

AGREEMENT

BETWEEN

CONTINENTAL FABRICATION SERVICES, A
DIVISION OF MICHELS CORPORATION

AND

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

(June 5, 2017 through May 31, 2020)

This AGREEMENT is made by and between Continental Fabrication Services, a division of Michels Corporation, 14 Municipal Drive, Carrollton, MO 64633 ("CFS" 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

This Agreement shall cover the wages, hours, working conditions and other terms of employment for Employees performing work in the classifications set forth in Article II, below for the Employer in the operation of its permanent commercial pipe fabrication shop located at 14 Municipal Drive, Carrollton, MO 64633 ("the Shop"). Specifically, this Agreement shall cover all pipe fabricating operations on piping materials in commercial use in the pipeline industry. In conjunction with this Agreement, the Employer has also executed the National Minimum Standard Agreement for a Commercial Pipe Fabrication Shop ("National Agreement") which is a national agreement of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO ("United Association").

ARTICLE II
JOB CLASSIFICATIONS

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

A. "Journeyman" shall mean a person hired as a pipefitter or welder to fabricate pipe formations and assemblies at the Shop.

B. "Lead Finish Painter" shall mean a helper who is assigned a lead position for the work of finishing and/or painting of any and all pipe formations fabricated in the shop.

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

ARTICLE III
RECOGNITION

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

B. The Employer shall abide by the provisions of Articles XI and XV of the National Agreement with respect to union dues, checkoff, union access and representation.

ARTICLE IV
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 hire personnel in a manner consistent with Article VI of the National Agreement. The Parties understand that the unique nature of this work requires working in a cooperative effort prior to dispatch to ensure proper qualifications are in order.

C. The Employer shall have the sole right to determine the number of the Employees to be hired under each classification.

D. The Employer will have the right to hire and promote Employees within each classification.

ARTICLE V
MINIMUM WAGE RATES, FRINGE BENEFITS AND PER DIEM

A. The minimum wages rates, per diem and fringe benefits for the period of June 4, 2018 through June 3, 2019:

| | Journeyman | Lead Finish Painter | Helper |
|-------------------------|----------------|---------------------|----------------|
| Wages | \$34.52 | \$25.87 | \$16.12 |
| Fringes Benefits | \$21.34 | \$14.21 | \$14.21 |
| PIBF | \$7.35 | \$7.35 | \$7.35 |
| PIPF | \$11.53 | \$5.43 | \$5.43 |
| 401(k) | \$2.36 | \$1.33 | \$1.33 |
| | | | |
| ITF | \$.05 | \$.05 | \$.05 |
| UALMC | \$.05 | \$.05 | \$.05 |
| Per Diem: | | | |
| Welder: | \$92.50 | | |
| Non-Welder: | \$32.50 | \$32.50 | \$32.50 |

B. Effective June 4, 2018, the wage and fringe benefits rates shall be increased by \$1.25 for Journeyman, \$1.00 for Lead Finish Painter, and \$0.75 for the Helper classifications. The Union will, in its sole discretion, determine the allocation of the increases to 1) wages and/or 2) fringe benefits. A modified Wage and Benefits chart will be distributed after the June 4, 2018 increase is allocated.

C. Effective June 3, 2019, the total wage and fringe benefits rates shall be increased by \$1.25 for Journeyman, \$1.00 for Lead Finish Painter, and \$0.75 for the Helper. The Union will, in its sole discretion, determine the allocation of the increases to 1) wages and/or 2) fringe benefits. A modified Wage and Benefits chart will be distributed after the June 3, 2019 increase is allocated.

D. There will be no Graded Welder Helpers other than the Graded Welder Helper on hydrostatic testing and bevel sandblasting. Such Graded Helpers will receive a rate that is \$.75 per hour above the applicable Helper rate.

E. The Employer may at its sole discretion appoint a Lead Finish Painter. The Lead Finish Painter will be paid per the wage rates, fringe benefits, and per diem set forth in this Article V (A), (B) and (C) for the respective periods.

F. The Steward shall receive premium pay of no less than \$2.00/hour above the minimum scale paid to Journeymen as set forth in Article V of this Agreement. Foremen shall receive premium pay of no less than \$2.00/hour above the minimum scale paid to Journeymen as set forth in Article V of this Agreement.

G. The Employer shall have the unilateral right to increase pay and implement other improvements in compensation, benefits and other terms of employment above contractually required minimums within this agreement on an individual basis.

ARTICLE VI

FRINGE BENEFIT CONTRIBUTIONS

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

1. For all Employees, the sums set forth in Article V, above (and as hereinafter modified by the Parties in accordance with this Agreement) are to be paid to the Pipe

Line Industry Benefit Fund ("PIBF"). The Agreement and Declaration of Trust of the Pipe Line Industry Benefit Fund is incorporated and made a part of this Agreement by reference thereto.

2. For all Employees, the sums set forth in Article V, above (and as hereinafter modified by the Parties in accordance with this Agreement) are to be paid to the Pipe Line Industry Pension Fund ("PIPF"). The Agreement and Declaration of Trust of the Pipe Line Industry Pension Fund is incorporated and made a part of this Agreement by reference thereto.

3. For all Employees, the sums set forth in Article V, above (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. The amount of the QNEC shall not be less than 3% (three percent) of wages. For all Employees, 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. There are no matching employer contributions. 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/40 I(k) Fund. The Employee and Employer are bound by the terms of the Pipeline Industry Annuity/40 I(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. For all Employees, the sums set forth in Article V, above (and as hereinafter modified by the Parties in accordance with this Agreement) are to be paid to the United Association International Training Fund ("ITF"). The Agreement and Declaration of Trust of the United Association International Training Fund is incorporated and made a part of this Agreement by reference thereto.

5. For all Employees, the sums set forth in Article V, above (and as hereinafter modified by the Parties in accordance with this Agreement) are to be paid to the United Association Labor Management Cooperation Fund ("UALMC"). The Agreement and Declaration of Trust of the United Association Labor Management Cooperation Fund is incorporated and made a part of this Agreement by reference thereto.

B. The submitting of contributions/deductions provided for in this Article shall be governed by the provisions of Article VII. Notwithstanding the specific contribution rates set forth in this Agreement (including the Exhibits and Attachments thereto), the Parties agree that contributions to the fringe benefit funds shall increase periodically in accordance with the terms set forth in Article VI and such increased rates shall be binding on the Parties hereto.

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 Pipe Line Industry Pension Fund, the Pipeline Industry Annuity/40 I(k) Fund, the International Training Fund, and the United Association Labor Management Cooperation Fund, above, shall be deemed and are considered to be the assets of each such trust fund.

B. Changes in the amounts to be contributed to each Fund may be made by agreement between the Employer and the Union.

C. The Pipe Line Industry Benefit Fund, the Pipe Line Industry Pension Fund, the Pipeline Industry Annuity/401(k) Fund, the International Training Fund and the United Association Labor Management Cooperation Fund shall be administered by their respective Board of Trustees, appointed in accordance with the applicable Trust Agreements.

D. There have heretofore been prepared and executed Trust Agreements for the PIBF, PIPF, Pipeline Industry Annuity/401(k) Fund, ITF, and UALMC, which the Employer has agreed to adopt. The Employer consents to the appointment and retention of the current and future governing boards of trustees of each Trust 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.

E. The Employer 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.

F. If, in the opinion of the Board of Trustees of any of the above named Funds, the Employer has had 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 the 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.

G. The Employer shall report and pay regularly, and no less frequently than its regular payroll period, all contributions due.

H. Contributions to the Pipeline Industry Benefit Fund, Pipeline Industry Pension Fund, International Training Fund, Pipeline Industry Advancement Fund, and the United Association Labor Management Cooperation Fund to which contributions are required to be made 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 said delinquent 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, said 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 10th 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.

I. 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 the Employer, by certified mail, a copy of all pleadings and notices of suit. The Parties agree that all actions arising in connection with the 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 VIII. 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.

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

K. 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 Employee shall be terminated or retaliated against 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. Hours of work shall be consistent with Article IX of the National Agreement. 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. There shall be a one-half (1/2) hour for lunch which shall be unpaid. If the Employer elects to work into the lunch break, such time worked shall be paid at applicable overtime rates. Any variations to the provisions of this Agreement shall be varied only by mutual consent of the Employer and the Union.

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

C. 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.

D. 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 (2) two hours for Journeyman, Painters, and Helpers/Trainees shall be required.

E. 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.

F. 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.

G. Shift pay shall be in accordance with the terms of the National Agreement.

H. As an alternative to the five day eight hour work week, and in accordance with Article IX of the National Agreement, some or all Employees may be directed by the Employer to work a four ten hours per day work week, Monday through Friday. All hours worked in excess of the ten (!0) hour work day Monday through Friday or in excess of forty (40) hours Monday through Friday shall be paid at the rate of time and one-half of the straight time wage rate of pay. All hours worked on Saturday and Sunday shall be paid at the rate of time and one-half of the straight time wage rate of pay. If the Employer elects to work a four/ten alternative shift, Employees shall be paid per diem based on days worked.

ARTICLE IX
WAITING TIME

Journeymen, Painters, and Helpers shall be paid waiting time for any day(s) or regular shift(s) lost during the normal scheduled work week. For any holiday lost during any one work week, the waiting time payment shall be a lump sum which is equivalent to two (2) hours' pay. For any other 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 other classifications. Such pay shall be at the applicable straight time rate. Painters and Helpers shall not receive any fringe benefit contributions on any waiting time hours.

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 other classifications 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 except, however, final payment may be made by 1) check; 2) cash/debit card; 3) or direct deposit, subject to the Employee's execution of a standard authorization form agreed upon by Local 798 and CFS providing for direct deposit in the normal course of the Employer's direct deposit program. 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

No-strike/no lockout terms shall be governed by Article XVII of the National Agreement.

ARTICLE XIII

GRIEVANCE AND ARBITRATION PROCEDURE, AND CANCELLATION

A. Any grievances, disputes or differences of opinion which arise between the Employer and the Union that arise under this Agreement 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.

F. Where a grievance arises under this Agreement and under the National Agreement, it shall be resolved under the grievance procedure set forth in the National Agreement (Article XVI) unless the United Association and the Employer mutually agree to resolve the grievance in accordance with the grievance and arbitration provisions set forth in this Agreement.

ARTICLE XIV
SUBSTANCE ABUSE POLICY

The Parties agree to abide by the terms of the Substance Abuse Policy attached hereto as Attachment 1 and made a part of this Agreement.

ARTICLE XV
ALCOHOL MISUSE PREVENTION POLICY

The Parties agree to abide by the terms of the Alcohol Misuse Prevention Policy attached hereto as Attachment 2 and made a part of this Agreement.

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 June 2, 2014 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 June 4, 2017, and year to year thereafter, subject to amendment, alteration or termination by either party upon sixty (60) days' written notice prior to June 4, 2017, or any subsequent anniversary.

CONTINENTAL FABRICATION SERVICES,
A DIVISION OF MICHELS CORPORATION

UNITED ASSOCIATION LOCAL 798



By: _____

Robert C. Osborn
Sr. Vice-President



By: _____

Daniel C. Hendrix
Business Manager