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AGREEMENT
By and Between

L3/Unidyne

And

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DISTRICT LODGE 947 AND ITS AFFILIATED LOCAL LODGE 389

Unidyne

Effective February 15, 2019 to February 14, 2024

COLLECTIVE BARGAINING AGREEMENT
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AGREEMENT

THIS AGREEMENT, by and between Unidyne, Inc. (Hereinafter referred to as "the Company") and THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DISTRICT LODGE NO 947, LOCAL LODGE NO 389 (hereinafter referred to as "the Union"), made and entered into this 14th day of February 2019 with the effective date of February 15, 2019.

ARTICLE 1
PURPOSE OF AGREEMENT

It is the intent and purpose of the parties hereto to set forth herein the basic Agreement covering rates of pay, hours of work and other conditions of employment to be observed between the parties hereto with respect to the employees covered hereby and as hereinafter defined.

ARTICLE2
SCOPE OF AGREEMENT

The terms "employee" and "employees" as and wherever used in this Agreement shall mean and include only those employees of the Company at San Diego, California, in the job classifications set forth in Schedule "A" of this agreement. Work heretofore regularly performed in each by the respective classifications represented by the Union, as set forth in Schedule "A," shall continue to be performed by such classifications, subject to the provision of Article 13 of this Agreement. All other employees of the Company are excluded from this Agreement, including but not limited to executives, administrative and professional employees, office and clerical employees, guards, first aid and safety employees (except employees covered by this Agreement and who may perform first aid functions in addition to their regular duties), and supervisory employees with the authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees. Such non-bargaining unit employees shall not perform bargaining-unit work except for emergencies or instructional purposes. If a supervisor performs bargaining-unit work in violation of this Article, and the employee who would otherwise have performed this work can reasonably be identified, the Company shall pay such employee the applicable hourly wage rate for the time involved.

ARTICLE 3
RECOGNITION

SECTION 1. The Company recognizes the Union as the exclusive representative of the employees covered by this Agreement, as set forth in Article 2 hereof, for the purpose of collective bargaining with respect to rates of pay, hours of work and other conditions of employment.

SECTION 2.

(A) The Local Union shall establish and maintain an open and nondiscriminatory employment list for employment of workers in the work jurisdiction of the Local Union.

(B) It is the intent of the Company to assure the Union of an Opportunity to refer applicants for job openings. Therefore, in the hiring of new employees, the Company agrees to notify the Union as far in advance as possible (normally the previous day) of job openings in any classification covered by this Agreement. The Union agrees to respond within reasonable notification or waive placement. The Company agrees to consider Union members together with other applicants and further agrees not to discriminate against Union members presented.

ARTICLE 4
UNION SECURITY

SECTION 1. Each employee who is now or is hereafter employed in a job classification covered by this Agreement shall, as a condition of continued employment, become or remain a member in good standing of the Union on the thirty-first (31) day following the commencement of such employment or following the effective date of this Agreement, whichever is later. Such employees shall remain members in good standing of the Union for the duration of this Agreement as a condition of their employment. Failure of any employee to comply with the provisions of this Section I may upon written request of the Union result in the termination of such employee. The Company shall not discriminate against an employee for non-membership in the Union if (A) it has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members or if (B) it has reasonable grounds for believing that membership in the Union was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership.

SECTION 2. Upon receipt of an authorization signed by an employee to whom this Agreement is applicable, the Company shall, pursuant to the provisions of such authorization, deduct from such employee's earnings, on the first payday of each month, the amount owed to the Union by each such employee for Union dues; however, should any such employee have no earnings due him or her on the first payday in any such month or should such employee's earnings be less than the amount such employee owes the Union, the deduction shall be made from the employee's earnings on the next succeeding payday on which his or her earnings are sufficient to cover the amount of dues owed. The Company shall promptly mail to the Union a check made payable to the Union for the amount of dues the company has withheld during such month, which shall be accompanied by a list, in duplicate, containing the names of employees and the amount deducted from each such employee's earnings. Upon receipt of such check and list, an official of the Union shall sign one copy of such list, acknowledging receipt thereof, and promptly return it to the Company. The Company shall not be subject to any penalties or interest relating to this provision.

SECTION 3. The Union hereby indemnifies the Company and holds it harmless against any and all suits, claims, demands and liabilities that shall arise out of the termination of an employee upon the written request of the Union pursuant to Section I of this Article if and in the event the Union violates either this Agreement or applicable law in requesting such termination except for the establishment of the starting date of employment.

SECTION 4. In connection with the indemnification and save-harmless provision in the preceding paragraph, it is understood and agreed that the Union shall have the exclusive right to decide whether or not it will at its own cost be represented and take whatever legal action it deems necessary with respect to any suit or claim brought against the Company which could result in the Union being liable to the Company under said indemnification and save-harmless provision. Upon being advised of the filing of any such suit or claim, the Company shall promptly notify the Union. In the event that the Company decides to defend the suit or claim through its own attorneys, even though the Union has elected to actively defend such suit or claim, then the Company shall bear the cost of its own attorney's services.

SECTION 5. NEW EMPLOYEE ORIENTATION

The Chief Shop Steward and/or Business Representative shall be permitted to spend no more than one (1) hour to provide orientation to new hires. There must be a coordination with Company Representatives to ensure the Union Representative can spend this time with new hires in a group to avoid additional disruptions and time off the job. The Union Representative will only be permitted this time during weeks in which new hires start with the company.

ARTICLE 5
WAGE SCALES

SECTION 1. The Company agrees to pay its employees, and the Union agrees that its members employed by the Company will accept the wage scales for the various job classifications set forth and contained in the Schedule of Wages in Schedule "A" attached hereto, insofar as those occupations are performed in the regular course of duties and work of the Company.

SECTION 2. The wage scale herein established shall be considered as minimum scales only, and their establishment shall not prevent the payment or withdrawal of merit increases to any employee at the discretion of the Company, it being understood that no employee shall be deprived of any negotiated wage increases by reason of that fact that he or she is currently receiving premium pay.

SECTION 3. Working Foremen and Lead-men in all departments who are not exempt from this Agreement shall be selected as far as practicable from the trade(s) they are supervising and with a view of their respective Union affiliation(s). The compensation of a Lead-man shall be at least sixty-five ($0.65) cents per hour more than the highest paid in the trade they are supervising. The compensation of working foremen shall be at least one dollar ($1.00) more than the highest paid in the trade they are supervising.

SECTION 4. Should be Company, during the term of this Agreement, undertake new or different work operations not covered by the classifications contained in the Schedule of Wages in Schedule A attached hereto, but which are properly within the established jurisdiction of the Union, the Company may establish a new classification or classifications covering said new or different work operations together with the wage or rates therefore, or may assign the work to an existing classification. If there is a dispute as to whether the classification and/or wage rate established by the Company for the new or different work operations are proper, the Union shall have the right to file a written grievance in Step 2 of the Grievance procedure, as set forth in Article 15, after the commencement of said new or different work operations to determine the proper classification and/or wage rate therefore. In the event both parties cannot agree, and the matter is referred to arbitration, the impartial arbitrator shall have the power to establish a new wage scale for said new or different work operations.

SECTION 5. Entry level wage scale will remain at the level of the expiring contract wage scale will remain at the level of the expiring contract.

ARTICLE 6
HOURS OF WORK

SECTION 1. This Article is intended only to set forth the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week, or of days of work pre week. This Article shall not be considered as any basis for the calculation of overtime, premium pay, or reporting pay.

SECTION 2. Eight (8) consecutive hours of work, exclusive of a one-half (1/2) hour unpaid lunch period shall constitute a normal day's work. Forty (40) hours, Monday through Friday, shall constitute a normal workweek. Multiple shifts may be worked at the discretion of the Company. The work schedule, which fixes the daily or weekly work period, shall be established by the Company, in accordance with its requirements.

SECTION 3. Shifts shall normally be identified in accordance with the following:
1. The day shifts shall be worked between the hours of 6:00 a.m. and 5:00 p.m.
2. The second shifts shall be worked between the hours of 3:30 p.m. and 12:30 a.m.
3. The third shifts shall be worked between the hours of 11:30 p.m. and 8:00 a.m.

SECTION 4. Shift arrangements other than those provided herein shall be made by mutual agreement between the Company and the Union, when shifts begin or end more than one (1) hour from those listed.

SECTION 5. Notwithstanding the above Sections of this Article, the employer shall have the right to establish alternate work schedules to meet customer requirements. Alternate work schedules could include variations in total hours worked per day, number of days worked per week, and the starting and ending days of the workweek. However, if the Company finds the need to establish such a work schedule, they shall meet with the union representative and establish a premium incentive pay for workers that are selected.

The following shall apply to any alternate work schedule established by the Company:

- Workdays: There will be no more than twelve straight time hours scheduled for any established workday.
- Workweek: There will be no less than three days and no more than four days in any established alternative workweek. An employee working all the established straight time hours in his established work week will be entitled to forty hours of straight time pay for that work week. To protect the employee's ability to work continuous forty hour weeks while changing between shifts, employees may work on their new shift at a straight time rate of pay on a volunteer basis if the new shift week begins prior to the end of the old shift's weekend period.

Accrual Rates:
The accrual of time for seniority purposes and for the qualification of vacation and fringe benefits will be prorated based on an eight-hour day. For example, an employee working ten hours a day will accrue 1.25 credited workdays for each day worked, or an employee paid for a forty-hour week, but only working thirty-six hours, would be credited with five full workdays.

Employees whose established work week is less than forty hours will receive prorated payment for the non-worked and normally paid hours, when they are unable to work the full established work week due to the timing of hire in, layoff and shift transfer, absences due to industrial injury and bona fide illness, covered by a doctor's certificate, approved leave of absence, or other reasons approved by the Company.

Overtime:
All hours worked in excess of an employee's established workday or workweek shall constitute overtime work and shall be paid at the applicable rate subject to the limitations of Article 7 and as further provided below.

Employees required to work additional days after completing all their established workdays shall be compensated at one and one-half times their regular rate of pay for the first such additional day worked and double their regular rate of pay for any additional days worked thereafter until the employee returns to his regularly assigned shift.

All work in excess of twelve hours per day will be paid at double the employee's normal rate of pay.

Holidays:
When a holiday falls within an employee's normal workweek, he shall receive his normal rate of pay for that day.

When a holiday falls outside of an employee's normal workweek, he shall receive a normal full day's pay for the holiday.

Jury Duty:
If an employee is called for jury duty during a regularly scheduled workweek, he shall be compensate for actual ours lost subject to the limitations of Schedule "F."

Prior Notice:
Prior to implementing any alternative workweek schedule, the Company will notify the Union Steward or Business Representative. Upon request of either Union representative, the Company agrees to meet with them to explain the need for the alternative schedule based on customer requirements and the expected duration of it.

Assignment:
The Company's assignment to these alternative work week schedules shall be first by volunteers from those qualified to do the required work, and then by inverse seniority from among those qualified to do the required work.

Any questions that may arise out of the implementation of an alternate workweek shall be subject to immediate discussion between the parties to attempt to reach an equitable solution.

ARTICLE 7
OVERTIME

SECTION 1. This Article is intended only to provide the basis for the calculation of and payments for overtime premium pay and reporting pay, and shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week.

Members of the bargaining unit who are requested to travel to perform on contracts that are not under the control of the San Diego Operation will receive overtime compensation in accordance with the local rates and or contract provisions.

SECTION 2. All time worked before and/or after regular hours on any shift during an employee's regular work week, if continuous with the shift, shall be paid for at one and one-half (11/2) times the regular hourly rate of pay for the first four (4) hours, and double time thereafter.

A. If an employee who has worked around the clock does not receive a four (4) hour break before the start of his next regular shift, he shall receive the applicable overtime rate for that shift, if he elects to work that shift.

B. Employees who work overtime and do not receive an eight (8) hour break before their next regular shift shall not be required to report back to their regular shift.

SECTION 3. Time worked on the sixth work day of the work week shall be paid for at one and one-half times the regular hourly rate of pay for the first eight (8) hours and double time thereafter.

SECTION 4. All time worked on the seventh work day of the workweek by an employee shall be paid for at two (2) times the regular hourly rate of pay.

SECTION 5. The second and/or third shifts, when worked, shall, for purposes of this Article, be considered for pay purposes as of the day on which the preceding first or day shift started.

SECTION 6. Nothing in this Agreement shall be construed as permitting or authorizing the pyramiding of overtime.

SECTION 7. One-half (1/2) hour unpaid lunch period at the end of the regular shift will be allowed, except on continuing ten-hour shifts. Thereafter, a one-half (1/2) hour lunch period shall be paid each succeeding four hours.

SECTION 8. Employees who do not receive a lunch break within thirty (30) minutes either before or after the regular lunch break for their regular shift shall receive overtime pay for the thirty (30) minutes, or the Company will provide a 30-minute break later in the day.

SECTION 9. Distribution of Overtime Hours. The Company shall distribute overtime hours among the employees in their respective departments and shifts as equitable as production requirements permit.

SECTION 10. Whenever the company has advance knowledge that overtime work may be required, *reasonable* effort will be made to notify the employees that they may be requested to work as soon as possible. Overtime will be on a voluntary basis unless there are not enough qualified volunteers to meet the customer's requirement, in which case mandatory overtime shall apply. After the company has secured the volunteers, they shall pick in inverse seniority until which time they have reached the necessary amount. If an employee has a reasonable excuse not to work overtime he/she shall be excused. When mandatory overtime exceeds thirty-days (30) the company and the union shall meet to discuss the overtime and time off rotation schedule.

SECTION 11. The foregoing overtime payment provisions shall apply only to hours worked in excess of the established daily straight time hours and hours worked in excess of forty hours per week. This provision shall not apply when the employee's failure to work all the scheduled straight time hours in a work day or work week is due to absence resulting from industrial injury, approved leave of absence (over one week), excused absence (as determined by the Company) or bona fide illness covered by a doctor's certificate.

ARTICLE 8
SHIFT DIFFERENTIALS

SECTION 1. Pay for a full second-shift period shall be a sum equivalent to eight (8) times the employee's regular hourly rate of pay plus fifty-five cents (.55) per hour.

SECTION 2. Pay for a full third shift period shall be a sum equivalent to eight (8) times the employee's regular hourly rate of pay plus seventy-five cents (.75) per hour.

SECTION 3. Any employee who is transferred from one shift to another (unless such transfer is requested by such employee) at the direction of the Company in less than fourteen (14) consecutive hours after having left the plant at the end of his or her regularly assigned shift, shall be paid at the rate of time and one-half (1 1/2) for all work performed within the regular work hours of the shift to which transferred on the first day of such transfer. It is understood that double time shall be paid for hours worked on the seventh workday of the workweek and holidays under the provisions of this subsection.

ARTICLE 9
HOLIDAYS

SECTION 1. The following days will be classified as holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Fourth of July, Labor Day, Veterans Day Thanksgiving Day, the day after Thanksgiving, Christmas Day, or days observed as such. All reasonable efforts will be made to grant Christmas Eve Day and New Year's Eve day off to any IAM member requesting such.

No work to be done on Labor Day except in extreme emergencies.

SECTION 2. Should a holiday fall on Saturday, the preceding Friday is observed. Should a holiday fall on Sunday, the following Monday will be so observed.

SECTION 3. All employees covered by this Agreement shall receive eight (8) hours pay at their regular straight-time hourly rate for the holidays named in Section 1 above, when not worked (including shift differential) provided they shall have been in the employment of the Company for a period of thirty (30) days prior to the holiday and shall have worked the last regular workday prior to and the next regular workday after such holiday. Employees on jury duty, subpoenaed witnesses in court, those taking military physical examination, and those in jail due to false arrest, shall qualify as working the day before and the day after such holiday. Proof of absence for the above reasons will be required by the Company. Employees on vacation shall be eligible to receive any holiday(s) falling within the vacation period; and if the employees so desire, they may schedule their vacation period to be extended by the number of holidays involved. Employees on an approved leave of absence which does not exceed thirty (30) calendar days shall qualify for holiday pay for any holiday(s) falling within the leave of absence, provided such employee returns from the leave of absence and resumes as an active employee.

SECTION 4. Any work performed on holidays as enumerated in Section 1 of Article 9 shall be paid for at two (2) times the rate of pay as listed in Schedule A in addition to holiday pay.

ARTICLE 10
VACATION PAY

SECTION 1. Annual vacations with pay are hereby established for all employees. Vacation accrual shall commence with the date of employment and shall accrue based on total active employment with less than one (I) year unbroken service.

- 80 accrual hours per year until your 5th anniversary
- 120 accrual hours per year from your 5th through 10th anniversary
- 160 accrual hours per year after your 10th anniversary

SECTION 2. The vacation shall be taken at such time as designated by the Company or by mutual agreement between the Company and the employee. Employees entitled to two (2) or more weeks' vacation, pursuant to the provision of this Article may, with the permission of the Company or by mutual agreement with the Company, take their vacation in non-consecutive weeks. Vacations are cumulative.

SECTION 3. All employees shall be paid their vacation pay two (2) working days or more prior to starting their vacations or at a time they are scheduled to be paid in lieu of vacations as set forth in Section 2, of this Article I 0 at the regular, straight-time hourly rate, including any shift differential, which they are then being paid.

SECTION 4. Employees with less than three (3) months' seniority with the Company will not receive pro-rated vacation pay. Should any employee who has been in the employment of the Company for three (3) months with or without a break in seniority, fail to qualify for a vacation in accordance with the foregoing vacation plan, or should any employee be terminated for any reason before he or she has qualified for a vacation with pay in the contract year then current, such employee shall receive pro-rated vacation pay on the basis of one-twelfth (1/12) of the vacation pay he or she would have been otherwise entitled to in accordance with the foregoing vacation plan for each month of employment with the Company since the beginning of his or her employment with the Company or since the latest anniversary of his or her eligibility date, whichever is later, not to exceed the number of hours vacation pay he or she would have received as such employee became eligible for full vacation benefits. Any employee shall not receive credit toward pro-rated vacation pay for time absent from work because of illness (in excess often (10) working days in any one month), leave of absence or layoff. After having completed three (3) months of continuous service, it is agreed that the month in which an employee's services are terminated shall be credited as a full month if the employee has fifteen (15) calendar days or more in such month. Article 10 is in reference to the vacation payout policy upon termination of employment and not in reference to accrual of vacation benefits for full-time employees.

SECTION 5. For the purpose of this Article 10, and employee's active service shall be the cumulative total employment with the Company commencing with the first date of employment or the date of re-employment after being unemployed by the Company for a period of one (1) year.

SECTION 6. Any employee absent from work as a result of an injury or illness and who is receiving benefits from either Unemployment Compensation Disability or Worker's Compensation may cancel any previously scheduled vacation.

ARTICLE 11
REPORTING PAY AND MINIMUM PAY

SECTION 1. Employees who report for work on any shift at the time they are instructed by the Company or Company's agent to report, and who are not given work at that time, shall be paid four (4) hours pay, including shift differential, except where they are not put

to work by reason of bad weather, breakdown of machinery, suspension, discharge for cause or any other condition beyond the direct control of the Company. In the event of inclement weather, employees who have reported for work as provided for in this section shall be paid one (I) hours pay (at the appropriate rate). However, the Company retains the right to assign work to the employees that may result in exposure to the inclement weather. Work assignments of this type will be made with proper consideration for the safety of the employees involved. In the event any employee elects not to accept such work assignment, the Company will not be obligated for the one (1) hour pay.

SECTION 2. Employees who start work on any shift shall receive not less than four (4) hours pay, including shift differential, for such shift, unless they voluntarily quit, are suspended, are discharged for cause, voluntarily lay off or are laid off by reason of breakdown of machinery or other condition beyond the direct control of the Company. In the event of inclement weather, an employee who has started to work will receive two (2) hours work or two (2) hours pay, it being understood that such employee may be required to remain at the plant during the two (2) hour period. In the event of inclement weather at the job site, an employee who has not reported for work shall not be charged with an absence. If an employee is scheduled to start work at a time other than his or her regular shift starting time, it is understood that the above two (2) hour period commences at the time the employee is scheduled to start work.

SECTION 3. Employees called back to work after having left the work-site at the end of their regular shift to perform work before but not continuous with their daily working schedule, shall be guaranteed a minimum of four (4) hours work or four (4) hours pay in lieu thereof at two (2) times their regular rate of pay for actual hours worked and at straight time rate for hours not worked.

ARTICLE 12
UNION REPRESENTATIVES

SECTION 1. An authorized representative of the Union shall be permitted to visit the office of the Company at all reasonable hours, and after notifying the representative of the Company, designated by it for such purpose, said representative to be available during all working hours, shall be permitted to visit the Company's premises during working hours to investigate any matter covered by this Agreement, unless prohibited from doing so by applicable Federal Security regulations, but he or she shall in no way interfere with the progress of the work.

SECTION 2. The Company agrees to give to the Union a forty-eight (48) hour notice prior to the layoff or termination (except discharge for cause) of a steward who has been duly certified to the Company by the Union.

SECTION 3. The Company agrees that all new hires and recalls must show proof to the Unions' Shop Steward or his designee or having cleared through the Union prior to starting work.

SECTION 4. The Union may appoint one (1) shop steward who shall be a regular, full time working employee of the Company. The Shop Steward who is duly appointed by the Machinists' Union shall be maintained in the area and on the shift appointed so long as there is a need for their respective classification and they are qualified to perform the available work, and further provided written notice is given by the Union to the Company of their appointment five (5) working days prior to a transfer of area or shift, unless otherwise mutually agreed. The Union shall keep the Company informed in writing of the name of its steward. In addition to his or her duties, a steward shall be permitted to devote a reasonable amount of time during normal working hours, without loss of pay, to perform the following duties in connection with the application and/or interpretation of this Agreement.

A. Investigate complaints, disputes and grievances of employees in his or her area.

B. Discuss complaints, disputes and grievances of employees in Step One of the grievance procedure in an effort to satisfactorily adjust the same.

C. Attend scheduled meeting in Step Two of the grievance procedure, whenever requested by the Union or the Company, in an effort to satisfactorily adjust grievances, which were presented by said Steward in Step One.

It is agreed that the foregoing activities will be kept to the minimum time necessary therefore, and that at all other times the steward will continue to perform his or her assigned job for the Company. When a steward finds it necessary to leave his or her immediate work area to perform functions as a steward, he or she shall notify his or her supervisor, if available in the immediate area, prior to leaving and upon return to his or her assigned job. When it is necessary for a steward to enter a department or area other than that to which such steward is regularly assigned, he or she shall notify the supervisor or working foreman or leadman of that department or area immediately upon arrival of the nature of his or her business therein.

ARTICLE 13
MANAGEMENT RIGHTS CLAUSE

SECTION 1. The management of the Company and the direction of the working forces, the right to subcontract work as long as the subcontracting of work does not cause a layoff and there are no qualified employees on recall, the right to hire, suspend or discharge employees for just cause, or transfer, and the right to relieve employees from duty because of lack of work, are vested exclusively in the Company, subject to the terms of this Agreement.

SECTION 2. Employees of subcontractors of the company performing work covered by this Agreement shall be paid wages and fringes; the combined cost of such shall be comparable to the combined cost of the Company's minimum wages and fringes.

SECTION 3. The Company shall have the right to establish, maintain and enforce reasonable rules and regulations to assure orderly plant operations, it being understood and agreed that such rules and regulations shall not be inconsistent or in conflict with the provisions of this Agreement. The Company shall post on its bulletin boards and furnish the Union with a written or printed copy of all such rules and regulations and all changes therein and copies of all such rules and regulations shall be available at the main entrances and exits of the plant. Changes in existing rules and regulations, as well as new rules and regulations promulgated by the Company, shall not become effective until five (5) regular work days after copies thereof have been furnished to the Union and posted on the Company's bulletin boards.

SECTION 4. An employee will be tested for controlled substances/alcohol if accident/injury or property damage were sustained during working hours and for cause.

ARTICLE 14
STRIKES AND LOCKOUTS

SECTION 1. It is agreed by the parties hereto that there will be no lockouts, strikes, work interruptions, slowdowns or any other interference with work during the term of this Agreement.

SECTION 2. It is understood that anything in this Agreement to the Contrary notwithstanding it shall not be a violation of any term or provision of this Agreement for any employee covered by this Agreement to refuse to cross or work behind a picket line established against the Company at the Company's plant by any Union having a Collective Bargaining Agreement with the Company or by any Union which has been certified by the National Labor Relations Board as the collective bargaining representative of the employees of the Company provided the purpose of such a picket line is not prohibited by the Labor Management Relations Act of 1947 as amended. No employee covered by this Agreement shall be required by the company to perform any of the work operations that were being performed by the persons on strike. The union shall take no disciplinary, discriminatory or threatening action against any of its members/Company employees who choose to cross a picket line of any union other than their own, at the Company or any of its remote work sites.

ARTICLE 15
GRIEVANCE PROCEDURE

All grievances, complaints, and disputes shall be settled in accordance with the following procedure:

STEP ONE: Any employee having a complaint or grievance shall first take up the matter with his or her supervisor (either with or without his or her shop steward) immediately, but in no event later than five (5) working days after the event which caused the complaint or grievance. However, if circumstances made it impossible for the aggrieved or the Union to know that the aggrieved has grounds for a complaint or grievance, then said five (5) working-day period shall not commence to run until the date the aggrieved learned or reasonable should have learned that he or she had grounds for a complaint or grievance. In no event, however, shall any grievance be filed later than ninety (90) days following the act or omission upon which it is based, and any grievance filed later than five (5) working days after said act or omission shall be limited to a retroactive claim period of thirty (30) days prior to the date the grievance was first filed. If the grievance is not satisfactorily adjusted within two (2) additional working days after having been taken up with the supervisor then within fifteen (15) working days after the event which caused the complaint or grievance, it shall be reduced to writing, signed by the aggrieved employee (or by the Union if the aggrieved employee is unavailable) and presented by the Union to a Company representative designated to receive grievances in Step-Two.

STEP TWO:

A. Within five (5) working days after its presentation to the designated Company representative, the grievance shall be discussed, and a sincere effort made to settle it shall be made by representatives of the Union and the Company. A written decision shall be given to the Union within five (5) working days of the discussion of the grievance. Failure of the Company to give its answer in writing within five (5) working days will constitute granting the grievance, unless it has been mutually agreed to extend the time limits to a later date. The designated Union representative shall sign off such written answer as acknowledgment of a timely answer and shall inform the Company, within fourteen (14) calendar days after receiving the Company's decision, of the status of such grievance(s).

B. All grievances not filed as provided in Step One above shall be considered void and shall not be entitled to consideration.

C. All grievances not settled by the procedure outlined in this Article may be taken to arbitration as provided in Article 16.

D. Grievances Concerning Layoffs and Discharges: Grievances concerning layoffs due to reduction in working force and all discharges shall be initiated in Step Two of this Grievance Procedure and must be filed in writing five (5) working days of the layoff. Such grievances concerning layoffs due to reduction in force may be

filed by either the Union or the employee. Failure on the part of the Union or employee to file such grievance within the time limits specified above shall exempt the Company from any obligation to reinstate the employee or reimburse the employee for lost time.

ARTICLE 16
ARBITRATION AND GRIEVANCE LANGUAGE

The Company and the Union may, if they wish, present the case to an impartial mediator; however, the decision of said mediator is not binding or final to either party. The fee(s) shall be borne by both parties.

SECTION 1. In the event the parties shall be unable to settle any grievance or dispute arising under this Agreement, either party may, at any time within thirty (30) calendar days after the decision in Step Two of the grievance procedure, elect to refer the matter to arbitration by an impartial Arbitrator by notifying the other party in writing by registered mail.

SECTION 2. The impartial Arbitrator shall be selected by mutual agreement of the Union and the Company. In the event the parties shall not agree upon an impartial Arbitrator within five (5) calendar days after receipt of the Notice of Intention to Arbitrate, the Federal Mediation and Conciliation Service shall be requested to nominate five (5) persons, all of whom shall be qualified to act as Arbitrators. If the Union and the Company cannot agree on one of the five to act as Arbitrator, they shall strike names alternately until one name remains and he or she shall be the impartial Arbitrator whose decision shall be final and binding upon the parties. A decision shall be made by the impartial Arbitrator within thirty (30) days. The Arbitrator shall have no power to establish wage scales or to add to, subtract from, or modify any of the terms of this Agreement; nor shall he or she have the power to substitute his or her decision. It is further understood that the arbitration procedure above set forth shall not be used for the purpose of arriving at an Agreement, and only matters involving an alleged violation, application, or interpretation of the Agreement shall be arbitrated.

SECTION 3. Each party shall bear its own costs of processing a grievance and shall share equally the costs and fee of the impartial Arbitrator.

SECTION 4. In the event either party refuses to submit to arbitration in accordance with the provisions of this Agreement, the other party shall thereupon be released from all obligations under Article 14, Section I, of this Agreement (Strikes and Lockouts).

ARTICLE 17
SENIORITY

SECTION 1. In the reduction and restoration of forces within an employee's classification (the seniority of working foreman and leadman shall be in the journeyman classification only), seniority shall prevail, subject to the employee's relative equal ability to perform the available work. The Company agrees that no employee shall be discriminated against because of Union activities.

In the interest of continuity of supervision, the Company shall have the right to retain working foremen and/or working leadman according to seniority they must be leading a crew. The number of working foremen and/or leadman allowed to be retained in such circumstances shall be as follows:

2-10 employees	1 working foreman or working leadman
10-20 employees	A total of 2 working foreman and/or working leadsmen
20-30 employees	A total of 3 working foremen and/or working leadsmen
30-40 employees	A total of 3 working foremen and/or working leadsmen

The working foreman and/or working leadsmen retained in such circumstances shall continue to receive the specified rate of pay for such position.

SECTION 2. An employee's seniority shall be computed from the time of his or her employment by the Company, in any classification in Schedule "A" except that new employees shall be regarded as probationary employees until they have worked for the Company an aggregate total of ninety (90) days worked within any period of one (1) year from the first date of hire. During such probation period, an employee may be transferred, laid off or terminated at the exclusive discretion of the Company. When employees have completed the probationary or apprenticeship period, they shall receive full seniority credit from date of last hire. A probationary employee who quits or is discharged and is subsequently rehired shall be subject to a new probation period, except for employees laid off for lack of work during their probationary period. An individual's probationary period may be extended by mutual agreement between the Union and the Company.

A. In the event a helper is promoted to a journeyman classification, his or her seniority as a helper shall be carried over to the Journeyman classification. Such employee will retain only helper seniority credit for time worked as a helper. His or her seniority as a journeyman shall be computed from the date of advancement to the Journeyman classification. A journeyman being considered for layoff may be given the opportunity of accepting a helper job in lieu of layoff, provided such journeyman has sufficient previous helper seniority. A Journeyman, who elects to be reclassified to a helper classification as provided above, will retain the same journeyman seniority date he or she held at the time of reclassification and for the same period of time as though he or she were laid off from the plant. If a journeyman declines the option to be reclassified as a helper,

said journeyman will forfeit his or her helper seniority accumulated as of that date and will be laid off as a journeyman for reason of lack of work in the journeyman classification.

Vacation pay will be paid such an employee based on his or her continuous unbroken service with the Company and not on his or her seniority as a helper or on his or her seniority as a journeyman.

B. An employee promoted to a non-Union supervisory position shall not accumulate seniority in the bargaining unit from which he or she is promoted while he or she holds that assignment, once the person returns to the bargaining unit his/her seniority shall pick up where it was frozen, any times in between will be lost. A supervisor as referred to in the Article is an employee who is promoted to and remains a supervisor over the classifications covered by this Agreement. Such employee shall not be entitled to return to a covered classification in the bargaining unit as long as anyone with greater seniority remains laid-off; unless the employee's relative equal ability to perform the work justifies such assignment as provided in Article 17, Section I of the Labor Agreement.

Vacation pay will be paid to such an employee based on his or her continuous unbroken service with the Company and not on the new seniority dates as outlined above.

SECTION 3. An employee's seniority status may be terminated for the following reasons:

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

B. Failure to report to work, after having been laid off within (5) working days after a written notice requesting him or her to report to work has been deposited in the United States mail, certified mail, return receipt requested, with postage prepaid and addressed to the employee's latest address of record with the Company it is the employee's responsibility to keep the Company advised of any change in the employee's address. The employee may be excused for a period not to exceed thirty (30) calendar days from the loss of his or her seniority status under this paragraph if he or she makes written application and receives approval of the Branch Manager with a copy to the Union. This leave may be extended up to sixty (60) days.

C. Discharge for just cause.

D. If he or she resigns or quits.

E. When an employee in question has not worked as an active regular employee of the Company for one (1) year. This includes employees (who are not probationary) who were absent due to an industrial injury or industrial illness received at the Company. An employee absent from work for a period of one (1) year due to an industrial injury or industrial illness will be terminated at the time of the one (1) year period; however, should the employee receive medical clearance to return to work prior to the end of two (2) years, the employee will be reinstated with full seniority.

SECTION 4.

A. An employee drafted into Armed Forces of the United States under provisions of any applicable Federal Laws and who applies for his or her former job within ninety (90) days after his or her honorable discharge will be, if the employee is still qualified to perform the duties of such job and if working conditions then permit, restored to his or her former or substantially equivalent job.

B. An employee required to report for temporary military duty (including annual military reserve training) with a unit of the Armed Forces of the United States or the California National Guard shall be granted a leave of absence without pay for the period of such training, provided the employee presents to the Company proof of his or her requirement to report for such military duty within three (3) work days of receipt of his or her notification to report. The employee shall report to work on his or her first scheduled workday following the completion of such training and shall provide the Company with the evidence that he or she did report and complete the required training.

Any employee granted a leave of absence without pay for such temporary military duty shall have the option of receiving any unused vacation pay earned in his or her prior vacation year equal to not more than the number of days of required military duty.

Employees who enter the service of the Pearce Corps, which has been established by the Congress of the United States shall be granted a leave of absence without pay for a two-year period.

Upon return of an employee from the Peace Corps service, he or she shall be reinstated to a job in the occupation he or she held at the time the leave was granted if such a job is available, seniority permitting, or another job in accordance with the Seniority provisions of this Agreement provided the employee is capable of performing the job available, meets the physical requirements and he or she makes application and reports to work within ninety (90) days after completion of not more than two (2) years in the Peace Corps.

SECTION 5. As soon as possible, not later than fifteen (15) calendar days after signing this Agreement, the Company will submit to the Union a list of bargaining unit employees and their classifications showing their length of service with the Company.

The Union shall give approval of the list to the Company within fifteen calendar days after receipt of this list, and if not so given, it shall be considered correct. Once in each three-month period, lists of employees in the bargaining unit, with their dates of employment, will be furnished by the employer. The Company will provide the Business Representative and Shop Steward or designated Steward with copies of hire and termination slips on the same day received by the employee.

SECTION 6.

A. When a layoff becomes necessary, workers will be notified the day prior or paid eight (8) hours pay in lieu of notice. The foregoing shall not apply when the Company does not have enough advance notice of the cancellation of work, forcing a layoff, to give the required notice.

B. The Shop Steward shall receive a list of those employees to be laid off at the same time the employee(s) are notified of layoff. In the event an employee is absent on the day he or she would otherwise be notified of his or her layoff for reasons of illness, industrial injury or vacation, he or she shall be paid for time necessary not to exceed two (2) hours' pay, on the first day he or she reports to the yard for the purpose of complying with the Company's termination procedure.

C. The right of seniority in re-employment shall be accorded to a laid-off employee prior to new employees being hired, and such employee possess the necessary skill(s) provided such laid-off employee responded to a call to report for work not more than five (5) working days after receipt of notice sent to him by registered mail or other recordable means to his last known post office address. If such laid-off employee fails to report for work within five (5) days, he shall lose all rights of seniority, unless he is temporarily incapacitated, preventing him from reporting, or is employed elsewhere, in which case he must notify the Company in writing within the initial five (5) days after the receipt of the notice to return that he will report for work as quickly as his health or temporary employment will permit.

SECTION 7. In the event emergency situations beyond the control of the Company make it necessary to temporarily lay off employees for a short period of time (not to exceed 5 calendar days), the provisions of Section 1 shall not be applicable during said temporary period (5 calendar days or less). If, by reason of said temporary layoff, an employee is prevented from working the scheduled work day prior to and/or after a holiday (as required by the provision of Article 9, Section 3) said employee shall nevertheless receive holiday pay as provided in Article 9 of this Agreement. In no event shall this clause be applicable in case of slack period. In the event that it becomes necessary for the Company to utilize this temporary layoff provision on recurring occasions, the Company will endeavor, insofar as practicable, to avoid the laying off of the same employees.

ARTICLE 18
HEALTH AND WELFARE

It is mutually agreed that the Company will provide all employees with group health, life and accidental death and dismemberment insurance as set forth in Schedule "B" attached hereto.

The Company shall pay the entire cost of specified group life and accidental death and dismemberment insurance for all qualified employees. Employees may elect to participate at their own expense in an optional plan of additional life insurance and accidental death and dismemberment insurance at the Company group premium rate and in the amounts and coverage offered by the insurance carrier.

The benefits provided under Schedule "B" shall be coordinated with payments made under any other employer group insurance plan so that the benefits payable hereunder will not be duplicated, and when such benefits are added to the benefits payable by any other employer group insurance plan, the total will not exceed 100% of the allowable expenses provided under Schedule "B" plans.

The term "employer group insurance plan" means any group-type plan, including those for which an employer makes contribution or for which an employer provides a means of collecting contributions required by employees including payroll deductions.

Hospital daily room benefits payable to employees shall be integrated with any hospital benefits provided the employee under the California Unemployment Insurance Code.

Benefits shall be automatically reduced by any similar benefits provided through the Social Security Act – Medicare Parts A and B.

The Company and the Union agree to assist employees in filling out application for coverage and in submitting claims for benefits, but the Company and Union by doing so, do not guarantee payment of claims or in any other way obligate themselves to assume the benefits set forth in Schedule "B." Employees of the Company in layoff status who prior to layoff were provided the benefits set forth in Schedule "B," shall have the opportunity of continuing such benefits for themselves and their eligible dependents for the periods described in the Consolidated Omnibus Reconciliation Act of 1985 (COBRA).

ARTICLE 19
WORKING CONDITIONS

SECTION 1. SAFETY

A. The Company shall provide and maintain safe working conditions under State, Federal and Occupational Safety and Health (OSHA), and the Union shall

encourage its members to work in a safe manner. The Company shall provide covered safe transportation with sufficient seating accommodations for employees to be transported to and from jobs away from the yard of shop. The Company shall furnish suitable guards around welders for the protection of workers' eyes.

Any employee who is injured at the Company's plant or Company job site as the result of an industrial accident and who, on the first day he or she is sent to a doctor, returns to work during his or her regular working hours on the same day, shall be paid by the Company the applicable hourly wage rate for such time thereby lost on such day. Should such injured employee be admitted to a hospital or be instructed by the Company or the doctor to refrain from performing further work on the day such accident is reported, he or she shall receive the applicable hourly wage rate for the balance of his or her shift on such day. If such injured employee shall, on any subsequent day on which he or she performs work for the Company be directed by the medical department to report for medical treatment of such injury at medical facilities outside the yard during the hours of the employee's regular shift, he or she shall be paid at his or her regular rate for the time not worked during such shift, as a result thereof. An employee suffering from welding flash burns or complications from foreign bodies in the eye due to his or her employment and who reports to the Company medical department for treatment of the above condition on the next work day following such accident, will be paid the regular rate of pay for the remainder of the shift if directed by the medical department to refrain from performing work on such day.

The Company shall notify the Union not later than the end of the next regular working day of any lost-time accidents to any of its members that necessitated confinement in any hospital or clinic, providing the Company has knowledge of such confinement.

Ventilation: Where noxious or poisonous gases or welding fumes may accumulate, the Company shall provide proper protection and ventilators in proper and safe working condition. Proper lighting and ventilators in proper and safe working condition shall be provided for all enclosed working spaces.

Where workers are assigned to work in confined spaces as described in the U.S. Bureau of Labor Safety and Health Regulations for ship repairing and/or ship building as published by the Bureau of Labor Standards, frequent checks for the employee's safety shall be made by the employee's immediate supervisor.

B. The Company agrees that no employee shall be required to use open flames at any time in hazardous proximity to flammable materials being used or applied on or aboard any vessel.

C. No employee shall be disciplined for refusing to do hazardous work until necessary safety precautions are taken to avoid injuries, which he or she might suffer thereby.

D. The Company may require employees to wear personal protective equipment as it is determined necessary for the requirements of safety and health which shall be supplied by the Company in accordance with present practices, such as but not limited to, gas masks, plastic face shields, respirators, rubber gloves, hard hats, safety belts, lifesaving gear, rubber aprons and earplugs.

Protective clothing and foot wear suitable for working water (such as but not limited to working in a Graving Dock) shall be provided to employees as may be necessary.

It is understood that when an employee is issued personal protective equipment as outlined in the two (2) paragraphs above, such employee assumes responsibility for these items until returned to the Company. In cases where damage or loss is caused by carelessness or neglect, the employee may pay the replacement cost.

SECTION 2. SANITATION

A. Wash rooms and potable filtered drinking water shall be available for employees.

B. Adequate toilets and washrooms shall be provided by the Company and shall be kept in a clean and sanitary condition and suitable quarters shall be available for employees to change their clothes, which shall include heat. Adequate lunch facilities shall be separate from toilet facilities. The Company shall provide adequate washing facilities.

C. The Union agrees to cooperate with the company to maintain a clean and sanitary place to work and eat.

D. The company will furnish for it employees required to work outside the yard hand creams, rags and adequate tool lockup space.

SECTION 3. TOOLS-LOCK-UP SPACE

Suitable lock-up space shall be provided for employee's tools only and so posted. The Company shall pay for or replace tools that have been stolen from designated tool lock-up areas. If the employee desires to have personal tools on the job other than those required by the Company covered by this provision, the employee shall submit a list of those non-required tools that he is providing, to the Branch Manager for his written approval prior to their being covered by this section.

SECTION 4. TOOL ALLOWANCE

The Company will provide the required tools to those employees paid less than two (2) times the minimum wage for the state of California. Employees who are paid less than two (2) times the minimum wage will not receive the tool allowance. The Company will pay each employee earning more than two (2) times the minimum wage seven cents (.07) per hour for tool allowance.

ARTICLE 20
WAIVER

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understanding and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

Therefore, the Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject matter referred to, or covered in this Agreement, or with respect to any subject matter not specifically referred to or covered in this Agreement, even though such subjects or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

ARTICLE 21
SAVING CLAUSE

Should any part hereof or 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, and they shall remain in full force and effect.

The Company and the Union shall meet within thirty (30) days of the date of such invalidation to renegotiate that part or provision of this Agreement rendered or declared invalid, and shall make a good faith attempt to legally validate such part of provision within its original spirit and intent. Failure of the parties to reach agreement, however, shall not affect the applicability of the provisions of Article 14 of this Agreement, and such failure to reach agreement shall not be subject to the provisions of Article 15 or Article 16 of this Agreement.

ARTICLE 22
WARRANTY OF AUTHORITY

The officials executing this Agreement in behalf of the Union hereby warrant and guarantee that they have the authority to act for and bind the members of the Union. The officials executing this Agreement on behalf of the Company warrant and guarantee that they have the authority to act for and bind said Company.

ARTICLE 23
TRANSPORTATION

The Company shall have full responsibility in transporting employees to and from all job sites. However, in the event the Company requests that an employee furnish his/her own transportation to or from any job site other than the Company premises, the Company will reimburse the employee within the guidelines of the IRS schedule for all miles accumulated. Mileage will be calculated from the Company's property to the job site in which the employee is working.

The foregoing shall not apply if the job site is within twenty miles of the Company premises.

Transportation provided by the Company to the job site will be 15 minutes before the start of shift.

Transportation provided by the Company from the job site will be scheduled for 15 minutes before the end of shift.

Employees will not be compensated for the time spent traveling to and from the work site at the beginning and end of their shift.

ARTICLE 24
NON-DISCRIMINATION

SECTION 1.

A. The Company and the Union in carrying out their obligations under this Agreement shall not discriminate in any manner whatsoever against any employee because of race, sex, age, political or religious affiliation, nationality, Union activity, handicapped persons or Veterans or in any other manner prohibited by law.

B. The Company agrees to continue its present non-discriminatory policy offering equal opportunities for available jobs to qualified employees without regard to their nationality, race, sex, age, political or religious affiliation, or membership in any labor or other lawful organization.

ARTICLE 25
LEAVES OF ABSENCE

SECTION 1. Personal business: A leave of absence shall be granted for personal reasons, for a period not to exceed thirty (30) calendar days upon written application by an employee and written approval of the Branch Manager or his designee, with a copy to the Union. This leave may be extended up to sixty (60) days. The Union will be notified in writing in the event any such leave is extended beyond thirty (30) calendar days.

An employee on leave of absence who engages in gainful employment will be terminated. A leave of absence shall not result in loss of seniority. Employees will be direct billed for their health and welfare benefit continuation. The employee is responsible to pay their portion of the monthly premiums while absent to avoid benefit cancellation.

SECTION 2. In the event of a death in an employee's immediate family (mother, father, spouse, children, brother, sister, grandparents, father-in-law, mother-in-law, brother-in-law, sister-in-law, step-children, step- parents, and grandchildren) the employee, upon request, shall be excused and paid for up to three (3) regularly scheduled workdays (or such fewer days as the employee may be absent) which fall within a three (3) consecutive calendar day period (provided that the employee attended the funeral, and relationship of the deceased to the employee is verified). Payment shall be eight (8) times the employee's straight time hourly rate for each full day not worked. An employee shall not receive funeral pay when it duplicates pay received for time not worked for other reason. An employee shall be allowed an additional seven (7) calendar days off unpaid leave by following the procedure set forth in this Section.

SECTION 3. Approved Leave: Family Medical Leave Act (FMLA) and California Family Rights Act of 1993 (CFRA), if the employee has more than 12 months of service and has worked at least 1,250 hours in the 12-month period before the date they want to begin their leave, they may have a right to an unpaid family care or medical leave (CFRA leave). This leave may be up to 12 workweeks in a 12-monthperiodfor the birth, adoption, or foster care placement of their child or for their own serious health condition or that of their child, parent or spouse.

- If the employee is not eligible for CFRA leave, if disabled by pregnancy, childbirth or related medical conditions, they are entitled to take a pregnancy disability leave (PDL) of up to four months, depending on their period(s) of actual disability. Ifthey are CFRA- eligible, they have certain rights to take BOTH a pregnancy disability leave and a CFRA leave for reason of the birth of their child. Both leaves contain a guarantee of reinstatement to the same or to a comparable position at the end of the leave, subject to any defense allowed under the law. FMLA will run concurrently with CFRA or PDL.

- We will require certification from the employee's health care provider before allowing a leave for pregnancy or employees own serious health condition or certification from the health care provider of their child, parent, or spouse who has a serious health condition before allowing a leave to take care of that family member. When medically necessary, leave may be taken on an intermittent or a reduced work schedule.

SECTION 4. Military Reserve Pay: An employee who is required to report for annual two (2) consecutive weeks' active duty training in the National Guard or an Armed Forces

Reserve Unit, shall, upon presentation of orders, be excused from work for a period of ten (I0) consecutive regular workdays and shall receive the difference in pay between the gross amount received in pay and allowances from such ten (I0) days of training and the amount the employee would have received for the corresponding ten (I0) regular workdays at his or her regular straight time rate.

To be eligible for pay under this Section the employee must submit the record of service and pay completed by his or her Commanding Officer or other authorized person.

ARTICLE 26
ASSIGNMENT

This Agreement shall be binding upon the successors and assigns of the Company, and no provision, terms or obligations herein contained shall be affected or changed in any respect by the consolidation, merger, sale, transfer, or assignment of the Company, or affected or changed in any respect by the change in the legal status, ownership, name or management of the Company or by any change in the location of the place of the Company's business within the county of San Diego.

ARTICLE 27
DURATION AND EFFECTIVE DATE

This Agreement shall become effective on February 15, 2019, at 12:01 A.M. and shall remain in full force and effect until Midnight of February 14, 2024. On and at the end of each yearly period thereafter, this Agreement shall be renewed automatically for a period of one (I) year unless either party gives written notice of its desire to modify, amend, or terminate same at least sixty (60) days prior to each yearly expiration period.

In the event notice of desire to modify, amend or terminate is properly given by either party in accordance with above Section, the parties shall meet within a period often (I0) days subsequent to the commencement of sixty (60) day period here in above referred to unless otherwise mutually agreed upon. At this meeting, the parties shall set up a proposed schedule for further negotiations.

Wage and Pension Reopener: The Company and the Union agree to meet during the sixty-day period beginning February 1, 2022 for the purpose of negotiations concerning modification of Schedule A wage rates and pension rates for future service. If no agreement is reached to modify the Schedule A wage rates and/or pension rates for future service as set forth in this Agreement by April 2, 2022, then the Schedule A wage rates and pension rates for future service as set forth in this Agreement shall be the Schedule A wage rates and pension rates for the duration hereof All other terms and conditions set forth in this Agreement, including the obligations and commitments set forth in Article 14, shall remain in effect for the duration of this Agreement and shall not

be in any way affected by this Section. Both the Company and the Union hereby waive whatever right they might have to take economic action, i.e. strike, lockout or unilateral implementation, in support of their demands or positions taken pursuant to the wage/pension reopener negotiations provided for by this Section. Wage and pension contributions will not be reduced from those stated in Schedule "A" and Schedule "C".

SIGNATORIES

The parties may, by mutual agreement, extend the termination date. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officials thereunto duly authorized.

UNIDYNE

John Greene
President

Fred Tipton
West Coast Operations Manager

Denise McCusker
Sr. Director of Human Resources

Nina Aydelotte
Sr Human Resources Business Partner

INTERNATIONAL ASSOCIATION OF MACHINISTS, DISCTRICT LODGE 947 LOCATION LODGE 389

Jason "J.P." Fletcher
Area Director/Business Representative

Butch Bowley
Business Representative

Tenner Valladares
Shop Steward

Dennis Tobin

MACHINIST SCHEDULE "A"- JOB CLASSIFICATIONS LOCAL 389

The Journeyman entry level for the purpose of this Agreement will be *$20.00* an hour. Employees rehired after a one-year or longer separation will be considered new hires for the purpose of pay rate.

Effective *February 15, 2019,* a general wage increase of *$0.85/per hour* for IAM members.

Effective *February 15, 2020,* a general wage increase of *$0.75/per hour* for IAM members.

Effective *February 15, 2021,* a general wage increase of *$0.70/per hour* for IAM members.

Effective *February 15, 2022,* a general wage increase of *$0.60/per hour* for IAM members.

Effective *February 15, 2023,* a general wage increase of *$0.55/per hour* for IAM members.

The following are the wage rates for Journeyman P.E. and helpers.

Classification	***% Journeyman Rate***	***Wage Rate***
Journeyman P.E. *	*90%*	*$18.00*
Marine "A"	*75%*	*$15.00*
Marine "B"	*65%*	*$13.00*
Marine "C"	*N/A*	*$12.00*
Marine "D"	*N/A*	*$11.40*

*Denotes helper who has made Journeyman rate and is Pending Evaluation.

SCHEDULE "B"
HEALTH & WELFARE BENEFITS

The Health and Welfare benefits provided by the Company are divided into two categories; those provided for previously grandfathered Employees and those provided for qualified Existing and New Employees. Grandfathered Employees include only the following individual; Dennis Tobin. Existing and New Employees include all employees not specifically named above. Grandfathered and Existing Employees rehired after one (1) year or longer separation will be considered New Employees for the purpose of Health and Welfare benefits. The benefits provided to each category of employee are as follows:

Grandfathered Employees:

Medical Coverage:
The Company will provide to Grand fathered Employees, the Kaiser Plan" or equivalent or similar plan. The Company will pay 100% of the current cost of this coverage.

Dental Coverage:
Grand fathered Employees as well as all other employees once passed probation shall eligible to participate in the existing Company dental plan provided by AETNA or similar plan.

Life Insurance:

Grand fathered Employees are eligible to receive $10,000.00 in life and accidental death and dismemberment (AD&D) insurance fully paid for by the Company. Supplementary group life and AD&D is available to the employee at the employee's expense.

Qualified Employees:
New Employees will become qualified to receive health and welfare benefits effective the first day of hire.

Medical Coverage:

Qualified Employees will be eligible to participate in the Company group health plans provided by either AETNA or Kaiser Plan and Company dental plan provided by AETNA.

Elimination of AETNA EPO Plan effective January 1, 2020. Existing employees will be moved to another plan offering.

The employee's cost for coverage will be as follows: The Company co-pay amounts are as follows:

February 15, 2019 - February 14, 2024

- Employee only: 80% company - 20% employee
- Employee, Spouse, and Family: 75% company - 25% employee

Life Insurance:

Qualified employees will be eligible to receive $10,000.00 of life and accidental death and dismemberment insurance fully paid for by the Company. Supplementary group life and AD&D is available to the employee at the employee's expense.

Plan Discontinuation:

If either the medical or dental plans should no longer be available, the Company shall make every reasonable effort to find similar coverage at comparable cost. Any additional cost of a replacement plan will be prorated to the Company and the Employee based on the allocations currently used.

Voluntary Benefits:

Employees working at least 20 hours each week may elect to participate in the voluntary benefit offerings at their own expense.

SCHEDULE "C"
PENSION PLAN

Employees are eligible from day one of employment to enroll in the IAM National Pension Plan (it should be noted that this Plan was negotiated in 2006)

The Company will contribute the following:

February 2019:	$1.60 an hour worked
February 2020:	$1.70 an hour worked
February 2021- February 2022	$1.80 an hour worked
February 2023	$1.90 an hour worked

Total compensation is not to exceed a 2,080 hour "Work Year".

SCHEDULE "D"
SEA TRIALS
SEA PAY FOR WORK OR TEST PERFORMANCE AT SEA

Sea trails is the normal term used when referring to work or test being performed when the vessel is underway.

The qualifying time for sea pay is that the vessel be underway or away from the dock, for a period of six (6) hours or more.

Work or test performed while a vessel is underway for a period of less than six (6) hours, employees shall be paid as provided in Article No. 5.

Employees engaged in the performance of work or test while vessel is underway or away from the dock for a period in excess of six (6) hours shall receive pay as follows:

- All time worked by an employee while on sea trials shall be paid at one and one-half (1½) times the employee's regular rate of pay, and must be verified by the supervisor on board.
- Meals and room accommodations to be furnished by the Employer. Partial shifts or extended shifts may be worked.

SCHEDULE "E"
WORK AT SEA

Employees assigned to work on a vessel at sea, not engaged in sea trial shall be paid pursuant to all applicable articles and sections of this Agreement, plus $35.00 per day, if such assignment exceeds sixteen (16) hours on any work day.

SCHEDULE "F"
JURY DUTY PAY

Employees summoned for Jury Duty shall notify the Company of this fact within forty-eight (48) hours after the receipt by the employee of the Summons. If such notification has been given, and if such employees are not thereafter exempted from Jury Duty, the Company will pay the difference between the amount such employee received for their Jury Duty and their regular base rate of pay at the time of such absence excluding any overtime. Payment will not be made for Jury Duty performed on the sixth or seventh day of the employee's regularly assigned workweek or for hours in excess of their eight-hour workday.

All employees summoned for Jury Duty on the second or third shift shall be temporarily transferred to the first shift for the duration of their Jury Duty obligation. Pay for such work time lost in no event exceeds, for any one employee, a total of ten (10) Regular eight (8) hour working days in any one calendar year.

Employees who serve on the jury will not be required to report to work on the morning the jury service. However, if they are excused from jury service before 12:00 noon on the day they served, they will be required to report to work as soon as feasible, but no later than two (2) hours from the time they are excused from jury service on a given day of service. If they do not report to work when excused before 12:00 noon, they will be paid only the difference in the base rate and the jury duty pay for those hours served on the jury. Employees who return to work on a day of jury service, as above, will receive eight (8) hours pay at base rate less jury duty pay. Appropriate documentation may be required at the Company's request.

SCHEDULE "G"
SICK LEAVE

All full-time and eligible part-time employees (who are scheduled to work 20 or more hours per workweek) are eligible for sick leave from the first day of employment.

- Employees will be eligible for an additional 8 hours of sick leave effective January 1, 2020.
- Employees will receive 32 hours of sick time at the beginning of each calendar year upon contract ratification. This time may be used to cover loss of wages if you are out due to an illness or medical leave, (except where mandated by CA law).
- Annual Maximum Accrual: There is an annual maximum accrual for sick leave of 32 hours.
- Mid-year hire: sick leave will be prorated.
- Sick time may be carried over each year to a maximum of 48 hours.

A doctor's certification may be requested at any time to verify your entitlement to this benefit; a doctor's certification must be presented for any sick leave usage of three or more consecutive days, for any sick leave taken on Monday and/or Friday and for any sick leave taken the day before or after a vacation or holiday. Employees will be paid for sick leave at their average straight time hourly rate or salary at the time the sick leave is taken. When you leave the Company, you will not be paid your accrued sick leave balance.