

LABOR AGREEMENT

BETWEEN

CLEAVER-BROOKS NEBRASKA BOILER

AND

LODGE NO. 83,

INTERNATIONAL BROTHERHOOD

OF

**BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS,
FORGERS AND HELPERS**

November 15, 2007 through November 4, 2011

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Articles of Agreement

CLEAVER-BROOKS NEBRASKA BOILER, 70th and Cornhusker Highway, Lincoln Nebraska (hereinafter referred to as the "Employer"), and the **INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, LODGE NO. 83** (hereinafter referred to as the "Union").

THIS AGREEMENT, governing wages and working conditions on shop and field repair work coming under the jurisdiction of the Union, shall govern the relations between the Union and the Employer.

ARTICLE 1. RECOGNITION

Section A. The Employer recognizes the Union as the sole bargaining agent for all of its shop and field repair employees in the performance of all work coming within the terms of this Agreement.

Section B. In the event the parties, subsequent to the signing of this Agreement, are authorized under the provisions of the Labor Management Relations Act, or other applicable laws, or it is possible by reason of an amendment to or repeal thereof, to enter into an Agreement requiring membership in the Union as a condition of employment, or in the event it is determined by a final judgment of a court of competent jurisdiction that such authorization is unnecessary, either party may give written notice to the other of its desire to reopen the provisions of this Agreement affecting union security. In the event such notice is given, the parties shall meet within fifteen (15) days to negotiate such union security provisions.

ARTICLE 2. SCOPE OF AGREEMENT AND WAGE SCALES

Section A. This Agreement shall apply to all work of the Employer coming within the trade claims of the International Brotherhood and within the jurisdictional territory of Lodge No. 83.

Section B. The wages provided in Articles 4, 15, and 16 of this Agreement shall apply on any work away from shop that is to be performed on any article or piece of equipment requiring a part replacement so as to keep or return such article or piece of equipment to a condition as near possible to its

original design or condition at time of manufacture, and any alterations on boilers and auxiliary equipment. (Except as provided in Section C below).

Section C. The Building Trades wage rates of the Lodge having jurisdiction on the work to be performed shall apply to all new construction work built by the Employer away from the shop consisting of stacks, standpipes, breechings, air ducts, tanks, water towers, and utility company high pressure boilers.

Section D. On boilers manufactured by the Employer of 75 H.P. or less where field installation and erection is involved, the rates applicable to said installation or erection shall be optional to the Employer, but in no case shall said rates be less than the rates provided in Articles 4, 16, and 17 of this Agreement.

On boilers manufactured by the Employer of 75 H.P. where field installation and erection are involved, said installation or erection shall be governed by the provisions of the Missouri River Basin Agreement.

Section E. It is understood and agreed that new work fabricated in the shop may be erected away from the shop within the jurisdictional territory of Lodge No. 83 by the Employer's employees on the basis of the wage rates and working conditions established under the provisions of the Missouri River Basin Agreement and established rules of Lodge No. 83.

Section F. Pronouns in the male gender appearing in this Agreement are intended to include the female gender.

ARTICLE 3. **MANAGEMENT RIGHTS**

Section A. The Management of the business and the direction of the work force, including the rights to plan, direct and control plant operation and production, to decide the machines, tools and equipment to be used and the products to be manufactured, to hire, suspend, discipline, discharge, transfer and promote employees or to lay off employees because of lack of work, and to establish, change and enforce reasonable rules and regulations, including attendance policies, for the operation and regulation of the plant, and to introduce new production methods, facilities or products, is vested exclusively in the Employer; provided, however, that any action by the Employer in the exercise of its management rights does not conflict with the provision of this Agreement.

ARTICLE 4. **WAGES**

Section A. The Employer agrees to pay to the employees covered by this Agreement, as minimum rates for all shop work, the wages set forth in the wage scales for the various grades in Schedule "A" attached to and made a part of this

Agreement. Nothing in this Agreement shall prohibit the Employer from paying any employee a wage rate higher than the minimum rates of pay set forth in said Schedule A.

Section B. Shop wages shall apply on all work performed in the shop or on the Employer's property immediately adjacent to the shop. Such shop must be the Employer's permanently established place of business.

ARTICLE 5. HOURS OF WORK – SHIFT WORK

Section A. The workweek begins on Monday and ends on Sunday. The standard workweek is forty (40) hours, five (5) days a week, eight (8) hours a day, Monday through Friday. Additional work may be scheduled by Management to meet production needs at wage rates as defined in Article 6 of this Agreement.

Section B. The first shift (or regular shift) will work from 7:00 AM to 11:30 AM, take thirty (30) minutes off for lunch on employee's time, then work 12:00 PM to 3:30 PM. The second shift will work from 3:30 PM to 8:00 PM, take thirty (30) minutes off for lunch on employee's time, then work 8:30 PM to midnight. The third shift will work from midnight to 4:30 AM, take thirty (30) minutes off for lunch on employee's time, then work 5:00 AM to 8:30 AM. The starting times may be adjusted by mutual agreement between the Company and the Union.

Section C. The hours of work above specified shall not be construed as any guarantee of hours of work per day or per week.

Section D. The second and third shift premium shall be seventy cents (\$0.70) per hour. Effective November 2, 2009, such rate shall be increased to seventy-five cents (\$0.75) per hour.

Section E. When an employee is scheduled to work at least two (2) hours overtime, either before regular working hours or after regular working hours, he shall be entitled to a (ten) 10 minute break.

Examples: If scheduled to commence work at 5:00 AM or earlier in lieu of normal starting time of 7:00 AM, he shall be entitled to a break from 6:50 AM to 7:00 AM. If scheduled to continue to work until at least 5:30 PM in lieu of normal stopping time of 3:30 PM, he shall be entitled to a break from 3:30 to 3:40 PM (above applies to 2nd and 3rd shift also).

Section F. When an employee is required to work twelve (12) hours on any shift on any day, then he shall be allowed thirty (30) minutes to eat without loss of pay at straight-time; and if work is to continue an additional four (4)

hours, he shall be allowed an additional thirty (30) minutes to eat without loss of pay at straight-time if work is to continue beyond this point.

ARTICLE 6. **OVERTIME**

Section A. All hours worked in excess of forty (40) hours per week shall be paid at one and one-half (1-1/2) times the employee's regular straight-time hourly rate.

Section B. All hours worked in excess of eight (8) on a regularly scheduled workday, Monday through Friday, shall be paid at one and one-half (1-1/2) times the employee's regular straight-time hourly rate.

Section C. All hours worked on Saturday and Sunday shall be paid at one and one-half (1-1/2) times the employee's regular straight-time hourly rate. Double (2x) time will be paid for Sunday hours if the employee has worked all scheduled hours on the prior six (6) consecutive work days.

Section D. Double time his regular hourly rate shall be paid for all hours worked by any employee on holidays recognized under Article 7 of this Agreement, plus eight (8) hours of holiday pay, payable under said Article 7.

Section E. Overtime payments shall not be duplicated for the same hours worked under any of the terms of this Agreement, and to the extent that hours are compensated for at overtime rates under one provision, they shall not be counted as hours worked in determining overtime under any other provision.

Section F. An employee who has reason to leave before his normal shift is completed shall notify his immediate supervisor during the first hour of work. Emergency leave of absence shall also require notification of the immediate supervisor. Failure to notify the supervisor as above prescribed shall result in forfeiture of overtime premium if applicable.

Section G. When overtime is necessary in a particular department or on a particular project and the work force needed cannot be filled with qualified employees by voluntary overtime, the Company will post by name the employees required to work. Employees will be selected by qualification and seniority, with first consideration given to the employees that work in that department or on a specific project. The Employer will attempt to distribute overtime as equally as possible.

Section H. The Employer, through the Plant Manager, agrees to try to divide overtime work relatively equally among the employees in the bargaining unit; where a choice must be made between two employees relatively equal in

skill and ability for the work to be performed, seniority shall prevail in any choice.

ARTICLE 7.

HOLIDAYS

Section A.

The following days will be recognized as paid holidays under this Agreement: New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, Day before Christmas, Christmas Day and 31st of December. Should any of the above mentioned holidays fall on Saturday or Sunday, then the day observed by the State or nation shall be considered as the holiday.

In addition to the holidays specified above, employees shall also receive one (1) floating holiday each contract year. Unless such holiday is taken in conjunction with a vacation shutdown as provided in Article 12, Section H, the holiday shall be taken at a time to be voted on by all bargaining unit employees in the facility.

Section B.

In order for an employee to be eligible for holiday pay, the following requirements must be satisfied:

- (1) The employee shall have completed 30 calendar days of employment and be a regular full-time or regular part-time employee;
- (2) Must work eight (8) hours the last scheduled workday before and eight (8) hours the first scheduled workday after the holiday (unless on vacation, jury duty, approved leave of absence, or absent from work because of disabling illness or injury and under a doctor's care where the disability began less than thirty (30) days prior to the holiday). The company will attempt to meet its overtime needs on the day before a holiday on a voluntary basis.

Section C.

Each regular full-time employee eligible under this Article shall receive eight (8) hours pay at his regular straight-time hourly rate, including shift premium, effective at the date of the holiday for each of the recognized holidays.

Section D.

Each regular part-time employee eligible under this Article shall receive holiday pay for each of the recognized holidays computed as the proportion of eight (8) hours pay at his regular straight-time hourly rate, including shift premium, effective at the date of the holiday constituted by the average number of hours per week worked by the employee during the four (4) weeks preceding the week during which the holiday occurs compared to forty (40) hours.

Section E. A holiday occurring during an employee's vacation will be paid for in addition to vacation pay, or time off will be granted, depending upon the needs and desires of the Employer and the employees.

ARTICLE 8. MINIMUM PAY AND REPORTING TIME

Section A. An employee starting to work his regular shift, or called to work after the starting time of a shift, shall receive not less than four (4) hours pay, and if such employee is required to continue on the second period of the shift, he shall receive not less than a full day's pay. However, this Section shall not apply if an employee is not given or able to work because of a failure of any public utility service or other circumstance beyond the control of the Employer.

Section B. An employee required by the Employer to report for work and not given work shall receive four (4) hours pay, unless prevented by unavoidable circumstances work beyond the control of the Employer.

Section C. Sections A and B shall not apply to any employee who is called back to work to perform maintenance work, after leaving the premises, following his regular shift. Any such employee shall receive a minimum of two (2) hours pay, unless prevented from working by unavoidable circumstances beyond the control of the Employer.

ARTICLE 9. SENIORITY

Section A. The principle of seniority shall govern layoffs and recalls where the employee is qualified to perform the work required.

Section B. Employees laid off by reason of lack of work and desiring to retain their seniority rights must keep their whereabouts known to the Employer. Any laid-off employee shall notify the Personnel Office of any change of home address. On recall, the Employer shall be responsible for notifying the laid-off employee only at the last home address shown in the Personnel Office records. Notice of recall shall be sent by Certified Mail, Return Receipt Requested, or by telegram. An employee notified of recall from layoff shall report his intent to return to work to the Personnel Office within five (5) calendar days of receipt by such employee of his notice of recall to work. Such report shall specify the date the employee will report ready for work, which date shall not be later than five (5) working days after the date of his report of intent to return to work, unless a later date for a justifiable reason is agreed upon in writing between the employee and the Employer. Any employee who fails to give notice of intent to return to work or does not return to work within the limits set forth above, shall lose his seniority rights.

Section C. Employees entering the military service of the United States in time of war or called into said military service under the Selective Service and Training Act will be considered on leave of absence and will retain all seniority rights, provided that the employee reports for work within ninety (90) days after the conclusion of his military service and otherwise pursuant to the provisions of the Selective Service and Training Act. Nothing in this Section shall be construed as imposing an obligation on the Employer to return the employee to work in case the Employer's circumstances are such as to make it impossible or unreasonable to do so. Members of the National Guard or Reserve will be allowed time off to fulfill the obligations so directed by State and/or Federal Regulations without loss of seniority or vacation time.

Section D. An employee shall lose his seniority rights for any one of the following reasons:

- (1) Quit or retirement;
- (2) Being discharged from his employment for just cause;
- (3) Noncompliance with the terms of Sections B and C of this Article with respect to layoffs and going into military service, respectively;
- (4) On layoff for a continuous period in accordance with the following schedule:

<u>Seniority to Date of Layoff</u>	<u>Period of Layoff Before Loss of Seniority</u>
Up to 2 years	12 months
2 to 5 years	24 months
Over 5 years	30 months

Section E. A new seniority list shall be posted on the Company bulletin board after the end of each three (3) months.

Section F. An employee shall not be entitled to seniority rights until they have been employed continuously for a probationary period per Article 30, and then his seniority shall date back to date of hire.

Section H. Shift Selection. Shift selection for a bid job will be determined through the bid job process. For non-bid jobs, the shift opening will be posted. The senior interested employee on the off shift will be selected provided such employee possesses the necessary skill and ability to perform the

work in question. If no employee possesses the necessary skill and ability, the Company may hire an employee possessing such skills or train the senior interested employee.

ARTICLE 10. **CHECK-OFF OF UNION DUES**

Section A. The Employer agrees to deduct union dues from the first paycheck in each month of each employee who has furnished to the Employer a written assignment authorizing such deduction. Such written assignment shall be irrevocable for a period ending one (1) year from the date thereof, or the expiration date of this Agreement, whichever comes sooner. Only such dues as are uniformly imposed on members in good standing will be deducted.

Section B. All sums deducted will be forwarded promptly to the party designated by the Steward in writing and signed by the Business Agent assigned to the territory. Said Union and its officers and members agree to indemnify and save harmless the Employer from any claims or demands arising out of the operation of this Article 10.

ARTICLE 11. **PROMOTIONS**

Section A. Employees shall be given preference for promotion. The Management shall be the sole judge of qualifications for promotion, but seniority, ability, and requirements of the job shall be considered by Management in any such decision.

ARTICLE 12. **VACATIONS**

Section A. Each regular full-time employee shall receive a vacation with pay during each year of his employment on the following basis, with the years of continuous employment being computed from each employee's date of hire:

<u>Continuous Year of Employment</u>	<u>Hours of Vacation Entitlement</u>
After 1 year	40 hours (1 week)
After 3 years	80 hours (2 weeks)
After 8 years	100 hours (2-1/2 weeks)
After 10 years	120 hours (3 weeks)
After 15 years	140 hours (3-1/2 weeks)
After 20 years	160 hours (4 weeks)

Section B. Each regular part-time employee shall receive a vacation with pay during each year of his employment on the basis provided above for full-time employees, except that the hours of Vacation Entitlement for each Continuous Year of Employment will be that proportion of the hours constituted by the total number of regular hours worked by the employee during the year of employment determining his eligibility compared to Two Thousand Eighty (2,080) hours.

Section C. Vacation pay shall be computed at the employee's regular straight-time hourly rate, including shift premium, in effect on employment anniversary date. Employee's vacation will be paid on the first regularly scheduled pay period following employee's scheduled vacation, with a minimum of one (1) week written notice. Employees may receive their vacation pay on the first scheduled pay period following their anniversary date, if they so desire, with a minimum of one (1) week's written notice. The withholding taxes on that vacation pay will be at a separate, fixed rate which will not penalize employees for a higher tax rate. As a result, this check will compensate the employee the identical amount as if two separate checks were issued. Under no circumstances will pay rate change from that of employee's anniversary date.

Section D. A vacation will be granted so far as possible in accordance with the request of the employee. Senior employees will be given preference, but the Employer may allot vacation times in such a manner as to ensure orderly operation, adequate and continuous service to its customers, and maintenance of its plant.

To facilitate this process, employees may submit a vacation request form between March 1 and March 15. The company will post an approved vacation list on or before April 1 with conflicts resolved on the basis of seniority. All other vacation requests will be handled on a seniority basis, provided a minimum of five (5) days notice is provided. Employees may be granted vacation with less than five (5) days notice but no less than twenty-four (24) hours notice on a first come first serve basis. Employees granted a vacation of one day or greater which includes a Friday will be exempt from overtime on the weekend following the Friday.

Section E. Pay in lieu of vacation will be granted by the Employer where circumstances indicate that such is reasonable.

Section F. Employees may carry a maximum of one (1) week of vacation into the following vacation year. All other vacation must be taken before the end of the twelve (12) months following the anniversary of date of hire determining the employee's eligibility. If an employee quits his employment, other than for retirement purposes*, or is discharged from his employment for "just cause" prior to the end of any year of

employment determining his eligibility, he will not receive any prorated vacation benefit.

* "for retirement purposes" is defined as "minimum age 60 with at least 5 years of service."

Section G. Any full-time employee who is not working because of injury or illness will be paid his/her vacation pay on the first regularly scheduled pay period following their anniversary date. Anyone missing more than two hundred eighty-eight (288) hours (not including overtime) over a one (1) year period due to sickness or accident will be prorated according to hours worked. Any full-time employee with more than eight (8) years of seniority will be exempt from prorating of vacation.

Section H The company may announce on or before March 1 of each year a vacation shutdown of up to a maximum of four (4) calendar days per year to be taken in conjunction with either the July 4 or Christmas/New Year's holidays. One (1) of the four (4) days will be the floating holiday provided for in Article 7, Section A. All employees entitled to more than ten (10) days of vacation will be required to take vacation during the vacation shut-down period. However, those employees entitled to one hundred (100) hours of vacation will only be required to use twenty (20) hours of vacation.

ARTICLE 13. **PAY DAY**

Section A. Employees shall be paid weekly on a designated day during working hours, and in no case more than five (5) days after the close of the weekly payroll period.

Section B. Employees who are discharged or quit their employment shall receive their personal property in full immediately and their wages the next regularly scheduled pay day.

Section C. In the event an employee's paycheck is short more than twenty-five dollars (\$25) in weekly compensation from that which the employee is due, that employee will be compensated by separate check no later than the next regular work day of the Accounting Department, following scheduled pay day.

ARTICLE 14. **FIELD WORK**

Section A. The Employer shall have the right to send employees out of the shop to perform repair or installation work into any territory where the work is being performed or is to be performed. Any such employee will receive three dollars (\$3.00) per hour above his regular rate, including shift

premium, for such work. Management agrees to notify the Union when an employee is sent out of the shop to perform work.

ARTICLE 15. TRAVEL TIME, TRANSPORTATION AND SUBSISTENCE

Section A. On all repairs and installation work outside a twelve (12) mile radius from the Employer's plant and established place of business located at 70th and Cornhusker Highway, Lincoln, Nebraska, any employee performing such work shall receive transportation and pay for time traveling to the job at its beginning and from the job at the completion at the employee's regular straight-time rate. (Travel time does not apply toward time worked in respect to overtime.) Daily travel time between hotel/motel and work site, while working outside the twelve (12) mile radius shall be considered normal residence to work place travel and shall be exempt from travel pay, however, daily transportation (auto, taxi, bus, etc.) shall be supplied to the employee. The Employer shall provide room and board for each employee employed on the job.

Section B. On all repairs and installation work within a twelve (12) mile radius from the Employer's plant and established place of business located at 70th and Cornhusker Highway, Lincoln, Nebraska, the Employer has the option of requiring employees to report directly to the job instead of at the plant at the beginning of the regular work day; and in such case, the regular work day will commence and end at the job and neither the time spent traveling to the job from the employee's home and from the job to the employee's home or the cost of such travel shall be paid by Employer.

ARTICLE 16. TRANSPORTATION OF TOOLS, EQUIPMENT, FUEL & MATERIALS

Section A. The Employer shall provide for the transportation of all tools, equipment, fuel and materials to all jobs except tools that can be carried by hand.

ARTICLE 17. MINIMUM REPAIR CREW

Section A. The Employer and the Union recognize that in the best interests of all of the parties, two or more men should be sent on most repair jobs away from the shop, to perform such work as welding, cutting, riveting, adding to or replacing any steel or iron on any of the various equipment, where hazardous conditions exist, that comes within the trade claims of the International Brotherhood. The Employer agrees to use reasonable efforts to make such arrangements with its customers so as to be able to send two or more men on such repair jobs. When equal numbers of men are sent on such repair jobs, the Company will attempt to balance the crew size with qualified employees from each shift.

Section B. On all jobs away from the shop that employees are sent on, Management will advise the employee(s) and the customer that all necessary lockouts are to be in place prior to employee commencing any work. Where one (1) employee is sent out by themselves, the employee and the customer will be advised that the employee should not be left by themselves. The employee is to notify the Company should either non-compliance condition exist.

ARTICLE 18. **AGENT OF UNION AND RESPONSIBILITY**

Section A. It is understood and agreed that Lodge No. 83 shall designate a Steward for each shift who is duly authorized and will be consulted in all matters pertaining to the application of this Agreement. It is further specifically understood that the International Brotherhood will only be liable for the acts of the Steward when such acts have first been approved in writing by the International President's office.

Section B. Nothing contained herein shall be construed as limiting or abridging the right of the International Brotherhood to assign an International Representative to work with or assist the Union, Steward or Business Agent in the negotiation or application of the terms and conditions of this Agreement.

ARTICLE 19. **DUTIES OF THE STEWARD**

Section A. The Steward's duties, as a member of the Shop Committee, shall be to settle grievances that might arise on the job, subject to the provisions contained in Article 27 Grievance and Arbitration Procedure.

Section B. The Steward shall see that the terms and provisions of this Agreement, and the Working Rules of Lodge No. 83 are fully complied with, and report any infractions thereof to the Business Agent.

Section C. There shall be no discrimination or threats made against any Steward on account of the performance of his duties.

Section D. Upon notification to their respective supervisors, the Steward shall have the right to talk to all new employees concerning membership in the Union for ten (10) minutes on Company time upon successful completion of employees' probationary period.

ARTICLE 20. **TESTS**

Section A. Any employee who is required to take a qualification test shall be paid for the time required to take the test.

ARTICLE 21. **CHANGING TERMS OF AGREEMENT**

Section A. Under no circumstances shall the Steward or any employee make any arrangement with the Operations Manager or other supervisor or Management that will change or conflict in any way with any term or provision of this Agreement.

ARTICLE 22. **SAFETY MEASURES, HEALTH AND SANITATION**

Section A. All work of the Employer shall be performed under safety conditions which must conform to State and Federal Safety Regulations. All toilet rooms, wash rooms, locker rooms, and lunchroom shall be maintained in a clean dry and sanitary condition, properly lighted, heated, and ventilated. Pure and properly cooled drinking water shall be furnished employees at all times.

Section B. All plant production area employees must wear safety helmets, safety eye protection, and safety shoes at all times. The safety shoes worn by an employee may be modified only pursuant to a doctor's directions. Other employees, visitors, etc. entering production area must wear the safety helmets and eye protection, but are not required to wear the safety shoes. Company will provide the following personal protective equipment (PPE) at no cost to the employee where required: welding gloves, welding hoods, welding leathers or jackets, eye and hearing protection, hard hats. PPE damaged through normal wear and tear shall be replaced at no cost upon turning in old item. Employees may replace lost items or elect optional PPE through payroll deduction. Employees electing optional PPE shall pay Company cost less value of base PPE item as provided for by Company.

Section C. There shall be a Safety Committee of no more than four (4) factory employees, and four (4) representatives of Employer of which one (1) of each (respectively) will be designated a floater. The Safety Committee shall meet as often as deemed necessary, but not less than once a month. It shall be determined by both parties on the second Monday of each month as to day and time which meetings should be held in that week. The Company agrees that factory employee representatives will not be discriminated against because of their affiliation with the Safety Committee.

Section D. Printed forms will be available for all employees to submit written suggestions to the Safety Committee for consideration. All suggestions will be read and discussed at the next Safety Committee meeting. Minutes of all Safety Committee meetings will be posted on the bulletin board for all employees to read. Special meetings of the Safety Committee will be held any time the need for such arise.

- Section E. Upon completion of the Minutes of the Safety Meeting, they shall be posted in the Shop.
- Section F. If an employee becomes sick or injured on the job and is incapable of driving, suitable arrangements will be made by the Company to transport the employee to his/her home or hospital.
- Section G. The Company will provide a safety boot allowance to be paid once each contract year upon presentation of a receipt of purchase. During the term of the agreement, the Company will pay 50% of the cost of the safety boots up to a maximum of \$75.00.

ARTICLE 23. CESSATION OF WORK – LOCKOUT

- Section A. During the life of this Agreement, neither Lodge No. 83 nor the International Brotherhood will authorize or ratify a strike, work slowdown or work stoppage except for violation of this Agreement by the Employer, and then only after a vote of the employees involved in strict compliance with Article XVI of the Subordinate Lodge Constitution.
- Section B. Any employee entering into an unauthorized or unratified work stoppage will be subject to discharge. Any such discharged employee shall have access to the grievance procedure as set forth in Article 27 of this Agreement; however, the only defense that may be raised is that, (1) there was no violation of this Section, or (2) the employee was not involved in the alleged violation.
- Section C. The Employer agrees that there will be no lockout for any cause during the life of this Agreement except for violation of this Agreement by Lodge No. 83, or the International Brotherhood. Discharge of any employee for infraction of Employer rules shall not be considered as a lockout of such employee.
- Section D. It is further agreed that the Employer will not claim damage against Lodge No. 83 or the International Brotherhood because of any strike which was not ratified in accordance with the provisions of Section A of this Article 23.

It shall not be a violation of this Agreement for the Union or its members to refuse to work on any project for any Employer that has been declared unfair by the International Brotherhood or for refusal to pass through a picket line authorized and approved by the International Brotherhood.

ARTICLE 24. JURY DUTY

Section A. Any employee called for jury duty will be excused from his regular work for this purpose and the Employer will pay the difference between his regular pay and his jury duty pay. In order to qualify, the employee shall endorse and present his jury duty pay warrant to the Employer and in return will be paid eight (8) hours at his then effective hourly rate for each day covered by the jury duty pay.

Section B. These make-up payments shall be made for the entire length of each occasion. The employee will be expected to report to the Operations Manager when temporarily excused from attendance at court for such assignment of work as is reasonable under the circumstances.

ARTICLE 25. LEAVE OF ABSENCE

Section A. Leave of absence without pay may be granted to employees by the Company for urgent or substantial reasons for a period not to exceed ninety (90) days. The employee may make application for, and the Company may grant reasonable extensions of, such leave of absence. The Company shall grant leaves of absence to employees who have been elected or appointed to fill Union office for a period of such tenure of office. Employees shall continue to accrue seniority for the period of authorized leave of absence. All decisions are at the sole discretion of Management, and are not subject to the arbitration procedure.

ARTICLE 26. HOSPITAL, SURGICAL, DENTAL AND LIFE INSURANCE, MEDICAL TREATMENT AND PAID SICK LEAVE

Section A. Where an employee is injured at work and cannot return on the date of injury based upon doctor's orders, such employee shall receive a full day's pay (eight (8) hours maximum) for the day. The employee will be paid at his straight-time hourly rate for time lost due to the required treatment.

When it is necessary for an employee to return to the doctor for follow-up treatment of the original injury, an appointment for such treatment will be made or cleared through the Human Resource Department. When such appointment occurs during the employee's regular working hours, the employee must obtain a "time-in" and "time-out" slip to be completed at the doctor's office. The employee will be paid at his straight-time hourly rate for the time lost due to the required treatment up to a maximum of two (2) hours unless such employee is directed by the doctor not to return to work in which case the employee will be paid for lost time up to a maximum of four (4) hours.

Section B.

1. Health Insurance:
 - (a) Employees and their dependants shall be provided with medical, dental and vision through the Cleaver-Brooks Plan. As of the signing of this Agreement, such coverage shall include:
 - a. Two plan options with a blue value and gold standard plan as more fully described in a document entitled "Cleaver-Brooks Group Medical Plan."
 - b. Prescription drug coverage with a \$10.00/\$25.00/\$50.00 (gold standard) or \$15.00/\$30.00/\$60.00 (blue value) co-pay.
 2. Dental Coverage – currently provided through UnitedHealthcare Dental at 50% employee cost.
 3. Vision Coverage – currently provided through Spectera at 100% employee cost.
 4. Flexible spending accounts – current limit for the Health Care Spending Account (HCSA) is \$5,000.00.
 - (b) Employees shall contribute towards the cost of such coverage in the same manner as other Cleaver-Brooks employees covered by the same plan, including the salaried workforce in Lincoln.
 - (c) Employees may elect any or all of the above coverages. An employee who Opts-out of Medical coverage is currently eligible for a \$100.00 per month payment provided proof of alternative coverage is submitted.
 - (d) For married employees, if their spouse is eligible for single coverage through their employer, they must elect such coverage.
 - (e) The above provisions are intended to be descriptive only of benefits. Summary plan descriptions will be provided to all employees. Plan documents shall govern all coverage questions and employees and their dependents shall look solely to the plan for the payment of any and all benefits.
 - (f) Plan design, employee contributions towards coverage and other aspects of the Cleaver-Brooks Health Insurance Program are subject to change effective January 1, 2008 and each January 1 thereafter. Such changes shall be the same as are implemented for other Cleaver-Brooks employees covered by the same plan including the salaried workforce in Lincoln.

- (g) The Company shall provide a life insurance benefit for all active employees of \$5,000.00. Such benefit shall be provided at 100% Company cost.”

2. Weekly Disability.

A weekly disability benefit of 66 2/3 of weekly earnings up to a maximum of \$200.00 per week for a maximum of 26 weeks with coverage beginning the 8th day of disability shall be provided to all non-probationary employees.

The weekly disability benefit will increase as follows:

Effective November 15, 2007	\$250.00
Effective November 1, 2008	\$275.00
Effective November 1, 2009	\$300.00
Effective November 1, 2010	\$325.00

Section C.

Each non-probationary employee shall be granted three (3) sick days per contract year (November 1 to October 31). New employees who complete their probationary period between November 1 and April 30 shall be eligible for one (1) sick day after completing six (6) months of employment. All other new hires shall be eligible in the following contract year.

Each employee requesting sick leave must notify the Personnel Office, Plant Superintendent, or immediate Supervisor prior to the normal starting time of his shift (example – prior to 7:00 AM for day shift) of his inability to work that day. Each employee wishing to receive sick leave pay must furnish a doctor's letter certifying the doctor has seen the employee and describing the reason for the inability to work in order to qualify for sick leave pay. Sick leave pay shall be payable only for days upon which the employee is regularly scheduled to work. (Sick leave not applicable for Saturdays or Sundays.)

Sick leave pay shall not be payable for injury compensable under the Nebraska Worker's Compensation Law.

Sick leave shall be paid at fifty percent (50%) of the employee's regular rate of pay for eight (8) hours (which shall not include overtime or any other premium other than shift premium) payable in the payroll period covering the day in question. When an employee is confined to a hospital, sick leave may be used up to the three (3) day maximum per year with a doctor's letter, which will be paid for at one hundred percent (100%) of the employee's regular rate of pay (which does not include overtime or

any other premium other than shift premium) payable at the end of his taking the sick leave.

Sick leave may not be carried over into subsequent contract years. However, if an employee has unused days, he shall be paid out at the fifty percent (50%) hourly rate (which does not include overtime or any other premium other than shift premium) in the first payroll period in November.

Falsification of a claim for sick pay shall be grounds for discipline up to and including discharge.

Section D. Any employee who completes twelve (12) months (from November 1 to October 31 for any given year) of employment with the Company, without requesting sick leave pay shall receive a benefit of eight (8) hours pay at his regular rate of pay (which does not include overtime or any other premium other than shift premium), payable at the expiration of such twelve (12) month period.

Section E. Any employee missing work due to injury or sickness, regardless if work related, and desiring to retain their employment status with the Company, must keep their whereabouts known to the Employer. Employees shall notify the Personnel Office once a week regarding their condition.

Section F. Unless otherwise provided by law, employee benefits as provided for by the Company (health, life, disability, and dental insurance) shall remain in effect for five (5) calendar weeks, or in the case of work related injuries for eight (8) calendar weeks. Employees will be notified by Employer at the time above-referenced benefits will cease being paid by Employer, and information will be provided concerning continuing coverage at employee's cost.

Section G. Non-probationary employees missing work due to illness or injury shall lose seniority based on the following schedule:

<u>Seniority</u>	<u>Length of Absence</u>
Less than 2 years	6 months
2 – 5 years	9 months
5+ years	1 year

ARTICLE 27. SHOP COMMITTEE

Section A. The importance of the Union maintaining at all times a Shop Committee consisting of qualified employees of the Employer, familiar with plant conditions, is recognized.

- Section B. The selection of the Shop Committee is recognized as a function of the Union. The Committee shall consist of not less than three (3) nor more than six (6) employees, which shall include Steward and a Committeeman per permanent shift. Should Management temporarily work employees on the third shift, an employee may be assigned by the Union to represent them, or should there be only one shift, then there shall be three (3) employee representatives for the Union.
- Section C. The Shop Committee shall act in the capacity of a Grievance Committee and the names of the Committee members shall be posted on the bulletin boards by the Union in the plant from time to time as the occasion warrants.
- Section D. There shall be no discrimination or threats made against any member of the Shop Committee on account of the performance of his duties.
- Section E. Any employee who has a complaint or dispute must notify his supervisor of his need to talk to the Steward. The Steward must also let his supervisor know that he is going to have a discussion with another employee if there is a complaint or dispute.

ARTICLE 28. GRIEVANCE AND ARBITRATION PROCEDURE

- Section A. Grievance Procedure: Should a complaint or dispute arise between an employee or employees and the Employer as to the meaning or application of this Agreement, an earnest effort shall be made to settle such complaint or dispute in the following manner:
- Step 1: Within five (5) working days after the dispute arises, there shall be a meeting between the aggrieved employee or employees, Union Steward, the employee's immediate supervisor and the general supervisor. If the parties fail to settle the disagreement at Step 1, it shall, within five (5) working days of the meeting, be reduced to writing on triplicate forms and presented to the Personnel Office as a grievance.
- Step 2: Within five (5) working days after the Personnel Office's receipt of the grievance, there shall be a meeting between the aggrieved employee or employees, the Shop Committee, Plant Superintendent, and one other representative of Management for the purpose of discussing and resolving the complaint or dispute. The Plant Superintendent shall deliver to the Shop Committee his disposition of the grievance in writing within five (5) working days after such Step 2 meeting. (Either party may elect to cancel Step 2 and proceed immediately to Step 3.)

Step 3: If the parties fail to settle the disagreement at Step 2 or the Shop Committee feels it cannot accept the Plant Superintendent's disposition thereof, within fifteen (15) working days after the Shop Committee's receipt of the Plant Superintendent's disposition, there shall be a meeting or meetings, as is appropriate, between the aggrieved employee or employees, the Shop Committee, the Business Agent or other representative of the Union, the Plant Superintendent, and other representatives of the Employer for the purpose of discussing and resolving the complaint or dispute. The Personnel Office or other representative of the Employer shall deliver to the Shop Committee and the Business Agent his disposition of the grievance in writing within ten (10) working days after the final Step 3 meeting.

In the event that no satisfactory settlement of the disagreement is reached in Step 3 of the Grievance Procedure, the matter in dispute may be referred to Arbitration by either Union or Employer within thirty (30) working days of the mailing to the Union of the Employer's disposition at Step 3 by delivering to the other party a notice it desires to arbitrate the grievance.

For the purpose of Article 28, Section A, Steps 1, 2 and 3, working days shall exclude Saturday, Sunday, and Holidays.

Section B.

Arbitration Procedure:

- (1) Within ten (10) working days of providing notice of its intent to arbitrate, the Union shall request the Federal Mediation and Conciliation Service to furnish a list of seven (7) arbitrators. The arbitrators shall be selected from the panel by each party alternately striking a name from the panel until only (1) name remains. The party requesting arbitration shall strike first. Prior to striking names, each party shall have the right to reject one (1) panel. The party rejecting a panel shall be responsible for paying the applicable fee to FMCS for a new panel. Only a single grievance, or multiple grievances involving the same issue, may be included in any demand for arbitration unless otherwise expressly agreed to in writing by the Parties.
- (2) The jurisdiction of the arbitrator of the grievance and his decision shall be confined to a determination of the facts and the interpretation or application of the specific provision or provisions of the Agreement at issue. The arbitrator shall be bound by the terms of this Agreement and shall have authority to consider only grievances representing an arbitrable issue under this Agreement. The arbitrator shall have no authority to add to, alter, amend, or

modify any provision of this Agreement, nor shall he/she have the right to imply any obligation not expressly set forth in this Agreement. The arbitrator shall render his/her decision in writing on any issue properly before him/her which shall be final and binding on the aggrieved employee or employees, the Union and the Company.

- (3) The Union and Company shall each bear its own costs in an arbitration proceeding, except that they shall share equally the fee and other expenses of the arbitrator and reporter.
- (4) Any employee found, under the provisions of this Article, to have been unjustly discharged shall be restored to his former position with all rights unimpaired.

ARTICLE 29.

BEREAVEMENT PAY

Section A.

An employee, who is working at the time, will be granted three (3) consecutive regular working days off with pay at his straight-time rate upon the death of a member of his immediate family, not to exceed five (5) days after death. The immediate family shall consist of husband or wife, children or stepchildren, mother and father, mother-in-law or father-in-law, brother or sister, step-brother or step-sister, and grandchildren. In the event of the death of an employee's (includes spouse) stepparent*, the employee will be granted three (3) days off with pay at his straight-time rate for attending funeral. In the event of the death of an employee's (includes spouse) grandparent, the employee will be granted two (2) days off with pay at his straight-time rate for attending funeral.

* Stepparent is defined as "spouse of biological parent".

Section B.

Section A will apply only to an employee who has completed his probationary period and will not apply when an employee is on indefinite layoff, vacation, sick leave, disability, or other leave of absence.

Employees must apply for pay and, upon request, provide appropriate proof of attendance at the funeral.

ARTICLE 30.

PENSION PLAN

Section A.

Effective on November 1, 1981, the Employer placed in effect a pension plan affording retirement benefits to the employees covered by this Agreement and other employees of the Employer meeting reasonable standards of eligibility in conformance with Federal requirements.

Section B. Such Pension Plan will be administered independently. A report indicating employee's current and projected retirement benefits will be issued annually.

Section C. The plan will have normal retirement benefits based on 0.850%.

ARTICLE 31. PROBATIONARY PERIOD

Section A. New hires shall serve a one hundred twenty (120) day probationary period. During the probationary period the Company retains the right to terminate the relationship at any time in its sole, non-grievable discretion. After completion of the probationary period, the employee's seniority shall date back to his original date of hire. Probationary employees shall be entitled to no benefits under the contract except for health and life insurance which shall begin on the first of the month following their hire date. In addition, probationary employees shall be entitled to contractual holidays following thirty (30) calendar days of employment.

ARTICLE 32. BULLETIN BOARDS

Section A. Bulletin Boards will be maintained in the plant for the purpose of posting announcements of Union meetings and other Union affairs. No such notice shall contain anything controversial, political, or in any way reflect upon the Employer or any employee.

Section B. Employer feels it is important to keep employees informed and up-to-date on rules and regulations affecting employees. Notices of interest and significance to employees will be posted on the South Shop Bulletin Board and two North Shop Bulletin Boards. Posting, defacing, or removal of notices, signs or writing in any form on bulletin boards without approval by the Human Resource Department, and any unauthorized posting, is prohibited.

ARTICLE 33. SEPARABILITY OF AGREEMENT

Section A. It is not the intent of either party hereto violate any laws, rulings, or regulations of any government authority or agency having jurisdiction of the subject matter of this Agreement and the parties hereto agree that, in the event any provision of this Agreement is held to be unlawful or void by any tribunal having the rights and authority to so hold, the remainder of the Agreement shall remain in full force and effect, unless the provision so found to be void is wholly inseparable from the remaining provisions of this Agreement.

ARTICLE 34. DISCRIMINATION

Section A. The Company agrees to continue its present nondiscriminatory policy offering equal opportunity for available jobs to qualified applicants, and the Union agrees to continue its present nondiscriminatory policy offering equal opportunity for membership in either case, without regard to nationality, race, sex, age, disability, or religion.

ARTICLE 35. DURATION AND RENEWAL OF AGREEMENT

Section A. This Agreement shall become effective November 15, 2007, and shall remain in full force and effect through November 4, 2011.

Section B. Either party hereto may notify the other party in writing, not less than sixty (60) days prior to November 4, 2011 of its desire and intention to modify, amend or terminate this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this _____ day of _____, 2008.

**CLEAVER-BROOKS NEBRASKA
BOILER**

**INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDER
BLACKSMITHS, FORGERS
AND HELPERS, LODGE NO. 83**

By _____
Phil Norton

By _____
John Seward

Debbie Russnogle

Jake Bergantzel

Ralph Epp

Bill Kling

Trung Tran

SCHEDULE A

I. Schedule A Committee

- A. The Schedule A Program will be administered by a joint committee comprised of four management members and four Union appointed committee members. During the first year of the agreement the Union designated committee members shall be the Union negotiation committee to insure appropriate implementation of the concepts discussed during negotiations.
- B. As more fully set forth below, the joint committee shall:
1. Establish appropriate training criteria for six training segments in each of the four training departments.
 2. Establish objective criteria to be used to determine whether an employee has passed a training segment.
 3. Determine where existing employees in Schedule A will be placed in the new program.
 4. Determine where employees who want to opt back into Schedule A will be placed as well as what credit should be allocated based on existing skills.
 5. The committee shall be free to act within the guidelines set forth here and below as well as to amend the program from time to time to insure that the program addresses the needs of the business and presents a meaningful opportunity for advancement for employees.
 6. The Schedule A Committee shall meet as may be necessary to accomplish the tasks set forth herein. Once the program is up and running, the committee will continue to meet as may be necessary but in no event less than quarterly.
- C. The parties enter into this Agreement with the express intent of vesting within the Committee the full right to reach agreement on all aspects of the Schedule A program subject to the guidelines set forth above. Should agreement not be reached, the Company reserves the right to implement after good faith discussions within the Committee, and the Union reserves the right to grieve such implementation on the grounds that it violates the guidelines set forth herein or is otherwise unreasonable. Such implementation shall not take place without the Company and the Union engaging in good faith negotiation to attempt to resolve the disputed issues.

II. General Concepts

- A. For B-6 through B-2, training will occur in one of four areas in the shop. A B-2 will be an employee who is fully trained on all tasks, machines and functions in one of the designated areas.
- B. Training in each area will be divided into six segments. The Joint Committee will establish objective criteria by which successful completion of training can be assessed.
- C. Training will occur over a six month period. Employees will be evaluated at the midpoint of the training period. Feedback will be provided which shall include a written review of areas of perceived deficiencies in performance.
- D. Final Reviews ("Credit Review") will occur during the second week in March and September. Employees who have successfully completed the training segment will be awarded two credits and have their pay raise adjusted accordingly.
- E. Team leaders and/or trainers will be involved in the midpoint and final review process.
- F. Nothing herein shall preclude the Company from assigning employees to perform available work in a manner consistent with the practices that existed as of the signing of the Agreement.

III. New Hires

- A. New hires may enter the Schedule A Program at the first opportunity following successful completion of their probationary period.
- B. A new hire brought into the Company at higher than the B-6 labor rate will be eligible for a pay adjustment with each successful completion of a training segment up to and including the B-3 labor rate.

IV. Existing Employees

- A. Currently in Program
 - 1. Employees will be given credit for all credits earned through the March, 2008 Credit Review.
 - 2. The credits previously earned will shorten the three year training program (e.g. an employee with four credits will have 2 years remaining in which they could advance to B-2, an employee with six credits will have 18 months).

3. The Schedule A Committee will slot all current employees into one of the four training departments. This determination will be made based upon the goal of minimizing the amount of training required to have the employees fully trained on all tasks, machines and processes in the training departments in question.
4. A unique training program will be designed for all current employees to allow them to advance to B-2 in the remaining training time as set forth above. Such training program will have incremental training goals established by the Schedule A Committee based on the six month Credit Review program.

B. Current employees not in Schedule A

1. Current employees who are not in Schedule A may opt into the program.
2. The Schedule A Committee will assess which training department affords the employee the greatest opportunity to employ existing skills. The Schedule A Committee will determine which training segments the employee should be given credit for based on existing skills. The employee will be given credit for such training segment and will have his/her pay adjusted upward accordingly.
3. The employee will be afforded the opportunity to be trained in the remaining segments pursuant to normal training progression.

C. Allocation of Training Opportunities. If there are a greater number of employees seeking advancement than training slots available, opportunities shall be allocated as follows:

1. Employees currently in Schedule A Program
2. Current employees seeking to opt into Schedule A
3. New hires
4. Conflicts in the above groups will be resolved, where practical, by seniority.

V. B-2 Training

A. Elevation to the B-2 rate will be based upon the successful completion of all training segments as well as demonstrated competence in the following areas:

1. Safety Rules (including small overhead cranes)

2. Confined Space
3. Blue Print Reading
4. Obtaining and maintaining all applicable welding qualifications.

VI. B-1 Training

- A. Current employees or new hires who achieve B-2 status may advance to B-1 without the need for a job posting.
- B. An employee expressing such interest will be placed in a new training department. When such employee achieves successful completion of two training segments in the new department as well as any applicable weld tests, he/she will be deemed a B-1 and paid accordingly.
- C. A qualified B-1 employee must be willing to be trained on additional segments as may be deemed appropriate by the Company.
- D. A qualified B-1 who obtained B-1 status through this Schedule A program must maintain all applicable welding certifications. The Company will ensure that welding certifications are kept current through the Quality Department. If for any reason a certification lapses, the Company will provide training and/or assistance to recertify the employee.

VII. Welding Training

- A. Upon being assigned a training department, the employee must pass the applicable welding certifications.
- B. The employee will be afforded a scheduled opportunity to work with the company's trainer to assist in learning the process in question. The employee will also be afforded a reasonable opportunity to practice on paid time as well as unlimited opportunity to practice on unpaid time on the off shift.
- C. If after such training and practice opportunity the employee cannot pass the welding certification in question, a current employee may elect:
 1. To stay in the training department and advance to the highest rate possible through segments that do not require the welding process in question, or
 2. Be assigned to a different training department that does not require the welding process in question.

VIII. Bid Jobs

- A. The following jobs will be deemed bid jobs.

Job Title:	Pay Rate:
Maintenance Mechanic I	B-1
Maintenance Mechanic II	B-4
Maintenance Technician I	B-1
Maintenance Technician II	B-3
Cycle Counter I	B-4
Cycle Counter II	B-5
Receiving Clerk I	B-3
Receiving Clerk II	B-4
Shipping/Receiving I	B-3
Shipping/Receiving II	B-4
Material Handler I	B-3
Material Handler II	B-4
Janitor	B-6

- B. Where the Company determines a vacancy exists in a bid job it shall be posted on company bulletin boards for three (3) working days. The posting shall designate the shift of the opening as well as the minimum qualifications for the job.
- C. The job shall be awarded as follows:
1. To the senior employee on the off shift currently holding the classification who desires to change shift.
 2. If none, to the senior employee who meets the minimum qualifications of the posted job.
 3. If none, to a new hire with the minimum qualifications.
 4. If none, to an existing employee with best qualifications to be trained. If the company elects to train internally and the qualifications of two or more employees are relatively equal, the senior employee shall be selected.
- D. Employees who are selected for a bid job shall be paid at the labor rate specified above.

Note: In the 2007 contract negotiations, the parties agreed to a special “grandfather” rule for employees with greater than 20 years of service as of November 2, 2007. If such an employee is the successful bidder on a bid job, such employee will receive the higher of the rate of pay for the bid job or one level less than the employees current rate at the time of the successful job bid.

MEMORANDUM OF UNDERSTANDING

SCHEDULE A

During the 2003 contract negotiations, the parties agreed that the current Schedule A program should be reviewed, revised and administered through a Joint Committee subject to the following guidelines:

1. No employee will be downgraded or otherwise receive a reduction in pay as a result of the revisions.
2. The Committee will be comprised of four Company and four Union appointed representatives.
3. The purpose of the revisions will be to develop opportunities for advancement that will insure that employees are cross-trained on jobs, machines and/or processes which are functionally valuable to the needs of the business. To this end, the Company will, with full Committee input, identify combinations of jobs, machines and/or processes that will aid in the productivity and efficiency of the operation.
4. The Committee will:
 - A. Establish appropriate labor grade assignment to employees who complete training (or stages of training) on the combined jobs, machines and/or processes.
 - B. Establish appropriate training guidelines, including the appropriate length of training for various skill advancements.
 - C. Establish objective criteria by which successful completion of training (or stages of training) can be assessed.
5. The Committee shall determine the number of training opportunities which will exist based upon the operational needs of the business.
6. The employees currently in the program will be allowed to complete their current training assignments and obtain credit for such completion under the terms of the existing program. Current participants will be given first opportunity to avail themselves of training opportunities under the new program.
7. The Committee shall be free to act within the guidelines set forth above to establish and/or amend the program subject to the following additional considerations:
 - A. There shall be no training for the sake of training. Each training opportunity must add value to the business by ensuring the added skills can be meaningfully employed on a regular basis.

- B. Seniority among capable and qualified employees will be given due consideration in the development and administration of the plan.
 - C. Nothing herein shall preclude the Company from assigning employees to perform available work in a manner consistent with the practices that existed as of the signing of the Agreement.
8. The parties enter into this Agreement with the express intent of vesting within the Committee the full right to reach agreement on all aspects of the Schedule A program subject to the guidelines set forth above. Should agreement not be reached, the Company reserves the right to implement after good faith discussions within the Committee, and the Union reserves the right to grieve such implementation on the grounds that it violates the guidelines set forth herein or is otherwise unreasonable. Such implementation shall not take place without the Company and the Union engaging in good faith negotiation to attempt to resolve the disputed issues.

LABOR RATES

Minimum labor rates during the term of the Agreement shall be as follows:

	11/5/07	10/27/08	10/26/09	11/1/10
Boilermaker 1	\$19.34	\$19.97	\$20.57	\$21.19
Boilermaker 2	\$18.31	\$18.91	\$19.48	\$20.06
Boilermaker 3	\$16.96	\$17.51	\$18.04	\$18.58
Boilermaker 4	\$15.94	\$16.46	\$16.95	\$17.46
Boilermaker 5	\$14.84	\$15.32	\$15.78	\$16.25
Boilermaker 6	\$13.72	\$14.17	\$14.60	\$15.04
Helper Labor Class	\$12.34	\$12.74	\$13.12	\$13.51
Maintenance Mechanic 1	\$19.34	\$19.97	\$20.57	\$21.19
Maintenance Mechanic 2	\$15.94	\$16.46	\$16.95	\$17.46

WAGES

Year 1 – Effective November 5, 2007	3.75%
Year 2 – Effective October 27, 2008	3.25%
Year 3 – Effective October 26, 2009	3.00%
Year 4 – Effective November 1, 2010	3.00%

MEMORANDUM OF UNDERSTANDING

HEALTH INSURANCE

The parties agree that the Union may request discussions during the last two years of the agreement with respect to potential alternative coverage to the Cleaver-Brooks Health Insurance Plan. The company agrees to consider any options proposed by the Union. The parties agree that this process does not constitute a "reopener" under the contract, that the no strike provisions of this agreement shall remain in full force and effect and that any changes can be implemented only by mutual agreement. The Union understands that if the parties agree to alternative coverage the Company will be under no obligation to allow the employees to return to the Cleaver-Brooks Plan at a later date.

NOTICE TO EMPLOYEES

POLICY ON ALCOHOL AND DRUG USAGE

Cleaver-Brooks Nebraska Boiler (hereinafter referred to as "the Company") realizes that the state of an employee's health can affect job performance and safety. The parties recognize that alcohol and drug abuse are illnesses that can be successfully treated, and that treatment of these problems is in the best interest of the employees, Union and Company.

Employees impaired by the use of alcohol or drugs while on the job pose serious safety and health risks to themselves and to co-workers. Early recognition and treatment of alcohol or drug dependency problems is important to rehabilitation. Counseling and assistance programs are available to aid in any rehabilitation process. All problems, information and medical records obtained in this program will be treated in a strictly confidential manner.

The Company has established the following policy regarding the use, possession, sale or manufacture of alcohol and drugs. It has been determined that any conduct violating the provisions and requirements of the policy and any refusal to cooperate with the Company's request for a drug screen or sobriety examination may result in immediate suspension and ultimate discharge of an employee, in the absence of circumstances acceptable to the Company.

Definitions:

- (a) "Alcohol" means ethyl alcohol (ethanol) and includes all liquids containing ethyl alcohol.
- (b) "Drug" means any substance or chemical that has mind or function altering effects on the human body, including prescription and over-the-counter medications.
- (c) "Possession" means on one's person, in one's personal effects, in one's vehicle, or under one's control.
- (d) "Sale" means any exchange, transfer, or sharing, whether for money or otherwise.
- (e) "Impaired" means a condition wherein any of the body's sensory, cognitive, or motor functions or capability are altered, diminished, or affected.
- (f) "Use" means any form of consumption, ingestion, inhaling, or injecting.

I.

Use, Possession or Sales Prohibited

No employee shall report for work or remain on duty while impaired by alcohol or drugs. The use, possession, sale or manufacture of alcohol or drugs by any employee during working hours or on Company premises is prohibited.

II.
Legally Obtained Drugs

Use of legally obtained drugs (including alcohol or other chemicals) which affects job performance or safety is prohibited. Employees using legally obtained drugs that may impair their job performance or safety are required to notify their supervisor and obtain prior approval. The Company may, at its discretion, require an employee to refrain from working while impaired by such drug.

III.
Prescribed Medications

An employee with a current and valid prescription by a qualified physician for the use of a drug must notify their supervisor of such use and the possible side effects of any such drug or medication where the employee may be impaired by the use of such drug. The Company may, at its discretion, require an employee to refrain from working while impaired by any such drug or medication.

IV.
Drug Screen and Sobriety Examinations

The Company may require an employee to submit to blood or breath testing and/or urinalysis when:

- (a) The use of alcohol or a drug or other impairing substance during work or within close proximity to reporting time is indicated; or
- (b) The appearance, behavior, or actions of an employee appear to be consistent with the use of alcohol or drugs; or
- (c) Incidents or accidents resulting in injury, lost time or damage to property occur.
- (d) Random testing shall not be conducted.

Employees subject to a, b, or c above must consent to such testing as a condition of continued employment. There shall be no less than two (2) Employer Supervisors, when available, to accuse an employee of being so impaired. The Union Steward, when available, or another employee from the bargaining unit, shall be present when the employee is so accused.

Prior to conducting any drug or alcohol test, a voluntary consent form shall be signed by an employee whereby the employee agrees and understands that he/she will submit a sample of urine or blood upon which drug or alcohol testing analyses will be performed. Employees who are requested under probable cause to provide a urine sample for drug testing shall be given sufficient privacy while voiding into a sample collection container.

After testing, the laboratory must retain a sufficient portion of the confirmed positive urine or blood sample for testing and store that portion in a scientifically acceptable manner for a minimum of six (6) months. Aliquots of positive specimens shall be made available for conducting independent confirmation testing by a laboratory of the employee's own choosing, the cost of which shall be borne by the employee. The Company shall consider the results of the retest.

If the preliminary screen returns with a positive indication, a confirmation screen using Gas Chromatography/Mass Spectrometry will be used to confirm the results of the first test. A second positive confirmation will be grounds for disciplinary action or termination, depending upon the nature of the conduct or misconduct which prompted the testing.

Employees whose urine or blood specimens are confirmed positive shall be provided with a copy of the laboratory report given to the Company. Copies of all other documents including, but not limited to, test results, computer printouts, graphs, charts, interpretations, and chain of custody forms shall be made available upon request to an employee whose test is a confirmed positive in violation of this policy. Upon written consent from an employee, the Company, laboratory, and their agents shall release any and all employee records acquired in connection with this policy to whomever an employee so designates.

No employee who tests negative will suffer loss of wages while undergoing such tests, and all costs involving transportation to and from a physician's office, clinic, hospital, or other collection site, and all costs of examination and test will be paid by the Company. Employees who are suspended pending receipt of the results who test negative shall be made whole and will be paid their regular straight-time hourly rate and all scheduled overtime hours missed during suspension.

Testing for drugs and alcohol will also be a requirement of pre-employment.

V. Rehabilitation

Employees who have satisfied their probationary or orientation period and who voluntarily disclose or a test for cause confirms alcohol or drug abuse will be entitled to participate in a substance abuse rehabilitation program. Voluntary participation in and successful completion of such program will not be cause for disciplinary action. Participation in such program will be at the employee's expense except as may be covered by company group insurance.

Company detection of alcohol or drug use or dependency, including that by a drug screen, will require an employee's participation in a rehabilitation program, free of disciplinary action. Employees are only entitled to one (1) opportunity of access to rehabilitation on a mandatory referral.

When a leave of absence is necessary so that an employee may undergo treatment for drug or alcohol abuse prescribed by qualified professionals, the employee's seniority will continue to accrue and he/she will be granted a sick leave of absence and will be eligible for all

benefits and coverage contained in the collective bargaining Agreement, benefit plan, insurance coverage, and any benefit set forth in this policy.

APPENDIX 1

<u>Drug Test Name</u>	<u>Initial Test Level</u>	<u>Confirm Test Level</u>
Ethanol (Alcohol)	.06 ng/mL	.06 ng/mL
Amphetamines	1000 ng/mL	500 ng/mL
Cocaine Metabolites	300 ng/mL	150 ng/mL
Opiate Metabolites	300 ng/mL	300 ng/mL
Phencyclidine (PCP)	25 ng/mL	25 ng/mL
Marijuana Metabolites	50 ng/mL	15 ng/mL

Should the Department of Transportation (DOT) change any of the above-referenced test levels, other than alcohol, the parties may meet and discuss potential amendment to the above list.

APPENDIX

Family Medical Leave Act (FMLA)

Employees provided up to twelve (12) weeks in a twelve (12) month period (from November 1 to October 31 for any given year) of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Employees are "eligible" if they have worked for at least one (1) year, and for one thousand two hundred fifty (1,250) hours over the previous twelve (12) months.

Unpaid leave to be granted to an eligible employee for one or more of the following reasons:

- (1) For the care of the employee's child (birth, or placement for adoption or foster care). Leaves must be taken on a one-time, full-time basis for each child.
- (2) For the care of employee's spouse, son, daughter, or parent, who has a serious health condition; or
- (3) For a serious health condition that makes the employee unable to perform the functions of his/her job.

The FMLA defines a "serious health condition" as an illness, injury, impairment, or physical or mental condition that involves: (1) inpatient care; or (2) continuing treatment by a health care provider. Prenatal care is included.

See Personnel for Request Form.

The employee is required to provide advance leave notice and medical certification as follows:

- (1) Advance leave notice of thirty (30) days to be provided when the leave is "foreseeable". If thirty (30) days notice is not "practicable", then notice of the expected timing and duration of the leave must be given "as soon as practicable", which means within two (2) days of learning that a leave will be needed.
- (2) A serious health condition requires medical certification to support a request for leave.
- (3) Medical certification is also required if employee is unable to return from leave because of a serious health condition. Recertification may also be requested every thirty (30) days, when circumstances have changed or Employer receives information casting doubt on the certification.

See Personnel for Notice Form.

For a serious health condition as defined above, an employee may take intermittent leave or may work a reduced leave schedule to reduce the usual number or hours per day or work week. Intermittent or reduced leave schedules require medical certification.

See Personnel for Certification Form.

Employees returning from FMLA leaves, and, if applicable, who present "fit for duty" certificates, will be reinstated to the same or equivalent position.

The use of unpaid FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

For the duration of FMLA leave, Employer will maintain the employee's medical insurance coverage under any "group health plan", under the conditions coverage would have been provided if the employee had continued working. However, Employer may, if applicable, recover premiums paid for maintaining an employee's health coverage if the employee fails to return to work from FMLA leave. An employee may, at their option, elect to use vacation pay and time during FMLA leave. They will not, however, be required to do so by the Company.

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ARTICLE 34.

DISCRIMINATION

Section A.

The Company agrees to continue its present nondiscriminatory policy offering equal opportunity for available jobs to qualified applicants, and the Union agrees to continue its present nondiscriminatory policy offering equal opportunity for membership in either case, without regard to nationality, race, sex, age, disability, or religion.

ARTICLE 35.

DURATION AND RENEWAL OF AGREEMENT

Section A.

This Agreement shall become effective November 15, 2007, and shall remain in full force and effect through November 4, 2011.

Section B.

Either party hereto may notify the other party in writing, not less than sixty (60) days prior to November 4, 2011 of its desire and intention to modify, amend or terminate this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this 28th day of February, 2008.

**CLEAVER-BROOKS NEBRASKA
BOILER**

**INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDER
BLACKSMITHS, FORGERS
AND HELPERS, LODGE NO. 83**

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