

Terminates: October 1, 2016

AGREEMENT

SEATTLE BOILER WORKS, INC.
500 South Myrtle Street
Seattle, Washington 98108

And

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS,
BLACKSMITHS, FORGERS, WELDERS AND HELPERS OF AMERICA, AFL-CIO,
LOCAL NO. 104

WAGE SCALES AND WORKING RULES COVERING
SHOP MANUFACTURING AND OUTSIDE REPAIR WORK

ARTICLE I
PREAMBLE

This Agreement is made by and between SEATTLE BOILER WORKS, INC., 500 South Myrtle Street, Seattle, Washington, 98108, and INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS, WELDERS AND HELPERS OF AMERICA, AFL-CIO, LOCAL NO. 104.

ARTICLE II
RECOGNITION

Section 1. SEATTLE BOILER WORKS, INC., 500 South Myrtle Street, Seattle, Washington, 98108, hereby recognizes (as far as may be legally admissible) now and during the whole term of this contract and all renewals thereof, the INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS, WELDERS AND HELPERS OF AMERICA, LOCAL NO. 104 as the sole and exclusive collective bargaining agency for all employees of the Company whose work is described, classified and set forth in this contract.

Section 2. It is agreed that all employees coming under the terms of this Agreement shall continue to perform all work heretofore performed by them without regard to past, present or future disputes based on jurisdictional claims.

ARTICLE III
UNION SECURITY

Section 1. Pursuant to and in conformance with Section 8 (a) 3 of the Labor-Management Relations Act of 1947, it is agreed that all employees coming under the terms of this Agreement shall make application to join the Union within thirty-one (31) days following the date of employment or within thirty-one (31) days following the date of signing of this Agreement, whichever is the later, and must maintain membership in good standing for the life of this Agreement and any renewal thereof. The employer shall discharge any employee as to whom the Union through its business agent delivers to the Employer a written notice that

such employee is not in good standing in conformity with this Article.

Section 2. The Employer agrees to employ only employees in the classifications set forth in Schedule A in the performance of the work included within the scope of this Agreement.

Section 3. New hires, on or before the first day of employment, will be advised of the provisions of Section 1 of this Article, and shop stewards will be advised of the names of new employees on a form provided by the Union.

ARTICLE IV MANAGEMENT FUNCTIONS

Subject only 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 XXI, Grievance Procedure.

ARTICLE V NON-DISCRIMINATION

Section 1. The Employer shall have the right to determine the competency and qualifications of its employees and the right to discharge any employee for just and sufficient cause; provided, however, no employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of membership or activity in his Union, so long as such activities are not carried on during working hours so as to interfere with production at the plant.

Section 2. The Employer and the Union agree there will be no discrimination against any employee or job applicant because of race, religion, color, sex, age, national origin, or any other basis as provided under Executive Order or Federal Laws.

ARTICLE VI HOURS OF WORK AND SHIFTS

Section 1. Eight (8) hours shall constitute a normal day's work. Five (5) days, Monday to Friday, inclusive, shall constitute a normal week's work, provided that the workweek for Maintenance and Non-Production employees may be five (5) days, Tuesday to Saturday, inclusive. The regular daily work periods for the respective shifts shall be as follows:

First Shift or Regular Daylight Shift: An eight and one-half (8-1/2) hour period, less thirty (30) minutes for meals on the employee's time. Starting times shall not be earlier than 5:00 a.m. nor later than 9:00 a.m. Straight-time hourly rates of pay are set forth in Schedule A hereof.

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 straight-time hourly second shift rate as set forth in Schedule A hereof.

Third Shift: A seven (7) hour period less thirty (30) minutes for meals on employee's time. Pay for a full third shift period shall be a sum equivalent to eight (8) times the straight-time hourly third shift rate as set forth in Schedule A hereof.

Section 2. In the event an individual employee's starting time is changed, it shall not be changed again within five (5) consecutive work days except in case of emergency or to return to the employee's previous starting time.

Section 3. In event of power curtailments and/or power rate "peak period" penalties, the normal workday and workweek provisions of this Agreement shall become inoperative.

Section 4. In exception to the above, it is recognized that special conditions require special or unusual shifts. In such cases, the details thereof shall be worked out and agreed to between the particular Company and the Union.

ARTICLE VII OVERTIME

Section 1. All time worked over ten (10) hours per day, or forty (40) hours per week, shall be considered overtime and shall be paid for at time and one-half the straight time regular day shift rates. All time worked over twelve (12) hours in a workday and all time worked on Sunday shall be paid for at double time the regular day shift rate.

Maintenance and Non-Production employees scheduled to work a Tuesday through Saturday workweek shall be paid at time and one-half the straight-time regular day shift rate for all time worked over eight (8) hours per day and the first twelve (12) hours on Sunday and paid double time the regular day shift rate for all time worked over twelve (12) hours in a workday and all time worked on Monday.

Employees absent from work on a scheduled workday during the regular workweek shall be paid at the straight-time hourly rate until they have worked forty (40) hours during that workweek.

Section 2. Shift Break: Employees required to work overtime past the quitting time of their regular shift, unless relieved from work at least eight (8) hours before starting to work on their next regular shift, shall be paid the overtime rate for such shift.

EXAMPLE: When a workman starts work at 8:00 A.M. on Monday morning, and is requested to work until 12:00 that night, he will have eight (8) hours rest before his regular starting time at 8:00 A.M. on Tuesday morning. But, if he is required to work until 2:00 A.M., he will have had only six (6) hours rest and shall receive time and one-half for Tuesday.

In event an employee is advised to report to work later than his normal starting time for the purpose of allowing him at least an eight (8) hour work relief, he shall be guaranteed a minimum of eight (8) hours straight-time pay for that shift.

Section 3. When an employee is continuously employed for more than two (2) hours beyond the quitting time of his regular shift, he will be allowed reasonable time to obtain a meal.

ARTICLE VIII
REPORT PAY

Section 1. Any regular employee who is required to report for work but does not commence work shall receive not less than two (2) hours pay at the applicable straight time hourly shift rate. Any regular employee who is required to report for work and commences work shall receive not less than four (4) hours pay at the applicable straight-time hourly shift rate.

Section 2. Any regular employee who is not specifically instructed at least twelve (12) hours before his regular starting time not to report for work shall be considered as having been ordered to report and, therefore, entitled to two (2) hours pay.

Section 3. Report pay shall not be required where an employee is returning to work from absences of two (2) or more days without making prior arrangements with the Company for his/her return to work.

Section 4. In the event of an emergency such as fire, flood, power failure, power curtailment, machine breakdown, etc., beyond the control of the Employer (alleged lack of work cannot be construed as emergency) or where the employee voluntarily quits, lays off or is discharged, the foregoing requirements shall not be applicable and the employee shall be paid for actual time worked.

ARTICLE IX
EMERGENCY CALL-BACK PAY

Any regular employee who has completed his normal shift for the day and is called back to work shall receive not less than two (2) hours pay at the overtime rate.

ARTICLE X
CLASSIFICATIONS AND MINIMUM RATES OF PAY

Section 1. The classifications and minimum rates of pay for employees covered by this Agreement are set forth in Schedule A which is attached hereto and made a part hereof.

Section 2. When an employee is transferred to another classification paying a higher rate, he shall receive the higher rate for the duration of such employment in such classification.

Section 3. Foremen shall not be assigned to displace workmen during overtime periods.

Section 4. Working leadmen shall be paid at least thirty-five cents (35f) per hour over the journeyman rate.

Section 5. Any employee already receiving more than the minimum set forth in Schedule A for his classification shall suffer no reduction as a result of this Agreement, and nothing herein shall preclude the payment of a higher rate at the discretion of the Employer.

Section 6. Apprentice wages, ratios and other matters concerning apprentices shall be provided in the Seattle Boilermakers Joint Apprenticeship Standards, as approved by the Washington State Apprenticeship Council.

ARTICLE XI
PAY DAY

Shops now paying weekly shall continue to pay weekly. In shops where employees are paid twice monthly, or every two weeks, they shall be permitted one draw day between pay days as prescribed by the management upon one day's notice by the drawee. Employees shall be given their paychecks prior to the end of their regular work shift on payday. All regular paychecks shall have a detachable stub or equivalent which will set forth the amount of the check, hours worked, and an itemized list of deductions. Any employee who gets laid off shall receive all wages due him within twenty-four (24) hours of the termination of his employment. Any employee who quits of his own volition shall receive all wages due him on the next regular pay period following his date of termination.

ARTICLE XII
HOLIDAYS

Section 1. Each employee shall receive eight (8) times his regular straight-time hourly shift 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 workday prior to or the workday following was due to industrial injury, bona fide 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, a temporary layoff shall be considered as one of two (2) weeks or less in duration.

2. The employee has been in the employ of the Employer for sixty (60) calendar days.
3. In event an employee does not work his full scheduled workday prior to and/or following the holiday, holiday pay shall be reduced in the amount equivalent to the time he failed to work as scheduled on the day before and/or after the holiday. However, in the event an employee would leave work without the specific approval of management before the established stopping time of his shift on a day before or after a holiday, he would be ineligible for any holiday pay and would be subject to further disciplinary action.

Section 2. The following shall be recognized as paid holidays: NEW YEAR'S DAY, MEMORIAL DAY, INDEPENDENCE DAY, LABOR DAY, THANKSGIVING DAY, the DAY AFTER THANKSGIVING, the last scheduled workday before CHRISTMAS, and CHRISTMAS DAY.

In cases where the above listed holidays fall on Saturday, the Employer shall have the option of specifying by the Wednesday preceding the holiday whether Friday shall be a regular workday or regarded as the paid holiday.

Section 3. All time worked on the aforesaid holidays shall be compensated for at time and one-half the straight-time shift rate, plus holiday pay for eligible employees pursuant to Section 1 above shall be paid for such time. It shall be optional with the employees of any

company as to whether or not they work on any of the specified holidays at the request of the Employer with the exception of work required for the preservation of life and property.

Section 4. Should any of the above holidays fall on Sunday, the day observed by the Nation shall be considered a holiday and compensated for as required under the foregoing Sections of this Article.

Section 5. Should any of the above holidays fall within the vacation period of an employee, he shall be paid as set forth above for such holiday, provided he works his last scheduled workday prior to and his first scheduled workday following his vacation period.

ARTICLE XIII **VACATIONS/PAID TIME OFF**

Vacations with pay will be granted on the following basis:

Section 1. A vacation year shall run from June 1 of any year to May 31st of the next succeeding year. Employees shall earn vacation credit during each vacation year based upon the number of hours worked as follows:

280 hours	1 day
560 hours	2 days
840 hours	3 days
1120 hours	4 days
1400 hours	5 days
1680 hours	6 days

Section 2. Each employee on June 1 of any year shall be entitled to vacation with pay at employee's straight-time hourly shift rate for the number of days of vacation credit which he has earned in the preceding vacation year.

Section 3. Any employee who on June 1 of any year has worked 1400 hours in each of three (3) consecutive vacation years shall be entitled to ten (10) days' vacation with pay at employee's straight-time hourly shift rate. Any employee who on June 1 of any year has worked 1680 hours in the preceding vacation year shall be entitled to one additional vacation day with pay at the employee's straight-time hourly shift rate.

Section 4. Any employee who on June 1 of any year has worked 1400 hours in each of ten (10) consecutive vacation years shall be entitled to fifteen (15) days' vacation with pay at employee's straight-time hourly shift rate. Any employee who on June 1 of any year has worked 1680 hours in the preceding vacation year shall be entitled to one additional vacation day with pay at the employee's straight-time hourly shift rate.

Section 5. Any employee who has retained seniority and who has once qualified for and received ten (10) days or fifteen (15) days or more vacation with pay in any year either under this or any preceding contract, and who shall in any one (1) vacation year subsequent to June 1950 fail to work a minimum of 1400 hours shall, upon working 1400 hours in the next succeeding vacation year, be entitled to ten (10) days vacation with pay or fifteen (15) days or more vacation with pay, whichever is applicable, at employee's straight-time hourly shift rate at the expiration of said vacation.

Section 6. Vacations are not cumulative and shall be taken at such time during the period June 1 to May 31st of any year as may be designated by the Employer, or as otherwise agreed upon between Employer and the employee. All vacation credits must be earned in the employ of one employer.

Section 7. Employees rehired after voluntarily resigning or being discharged for cause shall be considered new employees and vacation rights therefor shall only accumulate from the latest date of employment.

Section 8. Any employee who quits, is laid off or discharged shall be paid for his accumulated vacation credit; and if such employee has previously qualified for two weeks' vacation or three weeks' vacation, he shall be paid for two times or three times, whichever is applicable, the vacation credit set forth in Section 1.

Section 9. 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 vacation separate paychecks are not provided, the withholding tax will be adjusted to account for the vacation payment. Further, industrial insurance deductions will not be made on vacation hours.

Section 10. Employees may use vacation time as paid time off in .25 (1/4) hour increments for sick, vacation or personal reasons.

ARTICLE XIV **JURY SERVICE**

Section 1. An employee having seniority as provided in Article XVIII, Seniority, and 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.

Section 2. 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 jury 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 provisions of the Article.

ARTICLE XV **BEREAVEMENT LEAVE**

An employee having attained seniority as provided in Article XVIII, Seniority, who suffers a death in the immediate family shall receive two (2) days off with pay. The immediate family shall be defined as wife, husband, Domestic Partner registered with the State of Washington, son, daughter, mother, father, brother and sister who are residing within the United States.

ARTICLE XVI
HEALTH AND WELFARE AND DENTAL

Section 1. The Employer shall provide the following benefits to employees and their dependents as elected by the employee on the first day of the month coincident with or following thirty (30) days of employment:

- (a) Effective October 1, 2013, the Company will remit the premium amount(s) on behalf of all eligible bargaining unit employees to MBA Trust Market M45 Plan or comparable plan (i.e.: \$1,000 per person deductible 80/70 Coinsurance). The Employer shall provide Dental benefits.
- (b) The Company may substitute another health and welfare plan upon mutual agreement of the parties.

Section 2. Maintenance of Benefits.

- (a) Employees will contribute 20% of the cost of providing insurance under the plans listed in Section 1 above. Each employees cost share shall be effected via payroll deduction.

Section 3. The Employer's obligation to provide coverage for an employee under the above Plans shall cease on the last day of the month in which the employment termination occurs. If an employee ceases to be actively at work because of accident or illness, the Employer will keep the coverage in force for a period not to exceed four (4) months.

Section 4. Health Maintenance Organization Option. Employees will have a choice of a Health Maintenance Organization Option in lieu of the Comprehensive Major Medical Program provided for in this Article. If the cost of this Health Maintenance Option exceeds the total cost of the benefits under Article XVI, Section 1, above, the employee who selects the H.M.O. Option shall pay the additional cost.

ARTICLE XVII
PENSIONS AND RETIREMENT

Section 1. Base and Minimum contribution rate. The employer contributions rate to the Boilermaker-Blacksmith National Trust in effect on September 30, 2008 was \$1.95 per hour for all hours worked. This is the "Base Contribution Rate" used to arrive at future "Minimum Contribution Rates".

- A. Effective January 1, 2012 the minimum contribution rate was 205% of the base contribution rate of \$1.95, or \$4.00 per hour worked.
- B. Effective January 1, 2013 the Minimum Contribution Rate shall be 108% of the 2012 Minimum Contribution Rate of \$4.00 for a total of \$4.32 per hour worked.
- C. Effective January 1, 2014 the Minimum Contribution Rate shall be 108% of the 2013 Minimum Contribution Rate of \$4.32 for a total of \$4.67 per hour worked.

Employer Contribution Rate: Effective October 1, 2009 the employer contributions to the Boilermaker-Blacksmith National Trust are paid at the rate of \$2.15 per hour for all hours worked.

The parties agree to comply with the above directive of the Trustees of the Plan to improve the funding status of the Plan. The parties agree to reduce the hourly wage rate(s) specified within their Labor Agreement effective with the above dates, and by the respective dollars/cents-per-hour amount necessary to fund the additional pension contributions (the difference between the Minimum Contribution Rate and the Employer Contribution Rate) for as long as the Trustees' directive for additional funding requirement remains in effect, or until the expiration of the parties' Labor Agreement, whichever occurs sooner.

For purposes of computing vacations, holidays, jury duty and overtime, wages will be based on the Classification Wage Rates established in Schedule "A," prior to computing the pension contribution at the above rates based on "hours worked." For example, overtime will be paid at 1.5 times the Schedule "A" rate of pay times hours worked. Pension contributions for said hours are based on the above Minimum Contribution Rates times hours worked.

In the event that the Pension Trustees eliminate or reduce the Minimum Contribution Rates referenced above, the Employer shall at that point in time restore hourly wage rates and pension contributions commensurately and prospectively, but not retroactively.

Section 2. Employees may participate in the Employer's 401(k) plan for individual retirement savings to the maximum amount permitted by law.

ARTICLE XVIII **SENIORITY**

Section 1. With a view to maintaining the most harmonious relations possible and the utmost teamwork between employees, work shall be distributed as evenly as possible among regular employees in their various classifications. In all layoffs and re-employment, the rule of seniority shall prevail where qualifications, ability, competency and all other factors are equal; provided that an employee shall not be considered as eligible for seniority until he has been regularly employed for a period of six (6) months.

Seniority rights of laid off employees with five (5) years or less seniority shall continue for six (6) months from date of layoff and excused absences. Seniority rights of laid off employees with more than five (5) years seniority shall continue for one (1) year from layoff date.

Seniority rights of non-work-related-medically-absent employees with five (5) years or less seniority shall continue for six (6) months from date of absence. Seniority rights of non-work-related-medically-absent employees with more than five (5) years seniority shall continue for one (1) year from date of absence.

In all cases, where an employee who has attained seniority is absent from work due to an industrial injury, he/she will retain seniority for a period of one (1) year.

The employee shall lose his seniority rights for any one of the following reasons: voluntary

termination; discharge for cause; failure to report from layoff within three (3) working days after notification to report.

Notification for return from layoff shall be affected by telephone when possible; in the event the employee is not contacted by phone, the Company shall notify the employee at the employee's latest home address on record with the Company by means of verifiable communications (certified letter, courier, telegraph, etc.). The date of delivery of the certified letter shall begin the three (3) day period in which the employee must return to work. The Union will be notified in all cases where exceptions are made to extending the three-day period.

Section 2. No employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of membership or activity in the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers, Welders and Helpers of America so long as such activities are not carried on during working hours so as to interfere with production at the plant.

Section 3. Upon request by the Business Representative or the Chairman of the Shop Committee, once in each three (3) month period lists of employees, and employees on layoff who continue to have seniority rights under Section 1 above, in the bargaining unit with their dates of employment and contract classifications will be furnished by the Employer.

Section 4. In any layoff the management shall make every reasonable effort to give advance notice to employees affected.

Section 5. Apprentices shall be considered a separate classification for seniority purposes, and upon completion of their apprenticeship period shall be given full seniority from their date of hire as an apprentice.

Section 6. Employees transferred out of the bargaining unit into a non-bargaining unit job (supervisory, engineering, technical, and/or office jobs which are not covered under a collective bargaining agreement) shall retain the amount of seniority they have acquired at the time of transferring out of the bargaining unit, but will not continue to accrue seniority.

Section 7. Newly hired employees shall serve a 90 day probationary period during which qualifications for the position will be evaluated. Probationary employees may be terminated with cause, without access to the grievance procedure of this contract.

ARTICLE XIX **GENERAL**

Section 1. When a regular employee is required to take a test, he shall be paid for the time required to take the test.

Section 2. Any welder presenting satisfactory evidence that he has passed the required or similar test, or has been performing work requiring such test in the preceding twelve (12) months, shall be paid for the time required to take the test.

Section 3. Any welder not considered qualified as in Section 2 above who is required to take a test before going to work shall be paid for the time required to take the test, provided he passes the test successfully; provided further, that if he is injured while taking the test to an extent requiring medical attention, he shall be paid for all time spent up to the occurrence of

the injury.

Section 4. All areas in which work is being performed on material of galvanized or red lead finish or brass or copper, or other materials, shall be properly ventilated while welding or burning.

Section 5. Vessels which have been used to carry combustibles, acids, etc. shall be properly cleaned and ventilated before welding or burning. All boilers shall be properly cleaned before men are required to repair them.

Section 6. The Employer shall comply with all safety, health and sanitation measures as required by the Washington Industrial Safety and Health Act and the Federal Occupational Safety and Health Act. The employees shall comply with safety, health and sanitation standards, rules and regulations which are applicable to his or her own actions and conduct. The parties agree to incorporate by reference into this Agreement the provisions of the Employer's Employee Handbook, provided that the Employer may modify such provisions from time to time. The Employer will provide notice to the Union of material changes and an opportunity to bargain upon request, unless those changes are required by state or federal law or regulation

Section 7. Any employee who is injured on the job to the extent of requiring medical treatment which results in his leaving work shall be entitled to pay for the time involved during his normal work hours. In event a doctor advises an injured employee he should not return to work because of his injury, he shall, upon presenting to the Company on the day of the injury a doctor's certificate certifying such doctor's advice, be entitled to pay for the full shift.

ARTICLE XX **ACCESS TO PLANT**

Business representatives of the Union, upon application to the offices of the Company or in the case of night shifts to the supervisor in charge, will be allowed access to the shops for the purpose of investigating grievances arising under this contract, provided they do not interfere with production in the shops.

ARTICLE XXI **SHOP COMMITTEES AND GRIEVANCE PROCEDURE**

The Union will appoint a committee of not less than one (1) or more than seven (7) (according to the number of employees) which will be known as the Shop Committee and which will be recognized by the Company.

Prompt consideration shall be given to grievances. Any complaint arising among the employees in the shop over the interpretation or application of any specific provisions of this Agreement shall be processed as follows:

1. Any such complaint shall, within three (3) working days from the time the complaint arose or should have been reasonably known to exist, first be referred to the grievant's immediate supervisor or other official designated by the Company.
2. If no satisfactory agreement is reached in Step 1, the matter shall, within five (5) working days after it was first brought to the attention of the Company, be referred in writing to a higher official designated by the Company. Such time limits can be extended by mutual consent of the parties.

3. If the complaint cannot be settled in Step 2, it shall, within five (5) working days after the written grievance was presented to the Company in Step 2, be referred in writing to Washington Metal Trades, Inc., whose representative shall meet promptly with the Union Business Representative for the purpose of settling the grievance. Such time limits can be extended by mutual consent of the parties.
4. If the parties cannot reach an agreement, either party may, within ten (10) working days from the date the dispute was referred to Step 3, refer the matter in writing to an Arbitration Committee consisting of one (1) representative of the Employer, one (1) representative of the Union, and a third member to be chosen by these two. In the event the arbitrators designated by the parties are unable to agree upon the third arbitrator within five (5) working days, the Federal Mediation and Conciliation Service shall be requested to submit a list of five (5) qualified and approved arbitrators, from which list the third arbitrator shall be selected by the other two members of the Arbitration Committee alternately striking one name from the list until only one name shall remain.

The decision of the majority of the Arbitration Committee shall be rendered in writing within ten (10) working days after the close of the hearing and shall be final and binding upon all parties hereto. Any decision rendered shall be within the scope of this Agreement and shall not change any of its terms or conditions.

The power and authority of the arbitrators shall be strictly limited to determining the meaning and interpretation of the express terms of the Agreement as herein explicitly set forth. They shall not have authority to add to or subtract from or modify any of the said terms of the Agreement, or to limit or impair any right that Article IV reserves to management or the Union. No decision of the arbitrators in one case shall create a basis for retroactive adjustments in any other case.

All time limits referred to in this Step may be extended by mutual consent. The costs of the third arbitrator will be borne by the party whose position is not upheld by the arbitrator's decision (in the case of a compromise decision, the arbitrator shall decide on the distribution of his fees).

A grievance shall not be processed under this Agreement on behalf of any employee who files or prosecutes, or permits to be filed or prosecuted on his behalf, in any court or government agency a claim, complaint or suit complaining of the action grieved under federal, state or municipal law or regulation.

Employees shall have the right at any time to request the assistance of the Shop Committee in the settlement of any grievance. The Shop Committee shall have the right at any time to call in a Business Representative of the Union to assist in the settlement of grievances.

The Company shall have the option of utilizing the procedures outlined in Steps 3 and 4 of the foregoing in the event of a complaint against the Union involving questions of interpretation or application of this Agreement.

ARTICLE XXII
MAXIMUM PRODUCTIVITY

It is the intent of the parties to achieve and sustain maximum productivity per employee during the term of this Agreement. In return to the Company for the wage rates and conditions herein provided, and consistent with the principle of a fair day's work for a fair day's pay, the Union pledges its agreement with the objective of achieving a high level of employee performance and efficiency consistent with safety, good health and sustained effort.

ARTICLE XXIII
NO STRIKES OR LOCKOUTS

Section 1. During the life of this Agreement no strikes or work stoppages shall be caused or sanctioned by the Union, and no lockouts shall be entered upon by the Company. Any action of the Company in closing its plant during a general strike, riot or civil commotion for the protection of the plant and property shall not be deemed a lockout. 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 Local No. 104 of the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers, Welders and Helpers of America, AFL-CIO, shall not constitute a violation of this clause of the Agreement or cause for discharge.

Section 2. Refusal of the Employer to arbitrate a grievance as described and specified in Article XXI hereof shall, as to the settlement of such grievance only, suspend the "No Strike or Work Stoppage" provisions contained in the preceding Section.

ARTICLE XXIV
AGREEMENT QUALIFICATIONS

Section 1. It is not the intent of either party hereto to violate any laws or 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 right to so hold, the remainder of the Agreement shall remain in full force and effect, unless the parts so found to be void are wholly inseparable from the remaining portions of this Agreement. The parties will meet and negotiate regarding any invalid portions of the agreement.

Section 2. This Agreement contains all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall exist between any of the parties hereto. The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent for any further waiver of any such breach or condition.

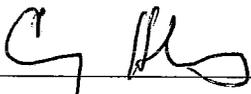
Section 3. Any traffic demand management constraints or penalties imposed upon the Company shall be considered to fall within the scope of this Article; therefore, waiving any Requirements under Article VI, Hours of Work and Shifts, regarding hours within which work must be performed.

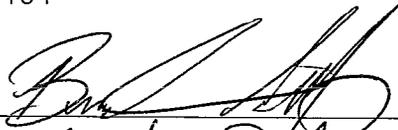
ARTICLE XXV
DURATION

This Agreement will become effective on date of signing except as otherwise provided herein, and shall remain in effect through September 30, 2016, unless changed by mutual consent. Should either party desire to change, modify or terminate the Agreement on the anniversary date of October 1, 2016, written notice must be given to the other party sixty (60) days in advance of October 1, 2016. If such notice is not given within such time, the Agreement shall be considered as automatically renewed for an additional period of one year and in like manner from year to year thereafter.

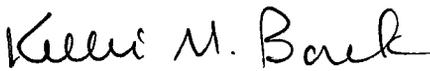
SEATTLE BOILER WORKS, INC.

INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIPBUILDERS,
BLACK-SMITHS FORGERS, WELDERS &
HELPERS OF AMERICA, AFL-CIO, LOCAL
NO. 104

By: 
Title: PROD. MGR

By: 
Title: ASST. BRG

Company Representative



Washington Employers, Inc.

Date: 5-9-14

SCHEDULE A

Section 1. CLASSIFICATIONS AND MINIMUM RATES OF PAY

A. Classification wage rates are established on a percentage of the Journeyman rate as follows:

<u>Labor Grade</u>	<u>Classification</u>	<u>Wage Rate</u>
A	Layerout	105%
I	Journeyman	100%
II	Advanced Specialist	85%
III	Specialist A	75%
IV	Specialist B	65%
V	Helper	55%
VI	Utility Worker	40%

B. Labor Grade I Rate:

<u>Effective Ratification</u>			
<u>Labor Grade</u>	<u>Rate per hour</u> <u>1st shift</u>	<u>Rate Per Hour</u> <u>2nd shift</u> <u>Incl. Premium</u>	<u>Rate Per Hour</u> <u>3rd shift</u> <u>Incl. Premium</u>
	\$24.78	\$25.02	\$25.13
<u>Effective October 1, 2014</u>			
<u>Labor Grade</u>	<u>Rate per hour</u> <u>1st shift</u>	<u>Rate Per Hour</u> <u>2nd shift</u> <u>Incl. Premium</u>	<u>Rate Per Hour</u> <u>3rd shift</u> <u>Incl. Premium</u>
	\$25.27	\$25.51	\$25.62
<u>Effective October 1, 2015</u>			
<u>Labor Grade</u>	<u>Rate per hour</u> <u>1st shift</u>	<u>Rate Per Hour</u> <u>2nd shift</u> <u>Incl. Premium</u>	<u>Rate Per Hour</u> <u>3rd shift</u> <u>Incl. Premium</u>
	\$25.77	\$26.01	\$26.12

Note: The above labor rates are listed prior to the wage diversion to the pension funding improvement program provided for in the Pension MOU between the parties.

All employees working as of March 13, 2014 and who are working at time of ratification shall receive a one time lump sum payment of \$750, payable in the first payroll after ratification.

Section 2. BREAK-IN RATES

There shall be a break-in rate applicable to all classifications of not less than 90% of the classification rate for the first 60 days, it being understood that no employee promoted to

higher classification wage rates will be reduced as a result of being promoted. Classifications of Journeymen level and above break-in rates shall apply only to in-plant promotions. In cases where an employee whose classification is above the Advanced Specialist or Specialist A level is promoted to Journeyman, the break-in rate shall apply not more than 30 days. Break-in rates shall not apply to new employees who have one (1) year or more proven experience in the industry on the specific job in which they are hired. Break-in rates shall not alter individual company's past practice regarding upgrading of employees for short periods of time to cover absences caused from vacations, illnesses, etc.

SCHEDULE B

JOB CLASSIFICATIONS GUIDE

The following shall be used as a basis for assigning specific jobs to Labor Grades as set forth in Schedule A.

LABOR GRADE I (100% pay level)

Possesses thorough understanding of and capable of performing all aspects of the trade or crafts to required specifications and tolerances.

1. Capable of performing any job within the trade or craft from start to finish without instruction, except for very unusual circumstances.
2. Proficient in advanced shop mathematics.
3. Possesses expert knowledge regarding material characteristics, and all machines, processes, and tools of the trade.
4. Capable of setting up and organizing any job in the trade from start to finish.
5. Works under minimal supervision.
6. Capable of instructing and assisting lower classified employees in all aspects of the trade or craft.
7. Capable of interpreting and working from all drawings, prints, and cutting lists to complete any job from start to finish.

LABOR GRADE II (85% pay level)

Possesses thorough understanding of and capable of performing all aspects of the trade or craft to required specifications and tolerances within one or more areas of specialty.

1. Capable of performing any job within the trade or craft and within one or more areas of specialty from start to finish without instruction, except for very unusual circumstances.
2. Proficient in advanced shop mathematics within one or more areas of specialty.
3. Possesses expert knowledge regarding material characteristics, and all machines, processes, and tools of the trade within one or more areas of specialty.
4. Capable of setting up and organizing any job in the trade from start to finish within one or more areas of specialty.
5. Works under minimal supervision within one or more areas of specialty.

6. Capable of instructing and assisting lower classified employees in all aspects of the trade or craft within one or more areas of specialty.

LABOR GRADE III (75% pay level)

Possesses general understanding of and capable of performing moderately complex aspects of the trade or craft to required specifications and tolerances.

1. Capable of setting up and operating/performing moderately complex machines/ processes/functions without instruction, except for unusual circumstances.
2. Proficient in general shop mathematics.
3. Interprets and utilizes moderately complex drawings, prints, and cutting lists to complete the job function.
4. Works under general supervision; may require additional supervision when performing work of a higher classification for purposes of training and experience.
5. Possesses general knowledge of material characteristics, the processes, machines and tools of the trade.

LABOR GRADE IV (65% pay level)

Capable of setting up and performing basic work tasks of the trade; such tasks being less complex than Labor Grade III, but significantly more complex than Labor Grade V.

1. Capable of setting up and operating/performing basic machines/processes, functions of the trade or craft without supervision.
2. Proficient in basic shop math, including fractions and decimals.
3. Interprets and utilizes basic drawings, prints and cutting lists to complete the job function.
4. Works under general supervision within one or more areas of specialty.
5. Possesses basic knowledge of material characteristics, the processes, machines and tools of the trade.

LABOR GRADE V (55% pay level)

Directly assists Journeymen or other higher classified employees in the performance of work tasks, or performs other related work which supports or assists higher classified employees in the performance of their work.

1. Requires ability to read, write, add and subtract. Utilizes hand tools and measuring devices.
2. Utilizes material moving equipment as required, such as forklifts, hand

trucks, cranes, and hoists.

LABOR GRADE VI (40% pay level)

Performs work primarily of a low or minimal skill function in order to prepare material or work areas for job tasks.

1. Receives all job assignments and instructions from supervision or higher classified employees. May work alone, but under detailed instruction and direction. Uses little initiative.
2. Uses hand tools and measuring devices.

LABOR GRADE A (105% pay level)

Possesses all skill levels set forth under Labor Grade I and, in addition, is assigned to a specialized aspect of the trade or craft.

1. There will be established a standing Job Assignment Review Committee consisting of two (2) employees selected by the Union and two (2) employees selected by management. Such committee shall review and attempt to resolve all questions or disputes relating to job classification assignments. Any dispute that the committee is unable to resolve may be referred to Step 3 of the Grievance Procedure of the Labor Agreement.

MEMORANDUM OF UNDERSTANDING

By and between

SEATTLE BOILER WORKS, INC.

and

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS,
BLACKSMITHS, FORGERS, WELDERS AND HELPERS OF AMERICA, AFL-CIO,
LOCAL NO. 104

A. 1986 Negotiations:

1. This is to confirm that nothing within any provision of the Agreement between the parties signed 3/5/88, shall be construed as in any manner limiting a company party to the Agreement from moving all or part of the products they normally manufacture to another plant or company not covered by the Agreement.

This will confirm that in entering into the Labor Agreement with the above Company signed 3-5-86, it was agreed that:

2. Irrespective of Article VI, Section 1, the Company will establish a Tuesday through Saturday workweek for maintenance and non-production employees during the term of the Agreement, and
3. Irrespective of Article VII, Section 1, the Company will pay overtime at the rate of time and one-half (1-1/2) for all hours worked over eight (8) hours, Monday through Friday, and the first ten (10) hours worked on Saturday; and the overtime rate of double time for all hours worked over ten (10) in a workday, Monday through Saturday and all hours worked on Sunday during the term of the Agreement.

Please confirm these understandings by signing in the space provided below and returning one of the two enclosed copies of this letter to our office for our files.

B. 1991 Negotiations:

1. This will confirm the amendment to the letter of understanding regarding outside commercial work. The parties agree to include a "hole watch" only function to be paid at the employee's shop rate and will apply only to work performed under the SBW "OF" designation. The job of the hole watch is to stand by and observe the journeyman at all times while in a confined space. The hole watch must be knowledgeable of how to obtain aid or assist the journeyman if an emergency situation were to

arise.

Additional activities of the hole watch are limited to carrying materials, passing tools, and clean up.

Except for wages, other elements of the labor contract, such as travel and subsistence, apply.

2. Effective as soon as practical, the Company will provide a new benefit of Plan-125 for the purpose of allowing employees who so elect to pay with pre-tax monies the employee's share of the cost for health and dental benefits under Article XVI. Participation in Plan 125 is voluntary. The Company will pay the administrative costs for the pre-tax payment of the employee's share of the costs of Article XVI benefits.
3. This letter is for record keeping purposes to clarify and confirm the understanding between the Company and Local #104 regarding the one (1) month waiting period for health and ancillary coverages under the Labor Agreement. Contrary to the settlement document, dated October 8, 1991, and as we discussed in our November 1, 1991 telephone conversation, it was not the intent of the parties to eliminate the one month waiting period. Therefore, the one (1) month waiting period will remain in effect for the 1991-1994 Labor Agreement.

C. 2007 Negotiations:

1. This understanding provides for a field repair rate of 90% of the Western States Agreement rate. This wage rate would be used for repairs to firetube boilers, small watertube boilers, pressure tanks, and related miscellaneous steel work. Not included in this special field rate would be work on industrial watertube boilers and any work performed at major refineries, pulp mills, chemical plants and similar industries. For this work, the wage rates under the Western states Agreement would prevail.
2. The Employer agrees to pay pension contributions in accordance with the rate established under the Western States Field Agreement whenever an employee or employees are sent to work away from the shop on jobs that would be classified as Boilermaker Field Work under the jurisdictional guidelines of the AFL-CIO (excluding "hole watch" only functions defined in Memorandum of Understanding attached to the current Agreement)."

D. 2009 Pension MOU and 2010 Negotiations:

The parties entered into a pension memorandum of understanding effective January 1, 2010 which based contributions to a funding improvement plan on the contribution rate paid by the Company on September 30, 2008 (\$1.95 per hour). The \$0.20 per hour pension increase scheduled to be effective between October 1, 2008 and October 1, 2009 was superseded by this MOU and diverted to a non-accruing contribution under the MOU. See MOU dated September 30, 2009, for specific terms and conditions. The MOU was affirmed

and renewed during the 2010 negotiations.

SEATTLE BOILER WORKS, INC.

INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIPBUILDERS,
BLACK-SMITHS FORGERS, WELDERS &
HELPERS OF AMERICA, AFL-CIO, LOCAL
NO. 104

By: 
Title: PRESIDENT

By: 
Title: ASST BM

MEMORANDUM OF UNDERSTANDING

By and between

SEATTLE BOILER WORKS, INC.

and

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS,
BLACKSMITHS, FORGERS, WELDERS AND HELPERS OF AMERICA, AFL-CIO,
LOCAL NO. 104

WAIVER of Seattle Sick Leave:

The parties understand that the Seattle City Council has passed a bill that would add a new chapter to 14.16 of the Seattle Municipal Code requiring employers with employees in the City of Seattle to provide paid sick time/days and paid safe time/days to their employees. The parties hereby agree that any requirement to provide any leave required by said bill, either in its current or amended form, or by a substitute bill is hereby waived. The waiver is made knowingly by the undersigned Union and the Employer.

SEATTLE BOILER WORKS

BOILERMAKERS LOCAL NO. 104

By: 

By: 

Title: PRESIDENT

Title: Asst BM 104