local Union no later than thirty (30) days after the date on which said sums of money were withheld.

D. If an Employer fails to transmit all sums of money so withheld within the thirty (30) day period, he shall be subject to additional payment of 15% of the amount due but not less than \$100.00. If it becomes necessary for the Union to employ an attorney to collect such sums of money withheld by Employer, Employer shall also pay all court costs and attorneys fees.

### **ARTICLE IV** **UNION REPRESENTATION AND ACCESS TO JOBS**

A. Authorized representatives of the Union shall have access to the Employer's facility or any area where Employees covered by this Agreement are employed; provided, however, that such representatives shall not interfere with Employer's Employees during working hours.

B. A Steward shall be a working Journeyman selected by the Business Agent or Business Manager of the Union. The Steward shall receive premium pay of no less than \$2.00/hour above the minimum scale paid to Journeymen as set forth in Attachment A to this

Agreement. The Steward shall perform his work the same as any other Employee. The Steward shall be allowed a reasonable amount of time during the working hours to perform the work of the Union which cannot be performed at other times, but he shall not abuse the privilege. It is understood and agreed that the Steward's duties or activities shall not include any matters relating to referral, hiring, termination or discipline of Employees.

## **ARTICLE V** **HIRING PROCEDURE**

A. It is recognized that because of the specialized nature of the work covered by this Agreement, it is necessary that Employer have available experienced and qualified Employees, and that both Parties shall cooperate to the end that all of the Employees hired hereunder shall be capable of performing such work in a competent manner.

B. The Employer shall utilize the Union as the sole and exclusive source of applicants for employment for work covered by this Agreement. Only if the Union is unable to furnish qualified applicants within forty-eight (48) hours after the Employer's request shall the Employer be permitted to secure qualified Employees from any other source. The Union shall be notified within twenty-four (24) hours of any hires made from an outside source. Notwithstanding the above, with the Union's consent, the Employer may hire from a source other than the Union.

C. In hiring and laying off employees, the Employer shall be the sole judge as to the number of employees required and hired or laid off, subject to the provisions of this Agreement. Furthermore, the Employer shall be sole judge as to an Employee's competency and shall have the right to discharge any Employee for just cause. The Employer retains the absolute and unconditional right to reject any job applicant for good cause and may exercise that right before the Union refers any applicant requested by the Employer, provided this is done in writing.

D. The selection of applicants for referral shall not be based on or in any way affected by Union membership, by-laws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policy or requirement.

E. The need for, determination and designation of foremen is the sole responsibility of the Employer. Such appointments shall not be interfered with by Union. Such foremen may be paid on an hourly, weekly or monthly basis, as determined by Employer. The Foreman shall receive premium pay of no less than \$2.00/hour above the minimum scale paid to Journeymen as set forth in Attachment A to this Agreement.

## **ARTICLE VI** **WAGES AND BENEFITS**

A. The regular hourly wage rate for each classification of Employee for the period of March 1, 2015 through February 29, 2016 is set forth in Attachment A to this Agreement. Wages shall increase in the succeeding years of this Agreement as provided for in Subsection (C) below.

B. The Employer shall make contributions for each hour paid to Employees covered hereunder, including hours paid to Employees for waiting time and reporting time as applicable:

1. The sums set forth in Attachment A to this Agreement (and as hereinafter modified by the Parties in accordance with this Agreement) are to be paid to the Pipe Line Industry Benefit Fund ("PIBF") for the period of March 1, 2015 through February 29, 2016. The Agreement and Declaration of Trust of the PIBF is incorporated and made a part of this Agreement by reference thereto.

2. The sums set forth in Attachment A to this Agreement (and as hereinafter modified by the Parties in accordance with this Agreement) are to be paid to the United Association International Training Fund ("ITF") for the period of March 1, 2015 through February 29, 2016. The Agreement and Declaration of Trust of the ITF is incorporated and made a part of this Agreement by reference thereto.

3. The sums set forth in Attachment A to this Agreement (and as hereinafter modified by the Parties in accordance with this Agreement) shall be paid as a qualified non-elective contribution ("QNEC") to the Pipeline Industry Annuity/401(k) Fund for the period of March 1, 2015 through February 29, 2016. The amount of the QNEC shall not be less than 3% (three percent) of wages. The Employer shall also deduct from wages when authorized by Employee pursuant to a written deferral agreement, amounts to be remitted to the Pipeline Industry Annuity/401(k) Fund as elective deferrals. To initiate such deferrals, the Employee must provide the Employer with a properly executed wage deferral agreement that is consistent with the requirements of the Pipeline Industry Annuity/401(k) Fund. The Employee and Employer are bound by the terms of the Pipeline Industry Annuity/401(k) Plan including the rules for eligibility and benefits set forth in such Plan and the ability to designate the QNEC as a safe harbor 401(k) contribution. The Agreement and Declaration of Trust of the Pipeline Industry Annuity/401(k) Fund to which the Employer remits the QNEC and authorized wage deferrals pursuant to a fully executed wage deferral agreement is incorporated and made a part of this Agreement by reference thereto.

4. Fringe benefits provided in Attachment A shall increase in the succeeding years of this Agreement as provided for in Subsection (C) below.

5. The submitting of contributions/deductions provided for in this Article shall be governed by the provisions of Article VII.

C. Wages and fringe benefits set forth in Attachment A shall increase by 3% in the second year of this Agreement (March 1, 2016 through February 28, 2017); and by 3% in the third year of this Agreement (March 1, 2017 through December 31, 2017). The Union shall have sole discretion over the allocation of such increases as between wages and/or fringe benefits. The Union shall notify the Employer of the applicable allocation thirty (30) days prior to the effective date of each annual increase. The new annual wage and benefit rates will be reflected in a new Attachment A, issued annually.

**ARTICLE VII**  
**SUBMITTING REPORTS AND CONTRIBUTIONS,**  
**LATE FILING CHARGES AND DELINQUENCIES**

A. All contributions due and owing to the Pipe Line Industry Benefit Fund, the Pipeline Industry Annuity/401(k) Fund, and the International Training Fund shall be deemed and are considered to be the assets of each such trust fund.

B. The Employer agrees to adopt the Trust Agreements for each of the Funds referenced in Article VI of this Agreement. The Employer consents to the appointment and retention of the current and future governing boards of trustees of each Fund to which contributions are to be made under this Agreement. Such Trust Agreements set out the type of health and welfare, pension, training and other benefits which are provided by the Funds and the manner and procedure to be followed in qualifying for such benefits. The Trustees shall have the authority to determine the amount of each of such benefits which can be provided by the resources of the Funds and the time when such benefit payments may begin.

C. Each Employer working under this Agreement agrees to be bound by the terms and provisions of the Trust Agreements referred to hereinabove, and to promptly pay all contributions to the office of the Pipe Line Industry Benefit Fund upon forms supplied by that office.

D. If, in the opinion of the Board of Trustees of any of the above named Funds, the Employer has a record of delinquent contributions to such an extent that it is necessary for the protection of the beneficiaries of such Funds that some security for the Employer contributions be obtained, said Board of Trustees is authorized to require an Employer to deposit a sum of up to \$10,000 per Employee in an escrow account designated by the Director of the Funds or, as an alternative, an appropriate bond shall be established to protect the beneficiaries of such Funds. If an escrow deposit is made instead of bonding, upon completion of the job, any amounts **in** excess of the contributions due shall be refunded to the Employer.

E. The Employer shall report and pay regularly, and no less frequently than its regular payroll period, all contributions due. Contributions to the Pipeline Industry Benefit Fund and the International Training Fund under this Agreement become delinquent after thirty (30) days from the end of the reporting period, and a late report charge of up to 15% of the amount due but not less than \$100.00 shall be paid into the Funds by the Employer; provided, further, that if it becomes necessary in the opinion of the Board of Trustees to refer such delinquency to an attorney for collection, the Employer agrees to pay all court costs and all attorneys' fees in addition to the late report charge. Pipeline Industry Annuity/401(k) Fund employee wage deferrals become due the earlier of the day federal payroll taxes become due or the 1<sup>0</sup>th day of the month following the reporting period. Any 401(k) report that is delinquent is subject to a late reporting charge of 15% of the amount due. Any 401(k) report that is more than sixty (60) days past due is subject to a late reporting charge of 20% of the amount due. In addition to the late fee, interest will be charged on all past due contributions at the rate of 15% per annum.

F. For the purpose of venue and jurisdiction, the Employer hereby designates and appoints the Clerk of the United States District Court for the Northern District of Oklahoma as agent for the service of process, and the Funds' Director shall promptly furnish all delinquent Employers, by certified mail, a copy of all pleadings and notices of suit. The parties to this Agreement agree that all actions arising in connection with any Employer's obligation to contribute to the aforesaid Trust Funds shall be tried and litigated exclusively in the United States District Court for the Northern District of Oklahoma. This choice of venue is mandatory and not permissive. Each party waives any right or defense of *forum non conveniens* or similar doctrine and will not object to venue with respect to any proceeding brought in accordance with this Article. Any judgment rendered against any party in any such action shall be conclusive and may be enforced in other jurisdictions in any manner provided by law.

G. The grievance and arbitration provisions in Article XIII of this Agreement shall not be applicable to the rights and liabilities created by this Article.

H. Notwithstanding any other provision of this Agreement, the Union shall be authorized to withhold labor and refuse Employee referrals to the Employer if it becomes more than 60 days delinquent in its fringe benefit contributions to any trust fund or if the Employer fails to post a bond as required by the Board of Trustees of the PIBF or PIPF. No Employer shall be terminated or retaliated against by the Employer for participating in any work stoppage or cessation initiated by the Union pursuant to this subsection. The exercise of this right by the Union shall not impair the rights of the Union or Trustees of the Funds to pursue collection of delinquent contributions through litigation or administrative collection on any surety bond.

### **ARTICLE VIII** **HOURS OF WORKS, OVERTIME & HOLIDAY PAY**

A. The work week shall begin Monday and end Sunday. All hours worked by an Employee in excess of eight hours per day and in excess of forty straight time hours per week shall be paid for at the rate of time and one-half the straight time rate. Work performed on Sundays shall be paid for at the rate of time and one-half. The regular working day shall consist of eight (8) hours of employment between the hours of 7:00 a.m. and 5:30 p.m., Monday through Friday, with one-half (1/2) hour for lunch which shall be unpaid. The lunch period may start at any time between 11:30 a.m. and 12:15 p.m. and continue for 30 uninterrupted minutes. If the Employer elects to work into the lunch break, such time worked shall be paid at the double time rate. The starting and stopping time may be varied by mutual consent of the Employer and the Union.

B. All hours worked on any regular workday prior to the starting time and after the quitting time established herein, or agreed upon by the Union and the Employer shall be paid for at the rate of time and one-half the straight time rate.

C. All hours worked on Sunday shall be paid for at the rate of time and one-half the straight time rate.

D. Holidays shall include, at a minimum, New Year's Day, Memorial Day, July Fourth, Labor Day, Thanksgiving Day and Christmas Day. Work performed on a day designated as a holiday shall be paid for at double the straight time rate.

E. If one of the holidays named in Paragraph D above falls on Sunday, it shall be observed on Monday. Accordingly, if such an event occurs, work performed on Sunday shall be paid for at the applicable rate for that day; work performed on Monday will be paid for at double the straight time rate. If no work is performed on Monday, no pay other than waiting time (5) five hours for Journeyman and (4) hours for Helpers/Trainees shall be required.

F. An Employee shall continue to receive the overtime rate after each shift until a break of eight (8) consecutive hours occurs. All hours worked over 16 hours will be paid at the double time rate starting with the 17th hour until the Employee is given an (8) eight hour break from work

G. All Employees covered by this Agreement will be permitted in the first half and second half of a shift a paid coffee break on the job during regular working hours. It is understood that this shall be done in such manner as to not stop normal operation of the job.

#### **ARTICLE IX** **WAITING TIME**

Journeymen and Helpers shall be paid waiting time for any day(s) or regular shift(s) lost during the normal scheduled work week. For any day lost during any one work week, the waiting time payment shall be a lump sum which is the equivalent of five (5) hours' pay for Journeymen and four (4) hours' pay for Helpers/Trainees. Such pay shall be at the applicable straight time rate.

#### **ARTICLE X** **REPORTING TIME**

Employees who are required to, and do report to work at the shop at their scheduled starting time, shall be put to work for at least five (5) hours, and if not put to work, shall receive five (5) hours pay for Journeymen and four (4) hours pay for Helpers/Trainees at the Employee's regular rate, except in the case of a shutdown beyond the control of management. Employees called out for work after hours shall be paid a minimum of five (5) hours at the applicable overtime rate.

#### **ARTICLE XI** **SAFETY AND WORKING RULES, AND SAVINGS CLAUSE**

A. The Employer shall have the right to make and revise from time to time safety and working rules which are not inconsistent with any of the terms of this Agreement. The Union agrees to cooperate in the enforcement of such safety and working rules.

B. The payday shall be once each week. Employees are to be paid before the end of their regular shift. It is agreed that at the Employee's option, the Employees may be paid by 1) check; 2) direct deposit of wages on a weekly basis to the bank or financial institution of the



Employee's choice; or 3) a no-fee cash/debit card. If the Employer elects to pay by either option 2 or 3 above, the Employee shall have the right to choose between the two options (i.e., direct deposit or cash/debit card). In all cases, pay stubs will be provided to Employees within the time period referenced above. This optional manner of payment, once adopted by the Employer, may not be changed except upon advance notification to the Employees and the Union. When Employees are laid off or discharged, they must be paid wages due them at the time of the layoff or discharge. If payment is not made as provided herein, the Employees shall be paid for four (4) hours' pay per day at the applicable rate. Deductions from Employee's pay will be itemized on all payments. Employer shall make arrangements where Employees are employed to enable such Employees to cash their pay checks or use their cash/debit card at no cost to the Employee.

C. There shall be no inequitable minimum or maximum amount of work which an Employee may be required to perform during the working day and there shall be no restrictions imposed against the use of any type of machinery, tools or labor saving devices. At the discretion of the Employer, Employees may be changed from one classification to another within the jurisdiction of the Union; however, the Employee shall receive the higher rate of pay for the work performed.

D. If any provision of this Agreement is in conflict with the laws or regulations of the United States, or the State in which the work is to be performed, such provision shall be superseded by such law or regulation, but all other provisions of this Agreement shall continue in full force and effect.

## **ARTICLE XII** **NO STRIKE/NO LOCKOUT**

There shall be, during the term of this Agreement and as to any work covered hereby, no slowdown, no stoppage of work, no strike and no lockout over the terms and conditions of this Agreement, it being the good faith intention of the Parties hereto that by the execution of this Agreement industrial peace shall be brought about and maintained, that the Parties shall cooperate to the end that work may be done efficiently and without interruption. In the case of any violation of this Agreement, the Employer and the Union shall be notified immediately.

## **ARTICLE XIII** **GRIEVANCE AND ARBITRATION PROCEDURE, AND CANCELLATION**

A. Any grievances, disputes or differences of opinion which arise between the Employer and the Union shall be processed as follows:

1. Any Employee who believes that he has a grievance shall first take the matter up with his foreman.
2. If the matter is not satisfactorily adjusted between the foreman and the Employee the grievance shall be referred to the job steward. The job steward and the foreman will attempt to resolve the grievance.

3. If the grievance is not settled between the job steward and the foreman, the Employer's superintendent will be summoned to enter the discussion. When the matter cannot be settled at this level, it will be referred to the Union's Business Agent and Employer's superintendent.
4. If not settled by the preceding steps, it will be referred for adjustment to Union's Business Manager and to the Employer's Chief Officer.

B. All grievances filed by the Employer or by the Union shall begin at Step 4.

C. In the event that the matter remains unresolved after Step 4, above, either party may, within reasonable time, but no later than thirty (30) calendar days after no resolution has been reached at Step 4, refer the matter to binding arbitration proceeding upon written notice to the other party. The parties shall choose an arbitrator from a panel to be proposed by the Federal Mediation and Conciliation Service ("FMCS"). The arbitration shall proceed in accordance with the Rules of the FMCS unless otherwise mutually agreed to in writing by the Parties.

D. The parties agree that the decision or award of such Arbitrator shall be final and binding on each of the parties and that they will abide thereby. The Arbitrator shall have no authority to add to, subtract from, or to change any of the terms of the Agreement, to change an existing salary rate or to establish a new salary rate. The Arbitrator shall render his/her decision no later than fourteen (14) calendar days following the close of the hearing or submission of briefs whichever is later. Each party shall bear its expenses in preparing and presenting its own case. The cost of the Arbitrator's services and any other expenses incidental to the Arbitration, shall be borne equally by the parties. All time limits herein may be extended, in writing, by mutual agreement of the parties.

E. Either Party to this Agreement may, in the event of the failure of the other Party to comply with the arbitration award issued pursuant hereto, within thirty (30) days cancel this Agreement insofar as it relates to the Party to the dispute who has failed to comply with the award on forty-eight (48) hours written notice to that party. It is understood and agreed that there shall be no suspension of work or strike or lockout until the grievance and arbitration procedure has been exhausted. However, any settlement where hours of pay are involved shall be retroactive.

#### **ARTICLE XIV** **SUBSTANCE ABUSE POLICY**

A Substance Abuse Policy has been negotiated by the Pipe Line Contractors Association and the United Association as part of the National Pipe Line Agreement, and is attached hereto and made a part of this Agreement as Attachment 1.

ATTACHMENT A

WAGES AND FRINGE BENEFITS FOR YEAR ONE (MARCH 1, 2016-FEBRUARY 28, 2017)					
Description	Journeyman	Helper	Trainee I	Trainee II	Trainee III
Wage	\$31.33	\$15.76	\$18.87	\$21.99	\$25.10
PIBF	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20
401(k)	\$ 8.00	\$ 4.00	\$ 4.80	\$ 5.60	\$ 6.40
ITF	\$ .10	\$ .10	\$ .10	\$ .10	\$ .10
	\$45.63	\$26.06	\$29.97	\$33.89	\$37.80

**ARTICLE XV**  
**ALCOHOL MISUSE PREVENTION POLICY**

An Alcohol Misuse Prevention Policy has been negotiated by the Pipe Line Contractors Association and the United Association as part of the National Pipe Line Agreement, and is attached hereto and made a part of this Agreement as Attachment 2.

**ARTICLE XVI**  
**STANDARD FOR EXCELLENCE**

The Parties subscribe to and adopt the United Association's Standard for Excellence. When Employees are hired on the job, they shall sign, subscribe and adhere to the United Association's Standard for Excellence (a copy of which is attached hereto as Attachment 3). Employer agrees that it will adhere to all employer and management responsibilities set forth in the Standard for Excellence. It is also agreed that the Employer, Union and Employees will be bound by the procedures in place to effectuate the Standard for Excellence. It is further agreed that this Agreement will take precedence over any term or condition in the Standard for Excellence which is inconsistent with or varies from any condition of this Agreement.

**ARTICLE XVII**  
**EFFECTIVE DATE, TERMINATION AND RENEWAL**

A. This Agreement shall become effective March 1, 2015 when signed by the Parties hereto and shall remain in full force and effect until its termination as provided herein below.

B. The provisions of the Agreement shall continue in full force and effect until December 31, 2017, and year to year thereafter, subject to amendment, alteration or termination by either party upon sixty (60) days' written notice prior to December 31, 2017, or any subsequent anniversary.

**RMS HOLDINGS, LLC**

**UNITED ASSOCIATION LOCAL 798**

By: \_\_\_\_\_  
Michael R. Langston  
President

By: \_\_\_\_\_  
Daniel C. Hendrix  
Business Manager

**VOLUNTARY RECOGNITION AGREEMENT**

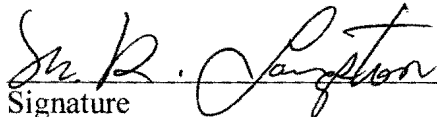
The undersigned employer hereby agrees to recognize Local 798, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO ("Union") as the sole and exclusive majority representative of the employees of RMS Welding Services, LLC ("Employer") performing the following work for the Employer:

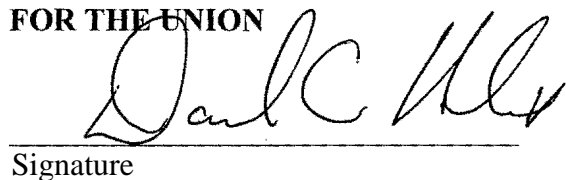
All work performed by the Employer at its facility located at 601 Aurora Business Park Drive, Conroe, TX 77301-4769 pertaining to the assembly, building, maintenance, mobilization and repair of automatic welding equipment, and weld procedure development.

Such grant of recognition is made this \_\_\_\_ day of \_\_\_\_\_, 2015 pursuant to Section 9(a) of the National Labor Relations Act. The Employer agrees that the Union has requested such recognition, presented evidence of its majority status to the Employer, and that the Employer has confirmed that the Union has been authorized by a majority of the employees as their exclusive bargaining representative. Accordingly, the undersigned Employer hereby recognizes the Union as the exclusive bargaining representative of the above-referenced employees.

**FOR THE EMPLOYER**

**FOR THE UNION**

  
Signature

  
Signature

MICHAEL R. LANGSTON  
Print Name

\_\_\_\_\_  
Print Name

Print Company Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State Zip Code