

Terminates 31 July 2018

AGREEMENT by and between
EVERETT SHIPYARD, INC.

and

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS AND HELPERS, BOILERMAKERS LOCAL NO. 104

This agreement is made by and between EVERETT SHIPYARD, INC., hereinafter called the "EMPLOYER" and BOILERMAKERS LOCAL NO. 104, hereinafter called the "UNION".

ARTICLE 1

Scope of Agreement

- (a) The Employer recognizes the Union as the sole and exclusive bargaining agent for all employees in the following classifications: Boilermakers, Shipfitters, Welders, Helpers and Apprentices.
- (b) This agreement shall govern the wages and working conditions of all such employees engaged in ship and vessel repair, construction and/or conversion or scrapping and shall apply to all work and activities of the Employer in connection therewith.
- (c) The Employer recognizes the Union as the sole and exclusive bargaining agent for all such production employees, excluding Shipwrights, Operating Engineers, Laborers, maintenance employees, office clerical employees, guards and supervisors as defined in the Act.

ARTICLE 2

Hiring

- (a) The Employer recognizes the Union as the sole and exclusive bargaining agent for all shipfitters, welders, boilermakers, helpers and apprentices.
- (b) The Employer agrees that when additional employees are required, the Union will be given as much advance notice as possible, but not less than twenty-four (24) hours, so that the Union may have a reasonable opportunity to refer applicants for employment. The period of notice will commence when the Union receives such notice by telephone from the Employer. If the union cannot provide applicants for employment for any reason within the above twenty-four (24) hours, then the Employer may secure employees from any source.
- (c) The Employer may request any unemployed worker by name and the Local Union shall refer such person after compliance with Article 2 (b)

- (d) In an effort to preserve a drug free and safe workplace, the Employer will drug test all new hires in accordance with the Company's Drug and Alcohol Policy.
- (e) Newly hired employees or former employees within thirty-one (31) days from the date of their employment shall, as a condition of continued employment with the Employer, become members of the Union and maintain their membership in good standing therein. If an employee fails to become a member of the Union by the thirty-first (31) day from the date of his employment, he shall be terminated by the Employer upon written request of the Union. The employer will provide the option of voluntary Union dues deduction for any employee.
- (f) The Employer may refuse to employ any person or may discharge any employee for just and sufficient cause.
- (g) When and if changes are made in existing laws to promote a different degree of union security, either party to this Agreement may notify the other to meet to negotiate possible amendments to Article 2 hereof.
- (h) The Employer and Union agree that there will be no discrimination in employment because of race, color, religion, national origin, age, sex, sexual orientation, covered veteran status or irrelevant handicap.
- (i) Because of the distance of Everett Shipyard, Inc. from the Union Hall, whenever possible the dispatching process will be accomplished by telephone, by fax, or by mail.

ARTICLE 3

Seniority

For the purposes of layoff, the principle of seniority is hereby established for employees in the bargaining unit.

- (a) Employees shall be entitled to seniority when they have completed at least fifteen hundred (1,500) hours of service to the employer in two (2) consecutive years.
- (b) An employee's seniority rights under this Article shall be terminated under the following conditions:
 - (1) If the employee is discharged for cause.
 - (2) If the employee quits.
 - (3) If the employee fails to report to work at the time specified by the Company or within 48 hours (Saturday, Sunday, and Holidays excluded) after the Company places a telephone call or mailed notice to the last telephone number or address shown on the Company's records, whichever is later in time. The Union shall be notified when such recall notice is sent to the employee.

(4) Any employee absent for three (3) consecutive working days or more without notification and without furnishing a justifiable reason for such absence shall be considered to have voluntarily terminated his employment. Exceptional cases will be handled on their merit.

(5) If the employee is off the active Employer payroll for a period of more than six (6) months for any reason whatsoever.

(c) The employer shall be entitled to retain Leadmen and classifications above Leadmen paid on an hourly rate without regard to seniority.

(d) Seniority shall apply by classification of the craft or Union as set forth in this agreement, and by such sub-classifications as may be agreed upon by the Company and the Union.

(e) On layoffs in any classification or agreed sub-classification, the following factors shall apply:

(1) Demonstrated skill and ability.

(2) Length of continuous seniority with the Employer in the classification where factor (1) is equal between employees to be laid off then factor (2) shall prevail.

(f) For the purpose of layoff and recall, the principle of seniority is hereby established for Employees in the Bargaining Unit who gained seniority prior to ratification of this Agreement (referred to as "grandfathered seniority"). There shall be no seniority for bargaining unit employees who did not have seniority as of the date of ratification of this Agreement. Grandfathered seniority shall apply to classifications as set forth in this Local Agreement, and by such classifications as may be agreed upon by the Employer and the Union. Employees with grandfathered seniority will retain their original seniority date.

ARTICLE 4

Leadmen

Leadmen shall be selected as far as practicable from the classifications they are supervising, and shall be members of the Union. The activity and assignments of Leadmen shall not be restricted, nor shall any regular Leaderman's pay be reduced to that of a Journeyman when working overtime, nor shall Leadmen be used to displace Journeymen when working overtime. Leadmen shall be paid at least eighty-five cents (\$0.85) per hour above the Journeyman rate of Schedule A.

ARTICLE 5

Day Shift Hours

Forty (40) hours shall constitute a work week, eight (8) hours per day, five (5) days per week, Monday thru Friday, between the hours of 6:00 a. m. and 6:00 p. m., or ten (10) hours per day, four (4) days per week, Monday thru Thursday or Tuesday through Friday, between the hours of 6:00 a. m. and 6:00 p. m., except that where as to any locality or as to any plant of any Employer existing conditions render it desirable to start the day shift at an earlier hour, such starting time may be made earlier by agreement between the Employer and the Union.

Employees can individually make themselves eligible to work any three (3) consecutive days including Saturday's and Sunday's of twelve (12) hours followed by a minimum of two consecutive days off. Completion of 36 hours of work will be compensated as 40 hours straight time pay and shall also be used for vacation, holiday, pension and health and welfare contributions. However, failure to work the three consecutive twelve hour shifts will result in compensation, vacation and benefits to be based on actual hours worked. Employees who are working the 3 – 12 shift can give 30 days notice that they no long want to work this shift and they will be moved to another shift if work is available.

ARTICLE 6

Shifts

- (a) The regular starting time of the day shift shall be between six (6) and eight (8) a.m., except that where, as to any locality or as to any plant of the Employer, existing conditions render it desirable to start the day shift at a different hour, such starting time may be changed by agreement, between the Employer and the Union, or if dictated by tides for haul-out/railway.
- (b) Employees transferred from one shift to another, unless relieved from work at least a full shift as set forth herein, before starting their new shift, shall be paid the overtime rates for the first such shift worked. No employee shall be transferred from his regular assigned shift to another shift more than once a work week, except however, he may be returned to his regular assigned shift, except in extreme emergency or shortage of manpower.
- (c) Employees required to work past the quitting time of their regular shift, unless relieved from work at least a full shift as set forth herein before starting to work on their next regular shift, shall be paid the overtime rate for the next such shift. However, in the event an employee is advised to report to work later than his normal starting time for the purpose of allowing him at least a full shift relief, he shall be guaranteed a minimum of eight (8) hours straight time pay for that shift.
- (d) Day Shift: An eight and one-half (8-1/2) hour or ten and one-half (10-1/2) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full shift period shall be a sum equivalent to eight (8) or ten (10) times the regular hourly rate with no shift premium.
- (e) Second Shift: An eight and one-half (8 1/2) hour period less thirty (30) minutes for meals on employee's time. Pay for a full second shift period shall be a sum equivalent to

eight (8) times the regular hourly rate as set forth in Schedule A, plus fifty cents (\$0.50) per hour second shift premium.

(f) Third Shift: An eight (8) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full third shift period shall be a sum equivalent to eight (8) times the regular hourly rate as set forth in Schedule A, plus one dollar (\$1.00) per hour third shift premium.

ARTICLE 7

Wage Scales

(a) The wage rates herein established are minimum rates only, and shall not prohibit the Employer from paying premium wage rates to any of his employees.

(b) Where an employee is receiving a premium wage rate at the time a general increase in wages becomes effective, such employee shall receive such general increase.

(c) The granting of a premium wage rate to any employee and the elimination of such premium wage rate shall remain the sole prerogative of the Employer. However, this Section shall not be used to avoid payment of a negotiated wage increase to premium men.

ARTICLE 8

Overtime, Penalty Pay and Reporting Pay

(a) Employees who report for work on their regular shift or report when called for work not contiguous with their regular shift shall be paid a minimum of four (4) hours pay for so reporting. If put to work and worked more than four (4) hours, they shall be paid for actual hours worked at the regular rate of pay; provided, however, that if failure to be put to work is because of power shut-off, breakdown of machinery or equipment or other circumstances beyond the direct control of the Employer, the foregoing shall not apply and only the actual time worked shall be paid.

(b) If called to work on Sunday, or a day designated as a "paid or unpaid holiday", employees will be paid a minimum of two (2) hours pay for so reporting.

(c) Employees who voluntarily quit or lay off during a shift, or who are discharged for cause, shall be paid only for actual time worked.

(d) LUNCH PERIODS:

1) Due to tides and/or other factors, lunch hours may be variable.

2) A lunch period shall be allowed on the employers' time if an employee is required to work in excess of two (2) hours after the end of his regular shift. Such lunch periods shall be allowed every four (4) hours.

- 3) The mid-day lunch period on Saturdays, Sundays and holidays shall not apply.

(e) All time worked beyond the established work shift i.e., eight (8) hours, ten (10) hours, or twelve (12) hours, or any other mutually agreed to work shift, and/or hours worked beyond 40 in an established work week shall be compensated at the rate of one and a half times (1.5x) the straight time regular hourly rate. Employees working in excess of twelve (12) hours in schedule work shift shall be paid at two times (2x) the straight-time hourly rate. It is the Employer's intent to minimize employees working in excess of twelve hours in a work shift. Only time actually worked will count towards overtime

(f) Saturday, Sunday and Holiday work is voluntary.

ARTICLE 9

Holidays

(a) Each employee shall receive eight (8) times or ten (10) times if working 4-10's his regular straight-time hourly rate of pay for the following holidays, provided:

- 1) The employee worked his last regularly scheduled workday prior to and his first scheduled workday following the holiday.

Exception will be made in cases where absence on the work day prior to or on the work day following was due to an industrial injury, bonafide illness covered by a doctor's certificate, approved leave of absence, or temporary layoff, provided the employee's absence from work for the purpose of this exception by reason of any of the above causes is not for a total period in excess of two (2) weeks. For purposes of this Section, temporary layoff shall be considered as one of two (2) weeks or less in duration.

It is understood that any employee off work due to industrial injury or bona fide illness who is receiving time loss payments shall receive compensation under this Article in the appropriate amount to insure that the employee's compensation for the holiday does not exceed the amount he would have received if he had been working.

- 2) The employee has been in the active employ of the Employer for thirty (30) calendar days. Persons with seniority are exempt from this 30 day in active employ provision.

(b) The following are official paid holidays for all full time employees.

No.	Holiday Observed	Date Recognized
1	New Year's Day	January 1
2	Presidents' Day	Third Monday in February
3	Memorial Day	Last Monday of May
4	Independence Day	July 4 th
5	Labor Day	First Monday in September
6	Thanksgiving Day	Fourth Thursday in November
7	Day After Thanksgiving	Fourth Friday in November
8	Christmas Day	December 25 th
9	Day Before or After Christmas	*As Designated By Operations
10	Day Before or After New Year's Day	*As Designated By Operations

*Advance notice shall be provided to employees as to which day will be designated

ARTICLE 10

Vacations

- 1) All seniority employees shall be eligible for vacation pay as follows:
 - a. Vacation pay will be retroactive to date of hire.
 - b. Vacation pay shall be computed at the following percentages of the actual hours worked from December 1st through November 30th of each year, except for the transition period in the first year of this contract for which the vacation year shall be July 1st through November 30th, except as to third shifts - see footnote (1), multiplied by the employee's established straight time hourly wage (exclusive of shift premiums):

1st year	-	2 percent
3rd year	-	4 percent
10th year	-	6 percent
16 th year	-	7.5 percent
20 th year	-	8 percent

(Footnote 1: For a full third shift worked, an employee shall be credited with eight (8) hours in computing his vacation allowance.)

(Footnote 2: Employees with seniority date of 6/30/2010 or earlier shall be paid vacation based on the greater of the vacation percentage from the table, above, or the vacation percentage at which the Employee's vacation was paid for the vacation year ended 6/30/2010.)

- c. To advance from the one percentage vacation benefit to the next higher percentage, an employee is required to work 1250 hours or more in the employ of the Employer in each vacation year. A vacation year is from December 1st through November 30th, except in the transition period in the first year of this contract for which the vacation year shall be July 1st through November 30th. For the transition period, the 1250 hours requirement will be pro-rated, such that employees who work 521 hours or more in the transition period will be credited with a year for purposes of the vacation schedule, above. (For example, an employee must work 1250 hours in three (3) vacation years to receive the four percent benefit; upon attaining the 1250 hours in the third year, the vacation benefit for that year will be four percent.) An employee working less than 1250 hours in a vacation year will remain at the vacation benefit percentage at which he began that year.
- d. An Employee deciding to take their vacation pay in lieu of time off may do so only one time per month. Vacation periods or vacation pay are not cumulative from year to year, and the vacation shall be taken at a time mutually agreeable between the Employer and the employee.
- f. Vacation pay accruing to an employee within his vacation year as described above shall be credited to said employee upon completion of his vacation year. Credited vacation pay shall be paid as per current practice.
- g. Vacation pay will not be combined with pay for time worked on a single paycheck, thereby resulting in increased withholding tax being deducted; that is, where separate vacation paychecks are not provided, the withholding tax will be adjusted to account for the vacation payment.

ARTICLE 11

No Limits on Production

There shall be no contract, bonus, piece or task work, nor shall there be a limitation on or curtailment of production or any self-imposed restrictions place or imposed by the Union.

ARTICLE 12

Dirty Pay

1) Employees covered by this Agreement required to work in tanks, bilges, sumps or under floor plates where oil or water has accumulated, or in boilers, uptakes or stacks, or in areas in the machinery spaces where an unusually dirty condition exists, shall be paid at the overtime rate for hours engaged in such unusually dirty work. A salaried supervisor and the shop steward of the lead craft will determine if unusual dirty conditions exist in the areas prior to the employee being assigned.

- 2) When cleaning or working in septic or holding tanks containing human waste where entry is required, payment shall be double time of the employee's straight time hourly wage rate, while so engaged.
- 3) In line with existing practices, the Employer will continue to provide protective devices and equipment for employees engaged in work or areas described in Sections 1 and 2 above.
- 4) When an employee is required to work on a system that has had sewage or human waste discharged through the system and has not been cleaned or purged, the employee shall be paid double time while so engaged.

ARTICLE 13

Health and Safety and Drug Testing

(a) In the Spirit of Vigor's Code – specifically BE CAREFUL – do it safe all the time – All Employees are dedicated to the concept that all accidents are preventable. Accordingly, all Parties are committed to achieving and sustaining Zero Accident Tolerance through continuous improvement practices. Managers, Supervisors and Employees shall enforce and uphold safety health and sanitation measures as required by law and take appropriate corrective action to eliminate hazardous conditions and practices. All Employees are expected to follow safety rules and policies.

Safety is the responsibility of the Employer by law, and each Employee by Company policy. To that end, Joint Safety Committees shall meet regularly to discuss safety and health issues and shall work toward the intention of the Vigor Code. Each Joint Committee shall work to improve and reduce injuries and incidents that cause harm to the Employer or its Employees. The Union is fully committed to assist in improving overall safety.

(b) Prompt ambulance service and first aid to injured workers shall be provided on all shifts. All first aid personnel shall be identified and signs indicating location of first aid stations shall be posted.

(c) An Employee suffering an industrial injury who is advised not to resume work by a nurse, first aid attendant or by a physician shall be paid, pursuant to the terms of this Agreement, to the end of the shift on which the injury occurred. In the event an Employee reports an injury immediately following its occurrence to the nurse, first aid attendant, or physician, and had completed working the shift during which they sustained the injury, and the following day after reporting for work, is advised by the nurse, first aid attendant or physician to whom they were referred to by the Employer, not to continue work because of said injury, they shall be paid to the end of said shift.

(d) It is understood that matters dealing with safety should be presented first to the Employer and/or the safety committee prior to the matter being referred to governmental agencies.

(e) When an Employee is directed by the Employer to undergo a physical exam, the Employer shall pay the exam in full and the Employee shall be paid for his/her time. The Employer shall pay pre-employment physicals in full but the applicant shall not be paid for the time.

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(g) SAFETY AND SUBSTANCE ABUSE PROGRAM:

An Employee who is under the influence of alcohol or drugs is a danger, not only to themselves but all Employees. The parties have agreed to work together to create a work environment free from the effects of Employees impaired by the use of alcohol or drugs, through the use of pre-hire, random, and for cause testing. Further unauthorized possession, manufacture, use, or distribution of alcohol and drugs within the work environment is strictly prohibited. Failure to comply with these expectations can and will result in corrective action up to and including termination of employment and/or employment eligibility.

(h) Every Employee shall be subject to the conditions outlined in the Employer's Drug & Alcohol (D&A) Policy. The Employer also retains the right to amend the terms and conditions of the D& A Policy for the purpose of modifying it due to the changing needs of the Employer's customer or to stay in compliance with legislation. The Employer shall notify the Union within five (5) working days of changes to terms and conditions in the Employer's D&A Policy. This Employer's D&A Policy will have no expiration date and will not be affected by the duration of this contract. This provision shall not be construed as limiting the Union's rights under Article 22, Grievances and Complaints.

(i) When work is assigned to entities or personnel not covered by this Agreement, the Company shall obtain verification that the above safety and drug and alcohol tenets, and other Company safety standards, are complied with.

ARTICLE 14

Shop Stewards

(a) The Union shall select and designate an employee on each shift who shall act as shop steward and be the custodian of the Union. He shall not be discriminated against for normal Union activity as long as he does not interfere with production.

(b) Authorized representatives of the Union shall be allowed admission to the plant by first reporting to the plant office. They shall at no time interfere with the progress of work.

(c) Shop Steward: There may be designated by each Union one (1) shop steward on each shift who will be granted super seniority during his respective term of office. Such

shop steward shall have at least one (1) year of seniority and be qualified to perform the work available.

ARTICLE 15

Pay Day

Employees under this Agreement shall be paid once each week, at the end of their regular work shift, for all time worked during the weekly payroll period. Employees laid off or terminated shall be paid no later than the next regularly scheduled pay day.

ARTICLE 16

Travel Time, Out-of-Yard and Out-of-town Work

(a) Within Commuting Area: (Definition: includes Mt. Vernon to the north, King County to the south and Oak Harbor to the west)

1. When employees are sent to work away from the yard or regular place of employment, they shall be paid their regular shift pay while traveling except in the case of traveling to or from the yard or regular place of employment before the regular starting or after the regular quitting time of their shift; in such cases, they shall receive pay at the established overtime rate. If employees are sent to work as above on an overtime day, overtime rates would apply.
2. The Employer shall provide covered transportation or pay mileage allowance in accordance with the maximum cents per mile allowed by the Internal Revenue Service plus bridge tolls if the employee is required to furnish his own transportation from the Employer's place of business to the job site.
3. On out-of-yard jobs lasting longer than one (1) working day, the location of the job shall be considered the place of employment and the employees will be required to report direct to such job at the regular starting time of their established shift. Travel time as set forth in Paragraph 1 above and travel allowance as set forth in Paragraph 2 above, shall be paid for the first one (1) day on jobs lasting more than one (1) day.
4. Not more than eight (8) hours pay shall be paid for travel time in any one day of twenty-four (24) hours computed from the starting time of the employee's regularly assigned shift.

(b) Intermediate Area: (Definition: Tacoma, Anacortes and Bellingham areas)

1. Employee will be paid a \$35.00 expense allowance* for every day worked on a job in these areas. This expense allowance is in addition to the hourly pay for hours worked.

(c) Outside Commuting Area: (Definition: includes Bremerton, Eagle Harbor, Bangor, Keyport; does not include areas covered in (a) and (b) above.)

1. Each employee will be paid a \$70.00 expense allowance* for every overnight away from home for the term of this agreement. This expense allowance* is in addition to his hourly pay for hours worked. Employees are encouraged to economize by sharing rides, hotel rooms, etc. In the event an employee cannot share costs because only one employee is involved, then fair reasonable expenses will be reimbursed upon presentation of receipts.

(d) At Sea and on Sea Trial Work: When employees are required to work at sea or are assigned to vessels on trial trips, they shall receive regular shift pay, meals and room accommodations when necessary. If employees are required to work outside of their regular assigned shift hours or on Saturdays, Sundays or holidays, they shall receive the established overtime pay for such time worked.

(e) The parties agree that in the event the Company engages in any work not governed by this Agreement, they will sit down and mutually agree to the terms and conditions.

Note: The term "yard or regular place of employment" shall include the Everett and Seattle locations.

* This expense allowance is for any and all costs including but not limited to the following: for travel time, for travel costs, for any food and lodging, for tolls, etc.

ARTICLE 17

Welding Test

When a regular employee is required to take a welding test, he or she shall be paid for the time to take the test, up to a maximum of four (4) hours.

Any welder who is required to take a welding test before employment shall be paid for the time to take the test, up to a maximum of four (4) hours, provided he or she passes the test successfully and is consequently employed by the Company.

ARTICLE 18

Apprentice and Training Program

In order that an adequate supply of competent, skilled craftsmen shall be available at all times, it is agreed between the parties hereto that an apprentice program shall be

established by mutual consent of the Union and the Employer. The terms of such apprentice program shall not conflict with Federal or State Apprenticeship laws.

The Employer shall contribute \$0.05 per hour to the Training Trust, paid monthly.

ARTICLE 19

Strikes and Lockouts Barred

There shall be no lockouts on the part of the Employer nor suspension of work on the part of the Union or its members. This Agreement is a guaranty that for its duration there will be neither strikes nor lockouts, and that all grievances arising under its provisions will be settled pursuant to its grievance machinery, Article 23, "Grievances and Complaints" and Article 24, "Arbitration of Disputes". Any action of the employees in refusing to go through a picket line for their own protection in case of an officially declared strike by some Union directly working on the job, if said strike is sanctioned and approved by the Metal Trades Council, shall not constitute a violation of this clause of the Agreement.

ARTICLE 20

Grievances and Complaints

(a) Any complaint arising among the employees over the interpretation or application of any specific provision of the Agreement shall be processed as follows:

STEP 1

The shop steward, committeeman or business representative shall call any complaint, dispute or grievance to the attention of the foreman or department head within five (5) working days from the time it arises. If the complaint, dispute or grievance is not adjusted within two (2) working days after it is presented to the foreman or department head, the shop steward or committeeman shall report such complaint, dispute or grievance in writing over the signature of the complainant to his respective business representative. Such written complaint, dispute or grievance shall describe the incident involved, the provision of the Agreement alleged to be violated and the remedy requested, and shall be submitted to the general manager or other official designated by the Employer over the signature of the business representative within twelve (12) working days from the date the complaint, dispute or grievance arose.

Within five (5) working days after the general manager or other official designated by the Employer receives a communication in writing from the respective Union alleging violations of this collective bargaining agreement, the Employer shall reply to the communication in writing. If the Employer does not respond within five (5) days, the Union has the right to proceed to Step 3.

STEP 2

Within five (5) working days after the Employer replies to the communication from the Union of a violation or violations of the collective bargaining agreement, a business representative of the Union and the general manager of the Employer or other official designated by the Employer, shall meet for the purpose of adjusting such complaint, dispute or grievance. Any final decision reached by the Employer representative and the Union business representative shall be reduced to writing.

STEP 3

If no satisfactory solution eventuates from Step 2 within two (2) working days, then either party may within five (5) days thereafter request in writing a meeting be held with representatives of the Employer and the representatives of the union. Any settlement reached shall be final and binding.

STEP 4

If no satisfactory solution eventuates from Step 3 within ten (10) working days, then either party may within ten (10) days thereafter give written notice of arbitration to the other party.

Any complaint, dispute or grievance not brought up or carried forward to adjustment or arbitration as provided for in this Article shall, unless the parties otherwise agree in writing, be regarded as waived.

No employee shall refuse to work or otherwise curtail production or engage in any slowdown with employer operations because of any complaint, dispute or grievance which he may have.

If the Employer has any complaint, dispute or grievance with any Union or any employee covered by this Agreement, the Employer shall likewise avail itself to any or all of the foregoing grievance procedure steps.

The Employer will not in any way discriminate against any shop steward or committeeman for presenting any complaint, dispute or grievance to their foreman or department head or to company management in the manner provided for in this Agreement.

The Union shall advise the Employer of the names of shop stewards currently elected or appointed. The full grievance procedure as set forth herein shall be available to the Union if it feels its shop stewards have been discriminated against.

ARTICLE 21

Arbitration of Disputes

1) In the event the parties shall be unable to adjust any complaint, grievance or dispute involving the express terms of this Agreement, such complaint, grievance or

dispute shall be referred to an impartial arbiter selected from a panel, mutually agreed upon by the parties.

- 2) Awards or settlements of grievances may or may not be retroactive as the equities of each case may demand, but in no event shall any arbitration award be retroactive beyond thirty (30) calendar days prior to the date on which the grievance was first presented to the Employer unless agreed to by both parties.
- 3) The panel will consist of no more than five (5) and no less than three (3) impartial arbiters. The panel may be modified from time-to-time by mutual agreement of the parties.
- 4) Each party shall have the right to strike a total of two (2) names from the list, and the right to strike first shall be determined by lot, or as otherwise agreed by the parties, and each party shall alternately strike one (1) name. The name remaining on the list after each party has stricken two (2) names shall be the impartial arbiter.
- 5) The Employer and the Union or Unions involved shall equally pay the arbiter's fee, the cost of any hearing room and the cost of a court reporter, if requested by the arbiter. All other expenses shall be paid by the party incurring such expense.
- 6) The decision of the arbiter shall be final and binding upon the parties. Such decision shall be limited to interpretation and application of the express terms of this Agreement and shall not change or add to any of its terms and conditions. In his decision, the arbiter shall specify whether or not the decision is retroactive and the effective date thereof.

ARTICLE 22

Jurisdictional Disputes

- a) The Union agrees that in the event any jurisdictional dispute shall arise with respect to the jurisdiction or work on any classification of employment, whether or not included in schedule attached hereto, such dispute shall be settled by the local union involved and/or the International Unions involved, and that pending the adjustment of the jurisdictional dispute there shall be no stoppage of work.
- b) The Employer agrees that work assignments will be made to the employees covered by this Agreement in accordance with his established practice.
- c) The provisions of this Article shall be equally binding upon the Employer and the Union.

ARTICLE 23

Health & Welfare Pension

Newly hired employees will not be eligible for pension contributions until they have completed 300 hours of work in a one year period. Upon the completion of the 300 hour waiting period, pension contributions shall be retroactive to the date of hire.

Pension

The Employer will pay the dollar per hour amount as designated by Boilermakers Local 104 on actual hours worked to the applicable jointly administered Trust. These contribution amounts may not be adjusted during the term of the Agreement.

In the event the Employer becomes subject to any adjustment, increase, surcharge or other assessment (hereinafter "adjustment") that requires pension contributions greater than the dollar amounts specifically required by this Agreement, the wage rates of the Employees to whom the pension adjustment applies shall be reduced by 80% of the amount of the pension adjustment, effective when the pension adjustment becomes effective. (The Employer agrees to provide 20% of a required pension surcharge amount, as an offset to the surcharge reduction impact on Holiday, Vacation, etc.) In the event a pension adjustment that resulted in a wage reduction under this provision ceases to apply, the wage-rate reductions imposed because of the pension adjustment will be reversed, effective when the pension adjustment ceases to apply to the Employer.

The parties further agree that when an adjustment is required the Employer and the Union representative(s) shall meet to discuss and attempt to reach a mutual agreement on the language and potential options presented by the Trust regarding how the wage rates of such affected employees will be diverted accordingly. The agreement reached will be proposed to the Trust.

No voluntary increases in Employees' diversion from wages to their respective union pension funds shall be allowed beyond those in place as of July 2015 unless the Local Union has a Defined Contribution Plan, in which case the annual hourly increased diversion shall be capped at a maximum of \$0.50 per hour.

Health and Welfare

The Employer will pay the dollar per hour amount as designated by Boilermakers Local 104, not to exceed the total package amount reflected in "Schedule A" of this agreement, on actual hours worked to the applicable jointly administered Trusts. The allocation of monies by the individual Unions may be changed upon serving written notice upon the Employer. The change in allocation for the trust involved will be made effective upon the next regularly scheduled payment date after receipt of notice.

Each Trust shall be responsible to comply with all applicable provisions of the Affordable Care Act and agrees that it will offer minimum value affordable coverage as defined by the ACA. In the event any Trust is not in compliance with the Affordable Care Act, the Company and the union representative for the affected employee group shall meet and determine the appropriate action that needs to be taken.

ARTICLE 24

Tools

Employees will be furnished tools. The employees shall be responsible for and take all reasonable care and precaution to protect these tools from damage, loss, or theft. The Unions agree to cooperate with the Employer in exercising the intent of this Article toward employees who are negligent with property supplied to them by the Employer. The employee is required to come to work with the following minimum set of tools:

Journeyman & 90% Welder

Hood
Leathers
Pliers/Cutters

Journeyman & 90% Ship/Fitter

Hood
16' Tape
12" Crescent Wrench
4 lb. Hammer
Tri-Square

Employees who do not have the minimum set of tools will be issued same and will pay for same through a payroll deduction.

The Employer shall administer a Company Tool check out system. Employees shall have sufficient time prior to the end of shift to return tools on Employers time. Determination of sufficient time shall be at the Employer's discretion.

If the Employee requires specialized tools to perform work, then that employee will furnish the Employer an inventory of such tools. If the Employer authorizes the tool inventory, that employee shall be paid an eight cents (\$0.08) per hour premium for such tools furnished.

ARTICLE 25

Jury Service

a) An employee having been regularly employed for a period of ninety (90) days or more and on the active payroll required by law to serve as a jurymen shall, upon satisfactory proof to the Employer of such service rendered, be reimbursed by the Employer for his work time lost on the basis of the difference between his straight time day shift hourly job classification rate and his jury pay (excluding travel allowance), provided, however, such Employer reimbursement shall not be applicable to any period of time during which said employee-jurymen did not perform work for the Employer other than when prevented from doing so solely because of said jury service; and further provided that such Employer reimbursement is, in no event, to be applicable for a period of more than eight (8) hours in a standard workday, nor more than five (5) days in a standard workweek.

b) In applying the foregoing, it is understood that if an employee is called for jury service, responds to the call and loses time, but is not accepted for service or serves and is relieved therefrom by the middle of his work shift, the employee will be reimbursed by the Employer for his work time lost on the basis of the difference between his straight time day shift hourly job classification rate and his jury pay (excluding travel allowance) provided he returns to his job immediately and promptly reports these facts to the Employer; provided further that if an employee works his regular shift in addition to performing jury duty, he shall not be paid by the Employer under the provision of this Article.

c) There shall be a maximum jury service benefit of eighty (80) hours for one jury term.

ARTICLE 26

Leaves

(a) **MILITARY LEAVE:**

Employees enlisting or entering the military or naval service of the United States of America, pursuant to the provisions of USERRA Act of 1994, shall be granted all rights and privileges provided by the Act.

(b) All Employees shall be granted a leave of absence in order to fulfill their obligations to serve in the military services of the United States, active or reserve, including any state or federal National Guard.

(c) Employees' required to report for: Active Duty Reserve, National Guard Duty, or annual Reserve Duty, after completing 90 days employment from date of hire, shall receive their regular hourly rate of pay not to exceed eighty (80) hours minus military pay in any twelve (12) month period. Evidence of service/pay shall be presented to the Employer.

(d) **BEREAVEMENT LEAVE:**

After working 90 cumulative hours within three (3) calendar months, Employees shall be eligible for up to: five days (5) days of paid bereavement leave due to the death (or imminent death) of a spouse or domestic partner, and up to three (3) days of paid bereavement leave due to the death (or imminent death) of an immediate family member as defined herein: Parent/Parent-in-law, Child/Step-Child, Sibling/Sibling in-law, Grandparents, Grandchildren, Spouse of a Child, or a relative residing in the same household as the Employee

Bereavement pay is determined by an employee's hourly straight time rate at the time of absence and does not include premium pay such as shift differential. Employees may be asked to verify family relationship and death.

(e) To the fullest extent permitted, the parties agree this Collective Bargaining Agreement shall operate to waive any provisions of the San Francisco Paid Sick Leave Ordinance, San Francisco Administrative Code Section 12W, and shall supersede and be

considered to have fulfilled all requirements of said Ordinance as presently written, and or amended during the life of the Collective Bargaining Agreement.

(f) To the fullest extent permitted, the parties agree the Agreement shall also operate to waive any provisions of the City of Seattle's Sick Leave Ordinance which extends to Safe Leave as well, and shall supersede and be considered to have fulfilled all requirements of said Ordinance as presently written and or amended during the life of the Collective Bargaining Agreement.

(g) The parties hereby acknowledge that the Vacation Provisions contained in Article 10 of this Agreement including the vacation hours bank provided employees covered by this agreement meet or exceed the requirements of the Portland Protected Sick Time Ordinance. Therefore, to the fullest extent permitted, the parties agree the Agreement shall also operate to waive any provisions of such ordinance(s) and shall supersede and be considered to have fulfilled all requirements of said Ordinance(s) as presently written and or amended during the life of the Collective Bargaining Agreement.

ARTICLE 27

Changes of Agreement

- a) The terms and conditions of the Agreement cannot be changed unless by mutual consent of both parties hereto. The parties hereto mean the parties who negotiated this Agreement.
- b) The officials executing this Agreement in behalf of the Employer and the Union warrant and guarantee that they have the authority to act for, bind and collectively bargain in behalf of the workmen employed in the classifications set forth in the Scope of this Agreement.

ARTICLE 28

Management Functions

Subject to the specific provisions of this Agreement, the management of the plant and the direction of the working force shall be the exclusive function of the Employer, provided, however, this shall not be construed as limiting the Union's rights under Article 23, "Grievances and Complaints".

ARTICLE 29

Savings Clause

- a) Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof, provided, however, upon

such invalidation the parties agree immediately to meet and negotiate such parts or provisions affected. The remaining parts or provisions shall remain in full force and effect.

b) Job Classification Award- Should any award be rendered giving the Union the jurisdiction over a job classification with less wage rates, there will be no change in the wage rate for such classification.

ARTICLE 30

Effective Date and Duration of Agreement

a) This Agreement, including Schedule A, Addendum and Memorandum of Understanding will become effective on September 11, 2015 unless otherwise provided herein, and shall remain in full force and effect until July 31, 2018, and from year-to-year thereafter, unless either party shall at least sixty (60) days, but not more than ninety (90) days prior to July 31, 2018, or any subsequent anniversary date, notifies the other party in writing of any proposed changes or modifications of this Agreement.

b) If either party gives notice as aforesaid to the other, then within twenty (20) days of the service of said notice, representatives of the Employer and of the Union shall meet and shall negotiate such proposed changes without unnecessary delay.

c) If the parties are unable to satisfactorily conclude negotiations, this Agreement and any supplements thereto may be canceled by either party upon giving a sixty (60) day written notice to the other. All terms and conditions of this Agreement, and any supplements thereto, will remain in effect during this notice period.

ARTICLE 31

Successor Clause

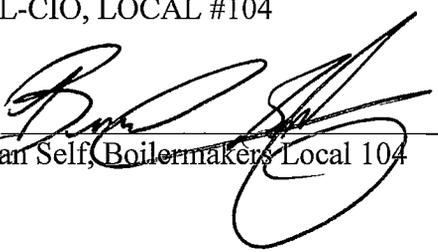
All of the terms of this Agreement are intended to benefit, and be binding upon, the parties' respective successors and assigns. In the event the Employer sells its assets or stock to any third party, or, by merger, consolidation, or any other means, transfers control of all or part of its business to a third party, then the Employer shall require that third party to be bound by each and every provision of this Agreement and that third party and the Union shall become signatory to it on or before the effective date of the transaction. The Employer shall provide written notice to the Union at least thirty (30) calendar days prior to the effective date of any sale, merger, consolidation or transfer.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this
16TH day of DECEMBER, 2015 at Everett, Washington.

EVERETT SHIPYARD, INC.

By 
Al Jackson, HR Manager

INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIPBUILDERS,
BLACKSMITHS, FORGERS & HELPERS,
AFL-CIO, LOCAL #104

By 
Brian Self, Boilermakers Local 104

Schedule A

Increases below will be effective the first pay period following ratification. Subsequent increases will be effective the first pay period following the stated effective date.

Current ESY package as of 7/1/15:

Classifications	Hourly Rate	Health Trust*	Pension**	training***	Total
Journey Level 1	\$27.18	\$5.85	\$4.55	\$0.05	\$37.58
Journeyman 90%	\$24.46	\$5.85	\$4.10	\$0.05	\$34.41
Helper 70%	\$19.03	\$5.85	\$3.19	\$0.05	\$28.06

*(\$5.20 Employer & \$0.65 Employee)

**(\$2.00 Employer \$2.55 Employee)

***\$0.05 per Article 18 (employer contribution)

At Ratification:

Classifications	Hourly Rate	Health Trust*	Pension**	training***	Total
Journey Level 1	\$28.91	\$5.85	\$4.55	\$0.05	\$39.31
Journeyman 90%	\$26.02	\$5.85	\$4.10	\$0.05	\$35.96
Helper 70%	\$20.24	\$5.85	\$3.19	\$0.05	\$29.27

*(\$5.20 Employer & \$0.65 Employee)

**(\$2.00 Employer \$2.55 Employee)

***\$0.05 per Article 18 (employer contribution)

12/1/15:

Classifications	Hourly Rate	Health Trust*	Pension**	training***	Total
Journey Level 1	\$30.16	\$5.85	\$4.55	\$0.05	\$40.56
Journeyman 90%	\$27.14	\$5.85	\$4.10	\$0.05	\$37.09
Helper 70%	\$21.11	\$5.85	\$3.19	\$0.05	\$30.15

*(\$5.20 Employer & \$0.65 Employee)

**(\$2.00 Employer \$2.55 Employee)

***\$0.05 per Article 18 (employer contribution)

Schedule A

12/1/16:

Classifications	Hourly Rate	Health Trust*	Pension**	training***	Total
Journey Level 1	\$30.76	\$5.85	\$4.55	\$0.05	\$41.16
Journeyman 90%	\$27.68	\$5.85	\$4.10	\$0.05	\$37.63
Helper 70%	\$21.53	\$5.85	\$3.19	\$0.05	\$30.57

*((\$5.20 Employer & \$0.65 Employee)

**(\$2.00 Employer \$2.55 Employee)

***\$0.05 per Article 18 (employer contribution)

12/1/17:

Classifications	Hourly Rate	Health Trust*	Pension**	training***	Total
Journey Level 1	\$31.38	\$5.85	\$4.55	\$0.05	\$41.78
Journeyman 90%	\$28.24	\$5.85	\$4.10	\$0.05	\$38.19
Helper 70%	\$21.97	\$5.85	\$3.19	\$0.05	\$31.00

*((\$5.20 Employer & \$0.65 Employee)

**(\$2.00 Employer \$2.55 Employee)

***\$0.05 per Article 18 (employer contribution)

New employees hired at the Journeyman 90% classification: Journeyman 90% employees shall automatically advance to Journeyman after the completion of 2,000 hours worked at the following yards: Duwamish Shipyard, Inc., MARCO Seattle, Pacific Fishermen, Inc., Foss Maritime, Everett Shipyard, Fishing Vessel Owners, Todd Shipyard Seattle, UNIMAR, Union Bay Shipyard or Lake Union Dry Dock. Employees having already worked such 2,000 hours shall be exempt from the Journeyman 90% classification.

Employees who are graduate apprentices from a formal Washington State approved JATC apprenticeship program shall be classified as Journeymen.