

ARTICLES OF AGREEMENT
between
VALERO REFINING COMPANY - OKLAHOMA



and
INTERNATIONAL UNION
of
OPERATING ENGINEERS
A.F.L.-C.I.O.
Local Union No. 351
Ardmore Refinery

May 1, 2010

ARTICLE ONE - RECOGNITION	1
Section 1 Recognition of Union	1
Section 2 Captions and Arrangement of Provisions – Not To Be Used For Interpretation Of This Agreement	1
ARTICLE TWO - TERM OF AGREEMENT	1
Section 1 Agreement – Period	1
Section 2 Agreement – Procedure For Termination Of	2
Section 3 Agreement – Modification of	2
Section 4 Agreement – Subject To Laws	2
Section 5 Agreement Effect Of Provision Declared Unlawful	2
ARTICLE THREE - COMPANY RESPONSIBILITY AND UNION SECURITY	3
Section 1 Management Rights	3
Section 2(a) Non-Coercion	3
Section 2(b) Non-Discrimination	3
Section 3 Residency Requirement	3
Section 4 Employee Membership in Organization Not Condition of Employment	4
Section 5(a) Oklahoma Right to Work	4
Section 5(b) Notice to New Hires	4
Section 5(c) Membership in Union – Defined	5
Section 5(d) Check Off of Union Dues	5
Section 5(e) Withdrawal Periods	6
Section 5(f) Union Membership – Posting Obligation Of	6
Section 5(g) Employee Orientation Meeting	6
ARTICLE FOUR - HOURS OF WORK	6
Section 1(a) Definition of Regular Workweek	6
Section 1(b) Definition of Regular Workweek For Operations Section, Relief Operators, and Twelve Hour Shift Laboratory Employees	7
Section 1(c) Overtime Assignment	10
Section 1(d) Overtime Equalization in Maintenance	10
Section 1(e) Overtime Distribution – Non Discrimination	10
Section 1(f) Overtime – Make Up Of	10
Section 2(a) Definition Of Regular Work Day and Work Week	10
Section 2(b) Regular Weekly Schedule for Employee	10

Section 3	Employee Right To Work Regular Scheduled Hours If Beyond 40 Hours	10
Section 4	Daylight Savings Time – Impact Of	11
Section 5(a)	Maintenance Section – Saturday and Sunday Off	11
Section 5(b)	Maintenance Section – Adjustment of Hours	11
ARTICLE FIVE - COMPENSATION		11
Section 1(a)	Overtime Rate Defined	11
Section 1(b)	Overtime – Computation Of	11
Section 2(a)	Wage Adjustments	12
Section 2(b)	Maintenance Adjustment	13
Section 2(c)	Yard Rate For Employees Hired Before May 1, 1996	13
Section 2(d)	Yard Rate for Employees Hired On Or After May 1, 1996	14
Section 2(e)	Application Of Wage Rate Upon Job Transfer	14
Section 3	Loss of Regular Work Hours – Make-Up Of	14
Section 4(a)	Premium Pay For Temporary Assignment To Secondary Vacancy	14
Section 4(b)	Premium Pay For Scheduled Rearrangement	15
Section 4(c)	Premium Pay For Rearrangement Of Scheduled Day Off	15
Section 4(d)	Premium Pay For 16 Hours Work Within 24 Hours	15
Section 5(a)	Notice Re: Inability To Work	15
Section 5(b)	Notice Re: Return to Work	16
Section 6(a)	Reporting Pay	16
Section 6(b)	Call-Out Pay	16
Section 7	Meal Allowance	16
Section 8	Wage Rate Upon Temporary Transfer To Lower Rate Classification	16
Section 9(a)	Wage Rate Upon Temporary Transfer To Higher Rate Classification	17
Section 9(b)	Wage Rate – Temporary Upgrade for Training	17
Section 10	Pay Day Defined	17
Section 11(a)	Shift Differential	17
Section 11(b)	Shift Differential – When Paid	17
Section 11(c)	Shift Differential – When Paid To Day Shift Employee .	17
Section 12(a)	Work Hours for Maintenance And Laboratory Employees Starting Early	18

Section 12(b)	Work Hours For Maintenance And Laboratory Employees Starting Early – Notification	18
Section 13(a)	Travel Time Pay	18
Section 13(b)	Travel – Straight Time Calculation	18
Section 13(c)	Travel – Overtime Calculation	18
Section 14	On-Call Employees	19
Section 15	ERT Training and Pay	21
ARTICLE SIX - SENIORITY		21
Section 1	Seniority Defined	21
Section 2	Factors For Determining Job Status	21
Section 3(a)	Seniority – Kinds Defined	21
Section 3(b)	Seniority – Plant	21
Section 3(c)	Seniority – Job	22
Section 3(d)	Seniority – Progressive	22
Section 3(e)	Seniority – Company Service	22
Section 4	Seniority List – Compilation, Distribution, and Grievance Of	22
Section 5	Probationary Period	22
Section 6	Seniority – Retention While Laid Off	23
Section 7	Seniority – Loss On Promotion To Non-Bargaining Unit Position	23
Section 8	Job Seniority Equal – Tie Breaker	23
ARTICLE SEVEN - PROMOTIONS AND DEMOTIONS		23
Section 1(a)	Progression and Retrogression Job Charts	23
Section 1(b)	Promotions Within Line of Progression	28
Section 2(a)	Vacancies Within Maintenance and Laboratory	29
Section 2(b)	Vacancies Within Operations	29
Section 2(c)	Vacancies – Lack of Qualified Bidder	29
Section 3	Posting Vacancy	29
Section 4(a)	Disallowance Of Future Bids	30
Section 4(b)	Withdrawal Of Bid Prohibited	30
Section 5	Posted Vacancy – Impact Of Vacation Or Leave Of Absence	30
Section 6	Evaluation Of Qualification For Job	30
Section 7	Training Opportunity For Next Job In A Line Of Progression	31
Section 8	Standing Of Employees In Progression	31

Section 9	Demotion by Force Reduction	31
Section 10	Demotion by Force Reduction – Pay Rate	31
Section 11	New Jobs – Determining Job Status	32
Section 12	New Jobs – Disqualification From	32
 ARTICLE EIGHT - TEMPORARY VACANCIES		32
Section 1	Temporary Vacancies – Defined	32
Section 2(a)	Temporary Vacancies – Filling Of Vacancies In The Laboratory	32
Section 2(b)	Temporary Upgrade Not Permitted Beyond One Job Classification	32
Section 2(c)	Employee Working In Higher Job Classification For Entire Week	33
Section 3(a)	Temporary Vacancies – In Maintenance Section	33
Section 3(b)	Temporary Vacancies –In Maintenance Section -- Filling Of	33
Section 3(c)	Temporary Vacancies – Use of Yard Employee	33
Section 3(d)	Temporary Vacancies – Maintenance Section, Pay	33
Section 4(a)	Extended Temporary Vacancy – Defined	34
Section 4(b)	Extended Temporary Vacancy – Use of Yard Employees	34
Section 4(c)	Extended Temporary Vacancy – Upgrade Opportunity	34
Section 4(d)	Extended Temporary Vacancy – Job Seniority Accumulation	34
Section 4(e)	Extended Absence – Return To Job	34
Section 4(f)	Extended Temporary Vacancy – Vacation Selection	34
 ARTICLE NINE - LAYOFFS AND RE-EMPLOYMENT		35
Section 1	Layoff Procedure	35
Section 2	Recall Procedure	35
Section 3	Recall Procedure – Mailing Address	35
Section 4	Notice Of Recall And Employee Confirmation	35
Section 5	Layoff Notice	36
 ARTICLE TEN - DISPUTES AND GRIEVANCES		36
Section 1	Grievance Definition	36
Section 2(a)	Grievance Procedure – Steps Of	36
Section 2(b)	Step One – Discuss Grievance With Supervisor	36

Section 2(c)	Step Two – Present Grievance In Writing To Supervisor	36
Section 2(d)	Step Three – Supervisor To Inform Grievant of Decision	36
Section 2(e)	Step Four – Present Grievance To Worker’s Committee	36
Section 2(f)	Step Five – Company To Notify Union Of Decision And Notice Of Intent To Arbitrate	36
Section 2(g)	Union Withdrawal of Grievance	37
Section 2(h)	Arbitration – Request And Procedure For	37
Section 2(i)	Pay For Grievant And Witnesses At Arbitration	37
Section 3	Grievance Procedure – Union Representation	37
Section 4	Discipline – Time of Effectiveness	38

ARTICLE ELEVEN - VACATIONS		38
Section 1(a)	Vacation – Basis for Earning & Use	38
Section 1(b)	Vacation – Schedule of Earned Vacation	38
Section 1(c)	Vacation -- New Employee Eligibility	39
Section 2(a)	Vacation – Basis for Pay	39
Section 2(b)	Vacation -- Carryover or Selling of Vacation	39
Section 2(c)	Vacation -- Basis for Sale of Vacation	39
Section 2(d)	Vacation -- Cash Exclusion	40
Section 2(e)	Vacation – Limit on Vacation Sold for Benefits	40
Section 3	Vacation – Foregoing Scheduled Vacation	40
Section 4	Rules for Vacation Carryover	40
Section 5	Vacation – Earning of Ceases With LTD	40
Section 6	Vacation -- Hospitalization While on Vacation	41
Section 7	Vacation -- Funeral Leave While on Vacation	41
Section 8	Vacation – Selection Period	41
Section 9	Vacation – Order of Selection Preference	41
Section 10(a)	Vacation – Waiver of Prior Accrued Vacation	43
Section 10(b)	Vacation -- Plant Closure Vacation Benefit	43
Section 11	Unscheduled Vacation -- Single Day Use for Operations And Lab Employees	43

ARTICLE TWELVE - HOLIDAYS		43
Section 1(a)	Holidays – Defined	43
Section 1(b)	Holidays – Day of Observance	44
Section 2	Holidays – Pay for Not Working	44

Section 3	Holidays --Pay for Working	44
Section 4	Holidays – Eligibility	45
Section 5	Holidays -- Employee on Vacation	45
ARTICLE THIRTEEN - SEVERANCE PAY		45
Section 1	Qualifying Events	45
Section 2	Transient Employee Exclusion	46
Section 3	Method of Calculation	46
Section 4	Plan Consistency	46
Section 5	Severance Entitlement	46
ARTICLE FOURTEEN - LEAVE OF ABSENCE		46
Section 1	Leave of Absence – Personal Leave Defined	46
Section 2	Leave of Absence – Family Medical Leave	47
Section 3	Leave of Absence – Employee’s Injury or Illness	47
Section 4(a)	Leave of Absence -- Union Leave Defined	47
Section 4(b)	Leave of Absence -- Union Leave – Non-Accrual Of Benefits And Pay	48
ARTICLE FIFTEEN - JURY DUTY		48
Section 1	Jury Duty/Legal Proceedings	48
Section 2	Jury Duty/Legal Proceedings – Dismissed For The Day	48
Section 3	Jury Duty/Legal Proceedings – Services Not Required	49
Section 4	Jury Duty/Legal Proceedings – Duty to Work Regular Shift/Notice to Supervisor	49
ARTICLE SIXTEEN - FUNERAL LEAVE		49
Section 1(a)	Funeral Leave	49
Section 1(b)	Travel in Excess of 500 Miles	50
Section 1(c)	Definition of Immediate Family	50
ARTICLE SEVENTEEN - MILITARY LEAVE		50
Section 1	Military Leave	50
ARTICLE EIGHTEEN - BULLETIN BOARD		51
Section 1	Bulletin Board	51
ARTICLE NINETEEN - WORKERS’ COMMITTEE		51

Section 1	Workers' Committee-Composition Of	51
Section 2	Workers' Committee – Monthly Meeting	51
Section 3	Workers' Committee – Emergency Meeting	51
Section 4	Permissible Union Activities During Working Hours	52

ARTICLE TWENTY -

	INDUSTRIAL ACCIDENT/STD/LTD BENEFITS	52
Section 1(a)	Industrial Accident Benefits	52
Section 1(b)	Short Term Disability Leave – Benefits and Conditions	54
Section 2	Industrial Accident/STD – Computation of Benefit	57
Section 3(a)	Conditions for Receiving Industrial Accident and/or STD Benefits	57
Section 3(b)	Benefits Consistent With Valero Plans	57
Section 3(c)	Non Accumulation	57
Section 3(d)	Limitation of STD Benefits	57
Section 3(e)	Adjusted Hiring Date	57
Section 3(f)	STD – Replenishing After Leave of Absence	57
Section 3(g)	STD – Holiday Pay During	58
Section 3(h)	STD -- Termination of Benefits on Death	58
Section 3(i)	STD -- Termination of Benefits Due to Quit, Retirement, Termination for Cause	58
Section 3(j)	Industrial Accident/STD -- Assignment, Garnishment & Attachment	58
Section 3(k)	Industrial Accident/STD -- Deductions for Other Compensation	58
Section 4	Progressive Attendance Bonus	58
Section 5	Long Term Disability	59
Section 6	Sick Leave – Light Duty – Temporary Assignment To ...	59

ARTICLE TWENTY-ONE - HEALTH AND SAFETY..... 60

Section 1	Physical Exam – Pre-Employment	60
Section 2	Physical Exam – During Employment	60
Section 3	Physical Exam – Procedure For Resolving Disputes	60
Section 4	Safety Rules and Protective Clothing	60
Section 5	Safety Committee/VSTAR	61
Section 6	Management Rights – Not Affected By Provisions of Article Twenty-One	61

ARTICLE TWENTY-TWO - DRUG POLICY

Section 1	Valero Drug And Alcohol Policies – Applicability	61
Section 2	Time Spent In Testing Deemed Hours Worked	61
Section 3	Valero Drug and Alcohol Policies – Furnished To Union	61
Section 4	Valero Drug Testing – Limitation	61
ARTICLE TWENTY-THREE - OUTSIDE WORK		62
Section 1	Contracting Out Of Work	62
Section 2	Employee Restriction On Work For Third Party	62
ARTICLE TWENTY-FOUR - TOOL CHECKING TIME		62
Section 1	Tool Checking Time	62
ARTICLE TWENTY-FIVE - STRIKES, LOCKOUTS		62
Section 1	Strikes, Lockouts	62
ARTICLE TWENTY-SIX - TRAINING		63
Section 1	Training Program and Trust-Established	63
Section 2(a)	Training Program – Purpose and Determination of Pre-Qualification	63
Section 2(b)	Training Program – Use of Facilitator	63
Section 3	Training Program and Fund-Funding Of	63
Section 4	Training Program – Joint Committee Determination ...	64
Section 5	Training Program – Test Development	64
Section 6	Absence of Pre-Qualified Bidders – Effect of	64
Section 7	Training Program – Safeguards for Procedure to Establish	66
Section 8	Training Program – Model for Program and Courses ...	66
Section 9	Helper Classification Eliminated	66
Section 10	Training Program – Intent Re: Excess Hiring Of Employees To Avoid Training	66
ARTICLE TWENTY-SEVEN - SERVICE OF NOTICE		67
Section 1	Service Of Notice	67
ARTICLE TWENTY-EIGHT - SUPERVISORS		68
Section 1	Supervisors – Restriction on Performing Bargaining Unit Work	68
ARTICLE TWENTY-NINE - CLASSIFICATION OF DUTIES		68

Section 1	Classification Of Duties	68
ARTICLE THIRTY - BENEFITS.....		
Section 1	Benefit Plans – Their Summary Plan Descriptions	68
Section 2(a)	Benefit Plans – Conditions to Company’s Obligations ...	69
Section 2(b)	Commencement of Benefits Under Valero Flex Plan	69
Section 2(c)	Definition of Covered Employee Under Valero Flex Plan	69
Section 2(d)	Termination of Coverage Under Valero Flex Plan	69
Section 2(e)	National Health Insurance Enactment	70
Section 3	Life Insurance and AD&D -- Valero Provided Dollars ..	70
Section 4	Valero Non-Insured Death Benefit	70
Section 5	Dependent Life Insurance	71
Section 6	Valero Defined Benefit Pension Plan	71
	John Hancock Plan – Freezing Of.....	71
Section 6(a)	Valero Savings Plan	74
Section 6(b)	Valero Savings Plan --Vesting and Eligibility	74
Section 6(c)	Valero Savings Plan – Eligibility	74
Section 6(d)	Valero Savings Plan -- Merge of Union Thrift Plan	74
Section 7	Pension Plan and Savings Plan Not Incorporated Into Agreement	74
Section 8(a)	Retiree Health Insurance	75
Section 8(b)	Retiree Health Insurance -- Spouse and Dependent Coverage	75
Section 8(c)	Retiree Health Insurance -- Definition of Years of Service	75
Section 8(d)	Retiree Health Insurance – Administration Of	75
Section 8(e)	Retiree Life Insurance	75
Section 8(f)	Valero Retiree Health Insurance Plan – Voluntary by Company	76
Section 9	Work-Related Death Benefit	76
ARTICLE THIRTY ONE - SUCCESSORSHIP.....		
ARTICLE THIRTY TWO - ENTIRE AGREEMENT.....		
Attachment 1	AGREEMENT RE: EXAMPLES FOR PAYMENT OF SICK LEAVE AND OVERTIME FOR LABORATORY EMPLOYEES.....	81
Attachment 2	AGREEMENT RE: CODED WELDERS AND GRIEVANCES REGARDING CODED WELDERS AND IE.....	84

Exhibit A to Attachment 2	WELDER QUALIFICATION PROCEDURE	86
Attachment 3	AGREEMENT RE: LABORATORY STAFFING AND TRANSITION.....	89
Attachment 4	AGREEMENT RE: MAINTENANCE CRAFT EMPLOYEES OPERATING SMALL EQUIPMENT 1996 CONTRACT NEGOTIATIONS.....	92
Attachment 5	AGREEMENT RE: PMA BLENDER.....	93
Attachment 6	AGREEMENT RE: WASTE WATER TREATMENT PLANT LINE OF PROGRESSION.....	94
Attachment 7	AGREEMENT RE: REVISED JOINT TRAINING COMMITTEE AGREEMENT	96
Attachment 9(a)	PRIMARY/SECONDARY SHIFT SUPER LONG CHANGE.....	98
Attachment 9(b)	EXAMPLE OF SCHEDULABLE SECONDARY VACANCY COVERAGE	99-100
Attachment 9(c)	ABSENTEE COVERAGE 12 HOUR SHIFTS	101
Attachment 9(d)	RULES APPLIED UNDER THE COLEMAN AGREEMENT.....	102
Attachment 10	OPERATIONS SECTION.....	104
Exhibit B to Attachment 10	106
Attachment 11	MAINTENANCE SECTION	105
1. Letter of Agreement		110
2. Letter of Agreement		111
Exhibit A	PMA UNIT MANPOWER SCHEDULE.....	112

This AGREEMENT, made and entered into as of the 1st day of MAY, 2010, by and between Valero Refining Company - Oklahoma , a related entity of Valero Energy Inc. hereinafter referred to as “the Company,” or “Valero Refining Company - Oklahoma ” and the INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 351, AFL-CIO hereinafter referred to as “the Union.”

WITNESSETH, that both parties hereto agree as follows:

ARTICLE ONE - RECOGNITION

Section 1 Recognition of Union. The Company hereby recognizes the Union as the sole and exclusive bargaining agent of employees in respect to hours, wages, and other conditions of employment for that unit of its employees in its Ardmore, Oklahoma, refinery, and to-wit:

All maintenance, laboratory and operation employees of Valero Refining Company - Oklahoma at Ardmore, Oklahoma, except the office janitor, supervisory employees, (as defined by the National Labor Relations Act) technical and clerical employees.

Section 2 Captions and Arrangement of Provisions – Not To Be Used For Interpretation Of This Agreement. As part of the negotiations for their 1996-99, 2002-2006, and their 2010-2016 agreements, the Company and the Union added captions to the Sections of the contract, and rearranged the presentation of the Articles and Sections within the Agreement. The Company and the Union agree that the captions and rearrangements are not intended by them to be substantive provisions of this Agreement, and agree that such captions and the arrangement of Articles and Sections shall not be used to interpret any provision of this Agreement.

ARTICLE TWO - TERM OF AGREEMENT

Section 1 Agreement – Period. This Agreement shall be effective as of May 1, 2010, and shall remain effective until the 30th day of April 2016, and

shall continue in effect from year to year thereafter from the 1st day of May of the new year (which date shall be known as the anniversary date of this Agreement) unless amended or terminated, as hereinafter provided.

Section 2 Agreement – Procedure For Termination Of. Either party may notify the other party in writing at least sixty (60) days prior to the anniversary date of its desire to amend or terminate this Agreement. In the event such notice is given both parties agree to meet and confer promptly and at least thirty (30) days prior to the anniversary date concerning such proposed amendment of the terms of a new agreement. The giving of notice to amend this Agreement shall not terminate the Agreement and if no agreement on the proposed amendment is reached prior to the anniversary date, this Agreement shall nevertheless remain in effect as though no such notice had been given unless either party shall notify the other party in writing within thirty (30) days following the anniversary date that the Agreement will terminate sixty (60) days following the anniversary date. In the event such termination notice is given, both parties agree to meet and confer concerning the terms of a new agreement during the period preceding the date of such termination.

Section 3 Agreement – Modification of. This Agreement, or any portion thereof, may be modified or amended at any time by the mutual consent of the Union and the Company.

Section 4 Agreement – Subject To Laws. The terms of this Agreement shall be subject to all laws of the United States Government or the State of Oklahoma or of any governmental agency having authority to issue binding decrees. Modifications or changes in this Agreement to conform to the said laws or decrees shall be made by the parties hereto promptly.

Section 5 Agreement Effect Of Provision Declared Unlawful. If any provision of this Agreement is held by a court of final jurisdiction to be illegal or unlawful, the same shall not affect or impair the validity of any other provision contained in this Agreement.

ARTICLE THREE - COMPANY RESPONSIBILITY AND UNION SECURITY

Section 1 Management Rights. The Company retains the management of the refinery, the direction of the employees, the assignment of duties, and the right to employ, discipline, or discharge an employee for just cause, layoff, promote, and demote employees in said plant, subject to the rights of employees in such matters as fixed in this Agreement.

Section 2(a) Non-Coercion. There shall be no coercion, discrimination, or intimidation of any employee by the Company or its agents, or by the Union or its members.

Section 2(b) Non-Discrimination. In accordance with the requirements of Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, and The Americans With Disabilities Act, neither the Company nor the Union shall discriminate against an employee because of race, color, religion, sex, handicap, or national origin. Furthermore, no employee shall be discriminated against because of age, as outlined in The Age Discrimination in Employment Act of 1967. This obligation not to discriminate in employment includes, but is not limited to, hiring, placement, upgrading, transfer, demotion, training, rates of pay or other forms of compensation, selection for training, including apprenticeship, layoff or termination.

Wherever the masculine gender is referred to in this Agreement, it refers to both male and female.

Section 3 Residency Requirement. Every employee of the Company whether hired before or after the effective date of this Agreement shall, as a condition of continued employment, reside within fifty (50) road miles of the refinery parking lot, provided that nothing herein shall be construed to impose any residence requirement on any employee who did not agree to a restriction on his residence as a condition of his employment at the time of his hiring. Any agreement heretofore made by any employee to reside closer to the refinery than above specified shall be deemed to be amended accordingly.

Section 4 Employee Membership in Organization Not Condition of Employment. No employee or applicant for employment shall be required, as a condition to obtaining or retaining employment with the Company, to be or become a member of any political, civil, or religious organization.

Section 5(a) Oklahoma Right to Work. Oklahoma law provides that no person shall be required, as a condition of employment or continuation of employment, to: (1) resign or refrain from voluntary membership in, voluntary affiliation with, or voluntary financial support of a labor organization; (2) become or remain a member of a labor organization; (3) pay any dues, fees, assessments, or other charges of any kind or amount to a labor organization; or (4) pay to any charity or other third party, in lieu of such payments, any amount equivalent to or pro rate portion of dues, fees, assessments, or other charges regularly required of members of a labor organization.

Section 5(b) Notice to New Hires. Consistent with Oklahoma law, it is agreed that, at the time of his employment, the Company will furnish each new employee in the bargaining unit a copy of this Agreement and a copy of the following harmony statement:

“Statement to New Employees in the Bargaining Unit”

“The International Union of Operating Engineers, Local 351, AFL-CIO, is the certified bargaining representative for the Ardmere Refinery maintenance, laboratory and operations employees. A copy of the present agreement between the Company and the Union governing working conditions is handed you herewith.

You, as a new employee, may join or refrain from joining the Union as you elect to do. In either case, the Company takes an impartial attitude, leaving employees to freely make their choice. Should you desire to apply for Union membership, we are advised that you may receive application cards at the Union office located at 58 Broadlawn; Ardmere, Oklahoma, 73401; 580-223-8854.”

Section 5(c) Membership in Union – Defined. Membership in the Union, as used in this Article, is defined as the obligation to pay the regular monthly dues and regularly voted assessments only, and any eligible employee who pays dues and assessments shall be a member in good standing for purposes of this Article.

Section 5(d) Check Off of Union Dues. Where authorized and directed by an employee in writing upon the authorization and direction form hereinafter set out, the Company will deduct regular monthly dues as fixed by Local 351 from the first two (2) paychecks of each calendar month and will remit the same within seven (7) days after the second deduction. A list of employees for whom deductions of dues was made will also be furnished to the Union. Such authorization and direction form is as follows:

Valero Energy Corporation

Ardmore Refinery

I hereby authorize and direct Valero Energy Corporation, my employer, to deduct from my wages for the first two (2) paychecks of each calendar month hereafter regular monthly dues as established by Local No. 351, payable to International Union of Operating Engineers, AFL-CIO, Local 351, such deductions to continue until May 1 following the signing of this card, and for each year thereafter unless terminated by me by written notice to the Company during the fourteen (14) day period before May 1, or the fourteen (14) day period after May 1. The Secretary of Local No. 351 shall certify to the Company the amount of dues established by Local No. 351. I expressly reserve the right to cancel this authorization at any time after the termination of this Agreement between my Employer and the above named Union.

Date: _____

Signature: _____

Address: _____

Section 5(e) Withdrawal Periods. Each eligible employee who was a member of the Union under the Company/Union labor agreement will continue to be a member unless the employee submits a withdrawal of membership within fourteen (14) days after May 1, 2010. Each dues deduction authorization shall be deemed to extend for a period of one (1) year from May 1, and from year to year thereafter, unless revoked within the fourteen (14) day period before such anniversary date (May 1) or the fourteen (14) day period following such anniversary date (May 1), by prior written notice to the Company. If an employee signs an authorization at any time after May 15, it will extend for a period of time until the following May 1, and continue from year to year thereafter, unless revoked within the fourteen (14) day period before such anniversary date (May 1) or the fourteen (14) day period following such anniversary date (May 1), by prior written notice to the Company.

Upon termination of this Agreement, an employee may, by written notice to the Company, revoke the authorization at any time.

The Company shall promptly notify the Union of the receipt of any revocation notice and shall furnish a copy thereof to the Union.

Section 5(f) Union Membership – Posting Obligation Of. The Company or the Union may post or otherwise publish an official explanation of the foregoing maintenance of membership provision and the effect of the “escape periods.”

Section 5(g) Employee Orientation Meeting. During a new employee’s orientation, a Union representative will meet with the employee for up to one (1) hour for the purpose of acquainting the employee with this Agreement and its provision.

ARTICLE FOUR - HOURS OF WORK

Section 1(a) Definition of Regular Workweek. Except as provided in Section 1(b), the Company adopts the forty (40) hour workweek for hourly employees.

Section 1(b) Definition of Regular Workweek For Operations Section, Relief Operators, and Twelve Hour Shift Laboratory Employees. The work schedule for employees in the Operations Section, Laboratory Testers and Laboratory Technicians assigned to a twelve (12) hour shift will be a four (4) crew/twelve (12) hour work schedule, based on the following twelve (12)-hour schedule.

Crew	M	T	W	T	F	S	S
A	D	D	D	D	-	-	-
B	-	-	-	-	N	N	N
C	N	-	-	-	D	D	D
D	-	N	N	N	-	-	-

DEFINITIONS

BSTR. Base Straight Time Rate being paid to the twelve (12)-hour shift employees.

ABR. Adjusted Base Rate equals the BSTR multiplied by .8776.

Overtime. Overtime will be paid at 1.5 x BSTR for all hours worked outside of the regularly scheduled shifts.

Scheduled Vacations. Employee vacation time will be allotted, used and charged to the individual's account in hourly increments. Employees on twelve (12)-hour schedules will take vacations in groups of three (3) or four (4) consecutive work days as the blocks fall in the schedule. Pay for vacation time will be paid at 8 hours x ABR + 1.5 x 4 hours x ABR.

When employees find that they have insufficient days left to take an entire block off, the remaining vacation time can be taken off as a single partial block. Partial blocks can only be used after all of an individual's other vacation days have been assigned to full blocks.

Relief Operator personnel replacing twelve (12)-hour shift employees will be allowed to select the grouping of shifts they will cover by seniority. They must ensure that they share, as equally as possible, the number of three (3) day work

weeks and four (4) day work weeks. Consecutive blocks will be treated as one selection.

Holiday Pay. Holiday pay will be twelve (12) hours of pay at ABR per holiday for those holidays an eligible employee under Article Twelve, Sections 2 and 4 is not scheduled to work and does not work.

Holiday Premium. Eligible employees that work a scheduled holiday will be paid twelve (12) hours of pay at ABR as holiday pay, plus 1.5 times ABR for all hours worked as scheduled.

Employees who work an unscheduled holiday or work outside of their scheduled holiday will be paid twelve (12) hours of pay at ABR as holiday pay, plus 2.0 times ABR for all hours worked.

For pay purposes, holiday pay will begin at 7:00 a.m. on the day of the holiday and end at 7:00 a.m. the following morning.

Jury Duty. Employees will receive pay for the scheduled hours missed as provided in the labor agreement due to jury duty at ABR for the first eight (8) hours and 1.5 ABR for the next four (4) hours.

Funeral Leave. Employees will receive pay for scheduled hours missed at ABR for the first eight (8) hours and 1.5 ABR for the next four (4) hours.

STD. When an employee is paid STD, he will receive pay for scheduled hours missed at ABR for the first eight (8) hours and 1.5 ABR for the next four (4) hours.

Relief Operator Utilization and Pay. The most common usage for Relief Operator personnel will be for vacation relief. Every attempt will be made to ensure that the schedules worked by Relief employees remain as predictable as possible. Relief Operators will work strictly for Operations and will no longer report to Maintenance. Relief Operator's primary responsibility is to backfill for vacation relief, scheduled training, extended temporary vacancies, etc.

Relief Operators will be moved between shifts to help utilization for filling scheduled vacancies.

Relief Operators that work in a line of progression on a unit that has two Relief Operators will work the following two (2) week schedule when not filling vacancies:

Crew	M	T	W	T	F	S	S	M	T	W	T	F	S	S
RO1	-	-	D	D	D	-	-	D	D	-	-	-	D	D
RO2	D	D	-	-	-	D	D	-	-	D	D	D	-	-
RO3	-	-	D	D	D	-	-	D	D	-	-	-	D	D

Relief Operators that work in a line of progression that has one Relief Operator will work the same schedule as Relief Operator 1 in the above schedule, when not filling a vacancy.

Relief Operators will work twelve (12) hour daylight shifts on their regular shift. The Relief Operator will be paid eight (8) hours x ABR + 1.5 x four (4) hours x ABR.

If a Relief Operator ends up being scheduled for seventy-two (72) hours of work in pay period (two (2) weeks with three (3) twelve (12)-hour shifts), the Relief Operator will be offered the opportunity to work an additional twelve (12) hour shift as scheduled by the supervisor. Vacations for Relief Operators will extend from 7 a.m. Monday, to 7 a.m. the following Monday. Relief Operators will be charged vacation hours per their regular schedule. Depending on the week, it may be thirty-six (36) hours or forty-eight (48) hours.

The first option for covering unscheduled vacancies that occur during a daylight shift will be for the Relief Operator on shift to fill the vacancy. If that Relief Operator is not available (sick, vacation, etc.) to cover the shift, the supervisor will fill the position per Attachment 9(d). If an unscheduled vacancy occurs during the night shift, the supervisor will fill the position per Attachment 9(d). The primary option for filling scheduled vacancies that occur will be Relief Operators. The Relief Operator will be paid Relief Operator pay when he reports on his schedule and is extra.

The Super Long Change schedule is attached to this Agreement as Attachment 9(a). Examples of vacancy coverage is attached to this Agreement as Attachments 9(a), 9(b) and 9(c).

Section 1(c) Overtime Assignment. An employee shall work assigned overtime, except an employee may refuse an overtime assignment if another qualified employee in the same job classification agrees to work the required overtime. Overtime refusal shall not be granted to an employee that would result in a reduction of the number of employees needed to do the work.

Section 1(d) Overtime Equalization in Maintenance. The Company will make every attempt to equalize overtime opportunities within each craft classification in the Maintenance Section.

Section 1(e) Overtime Distribution – Non Discrimination. Allocation of overtime shall likewise be made by the Company without prejudice or discrimination.

Section 1(f) Overtime – Make Up Of. Should an employee inadvertently be overlooked for an overtime opportunity, the employee will be offered an opportunity to work overtime, but in any event, the Company does not pay for time not worked.

Section 2(a) Definition Of Regular Work Day and Work Week. A work day shall consist of twenty-four (24) hours, from 7 a.m. to 7 a.m. A work week shall consist of seven (7) consecutive days, commencing at 7 a.m. on each Monday.

Section 2(b) Regular Weekly Schedule for Employee. Each regular employee shall have a weekly schedule and he may not be refused work on his regular schedule, except for causes beyond the control of the Company.

Section 3 Employee Right To Work Regular Scheduled Hours If Beyond 40 Hours. An employee who shall have worked forty (40) hours in any work week prior to the expiration of said work week shall not be required

to refrain from further work on any regular scheduled work day for the balance of such work week except by mutual agreement between the employee and the Company.

Section 4 Daylight Savings Time – Impact Of. In those years in which the State of Oklahoma adopts daylight savings time, the employees scheduled on the shift when daylight savings time goes into effect shall have the choice of working eleven (11) hours or holding over and performing for one (1) hour assigned work to complete a twelve (12) hour shift and the employee working the shift when daylight savings time goes off shall be required to work thirteen (13) hours.

Section 5(a) Maintenance Section – Saturday and Sunday Off. Except during process unit down times, such as a turnaround or emergencies requiring more than three (3) days to repair damage, Maintenance Section employees will be scheduled regular days off on Saturday and Sunday.

Section 5(b) Maintenance Section – Adjustment of Hours. Hours of work may be adjusted during unit down times or emergencies, requiring more than three (3) days, so that eight (8) hours of work will fall within one day.

ARTICLE FIVE - COMPENSATION

Section 1(a) Overtime Rate Defined. Overtime rate of time and one-half shall be paid to an employee for work in excess of eight (8) hours in a day and for work in excess of forty (40) hours in a work week, but not both. Overtime rate of time and one-half shall also be paid to an employee for working only one (1) day of his days off and for working two (2) consecutive or non-consecutive days off. Double time shall be paid to an employee for all hours worked on the seventh (7th) consecutive day of work in a single work week if the employee has worked forty-eight (48) hours in that same work week prior to the seventh day.

Section 1(b) Overtime – Computation Of. Compensation for hours not worked shall not be used in the computation of overtime. Holiday pay for hours not worked shall be used in the computation of overtime when the holiday falls on a work day.

Section 2(a) Wage Adjustments.**Refer to signed agreement
Dated 4/30/10

	*May 1, 2010 3.00%	*May 1, 2011 3.00%	May 1, 2012- May 1, 2015 TBA
Operations			
Chief Operator	32.77	33.75	TBA
Board Operator	32.18	33.15	TBA
Operator (GF)	31.83	32.78	TBA
Operator	30.90	31.83	TBA
Relief Operator	28.33	29.18	TBA
Laboratory			
Technician	31.98	32.94	TBA
Tester	30.59	31.51	TBA
Relief Tester	28.33	29.18	TBA
Maintenance			
Electrician	31.98	32.94	TBA
Instrumentation	31.98	32.94	TBA
Pump Repair	31.98	32.94	TBA
Code Welder	31.98	32.94	TBA
CIP	30.90	31.83	TBA
RMW	30.90	31.83	TBA
Equipment Operator	30.90	31.83	TBA
Warehouser	30.59	31.51	TBA
Yard	28.53	29.39	TBA
(Hired before 5-1-96)			
New Hires after 5-1-96			
Yard (0-9 Mos)	18.49	19.04	TBA
Yard (9-18 Mos)	21.17	21.81	TBA
Yard (18+ Mos)	23.84	24.56	TBA

(12 hour rates = 8 hour rate * .8776)

Shift Differential: Day Shift \$0.00

Night Shift \$1.50 x ABR factor of .8776

Jimmy Davis, Danny Johnson, and Bill Russell will be paid the Code Welder rate of pay during the terms of this Agreement. All other Maintenance Welders will be paid the Maintenance Welder rate of pay.

SHIFT DIFFERENTIAL PER HOUR FOR EIGHT HOUR SHIFT WORKERS

Evening Shift	\$0.75
Graveyard Shift	\$1.50

*For day shift employees working shifts outside of their regular day shift, see Section 11(c) of this Article.

Section 2(b) Maintenance Adjustment. Employees in the Maintenance Section classifications listed above received a thirty cent (30¢) premium increase in wages effective May 1, 2002 in recognition of their “on-call” status. Such increase will become a part of the base wage. This increase was provided in anticipation that Maintenance Section employees will continue their cooperation regarding “on call” and will consider “on call” status, when required, as part of their job responsibilities.

The Company annually reserves the right to discontinue such premium as it may have been adjusted due to general wage increases if, in the Company’s judgment, such cooperation is not continued. If the Company is considering such discontinuance, the Company will notify the Union at least thirty (30) days in advance of May 1. During such thirty (30) day period, the Company will meet with the Union and negotiate about the discontinuance of the premium. If agreement is not reached, the premium may be discontinued.

Section 2(c) Yard Rate For Employees Hired Before May 1, 1996. Employees in the Yard classification as of April 30, 1996, shall continue to progress under the wage scale captioned Yard Rate for Employees hired before May 1, 1996, as long as they remain in the Yard classification.

If an employee employed as of April 30, 1996 is in a classification other than the Yard classification as of that date, or leaves the Yard classification after that date, and later, for any reason, returns to the Yard classification, including a layoff or disqualification, he shall be paid under the wage scale captioned Yard Rate for Employees Hired Before May 1, 1996.

Section 2(d) Yard Rate for Employees Hired On Or After May 1, 1996.

Employees in the Yard classification hired on or after May 1, 1996, shall be paid under the wage scale captioned Yard Rate for Employees Hired On or After May 1, 1996, as long as they remain in the Yard classification.

If an employee hired on or after May 1, 1996 leaves the Yard classification, or is hired directly into a different classification, and then later returns or transfers into the Yard classification for any reason, including a layoff or disqualification, he shall be paid at the Yard Rate for Employees Hired On or After May 1, 1996, subject to Article Seven, Section 10.

Section 2(e) Application Of Wage Rate Upon Job Transfer.

When an employee, who has completed his probationary period, transfers to an Operations Section job classification, he shall be paid the rate of the classification once he is qualified for that position. If an employee has not completed his probationary period at the time of his transfer, he shall be paid ninety percent (90%) of the rate of pay for the job during his probationary period, and one hundred percent (100%) of the rate of pay for the job upon completion of his probationary period.

When an employee qualifies and transfers to a Maintenance Section job, he shall be paid the craft rate of pay upon transfer to the craft job or completion of his probationary period, whichever shall occur last; if he has not completed his probationary period when he transfers to the craft position, he shall be paid ninety percent (90%) of the applicable craft rate of pay and then receive the craft rate of pay upon completion of his probationary period.

Section 3 Loss of Regular Work Hours – Make-Up Of.

Any employee who may lose time below the full work week by reason of rearrangement of the work schedule in the plant shall be permitted to make up any such time or pay lost, except in the case of fire or other causes beyond the control of the Company.

Section 4(a) Premium Pay For Temporary Assignment To Secondary Vacancy.

When an employee working on a regular schedule is temporarily

assigned to fill a secondary vacancy on a shift other than the regular or normal scheduled hours of such employee, then time and one-half his regular rate shall be paid for the hours worked on the first shift of the new schedule of hours.

A secondary vacancy is the second temporary vacancy occurring on any one shift in a line of progression. The return of such employee to his original schedule shall not be regarded as another rearrangement. When a secondary vacancy ceases, such employee shall return to his original schedule.

Section 4(b) Premium Pay For Scheduled Rearrangement. Except in the case of a secondary vacancy, after an employee has entered upon his weekly schedule, one and one-half times his regular rate shall be paid him for the first shift worked of a rearrangement of that weeks' work schedule, unless a bona fide effort has been made by the Company to give notice of such rearrangement twelve (12) hours prior to the beginning of the first shift of such rearranged schedule.

Section 4(c) Premium Pay For Rearrangement Of Scheduled Day Off. Where a weekly schedule is rearranged so as to provide a regular day off different from the previously scheduled day off, then premium pay of time and one-half shall be paid for work on the originally scheduled day off unless notice is given forty-eight (48) hours prior to the beginning of the rescheduled work week. Such notice may be given by posting on the bulletin board (insofar only as employees on duty are concerned) or by telephone or in writing, either mailed or delivered to the employee; if mailed, the postmark shall be the date of the notice.

Section 4(d) Premium Pay For 16 Hours Work Within 24 Hours. For 16 hours of work within any period of 24 consecutive hours spanning a two-day period (such as the last shift of one day followed by the first or second shift of the next day) premium rates of one and one-half times regular rate will be paid for the second eight hours of work.

Section 5(a) Notice Re: Inability To Work. When an employee is unable to report for his regular shift, for any reason, he shall notify his supervisor or a designated alternate supervisor, as soon as possible, and in any event not less

than two (2) hours prior to the scheduled starting time, or furnish a satisfactory reason for not doing so. Notice shall include but not be limited to, the reason for absence, date and time employee expects to report to work.

Section 5(b) Notice Re: Return to Work. When returning to work, the employee shall notify his supervisor or a designated alternate supervisor as soon as practical, but not less than six (6) hours prior to scheduled shift beginning, and if the employee does not give notice as required herein, then he shall not work said shift.

Section 6(a) Reporting Pay. When a regular employee reports for work as scheduled, or is required or notified by the Company to report for work, and is then not required or permitted to work, he shall be credited with four (4) hours pay at his regular rate unless he has theretofore been notified not to report, or unless the Company has made a bona fide attempt to so notify.

Section 6(b) Call-Out Pay. Call-out pay, after an employee's regular work hours or on the first day off, shall consist of four hours at straight time or time and one-half for hours worked, whichever is greater. An employee on-call-out can be required to accept multiple assignments if required by safety, environmental compliance, or immediate operational needs.

Section 7 Meal Allowance. After having worked two (2) hours beyond his scheduled hours of work and each four (4) hour period thereafter, an employee will be provided a meal, if available, or receive a meal allowance of ten dollars (\$10.00).

In addition, if an Operations employee is not given a twelve (12) hour advance notice of a call out, he will be provided a meal, if available, after ten (10) hours or a meal allowance of ten dollars (\$10.00).

Section 8 Wage Rate Upon Temporary Transfer to Lower Rate Classification. Subject to Section 2(e) of this Article, relating to the wage rates on transfer to a job, if an employee is temporarily shifted to a classification paying less than the classification from which he was transferred, he shall not

have his pay reduced; however, if he is permanently shifted to a lower paid classification, he shall immediately receive the pay of the classification to which he is shifted subject to Article Seven, Section 10.

Section 9(a) Wage Rate Upon Temporary Transfer To Higher Rate Classification. Subject to Section 2(e) of this Article, relating to the wage rate on transfer to a job, if an employee is temporarily shifted to a higher classification for which he is qualified, he shall receive the wage of the classification to which he has been shifted.

Section 9(b) Wage Rate – Temporary Upgrade for Training. If such temporary shifting to a higher classification is for a training period to qualify an employee for the next higher classification, such training period shall be 45 days and said employee shall receive the wage of the classification from which he was transferred.

Section 10 Pay Day Defined. The Company shall pay its employees at bi-weekly intervals, payday being every alternate Friday.

Section 11(a) Shift Differential. Employees regularly scheduled and working on the evening shift shall be paid a shift differential of seventy-five cents (75¢) per hour above the base rate. Employees regularly scheduled and working the midnight (graveyard) shift shall be paid a shift differential of one dollar and fifty cents (\$1.50) per hour above the base rate. Shift differential shall be paid only to employees who work on the evening and midnight shifts pursuant to a regularly scheduled shift assignment for such shifts.

Section 11(b) Shift Differential – When Paid. Shift differential shall apply only for hours actually worked and shall not apply in the payment of vacation, sickness or accidents, holidays not worked, or for other hours not actually worked.

Section 11(c) Shift Differential – When Paid To Day Shift Employees. Day shift employees temporarily relieving shift employees shall be paid shift differentials on the same basis as shift employees or employees assigned to shift work. When day shift employees are required to work beyond the day

shift or are required to perform the work in their classification outside their regular schedule, they shall be paid day shift rates, except where a full eight (8) hour shift is worked prior to 7:30 a.m. or subsequent to 4:00 p.m. in which event the appropriate shift differential of one dollar and thirty-two cents (\$1.32) will be paid.

Section 12(a) Work Hours for Maintenance And Laboratory Employees Starting Early. Maintenance Section employees and Laboratory Technicians assigned to eight (8) hour day shift required to work prior to the scheduled starting time of their regular working schedule shall be permitted to work their regular working schedule as well. This Section shall not apply to Maintenance Section employees and laboratory technicians assigned to shift work. Notification will be given to the employee during his working hours and, in case the employee is scheduled off, a sixteen (16) hour notice will be given.

Section 12(b) Work Hours For Maintenance And Laboratory Employees Starting Early – Notification. If the employee is not notified in such time frame as stated above in Section 12(a), the employee will receive call-out pay in addition to being allowed to work his regular work schedule.

Section 13(a) Travel Time Pay. An employee will not receive pay for the travel time on regular work days where an employee receives regular pay for eight (8) hours. Pay for travel time on non-scheduled workdays will be the greater of (a) or (b) below:

Section 13(b) Travel – Straight Time Calculation. Calculate the straight-time pay for time spent in travel.

Section 13(c) Travel – Overtime Calculation. Determine if any of the travel time corresponds to regular work hours, if so, then calculate one and one-half pay for only those corresponding hours, up to a maximum of (8) hours. EXAMPLE: An employee travels from 12:00 noon until 10:00 p.m. on Sunday, the employee will receive either 10 hours of straight time or one and one-half pay for the four hours (12:00 noon to 4:00 p.m.) which cut across his normal scheduled work hours from 8:00 a.m. to 4:00 p.m.

Section 14 On-Call Employees. Maintenance Section craft employees and employees in the Yard classification may be placed on an on-call system; such employees (on-call employees) will carry a pager and are responsible for responding to emergency/unscheduled situations that occur in the refinery.

The on-call employee will respond to the on-call supervisor's page by calling the telephone number indicated on the pager. If the on-call supervisor's telephone number indicated on the pager is a long distance call, the employee may submit an itemized telephone bill listing these long distance calls and be reimbursed by the Company.

The on-call employee will respond to any callout from the on-call supervisor; however, the on-call supervisor can request that the on-call employee call the unit/person that initiated the request and determine if the problem may be resolved over the telephone. The on-call employee will then notify the on-call supervisor of his decision only if it is determined that the on-call employee need not respond to the callout. If the situation cannot be resolved by telephone, the on-call employee must respond by coming to the refinery.

The on-call supervisor, when calling the on-call employee will be required to give the following information:

- A. Name of contact requesting callout
- B. Unit requesting callout and telephone number
- C. As much information as possible to describe the needs.

The on-call employee will be responsible for responding during the non-scheduled work hours from Monday 7:30 a.m. until the following Monday 7:30 a.m. or as agreed upon by employees in the classifications on-call.

If the on-call employee has evaluated the situation and, in his opinion, the situation requires on-site assistance (additional support), he will notify the on-call supervisor and detail the situation.

On-call employees will be rotated for purposes of being placed on "on-call" status. In the event, an on-call employee cannot fill his "on-call" obligation,

he may arrange a replacement from his classification and notify the on-call supervisor in writing by noon on Friday preceding his “on-call” week of such arrangements and the name of the substitute on-call employee.

Overtime hours worked as a result of the on-call system will not be considered for equalization of overtime purposes under Article Four, Section 1. Overtime hours worked other than as a result of an employee being on-call shall be considered for overtime equalization purposes under Article Four, Section 1.

A record of the on-call rotation will be maintained and an attempt will be made to equalize the rotation by seniority by establishing a cycle determined by annually dividing fifty-two (52) weeks by the number of employees in the classification and allowing each employee (the employee with the most job seniority first) to select a cycle.

Employees in the Yard classification will not be required to be on-call for more than eighteen (18) weeks in a calendar year, except in cases of emergency. Yard employees will only be placed on-call after they have completed ninety (90) days of employment. Yard employees scheduled for on-call will only be called out to assist craft employees or to perform work which they are qualified to perform on their own.

The on-call employee will be responsible for completing and closing out the work order. This includes sign off by the Refinery Shift Supervisor (RSS). Warehouse materials required to repair equipment will be available through the RSS or on-call supervisor. Appropriate Warehouse procedures must be followed.

If due to an emergency situation, of which the Company is advised, an employee on on-call status for a week is unable to complete his week, the Company will survey the remaining employees in the classification to determine if there is a volunteer replacement. If there is not a volunteer, then the employee with the least job seniority in the craft or Yard classification, whichever is applicable, will be assigned to work, unless that employee is on scheduled vacation or leave.

If notification is served on the weekend, employees will not be surveyed and the employee with the least job seniority in the craft or Yard classification, whichever is applicable, will be assigned to work, unless that employee is on scheduled vacation or leave.

The employee who had to be absent due to the emergency will assume the next cycle of the employee who filled in for him for the applicable number of days.

If the on-call employee reports to the refinery, he will be compensated as provided in Article Five, Section 6(b).

Section 15 ERT Training and Pay. Employees represented by the union who participate on the Valero Emergency Response Team will be governed by the Valero Training Standards and the Valero Emergency Response Team Incentive Pay rates as reflected in the attached Exhibit B. The Union understands and acknowledges that an employee's failure to meet the applicable Valero Emergency Response Team standards will result in rescinding any pay increase applied under the Valero Emergency Response Team Incentive Pay rate.

ARTICLE SIX - SENIORITY

Section 1 Seniority Defined. Seniority as used in this Agreement is the measure of employee's length of service and shall apply with respect to promotions, demotions, layoffs and re-employment.

Section 2 Factors For Determining Job Status. Seniority and relative fitness and ability to perform the job shall be the determining factors in all promotions (subject to Article Seven), demotions, transfers, layoffs, and re-employment of all employees.

Section 3(a) Seniority – Kinds Defined. In determining seniority, services of three (3) kinds shall be considered:

Section 3(b) Seniority – Plant. "Plant Seniority" as used herein means the length of service in the Company's Ardmore Refinery.

Section 3(c) Seniority – Job. “Job Seniority” as used herein means length of service in a particular job classification shown upon the Progression and Retrogression Chart attached as Attachments 10 and 11, and made a part hereof other than Yardmen and casual labor. All job seniority shall begin on the date an employee is assigned to a particular job classified in accordance with the terms of this Agreement.

Section 3(d) Seniority – Progressive. “Progressive Seniority” as used herein means length of service in a particular line of progression. When an employee qualifies in a job for which he bids, except for Relief Operator jobs, all progressive seniority is retroactive to the date the employee was awarded the job.

Section 3(e) Seniority – Company Service. “Company Service Seniority” as used herein means length of service with the Company for an employee transferring to the Ardmore Refinery from a different location and will only be used for the purpose of benefits entitlement.

Section 4 Seniority List – Compilation, Distribution, and Grievance Of. Seniority lists will be completed every six (6) months. Copies of such lists will be furnished the Workers’ Committee and shall be binding within fifteen (15) days from the date of publication, unless protested by the Workers’ Committee. In the event of such protest, the protested items shall not be binding until corrected by mutual agreement of the Company and the Workers’ Committee. Such lists will be made available for the inspection of all employees.

Section 5 Probationary Period. All new employees (including former employees rehired after losing their seniority) shall be considered as being on probation insofar as continued employment with the Company is concerned, until they have been employed for a continuous period of two hundred seventy (270) days, after which time their seniority dates back to first date of current hiring. During the two hundred seventy (270) days probationary period, such new employees may be discharged by the Company at any time with or without cause, and such action shall not be the subject of a grievance on the part of the Union or such employee under the provisions of this Agreement.

Section 6 Seniority – Retention While Laid Off. An employee laid off for lack of work and re-employed by the Company within one (1) year shall not lose his seniority, provided he has not declined to work with the Company in the meantime.

Section 7 Seniority – Loss On Promotion To Non-Bargaining Unit Position. An employee promoted to a supervisor in a temporary capacity shall not lose his seniority within the bargaining unit by reason of such promotion, unless he remains in such a capacity for more than one hundred twenty (120) working days within a calendar year. In the event that there is a need to extend this 120 day time period, the Company and Union agree to sit down to discuss those business needs.

Section 8 Job Seniority Equal – Tie Breaker. In determining who is the senior man where job seniority is equal, plant seniority shall prevail. In the event both are equal, the job shall be awarded by the drawing of lots.

ARTICLE SEVEN - PROMOTIONS AND DEMOTIONS

Section 1(a) Progression and Retrogression Job Charts. Attached as Attachments 10 and 11 and made parts hereof are Progression and Retrogression Charts showing all job classifications in the bargaining unit. The line of advancement or demotion within the Operations Section shall be as outlined on the Progression and Retrogression Chart and as provided in this Article. Changes or amendments of said chart shall not be made except by mutual agreement of the Company and the Union.

In discussing changes to the lines of progression, the Company and Union agree to engage in good faith discussions with a goal of coming to a resolution that meets the business and efficiency needs of the Company while recognizing the interests of the members of the Union. The Company commits that it will begin discussions of any proposed change at least sixty days before the date of the proposed implementation of the change. The Company and the Union further agree that if discussions at the local level are not able to reach resolution, the Union will inform its Business Manager and/or its International Representative

and the Company will inform its Vice President of HR Labor Relations and/or Regional Director of HR Refinery Operations in order that these parties may be able to assist in coming to a satisfactory resolution.

It is hereby agreed that if the parties are unable to resolve issues relating to adding, eliminating, modifying and or re-defining lines of progression during the term of this Agreement, that either party may reopen the same upon sixty (60) days written notice delivered to the other party, for the limited purpose of renegotiating matters pertaining to the lines of progression. Upon failure of the parties to agree in such negotiations, within the subsequent sixty (60) day period thereafter, the Company shall have the right to declare impasse and implement its proposal, and either party shall be permitted all lawful recourse, including but not limited to the Union's right to strike, to support its position. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of any applicable law. It is further understood that neither party will be able to initiate this reopener process prior to July 1, 2011. This Agreement may also be reopened by the mutual agreement of the parties.

As to the Progression and Retrogression Chart in Attachment 10 to the Agreement, The Company and the Union agree that beginning May 31, 2010, there will be four classifications in the Operations Section, save and except for the Lab which shall remain unchanged. The four classifications in the Operations Section outside of the Lab shall be: Chief Operator, Board Operator, Operator, and Relief Operator.

- 1) In the Crude/DHDS, FCC, and CFHT lines of progression, the Chief Operators and Relief Operators will keep the same titles and will be paid the Chief Operator and Relief Operator rates respectively. The A Board Operator will be renamed Board Operator and will be paid at the Board Operator rate. In these lines of progression, the B and A- Operators positions will be combined into the new Operator position, with all full time A- and B Operators as of April 30, 2010 being paid the new Operator rate.

- 2) In the ARU/SRU line of progression, the Chief and Relief Operator classifications will keep the same titles and will be paid the Chief Operator and Relief Operator rates respectively. The A Board Operator will be renamed Board Operator and will be paid the Board Operator rate. The A Operator (Boiler Fireman) position and B Operator position will be combined into a new Operator position and will be paid the Operator rate of pay. However, the four employees employed full time as an A Operator (Boiler Fireman) as of April 30, 2010, will retain the rate of pay received as an A Operator under the collective bargaining agreement expiring on May 10, 2010 so long as they remain in the Operator position and subject to any rate adjustments as otherwise indicated in this Agreement.
- 3) In the Plat and Alky lines of progression, the A Board Operator will be renamed a Board Operator and will be paid the Board Operator rate. The Relief Operators will keep the same title and will be paid accordingly. In these lines of progression, the B and A- Operator positions will be combined into the new Operator position, with all full time A- and B Operators being paid the rate for the Operator classification.
- 4) In the Product Movement line of progression, the Blender Board Operator will be renamed a Board Operator and will receive the Board Operator rate of pay. The Pumper Gauger and Pumper Loader classifications will be combined into a new Operator classification and will be paid the Operator rate of pay. The Relief Operator will keep the same title and will be paid according to the Relief Operator rate.
- 5) In the Polymer Modified Asphalt line of progression, the Truck Dock classification will be renamed Chief Operator and will receive the Chief Operator rate of pay. The PMA Blender classification will be renamed Board Operator and will receive the Board Operator rate of pay. The PMA Loader Operator will be renamed Operator and will receive the Operator rate of pay. The Relief Operator will keep the same title and will be paid according to the Relief Operator rate.
- 6) In the Waste Water Treatment Line of Progression, the Waste Water

Treatment Operator shall be renamed Board Operator and will receive the Board Operator rate of pay. The Centrifuge Operator will be renamed Operator and will receive the Operator rate of pay. Relief Operators will retain the same title and will be paid according to the Relief Operator rate.

- 7) In any of the lines of progression referenced in this section, for an employee to receive the new, higher rates of pay, he must have been employed on a full-time basis in his position as of April 30, 2010. The pay rate for the new Operator classification will be equivalent to that of a former A- Operator, subject to any adjustments reflected in this Agreement. This paragraph is meant to apply only to the initial conversion to the new pay rates and is not meant to limit employees being promoted and receiving the new rate corresponding with their promotion.

The Company will initially organize the Relief Operators on the payroll as of May 1, 2010, except those Yard employees filling an Extended Temporary Vacancy, into five separate pools of Relief Operators. Each pool of Relief Operators will be assigned to no more than two lines of progression, except that one pool of Relief Operators may be assigned to the Product Movement, Polymer Modified Asphalt, and Waste Water Treatment lines of progression. The Company shall have the right to make one change annually in the organization and assignment of relief operators. If business needs require additional changes in a year, the Company will provide reasonable advance notice of the change and seek input from the Union on same. This notice will allow for the consideration of the vacation schedule. While changes may be implemented based on the needs of the business, any such changes will not be intended to disrupt or upset planned vacation for affected Relief Operators. The Company will work with the Union to attempt to minimize the impact on vacation schedules and to find solutions to any vacation scheduling issues, subject to business needs. Any changes made in the organization and assignment of Relief Operators shall be offered to Relief Operators in the order of seniority. If no Relief Operator shall voluntarily accept the chance, the least senior Relief Operator in the line of progression shall be moved. In addition, if a Relief Operator is moved into a different line of progression, he will retain his seniority in his former line of progression.

The Company and the Union further agree to modify Article 7, Section 1(b) as follows: Promotions within a line of progression shall be based upon job seniority and qualifications and shall be made in accordance with the lines of progression set forth on the Progression and Retrogression Chart in Attachments 10 and 11. In making such promotion, the employees qualified in the next lower job classification, as indicated on the Progression and Retrogression Chart, shall by seniority be given the opportunity to fill the position. However, in filing the Board Operator position only, the Company will first offer the job to the Chief Operators in that line of progression by seniority. If a Chief Operator accepts the Board Operator position, he will be paid at the Board Operator rate. If no Chief Operator accepts the position, the job will then be offered to the Operators in that line of progression by seniority. In filling Chief Operator positions in a line of progression, Board Operators will be given the opportunity to freeze from taking the Chief Operator position. In all cases except as may be limited above, in the event no qualified employee in the next lower job classification accepts the promotion, the senior employee that is not frozen must take the promotion. An employee who works in the Relief Operator classification shall not freeze. In the new Operator classification, up to two employees shall be allowed to freeze in each line of progression. If in any line of progression there were three (3) employees frozen in the B and/or A- classifications on April 30, 2010, these three employees may continue to freeze, but no additional freezes will be allowed in the Operator job classification in that line of progression until the number of freezes in that line is reduced below two (2). In the new Board Operator and Chief Operator classifications, only one employee shall be allowed to freeze in each job classification in each line of progression.

The Company and the Union also agree to make the following changes to the lines of progression in Attachment 10. The Company will eliminate one (1) post, which equates to four (4) former A- operator employees, in the CFHT line of progression. The Company will add one Chief Operator post, which equates to four (4) employees, to the Platformer line of progression. Despite the post elimination in the CFHT line of progression, Don Cash will be retained as an extra Operator in the CFHT line and will be allowed to maintain his freeze. As a result, the first available Operator position in that line following May 1, 2010 will not be filled or posted for bid. Demotions from the elimination of

the A-positions will be handled in the following manner. Jimmy Snodgrass, William Scott, and David Cartwright will be demoted to Relief Operator but will receive the new Operator pay rate. Christopher Mote, Brian Reed and Keith Flatt will be demoted to Relief Operator and will be allowed to remain in that position and receive Relief Operator pay for three months from May 1, 2010. If Mr. Mote, Mr. Reed, and Mr. Flatt are not the successful bidder for another position in these three months, they will be demoted to the Yard but will retain Relief Operator pay for another three months. If these employees are not the successful bidder for another position following this second three month period, they will thereafter receive the appropriate Yard pay rate. In filling the Platformer Chief Operator job, the Company will fill that job and the resultant vacancies under the normal procedures outlined in the Articles of Agreement. However, should Mr. Snodgrass, Mr. Scott, Mr. Cartwright, Mr. Mote, Mr. Reed, or Mr. Flatt bid into any of the vacancies resulting from the creation of the Chief Operator job in the Platformer, this move and this move alone shall not count as these employees' one allowed bid in a four year period. Similarly, none of the bids associated with the deletion of the A- position in the CFHT unit and creation of the Chief Operator in the Platformer unit described in this paragraph shall be counted as the employee's one allowed bid in a four year period.

Section 1(b) Promotions Within Line of Progression. Promotions within a line of progression shall be based upon job seniority and qualifications and shall be made in accordance with the lines of progression set forth on the Progression and Retrogression Chart in Attachments 10 and 11. In making such promotion, the employees qualified in the next lower job classification, as indicated on the Progression and Retrogression Chart, shall by seniority be given the opportunity to fill the position. However, in filling the Board Operator position only, the Company will first offer the job to the Chief Operators in that line of progression by seniority. If a Chief Operator accepts the Board Operator position, he will be paid at the Board Operator rate. If no Chief Operator accepts the position, the job will then be offered to the Operators in that line of progression by seniority. In filling Chief Operator positions in a line of progression, Board Operators will be given the opportunity to freeze from taking the Chief Operator position. In all cases except as may be limited above, in the event no qualified employee in the next lower job classification accepts

the promotion, the senior employee that is not frozen must take the promotion. An employee who works in the Relief Operator classification shall not freeze. In the new Operator classification, up to two employees shall be allowed to freeze in each line of progression. If in any line of progression there were three (3) employees frozen in the B and/or A- classifications on April 30, 2010, these three (3) employees may continue to freeze, but no additional freezes will be allowed in the Operator job classification in that line of progression until the number of freezes in that line is reduced below two (2). In the new Board Operator and Chief Operator classifications, only one employee shall be allowed to freeze in each job classification in each line of progression.

Section 2(a) Vacancies Within Maintenance and Laboratory.

Maintenance Section and Laboratory openings shall be filled based on seniority among those employees bidding for the job who have the qualifications immediately to perform the job. For purposes of this Section, “immediately qualified” means that the employee has completed the requisite training and course work established by the Joint Training Committee. If an employee has completed such requisite training and course work, he shall be given a thirty (30) day orientation period within which to demonstrate his capability to fully perform the job.

Section 2(b) Vacancies Within Operations.

Operations Section openings will be filled by employees progressing up the progression set forth in the organizational chart in Attachments 10 and 11. In filling the “Relief Operator” position in each progression, seniority and relative fitness and ability to perform the job shall be the determining factor.

Section 2(c) Vacancies – Lack of Qualified Bidder.

If there are no qualified bidders, the Company may fill the opening with a new hire who at least meets the same qualifications established for bargaining unit employees to meet.

Section 3 Posting Vacancy.

If there is only one classification, or no employee within a line of progression accepts the promotion, or as a result of a promotion a vacancy continues to exist, such vacancy will be posted within three (3) days of such vacancy on the bulletin board for seven (7) days, during

which time all eligible employees interested therein may submit a job bid to the Company. A copy of the notice of vacancy will be furnished the Chairman of the Workers' Committee.

Section 4(a) Disallowance Of Future Bids. An employee awarded a job by bid shall only be allowed one award within any four (4) year period; whereas an employee who is assigned a job shall not be allowed to bid for a period of one (1) year, except when an employee's job is eliminated. The four (4) year period for bidding shall be reset for every employee to begin on May 1, 2010 and thereafter every employee shall be able to exercise one bid within a four (4) year period.

If, as a result of bidding for an extended temporary vacancy, an employee holds seniority in a classification, such bid is counted for purposes of determining the "one award" under this Section. If an employee has lost his seniority in a classification in which he filled an extended temporary vacancy, the bid to such classification however, will not be considered as a bid for the purpose of determining the "one award" under this Section.

Section 4(b) Withdrawal Of Bid Prohibited. An employee who bids for a job shall not be permitted to withdraw his bid after the date and time posted for all bids to be received.

Section 5 Posted Vacancy – Impact Of Vacation Or Leave Of Absence. Any employee on vacation or leave of absence or accrued leave of absence shall be permitted to enter his bid for a job within three (3) days after his return to work.

Section 6 Evaluation Of Qualification For Job. It is recognized by the parties hereto that it is the right, duty, and responsibility of the Company to evaluate fairly the qualifications of an employee, and in doing so, the company will exercise this function without prejudice or discrimination. Consistent with Section 2 of this Article, an Operations employee shall be given a maximum of forty-five (45) training days to qualify for a job that was a result of a promotion or job bid award. If the employee does not qualify, then the employee shall be placed in the Yard job classification or by mutual agreement between the

Company and the Union, be allowed to freeze in the job classification before the promotion occurred.

Section 7 Training Opportunity For Next Job In A Line Of Progression.

The Company will provide, insofar as it is practical, equal opportunity for all employees of comparable standing within a given job classification to learn the duties and responsibilities of the next job for which they are to become qualified. For such purposes, the employees may, with the approval of their supervisor, exchange jobs temporarily without affecting plant or progressive seniority or rates of pay.

Section 8 Standing Of Employees In Progression.

An employee who has advanced in a line of progression beyond an employee who has failed on a promotion or elected to freeze, shall, for the purpose of promotions, continue to remain ahead of such employee.

Section 9 Demotion by Force Reduction.

Demotions required by force reduction shall be in the inverse order of promotions, and the line for demotion determined by reference to the Progression and Retrogression chart. An employee demoted because of force reduction shall carry back to the lower classification all job seniority acquired in the higher classification. If an employee is bumped from a line of progression because of force reduction, he shall retain that line of progression seniority until he relinquishes it by being awarded a job bid.

Section 10 Demotion by Force Reduction – Pay Rate.

A permanent employee with a permanent classification who has been permanently demoted to a lower job classification through no fault or choice of his own shall continue to be paid at the same rate as the rate of the higher classification from which demoted for the following number of days, depending on his years of service in the plant, to-wit:

Years of Service	Pay Continuation Period
At least 5 years	10 days
At least 10 years	15 days
At least 15 years	20 days

Section 11 New Jobs – Determining Job Status. Any additional equipment, maintenance, manufacturing, or processing hereinafter put into operation in and under the direct supervision of the refinery shall be given definite organizational status before selecting employees to fill jobs thus created. The wage schedule for jobs thus created shall be comparable to the wage schedule for comparable jobs in the plant. In selection of employees for such newly-created jobs in maintenance or a new operating unit, jobs shall be filled by the qualified person in accordance with the bidding procedures stated in this article. If, however, qualified employees are not available at the refinery, the Company may obtain such employees from any other source.

Section 12 New Jobs – Disqualification From. Within thirty (30) days after the start-up of a new unit, an employee having bid into a newly created job with that unit and being disqualified either by the Company or himself, may return to his former job. An employee may return to his former job in the event a new unit should be completely shut down and the operation discontinued within one year of its start-up. In either of the two situations herein above set forth, it is understood that return to a former job means return to the same pay classification and does not entitle an employee to advancement that may have taken place during his absence from his former job.

ARTICLE EIGHT - TEMPORARY VACANCIES

Section 1 Temporary Vacancies – Defined. Temporary vacancies referred to herein shall be all vacancies caused by vacations, sickness, injuries, absence (excused or unexcused), and leaves of absence not expected to last more than thirty (30) days.

Section 2(a) Temporary Vacancies – Filling Of Vacancies In The Laboratory. Refer to Attachment 3 for Filling Of Vacancies.

Section 2(b) Temporary Upgrade Not Permitted Beyond One Job Classification. An employee cannot be temporarily upgraded more than one (1) job classification.

Section 2(c) Employee Working In Higher Job Classification For Entire Week. If an employee is scheduled to work in the next higher job classification for the entire work week, the employee shall be considered in the next higher job classification, even on days off and while off duty.

Section 3(a) Temporary Vacancies – In Maintenance Section. All temporary vacancies in the Maintenance Section will be filled in the following manner:

Section 3(b) Temporary Vacancies –In Maintenance Section -- Filling Of. When a vacancy occurs in a Maintenance Section classification, the senior qualified man on duty in the Yard classification shall have first refusal of the job. In the event of refusal, the next senior qualified man shall have next refusal, and so on.

If such temporary vacancy is not filled as provided in the preceding paragraph, then the Company may assign such upgraded job to a qualified employee who shall carry out the necessary job assignment. The senior qualified employee who was absent when a temporary job was filled hereunder, may upon his return to duty, during the existence of said temporary job, claim the right to be placed in the same, and upon making such claim to his supervisor, he will be substituted in such temporary job as quick as said change can be made without involvement of overtime pay.

Section 3(c) Temporary Vacancies – Use of Yard Employee. Whenever the need arises in a craft for manual labor work (extra pair of hands), the senior Yard employee will have first refusal of the work assignment. In the event of refusal, the next senior Yard employee will have next refusal, and so on. If all of the yard employees refuse, the bottom yard employee must take the work assignment.

Section 3(d) Temporary Vacancies – Maintenance Section, Pay. The Company shall pay upgraded pay to the Maintenance Section employee assigned and who works the temporary job one (1) or more hours on that work day.

Section 4(a) Extended Temporary Vacancy – Defined. An extended temporary vacancy shall be referred to as a vacancy that is expected to go beyond forty-five (45) days. Such vacancies will be posted for bid.

Section 4(b) Extended Temporary Vacancy – Use of Yard Employees. Maintenance Section Yard employees may be used to fill Extended Temporary Vacancies in the Operations section if there are no ETV bids. A Yard employee filling such vacancy will not accumulate seniority while working the job. If the employee on Temporary Leave does not return to work, then the job will be filled in accordance with Article Seven, Section 2(a), 2(b), 2(c), or 2(d) and 3. When work is required in the bottom job in a progression line or jobs not in a progression line, the senior qualified yardman on duty shall have first refusal of the job. In either case, in the event of refusal, the next senior qualified man shall have next refusal and so on.

Section 4(c) Extended Temporary Vacancy – Upgrade Opportunity. Whenever an extended temporary vacancy occurs in a job classification, the employee who is frozen in the next lower job classification will be given the opportunity to upgrade and fill the vacancy. If such employee refuses the upgrade, then the next senior employee in the same job classification will advance around that employee to fill the vacancy and accumulate job seniority in the next higher job classification.

Section 4(d) Extended Temporary Vacancy – Job Seniority Accumulation. An employee filling an extended temporary vacancy will be accumulating job seniority in that particular classification and, unless he is awarded another bid, when there exists a permanent vacancy in the classification, first consideration will be given to the employee with the most job seniority.

Section 4(e) Extended Absence – Return To Job. The employee off on an extended absence will be allowed to return to his job and the employees who have moved up in the line of progression to fill the extended temporary vacancy will bump back to their original job classification.

Section 4(f) Extended Temporary Vacancy – Vacation Selection. An employee filling an Extended Temporary Vacancy will select vacation in

accordance with his standing on the permanent Seniority List.

ARTICLE NINE - LAYOFFS AND RE-EMPLOYMENT

Section 1 Layoff Procedure. Layoffs shall originate in the Yard classification and shall be on the basis of plant seniority. Laid-off employees shall retain line of progression seniority for a period of sixty (60) days.

Section 2 Recall Procedure. The last employee laid off with seniority shall be re-employed when a job opening occurs, unless another laid-off employee has line of progression seniority where the job opening occurs.

Within sixty (60) days of a layoff should there be further reduction in various lines of progression resulting in employee(s) being placed in the maintenance yard, an employee on layoff may replace a less senior employee in the maintenance yard. The thirty (30) day notice of layoff shall be waived for the maintenance yard employee being replaced by the senior employee on layoff.

Section 3 Recall Procedure – Mailing Address. In case of layoff or reduction in forces, each employee so laid off shall file with the Company his mailing address and shall be under a duty to advise the Company of any changes in address.

Section 4 Notice Of Recall And Employee Confirmation. In the event of re-employment of employees who have been laid off, the Company shall notify in writing such employees in order of seniority of the opportunity for re-employment. Any employees desiring re-employment shall notify the Company by telephone within twenty-four (24) hours of receiving notice, of his intention to accept re-employment. In the absence of such acceptance, the Workers' Committee and the Company shall agree that the position need not be held open by the Company for such employee. A reasonable period for moving and traveling not to exceed ten (10) days shall be granted to any employee so notifying the Company of his intention to accept re-employment. The Company shall not be responsible for notifying laid off employees of the posting of bid jobs.

Section 5 Layoff Notice. In case of layoff or reduction in forces, the Company shall give to each employee laid off notice in writing thirty (30) days prior to the date of termination of his employment.

ARTICLE TEN - DISPUTES AND GRIEVANCES

Section 1 Grievance Definition. The term “grievance” as used herein shall mean any complaint expressed by an employee, employees, or the Union which involves any dispute or misunderstanding in regard to wages, hours, or conditions of employment as set forth by the terms of this Agreement.

Section 2(a) Grievance Procedure – Steps Of. For the purpose of adjusting grievances that may arise, the following procedure will govern:

Section 2(b) Step One – Discuss Grievance With Supervisor. An employee who has a grievance shall discuss the grievance with the supervisor within five (5) working days of event or knowledge of event.

Section 2(c) Step Two – Present Grievance In Writing To Supervisor. If a grievance is not settled in (a) above, then the employee must present the grievance in writing to the supervisor within five (5) working days.

Section 2(d) Step Three – Supervisor To Inform Grievant of Decision. The supervisor shall, within five (5) working days, inform the employee of the Company’s decision relative to the employee’s grievance.

Section 2(e) Step Four – Present Grievance To Worker’s Committee. If the grievance is not settled at this point, the employee must take up the grievance with the Workers’ Committee. If the Workers’ Committee decides that the grievance is meritorious, such committee shall present the written grievance to the Company at the next scheduled Workers’ Committee meeting; otherwise, the grievance is considered withdrawn.

Section 2(f) Step Five – Company To Notify Union Of Decision And Notice Of Intent To Arbitrate. The Company shall notify the Union within

ten (10) working days of its decision on the grievance.

Section 2(g) Union Withdrawal of Grievance. A grievance shall be considered withdrawn if the Union does not notify the Company of its intent to arbitrate within forty-five (45) days from the date of the Company's decision as provided in (f) above.

Section 2(h) Arbitration – Request And Procedure For. If settlement satisfactory to the Workers' Committee is not reached through the foregoing procedure and if the complaining party desires further to prosecute the grievance, the Company and the Union shall jointly request the Federal Mediation and Conciliation Service to submit a list of five (5) Arbitrators suitable to act as Arbitrator of the dispute from the following areas on a rotating basis; area 26 – Arkansas, Oklahoma, and Dallas, Texas; area 33 – Oklahoma and Wichita, Kansas; area 44 – Texas, Oklahoma, and Louisiana. From the area utilized, each party may strike one panel in which event a new panel shall be requested from the same area as the original panel. The Company and the Union shall each strike two names from the list and the remaining person not so eliminated shall serve as Arbitrator. In all arbitrations, the decision shall be final and binding on all parties. The fee and expenses of the Arbitrator and the cost of the hearing room shall be borne equally by the parties of this Agreement. The Arbitrator shall have no right to add or subtract from the terms of this Agreement.

Section 2(i) Pay For Grievant And Witnesses At Arbitration. The pay for the Grievant and two witnesses shall be borne equally by the Union and the Company, providing the employees are scheduled to work.

Section 3 Grievance Procedure – Union Representation. Upon any dispute or grievances arising hereafter during the term of this Agreement, the Union shall be the exclusive agent to represent such employee, or any of them, and as to any grievance or complaint, any agreement or adjustment made by the Union and the Company shall be binding upon any affected employee and the Company. The method provided in Section 2 hereinabove for handling complaints shall be exclusive and no suit may be brought by any party hereto

or by any of the employees covered hereby, until the method provided for in Section 2 of the Article is completely followed, nor after the rendering of a decision by arbitration.

Section 4 Discipline – Time of Effectiveness. No letter of reprimand two (2) years old or older shall be used against any employee for disciplinary action or arbitration.

ARTICLE ELEVEN - VACATIONS

Section 1(a) Vacation – Basis for Earning & Use. Effective January 1, 2002, vacation is earned on the basis of 1/12 per month for each month during the calendar year. At the beginning of each year, employees are eligible (depending on operational requirements) to take vacation that will be earned during that calendar year. If an employee leaves the Company before the end of the calendar year, they will:

- Except for employees retiring during a calendar year, reimburse Valero for any vacation days taken but not earned during the calendar year.
- Except for employees retiring during a calendar year, be reimbursed by Valero for any vacation days earned but not taken during the calendar year.
- Employees who, at the time of termination, retire under the Valero Energy Corporation Pension Plan during a calendar year will be paid the value of their unused vacation credited to them on the previous January 1, plus any carryover vacation provided in Section 2(a). Such employee is not eligible for the “frozen vacation amount” provided in Section 10(b) of this Article.

Section 1(b) Vacation – Schedule of Earned Vacation. The following is the vacation schedule applicable to employees:

YEARS OF SERVICE COMPLETED DURING THE CALENDAR YEAR	VACATION	HOURS SCHEDULE
1 through 4	2 weeks	80 hours
5 through 9	3 weeks	120 hours
10 through 19	4 weeks	160 hours
20 through 29	5 weeks	200 hours
30 or more	6 weeks	240 hours

Section 1(c) Vacation -- New Employee Eligibility. Employees hired between January 1st and June 30th will be eligible to take one week of vacation during the second half of the calendar year in which initially employed. Employees hired between July 1st and December 31st will not be eligible for vacation in the calendar year in which initially employed. Effective January 1st of their second calendar year in which employed, an employee will be credited with two (2) weeks of vacation to be taken during that calendar year, which they will be credited with vacation on the basis of 1/12 per month for each month during that calendar year. The following schedule applies to the first and second calendar years of employment:

Month of Hire	Current Year	2nd Year
January - June	1 week - (to be taken in 2nd half of year)	2 weeks
July - December	0 weeks	2 weeks

Section 2(a) Vacation – Basis for Pay. For eight (8) hour shift employees, vacation pay per day is eight (8) hours times the base rate of pay for the employee’s regular classification. For twelve (12) hour shift employees, vacation pay per day is eight (8) hours times their adjusted base rate plus four (4) hours at time and one-half (1½) times their adjusted base rate.

Section 2(b) Vacation -- Carryover or Selling of Vacation. Eligible employees must take at least two (2) weeks of vacation per year. Employees with three or more weeks of vacation are eligible to carry over one (1) week of unused vacation into the following calendar year to be taken anytime during that year. Employees with three (3) weeks or more of vacation are eligible to sell up to one week of vacation to buy Flex Plan Benefits, to add to their Reimbursement Account. Employees with less than three (3) weeks of vacation are eligible to carry over a partial day.

Section 2(c) Vacation -- Basis for Sale of Vacation. For each day of vacation employees sell, they will receive flexible dollars equal to 100% of one day’s pay. This amount is shown on the employee’s Personal Report, which is

furnished at each annual election period.

Section 2(d) Vacation -- Cash Exclusion. The selling of vacation is not intended to provide dollars for Valero Savings Plan deposits or additional cash. If an employee sells vacation and has Flexible Dollars left over going into his Savings Plan Account and/or available to him as extra cash, the number of dollars left over must be less than the amount he would receive for selling four (4) hours of vacation.

Section 2(e) Vacation – Limit on Vacation Sold for Benefits. The hours sold for buying benefits cannot exceed 40 hours.

Section 3 Vacation – Foregoing Scheduled Vacation. In the event the Company determines that manpower shortages necessitate an employee to forego vacation, he shall be paid for time in lieu of vacation, such payment is to be made by December 1 of each year, unless such vacation can be rescheduled, or carried over as provided in Section 2(a).

Section 4 Rules for Vacation Carryover. Employees electing to carry over vacation should do the following

- Complete the Electronic Vacation Carryover Authorization form online.
- Request their supervisor to electronically approve and submit.
- Record carryover vacation on their time card using the appropriate absenteeism code.

Section 5 Vacation – Earning of Ceases With LTD. Effective with the beginning of the month following the month in which an employee receives LTD Plan benefits, the employee will cease earning vacation under this Article. Prior to such date, the employee will continue to earn vacation credit for any month in which he works at least one (1) hour or receives STD benefits. During the period of time the employee is receiving LTD Plan benefits, he will continue to accrue service for purposes of vacation eligibility under Section 1(b) of this Article.

Section 6 Vacation -- Hospitalization While on Vacation. An employee who becomes hospitalized for more than one (1) day while on vacation, will transfer to STD effective the day that the employee was hospitalized, under Article Twenty provided the employee or spouse notifies the Company within twenty-four (24) hours after the employee is hospitalized. Upon returning to work, the employee must provide the Company with proof of the hospitalization. Any resulting vacation that the employee has left will be rescheduled with approval of the Company.

Section 7 Vacation -- Funeral Leave While on Vacation. In the event of the death of an immediate family member, as defined in Section 1(c) of Article Sixteen, while on vacation, the employee will transfer to Funeral Leave under Article Sixteen up to a maximum of three (3) days or five (5) days whichever is applicable effective on the date of the death of such family member, provided the employee or spouse notifies the Company within twenty-four (24) hours of such an occurrence. Upon returning to work, the employee may be required to provide the Company with proof of the funeral and of the relationship to the deceased. Any extension of the original vacation, after the funeral, must be approved by the Company.

Section 8 Vacation – Selection Period. Vacation selections will take place between September 1 and November 15. Employees in each line of progression will, by seniority, be given fourteen (14) days to have their first preference picks completed. This same process will be repeated until all vacations are picked. If vacations are not selected according to this time table, the Company will assign vacation to those employees who failed to make their timely selections.

Section 9 Vacation – Order of Selection Preference. Vacation preference will be governed by the employee’s seniority with the Company as outlined below, provided such preference does not interfere with the efficient and continuous operation of the refinery.

Job seniority will govern preference in selecting vacations in the Maintenance Section. The maximum number of employees on vacation, for the same period,

in each of the Maintenance job classifications is as follows:

Instrument	2
Electric	2
Pump Repair	2
CIP	1
Warehouse	1
Heavy Equip.	2
RMW	1 per Team (max 4)
Code Welder	1
Yard	1 per Team (max. 4)

Job seniority shall govern preference in selecting vacations in the Operations Section and the Refined Products Section. In such Operation and Refined Products Sections, first preference shall be given to the highest job classification in a line of progression; second preference shall be given to the second highest job classification in a line of progression and so on until all employees in the different job classifications in a line of progression have selected vacation. When job seniority is identical, then plant seniority shall govern. Any jobs on the same level on the Progression Chart, even though the job titles are different, shall be considered the same for the purpose of choosing vacations.

Job seniority shall govern preference in selecting vacation in the Laboratory Section. Only one employee assigned to the eight (8) hour day shift may be off on vacation at a time. A total of two (2) laboratory employees may be on vacation during the same period. In such Laboratory Section, first preference shall be given to the highest job classification in the line of progression; second preference shall be given to the second highest job classification in the line of progression and so on until all employees in the different job classifications in the line of progression have selected vacation. Plant seniority shall govern when job seniority is identical.

Posted vacation schedules shall be considered fixed and shall not be changed except for an unexpected or unplanned shutdown of the processing units or to fill vacated vacation schedules provided such changes do not obligate the Company to premium pay.

Non-shift working employees in Maintenance, Warehouse, and Laboratory may splinter up to one (1) week of vacation in increments of one (1) day with the approval of the Company. When an employee is awarded a job in a Line of Progression, the employee shall then reschedule his vacation so it does not result in overtime pay to fill the vacancy.

Section 10(a) Vacation – Waiver of Prior Accrued Vacation. Subject to Section 10(b), any vacation accrued under the Company/Union 1999-2002 agreement will be waived as paid vacation and the Valero Vacation Policy will be effective retroactive to January 1, 2002

Section 10(b) Vacation -- Plant Closure Vacation Benefit. For each employee employed on May 1, 2002, the Company and the Union will determine the amount of accrued but unused vacation, if any, under Article Eleven of the Company/Union 1999-2002 labor agreement which is waived in the transition to the Valero Vacation Plan provided in this Article. If the Company closes the Ardmore Refinery, in addition to Severance Pay, the identified employees still employed at the time of closure will receive payment for such waived vacation on the basis of the applicable wage rate in effect on April 30, 2002, (prior to the expiration of the Company/Union 1999-2002 labor agreement) and the amount of accrued vacation waived.

Section 11 Unscheduled Vacation -- Single Day Use for Operations and Lab Employees. Employees in Operations and in the Lab can take up to forty-eight (48) hours of vacation in single day increments so long as the taking of such vacation does not result in overtime or other premium pay for the company.

ARTICLE TWELVE - HOLIDAYS

Section 1(a) Holidays – Defined. The following days will be considered as holidays under this Agreement:

New Year's Day	Labor Day
Presidents Day	Veterans Day
Good Friday	Thanksgiving Day
Memorial Day	Day After Thanksgiving
Fourth of July	Christmas Day

Section 1(b) Holidays—Day of Observance. Except when a holiday falls on Saturday or Sunday, employees will observe a holiday on the day of the week on which it falls. When a holiday falls on a Saturday or Sunday, the Laboratory Technicians assigned to the eight (8) hour shift and the employees in the Maintenance Section will observe Friday if the holiday falls on Saturday, and Monday if the holidays falls on Sunday.

Section 2 Holidays – Pay for Not Working. Each employee on the active payroll of the Company on such holidays will be paid as follows: for an eight (8) hour shift employee, eight (8) hours times the base rate of pay for the employee's regular classification; for a twelve (12) hour shift employee, twelve (12) hours times the adjusted base rate of pay for the employee's regular classification. Hours paid but not worked in a holiday workweek, in accordance with the provisions of this Section 2, will not be counted as hours worked for the purpose of computing overtime under Article Four, or any other provision of this Agreement, unless such holiday falls on what would otherwise be a regularly scheduled workday of the employee. Employees on unpaid leaves of absence under Article Fourteen, or under disciplinary suspension from work on a holiday will not be entitled to receive holiday pay under this Article, unless such employee is receiving STD, in which event Article Twenty, Section 3(g) will be applied.

Section 3 Holidays --Pay for Working. All employees who are scheduled and work on any of the above-named holidays will be paid as follows: for an eight (8) hour shift employee, in addition to holiday pay, time and one-half (1½) their base rate of pay for the employee's regular classification; for a twelve (12) hour shift employee, in addition to holiday pay, time and one-half (1½) the adjusted base rate of pay for the employee's regular classification.

All employees who are not scheduled but otherwise work on any of the above named holidays will be paid as follows: for an eight (8) hour shift employee, in addition to holiday pay, hours worked times the base rate of pay for the employee's regular classification times two (2); for a twelve (12) hour shift employee, in addition to holiday pay, hours worked times the employee's adjusted base rate of pay for the employee's regular classification times two (2).

If an employee on a holiday is entitled to shift premium for the hours worked, the shift premium will be paid at the rate of one and one-half (1½) times the premium for scheduled work, and at the rate of two (2) times the premium for unscheduled work.

Section 4 Holidays – Eligibility. Except as provided in Article Twenty, Section 3(g), any employee who is scheduled to work on a holiday and fails to do so will not receive holiday pay, unless the absence is excused.

An employee must work the last scheduled day before the holiday to be entitled to holiday pay, unless the absence is excused.

Section 5 Holidays -- Employee on Vacation. If one (1) of the holidays set forth in Section 1 of this Article Twelve occurs during the period when an employee is taking scheduled vacation, a shift employee will be paid an extra twelve (12) hours pay at the adjusted base rate for the holiday but will not be given an extra day off; an eight (8) hour shift employee may schedule another day of vacation with one week prior approval from his supervisor or may receive one (1) extra day of pay.

ARTICLE THIRTEEN - SEVERANCE PAY

Section 1 Qualifying Events. Severance pay benefits are payable when an employee is terminated by the Company in the following circumstances:

- Reduction of work force
- Plant Closure

Section 2 Transient Employee Exclusion. Severance pay benefits are not payable to employees hired for a specific period of time.

Section 3 Method of Calculation. If eligible to receive severance pay, the employee will receive a benefit calculated as follows:

- Two weeks of the Basic Monthly Salary for the first full year or less of credited service with Valero, or its predecessor company plus
- One week of the Basic Monthly Salary for each additional full or partial year of credited service with Valero or its predecessor company.

Section 4 Plan Consistency. This benefit will be consistent with and administered under the Valero Severance Pay Plan.

Section 5 Severance Entitlement. Employees are only entitled to receive severance pay once for the same years of credited service. For example, if an employee's employment is severed due to a reduction in force, his severance pay benefits will be based on his credited years of service prior to such severance; if the employee is rehired after being paid severance pay, and thereafter is severed due to a reduction in force or other event described above, his severance pay for the second incident of severance will be based only on years of credited service from the employee's rehire date.

ARTICLE FOURTEEN - LEAVE OF ABSENCE

Section 1 Leave of Absence – Personal Leave Defined. Any employee on the seniority list upon request and for just cause sufficient to the Company, and provided the employee can be spared, may be granted a leave of absence of not more than sixty (60) days, without pay, in any one calendar year, without loss of seniority or other service benefits. The Company shall not be required to grant such leave to more than one person from each of the Operations Section, the Refined Products Section, and the Maintenance Section at any one time. Union business shall be considered just cause for leave of absence.

Section 2 Leave of Absence – Family Medical Leave. Employees eligible for leave under the Family Medical Leave Act will be eligible for a leave and reinstatement consistent with that act’s provisions. A leave under the Family Medical Leave Act will run concurrently with the time period during which an employee receives Industrial Accident Benefits or Short Term Disability leave benefits and/or is on a leave under Section 3 of this Article.

Section 3 Leave of Absence – Employee’s Injury or Illness. An employee on the seniority list will be eligible for a leave of absence due to a non-occupational injury or illness or occupational injury or illness for a period up to one (1) year provided the employee can be replaced. Such leave will run concurrently with an employee’s right to a Family Medical Leave.

If the employee returns to work within such one (1) year, the employee will be returned to the job held prior to such leave.

If the employee returns after such one (1) year, the employee will be placed in an open job which he is qualified to perform, and if no such job is available, the employee will be considered laid off. While on lay off, the employee may bid for vacancies pursuant to Article 7.

Section 4(a) Leave of Absence -- Union Leave Defined. Upon written request of the Union, the Company will grant a leave of absence without pay for the purpose of engaging in union business for a period commensurate with the term of office related to such union business. The following provisions will apply to such leave:

(1) Request is made by the Local Union President or the International Union of Operating Engineers to work for the Union only.

(2) Such leave will extend to not more than one (1) employee from the Company at the same time during the contract year.

(3) The seniority standing of the employee granted leave of absence will accumulate as though he were working for the Company. Upon returning to work following a Union Leave of Absence, an employee will return to the job

he was in prior to the leave. Employees who advanced around the employee on a Union Leave of Absence will forever be ahead of such employee in a line of progression.

Section 4(b) Leave of Absence -- Union Leave – Non-Accrual Of Benefits And Pay. Union Leaves of Absence granted by the Company under this Section 4 are without pay and without further accumulation of Holiday, and Vacation benefits and without eligibility for Short Term Disability Benefits. The entire cost of all group insurances shall be assumed and paid by the employee on a Union Leave of Absence and the Company will be relieved of any contributions in connection therewith.

All pension rights accrued prior to the time of such Leave shall be frozen and remain intact during such Leave.

ARTICLE FIFTEEN - JURY DUTY

Section 1 Jury Duty/Legal Proceedings. If an employee is required to serve on a jury, or comply with a valid subpoena or other valid obligation to serve as a witness issued in connection with a civil, criminal, legislative or administrative proceeding (“legal proceeding”), an eight (8) hour shift employee will be paid eight (8) hours times the base rate of pay for the employees regular classification, and a twelve (12) hour shift employee will be paid eight (8) hours times his adjusted base rate plus four (4) hours at time and one-half (1½) his adjusted base rate in addition to any civic compensation for work time lost. An employee may be asked for proof of serving on a jury or service in a legal proceeding. The Company will maintain all insurance benefits during jury service or time spent in legal proceedings, and will not take adverse employment action against an employee fulfilling these duties. In addition, with the supervisor’s approval, time off with pay will be granted to employees to vote in national, state and local elections, and to act as an election judge. A supervisor may not refuse to grant an employee time off to vote, but may schedule it at a time convenient to both the employee and the Company.

Section 2 Jury Duty/Legal Proceedings – Dismissed For The Day. On

each day an employee is required to report to the court for jury duty or for legal proceedings, and then is released on or before 10:30 a.m., he shall then report to the Company not later than 1:00 p.m., for assignment to day time work for the balance of the day.

The temporary vacancy will have been filled under this Agreement's provisions under the circumstances brought about by the jury duty or legal proceeding requirement. Because of this, the employee reporting for work not later than 1:00 p.m. will be assigned to Maintenance Yardman work at his regular hourly rate of pay.

Section 3 Jury Duty/Legal Proceedings – Services Not Required. The court frequently excuses prospective jurors or participants in legal proceedings from having to report to the court for one or more days during the period specified in the jury summons or notice of legal proceedings. It is only on rare occasions that a prospective juror will be expected to report to the court or sit as a juror on Saturdays, Sundays, and holidays.

On these days when prospective jurors or employees involved in legal proceedings are excused from reporting to the court or when the court is not in session, Article Fifteen does not provide that an employee have a day off with regular pay or that he be assigned to work other than that scheduled had he not been called for jury duty.

Section 4 Jury Duty/Legal Proceedings – Duty to Work Regular Shift/Notice to Supervisor. It is to the mutual benefit of the employee and the Company that the employee work his regular schedule where jury duty does not prevent him from doing so. To this end, the employee is expected to keep his supervisor informed of his jury duty obligations to insure proper shift coverage.

ARTICLE SIXTEEN - FUNERAL LEAVE

Section 1(a) Funeral Leave. In the event of the death of a member of an employee's immediate family, as hereinafter defined, the employee will be entitled to up to three (3) consecutive workdays off for the purpose of attending the funeral. An eight (8) hour shift employee will be paid eight (8) hours times

the base rate of pay for the employees regular classification, and a twelve (12) hour shift employee will be paid eight (8) hours times their adjusted base rate plus four (4) hours at time and one-half (1½) their adjusted base rate for such days.

Section 1(b) Travel in Excess of 500 Miles. If an employee has to travel five hundred (500) miles or more one way from the refinery for the purpose of attending the funeral, up to an additional two (2) consecutive days off with pay (i.e. a total of five (5) days) will be paid in the same manner as provided in Section 1(a) above. The five (5) workdays must be consecutive workdays and cannot be separated by an employee’s regularly scheduled days off.

Section 1(c) Definition of Immediate Family. For purposes of this Section, the phrase “immediate family” means:

- A. Spouse of employee.
- B. Father, mother or legal guardians of either the employee or employee’s spouse.
- C. Step father or step mother of the employee.
- D. Children, stepchildren, or legally adopted children of the employee.
- E. Sister, brother, sister-in-law, or brother-in-law of the employee.
- F. Son-in-law or daughter-in-law of the employee.
- G. Grandchildren.
- H. Grandparents of the employee and the employee’s spouse.

ARTICLE SEVENTEEN - MILITARY LEAVE

Section 1 Military Leave. The rights of any employee returning from military service and the obligations of the Company with respect thereto will be in accordance with the Selective Training and Service Act of 1940 as amended. During the term of this Agreement, employees additionally will be covered by the Valero Military Leave Policy. The Company reserves the right to modify that Policy provided that it is similarly modified for Valero non-Union represented employees.

ARTICLE EIGHTEEN - BULLETIN BOARD

Section 1 Bulletin Board. The Company will provide a bulletin board equipped with lock and key to be placed in a mutually agreed location which may be used by the Union for news and notices relative to Union business or activities, provided that such notices contain no controversial matters, political or religious matters, and nothing will be posted on said board derogatory to either the Company or to any of its employees. Each notice so posted will be signed by an accredited officer of the Union. The bulletin board will be used by the Company for posting of work schedules or other notices which pertain to personnel.

ARTICLE NINETEEN - WORKERS' COMMITTEE

Section 1 Workers' Committee-Composition Of. The Union will elect a Workers' Committee, composed of seven (7) members from the bargaining unit. No more than one (1) member of the Workers' Committee, including the Union Chairman, may come from a line of progression. To be eligible for membership on the Workers' Committee, an employee must be a regular employee of the Company in the bargaining unit for at least ninety (90) days prior to his election.

Section 2 Workers' Committee – Monthly Meeting. Representatives of the Company will meet with the Workers' Committee at regular monthly intervals for discussion of the individual and mutual problems, and to dispose of questions arising under this Agreement.

In all matters requiring the consent or approval of both the Union and the Company, no decision or agreement shall be binding upon the parties unless reduced to writing and signed by duly authorized representatives of both the Company and the Union.

Section 3 Workers' Committee – Emergency Meeting. Except as notice may be mutually waived on forty-eight (48) hours' written notice excluding Saturdays, Sundays, and holidays, the Company or the Union may call emergency meeting and any such notice given will state the subject to be discussed.

Section 4 Permissible Union Activities During Working Hours. There will be no Union activities on Company premises except such activities as are necessary in connection with the handling of grievances as herein provided and the enforcement of the terms of this Agreement, or except as may be granted by express written consent of the Company.

**ARTICLE TWENTY - INDUSTRIAL ACCIDENT/STD/LTD
BENEFITS**

Section 1(a) Industrial Accident Benefits. All employees covered by this Agreement who are unable to work by reason of an industrial accident directly arising out of their employment on the job with the Company will be allowed their base rate or adjusted base rate whichever is applicable and consistent with Section 2 of this Article Twenty, for the number of weeks and subject to the rules specified below:

Full Normal Wages Will Upon Completion of Service of:	Be Allowed For:
During the probationary period	One (1) week
Upon completion of the probationary period.	26 weeks at full pay

To Qualify for Benefits Under This Section :

- (1) Notice of the injury must be given to immediate supervisor immediately after the happening of an accident for which compensation may be sought under this Section 1(a).
- (2) The employee will make a written accident report as to the actual occurrence of such industrial accident injury which directly arose out of employment on the job with the Company.
- (3) Such injury will not have been caused by the gross negligence or disregard of safety rules by the employee.
- (4) Upon return to work, all employees making a claim under this

Section 1(a) will present to the Refinery Manager or designee a certificate from the attending physician stating in detail the cause of such absence from work.

(5) Employees must be treated at a Company sponsored medical facility. The use of specialists must be authorized by the Company sponsored medical facility or by the Company. The purpose of this provision is to aid employees in connection with injuries suffered in industrial accidents arising out of employment on the job, and to augment such sums as may be awarded or paid under Workmen's Compensation laws, other federal or state laws, or any other insured plan provided by the Company. Therefore, deduction from benefits under this provision will be made for all amounts awarded or paid under Workmen's Compensation laws, other federal or state laws, or any other insured plan provided by the Company for the same weeks as benefits are allowed under this Section 1(a). The Company may have a physician, at any time, and from time to time, examine an employee to determine his fitness for work, and whether the employee is taking appropriate steps to expedite his recovery.

(6) While receiving Industrial Accident Benefits, an employee's participation in the Valero Savings Plan will be continued at the employee's election, but will be based on the employee's Industrial Accident Benefit.

Section 1(b) Short Term Disability Leave – Benefits and Conditions. For non-industrial injuries and illnesses the Company will provide employees with the following Short Term Disability benefits (“STD”).

Completed Length of Service	Hours Paid at 100%		Hours Paid at 65%		Total STL Hours	
	12 hr	8/10 hr	12 hr	8/10 hr	12 hr	8/10 hr
< 3 months	0	0	1092	1040	1092	1040
>= 3 months but < 1 year	84	80	1008	960	1092	1040
>= 1 year but < 2 years	168	160	924	880	1092	1040
>= 2 years but < 5 years	420	400	672	640	1092	1040
>= 5 years but < 7 years	672	640	420	400	1092	1040
>= 7 years but < 10 years	924	880	168	160	1092	1040
>= 10 years	1092	1040	0	0	1092	1040

Any monetary benefits an employee receives from Social Security, or other legislated disability income programs will be considered as part of Valero’s STD and will be subtracted from the amount scheduled for the employee to receive from STD.

In addition to being used for an employee’s injury or illness, including a doctor’s visit, an employee may use up to ten (10) days per year of STD (80 hours per year for eight (8) hour shift employees, and one-hundred twenty (120) hours per year for twelve (12) hour shift employees) for the care of a serious illness or serious injury of a member of the employee’s immediate family. For purposes of this Section, “immediate family” means current spouse, children, parents and parents-in-law.

STD will be subject to the following conditions:

- (1) **STD – Restriction On Use Of.** There will be no loss of pay for the first of the two (2) absent occurrences during the calendar year. Any further absences in the current calendar year will be handled as

indicated below:

Absences	Pay Loss
3rd	First Day
4th or More	First Two Days

An employee who is admitted and or confined to a hospital or an out-patient surgical center shall not lose any pay under the above schedule for that absence involving the hospital or surgical center confinement, and up to a total of two other instances of absence for medical visits directly related to such hospital or surgical center confinement (i.e., a total of three instances including the instance of hospital or surgical center confinement). Also, this absence will not be taken into account in order to determine the employee's loss of pay regarding subsequent absences within the calendar year.

If an employee has perfect attendance (i.e., misses no days of work) during the prior calendar year, the above schedule for the following calendar year will be reduced to:

Absences	Pay Loss
3rd	-0-
4th	First Day

- (2) **STD – Restoration of Benefits.** STD benefits are provided up to the number of hours listed above per calendar year. Each January 1st, to the extent that benefits have been exhausted, they will be restored provided the employee works the equivalent of one (1) full pay period in the new calendar year. If an employee is continuously off for a period which bridges two (2) calendar years, the employee's STD benefit is limited to the number of hours indicated above until such employee returns to work for at least one (1) work day in the new calendar year.
- (3) **STD – Doctor's Excuse.** The Company may require a physician's certificate, stating in detail the cause of an absence from work for which

an employee seeks benefits under STD.

- (4) **STD – Pay Exclusions.** STD benefits will not be paid for sickness or accident if the employee is on leave of absence, layoff or disciplinary suspension from work at the time that the injury or illness occurs.
- (5) **STD – Impact on Use of Drugs or Narcotics.** STD benefits will not be paid if the non-industrial injury or illness was due directly or indirectly to use of drugs or narcotics other than those prescribed by the employee’s physician.
- (6) **STD – Voluntary Plan by Company.** STD will be considered as voluntary on the part of the Company and may be terminated or modified at any time by the Company, should the Company elect to provide other comparable coverage in-lieu-of.
- (7) **Employer Notification of Illness/Injury.** Notice of the non-industrial illness or injury must be given to the Company as soon as possible when an accident or sickness occurs for which the STD benefit is sought.
- (8) **Other Employers.** Any absence occurring in connection with or in any way resulting from employment by an employer other than the Company will disqualify the employee from STD. “Employment by an Employer” does not include service on an approved military leave of absence under the Valero Military Leave Policy.
- (9) **Physical Exams.** The Company may have a physician examine the employee seeking STD and investigate the circumstances of such employee’s non-industrial injury or illness and determine the nature and extent of the non-industrial injury or illness and whether the employee is taking appropriate steps to expedite his recovery.
- (10) **Pregnancy Benefits.** Under STD a pregnant employee disabled from working will be eligible for benefits on the same basis as other disabled employees.

Section 2 Industrial Accident/STD – Computation of Benefit. Benefits under Section 1(a) and 1(b) of this Article will be computed in the same manner as vacation pay.

Section 3(a) Conditions for Receiving Industrial Accident and/or STD Benefits. The benefits under Sections 1(a) and/or 1(b) will be subject to the following applicable conditions:

Section 3(b) Benefits Consistent With Valero Plans. Benefits will be provided consistent with the terms of the Valero Industrial Accident Benefit Plan and the Valero Short Term Disability Plan.

Section 3(c) Non Accumulation. Benefits under Sections 1(a) and 1(b) will not accumulate from year to year.

Section 3(d) Limitation of STD Benefits. Subject to Section 1(b), the benefits which an employee can draw in any given calendar year will not exceed the total number of hours set out for his particular number of years of continuous service, regardless of the number of absences the employee may have in said year due to various non-industrial illnesses or accidents. In other words, the STD benefits set forth do not represent the total that an employee can draw for each separate non-industrial illness or disability, but represents the total benefits which an employee may draw during a calendar year and once they have used the total, they cannot draw any further benefits in that calendar year even though they may have further absences.

Section 3(e) Adjusted Hiring Date. An employee’s “adjusted hiring date” will determine eligibility for STD benefits. For purposes of STD, “adjusted hiring date” means the employee’s last date of hire adjusted for any prior employment with Valero or any entity acquired by or merged with Valero.

Section 3(f) STD – Replenishing After Leave of Absence. In case of a leave of absence granted to an employee, the employee’s STD benefit, if exhausted during a calendar year, will be replenished as of the following January 1 if the employee has returned to work by such date, or upon his return to work for at least one (1) work day, if such return is after January 1.

Section 3(g) STD – Holiday Pay During. When one of the holidays enumerated in Section 1 of Article Twelve occurs while an employee is drawing STD benefits, such employee will be paid holiday pay in lieu of one (1) day of benefit pay and no charge will be made against the accumulated Industrial Accident Benefit/STD benefits for that day.

Section 3(h) STD -- Termination of Benefits on Death. If death occurs while an employee is receiving benefits under Sections 1(a) or 1(b), benefits will cease as of the date of death.

Section 3(i) STD -- Termination of Benefits Due to Quit, Retirement, Termination for Cause. All STD benefits will automatically cease whenever an employee's seniority terminates due to quit, retirement, or termination for cause, including exceeding the term of a leave of absence provided if an employee is receiving LTD benefits at the time that his seniority terminates, such loss of seniority will not affect his eligibility for continuation of LTD benefits.

Section 3(j) Industrial Accident/STD -- Assignment, Garnishment & Attachment. Unless otherwise required by law, benefits under Section 1(a) or 1(b) will not be subject to assignment pursuant to a legal proceeding, garnishment, attachment or execution. Neither will the Valero Benefits Plan be construed to give an employee the right to be retained in the service of the Company or to obtain benefits under Section 1(a) or 1(b) after separation from service.

Section 3(k) Industrial Accident/STD -- Deductions for Other Compensation. Deductions from benefits will be made for all other compensation paid in connection with disabilities covered by Section 1(a) or 1(b) of this Article except for private insurance policies for which the employee is solely responsible for the premium.

Section 4 Progressive Attendance Bonus. The Company will provide a progressive "Perfect Attendance Bonus" of \$100.00 per year less applicable taxes up to three (3) years, after which, the annual bonus will remain at \$300.00 so long as the employee does not have an absence for any reason except Jury

Duty, Funeral Leave, or Union business up to thirty (30) days per calendar year.

Section 5 Long Term Disability. Eligible employees are covered by the Valero Long Term Disability Plan (“LTD Plan”) provided through the Valero Policies. LTD covers total disability after a waiting period of one-hundred eighty (180) days of continuous absence from work. Under the Valero Policies, the Company provides LTD as a “Base Benefit,” which means it is provided at no cost to an employee, with coverage at 65% of the employee’s monthly “benefit pay” at the time of disability; such benefit continues as long as the employee is disabled, as defined in the LTD Plan, up to age 65. The premium cost of such Plan will be considered taxable income to the employee with the result that, if consistent with the law, when received, the benefit is non-taxable.

LTD benefits will be administered consistent with the Valero LTD Plan.

The Valero LTD Plan is considered voluntary on the part of the Company and may be terminated or modified at any time by the Company, should the Company elect to provide other comparable coverage in-lieu-of-thee.

Under the Valero LTD Plan, for the same weeks in which benefits are allowed under the Plan, deductions from benefits will be made for all amounts awarded or paid under Workmen’s Compensation laws, other state laws or federal laws, or any other insured plan paid by the Company.

Section 6 Sick Leave – Light Duty – Temporary Assignment To. The Company and the Union recognize that in cases where employees become physically impaired so that they are temporarily unable to perform their job, it may be desirable to temporarily assign such employees to work which they can perform and which will aid in their rehabilitation. The Company and the Union will attempt to develop a mutually satisfactory basis upon which jobs most suitable for such rehabilitation purposes may be made available to such employees.

ARTICLE TWENTY-ONE - HEALTH AND SAFETY

Section 1 Physical Exam – Pre-Employment. Applicants for employment shall be examined by a reputable physician at the cost of the Company.

Section 2 Physical Exam – During Employment. The Company may require medical examination at any time during the continuance of employment to establish the employee's physical fitness for the duties to which he has been assigned. Such examination shall be made by a reputable physician selected and compensated by the Company. The Union recognizes that a physician will not be required in the Health Van, since the persons in such Van are generally technicians taking specimens and processing tests.

Section 3 Physical Exam – Procedure For Resolving Disputes. If any employee refuses to accept the physician's verdict of any medical examination, provided in Section 2 of this Article, he may select and be examined by any reputable physician and present to the Company a certificate attesting to the results thereof; this examination is to be paid by the employee. In the event the decision of the employee's physician is contrary to that of the physician representing the Company, an examination may be made by a third physician selected by the two physicians (provided such third physician is a member in good standing of the American Medical Association) whose findings and opinion shall be final and binding upon the Company and the employee. The Company will pay the fee for the third physician.

Section 4 Safety Rules and Protective Clothing. Safety rules and precautions usual to the industry will be observed. The Company will provide suitable protective clothing for employees required to work in locations and in types of work that require such protective clothing. The Company will reimburse employees for regular clothing damages where protective clothing has been properly employed. Matters of safety, including the observance of safety rules and the utilization of protective equipment, will properly be matters of discussion at regular meetings with the Company.

Section 5 Safety Committee VSTAR. A plant Safety Committee composed of seven (7) members will be selected annually by the Union. No more than one (1) member of the Safety Committee, including the Union Chairman, may come from a line of progression. The Safety Committee will accept safety suggestions from employees, discuss safety matters, make safety investigations, and recommend safety campaigns and specific safety measures. In order to effectuate its purpose as herein expressed, the Safety Committee will meet with the Company Safety Department on Company time once a month. The Company will take action on the Committee's recommendations as it considers necessary and will report thereon at the next meeting of the plant Safety Committee.

Section 6 Management Rights – Not Affected By Provisions of Article Twenty-One. Nothing contained in Sections 4 and 5 hereof will be deemed to amend, modify or otherwise alter the Company's rights set forth in Article Three of this Agreement.

ARTICLE TWENTY-TWO - DRUG POLICY

Section 1 Valero Drug And Alcohol Policies – Applicability. All employees will be subject to and comply with all terms and conditions of the Valero Drug Testing Policy, and the Valero Alcohol Policy and violation of either policy will constitute termination for just cause.

Section 2 Time Spent In Testing Deemed Hours Worked. Time spent by an employee being tested under the Valero Drug and Alcohol Policies will be considered time worked for all purposes under this Agreement.

Section 3 Valero Drug and Alcohol Policies – Furnished To Union. The Company will furnish the Union a copy of the Valero Drug Testing Policy and the Valero Alcohol Policy, and will furnish the Union a copy of any amendment thereto.

Section 4 Valero Drug Testing – Limitation. Testing under the Valero Drug Testing Policy will be used only for the testing of Opiates, Cannabinoids,

Amphetamines, Barbiturates, Cocaine, Benzodiazepines, Phencyclidine, LSD, MDMA, Methaqualone, and Propoxyphene, and will not be used for DNA testing.

ARTICLE TWENTY-THREE - OUTSIDE WORK

Section 1 Contracting Out Of Work. It is agreed that normal maintenance and repair of refining equipment shall not be contracted out, so long as the Company has the necessary equipment and qualified employees to do the work within the required time and specifications. It is the intent of the parties hereto to utilize available personnel and equipment to the fullest extent reasonably possible. The Company will not contract out this work while there are qualified refinery employees on layoff status.

Section 2 Employee Restriction On Work For Third Party. While generally recognizing the rights of the employees to engage in legal enterprise which does not affect his work for the Company, the parties hereto agree that no employee shall engage in any phase of business having to do with refined petroleum products during the term of this Agreement.

ARTICLE TWENTY-FOUR - TOOL CHECKING TIME

Section 1 Tool Checking Time. Employees in the Maintenance Section, who are required to check out tools, shall be allowed a reasonable time, not to exceed fifteen (15) minutes, before the end of the scheduled work day, in which to clean their tools and check them in to the tool room.

ARTICLE TWENTY-FIVE - STRIKES, LOCKOUTS

Section 1 Strikes, Lockouts. During the period of this Agreement, there shall be no strikes or stoppages of work by employees or the Union, or lockouts by the Company. In the event of any outside labor dispute indirectly involving the employees covered by this contract, the Company and the Union shall meet immediately in joint conference to discuss ways and means of dealing with the situation.

ARTICLE TWENTY-SIX - TRAINING

Section 1 Training Program and Trust-Established. The Company and the Union agree to establish a joint training program and trust. The Company and the Union will have equal representation on the Committee up to three (3) members each, who will be responsible for jointly administering the training programs and the trust established to fund such programs.

Section 2(a) Training Program – Purpose and Determination of Pre-Qualification. The Company and the Union agree that the training program is intended to provide employees the opportunity to obtain training over an extended course of both classroom and hands-on training to attain the pre-qualifications established for each Maintenance and Laboratory classification. The Company will initially present to the Union the pre-qualifications for each Maintenance and Laboratory classification, and will negotiate with the Union concerning such pre-qualifications. In the event the Company and Union are unable to agree on such pre-qualification, they will jointly select a facilitator to work with the Company and the Union, and, in the event the Company and the Union are unable to reach agreement with the use of a facilitator, then the facilitator will act as an arbitrator and determine the merits of the disagreement.

Section 2(b) Training Program – Use of Facilitator. The facilitator selected must have knowledge and training in the specific Maintenance craft or Laboratory job for which the pre-qualifications are being established.

If the Company and the Union are unable to agree on a facilitator, each party will select one expert from the Maintenance craft under consideration, and these respective experts will select a third party, with specific knowledge and training in the Maintenance craft, who is a neutral. These three persons will then serve as a panel, with the neutral member empowered to act as the arbitrator.

Section 3 Training Program and Fund-Funding Of. The Company will contribute five cents (.05¢) per straight-time hour up to a maximum of

forty (40) hours per week per employee to fund the Trust which will be used to provide money for tuition and other training costs associated with the Training Program. Until the training program is established as determined by the Joint Committee, the Company will accrue the five cents (.05¢) (rather than make a contribution to the Fund) and furnish the Union a report every two (2) months of the amount accrued. Once the program and the Fund are established, the accrued amount will be the initial contribution into the Fund.

Section 4 Training Program – Joint Committee Determination. The Joint Committee will have authority to determine which classes or programs to offer, how many persons to enroll at any one time in such classes and programs, and which facilities to use to furnish such programs and courses. The Company and Union recognize that the value of the training program depends on the availability of openings once an employee completes the courses and programs necessary for pre-qualification, and therefore, recognize that there will be a limited number of enrollees permitted.

Section 5 Training Program – Test Development. Any testing procedure to be used in determining whether an enrollee passes a particular course or program will be developed by the agency or institution providing the course and program, subject to joint agreement by the Company and Union, and recognizing that confidentiality of the tests is important to the test's validity.

Section 6 Absence of Pre-Qualified Bidders – Effect of. In the event that an opening occurs in a Maintenance craft or Laboratory classification and there are no pre-qualified bidders and no employees in the Joint Training Program for the Maintenance craft or Laboratory classification, the Company may hire a new employee to fill that opening.

*** Refer to attachment 7 dated 11-29-2004**

In the event that an opening occurs in a Maintenance craft or Laboratory classification and there are no pre-qualified bidders, but there is an employee(s) in the Joint Training Program who has completed less than 75% of his established curriculum, but who is anticipated will complete 75% of his training program as initially established by the Committee within at least twelve months of

the opening being available, the Company may hire a temporary employee to fill that opening for that period and the opening will be held open for the employee in the Training Program for that period of time. If that employee in the Training Program does not complete 75% of the Program within the time period initially established by the Committee, the Company may hire a new employee to fill that opening.

If the Company is employing a temporary employee as provided in the immediately preceding paragraph, and an additional opening(s) occurs in that Maintenance craft or Laboratory classification, and there are no pre-qualified employees who bid to fill such opening(s), the Company may offer that opening to the existing temporary employee, and re-fill the temporary opening for the balance of time provided above. The hiring will occur if the number of openings exceeds the number of employees in training.

When an opening occurs, if there is an employee in the Training Program who has completed 75% of his established curriculum, he will be awarded the opening or the position being held by a temporary, regardless of any bidding restrictions as stated in Article Seven, Section 4, subject to the employee continuing his curriculum according to the established time period for completing that curriculum. If such employee having been placed in the Maintenance craft or Laboratory classification fails to complete his training within the time period originally established, he shall be reassigned to the Yard.

A temporary employee provided under this Section will not be covered by the contract while he is in that status; if the temporary employee is hired as a regular employee as provided above, he will begin to accumulate seniority from his date of hire as a regular employee.

If, under the above provisions of this Paragraph 6, a pre-qualified employee bids for a Maintenance craft or Laboratory classification, he will have a thirty (30) day orientation period within which to fully demonstrate his pre-qualified skills for such job. If he is unable to do so, he will be considered as a disqualified employee and transferred as provided in this Agreement.

An employee in the Training Program who has completed 75% of his

curriculum and fills a vacant Maintenance craft or Laboratory classification as provided above, will be paid the Maintenance craft rate or Laboratory classification rate and accumulate job seniority commencing with his transfer to such Maintenance craft or Laboratory position.

Section 7 Training Program – Safeguards for Procedure to Establish.

To assure the Union that the Company will not abuse the above procedure by not expeditiously attempting to establish the joint training program, the Company agrees to meet and negotiate with the Union and to use a facilitator/ arbitrator and to reach a resolution of the qualification for the Maintenance craft or Lab position within nine (9) months of the ratification of this Agreement. If an agreement is not reached, all remaining issues will be submitted to binding arbitration within 60 days of the conclusion of such nine (9) months. The arbitrator selected must have expertise in the Maintenance craft or Lab position under consideration and render his decision within 60 days of the commencement of hearing. If the parties are unable to agree on an arbitrator with sufficient expertise, the above procedure for selection of a panel and a neutral arbitrator shall be followed.

Section 8 Training Program – Model for Program and Courses.

During the 1996 negotiations, the Company furnished to the Union the type of program and courses which it anticipates will be developed. While the Union has not agreed to this program and courses, it understands that in the negotiations provided in this Article, the Joint Committee will seek a program course similar or equivalent to the program and courses given to the Union during negotiations.

Section 9 Helper Classification Eliminated. As a result of the provisions of this Article, the Helper classification was eliminated.

Section 10 Training Program – Intent Re: Excess Hiring Of Employees To Avoid Training.

During the 1996 negotiations, the Union expressed concern that during the implementation of the Joint Training Program provided in this Article, the Company would hire an excessive number of employees into a Maintenance craft or Laboratory classification(s) and as a result limit future

openings for employees through the Joint Training Program. The Company indicated that its intent is not to hire such excess number of Maintenance craft or Laboratory employees. The Company has indicated to the Union that after the reduction in force, that it anticipates the following number of employees in each craft and does not intend to exceed that number:

Instrumentation	9
Electrician	5
Pump Repair	8
Equipment Operator	3
Coded Welder	4
Refinery Maintenance Welder	10
Warehouse	3
Carpenter/Insulator/Painter	1
Lab Tester	3

This paragraph does not in any way limit the Company's right to determine the number of employees to be employed in any Maintenance craft or Laboratory classification, and the above listing of Maintenance crafts and Laboratory classifications and the number of anticipated employees in them is only made to reflect anticipated staffing for purposes of the Union being able to determine if the Company is overstaffing a Maintenance craft or Laboratory classifications as to preclude employees having available jobs after completing the training program for a particular Maintenance craft or Laboratory position.

ARTICLE TWENTY-SEVEN - SERVICE OF NOTICE

Section 1 Service Of Notice. Notices provided for herein may be given by depositing same in the United States mail, registered postage prepaid, and addressed from one party to the other, to-wit:

INTERNATIONAL UNION OF
OPERATING ENGINEERS
Local 351, AFL-CIO
#58 Broadlawn
Ardmore, Oklahoma 73401
VALERO ENERGY CORPORATION
P.O. Box 188
Ardmore, Oklahoma 73402

ARTICLE TWENTY-EIGHT - SUPERVISORS

Section 1 Supervisors – Restriction on Performing Bargaining Unit Work. Supervisors will not perform work customarily and regularly performed by employees in the bargaining unit except in cases of emergency affecting the safety of equipment or personnel.

ARTICLE TWENTY-NINE - CLASSIFICATION OF DUTIES

Section 1 Classification Of Duties. The duties of the several classifications set out herein are those which have customarily been performed by employees in that classification in the plant. All employees are required to perform other assignments in an efficient, safe and workman like manner, provided the employees have the time, tools, and training to perform the tasks. When assigning other work to employees, the assignments will be work that can be temporarily halted so that the employee can return to his primary responsibilities which require immediate attention. The intent of this Section is to utilize employees on minor assignments in their area so that outside expenses will be minimized. In cases of changes in existing equipment which may affect the workload, the permanent duties with respect to such equipment shall not be determined until such equipment is in normal operation.

ARTICLE THIRTY - BENEFITS

Section 1 Benefit Plans – Their Summary Plan Descriptions. On or about July 1, 2002, the Company will make available or furnish to each employee benefit plans providing group hospitalization, surgical and comprehensive medical expense benefits, dental assistance benefits, vision care benefits, and group life insurance covering the life of the employee. The contributions necessary to provide the benefits referred to in this Section will be provided by the Company, or employee, or shared by the Company and employee, as set forth in the Valero Flex Plan. Employee contributions, if any, will be made by payroll deductions and transmitted to the applicable carrier or trust each month by the Company. Employees will be provided a Summary Plan Description of each available benefit plan, the cost of the plan to the

employee, and an application to enroll in the plan if the employee chooses to do so. Prior to July 1, 2002, the insurance programs under the Company's/ Union's agreement expiring April 30, 2002 will be continued.

Section 2(a) Benefit Plans – Conditions to Company's Obligations. The Company's obligation for the benefit plans covered by this Article will be subject to the following conditions.

Section 2(b) Commencement of Benefits Under Valero Flex Plan. For any covered employee, the Company's obligation to make contributions toward the benefit plans specified in the Valero Flex Plan commences on the first of the month specified in such Flex Plan.

Section 2(c) Definition of Covered Employee Under Valero Flex Plan. A "covered employee" for purposes of the Valero Flex Plan is defined as an employee who has elected in writing to be covered by a benefit plan under the Valero Flex Plan and who has authorized the Company to make monthly deductions, if any, from his pay in an amount equal to the difference between the sum of the Company's obligation under the Valero Flex Plan, and the total monthly cost of coverage under such Plan, and who has also authorized the Company to transmit such sums to the applicable carrier or trust together with the Company's contributions on his behalf. In undertaking to make such deductions, contributions, and transmittals, the Company will have completely fulfilled all of its obligations under this Article Thirty and it will in no way be held responsible for any failure to properly make such deductions or contributions or transmittals unless due to its gross negligence.

Section 2(d) Termination of Coverage Under Valero Flex Plan. The Company will have no obligation to make any contribution for a benefit under the Valero Flex Plan on behalf of any covered employee in any month in which such employee draws no pay from the Company, except that (a) for an employee on LTD, the Company will continue to pay its portion of the premium for continuing the employee's surgical and comprehensive medical expense benefit, dental assistance benefit, and life insurance, and (b) provided that an employee who is "called up" and qualifies for an approved Military Leave

under the Valero Military Leave Policy, the Company will continue to make its contributions for continuing the employee's surgical and comprehensive medical expense benefit, dental assistance benefit, and life insurance under the Valero Flex Plan. Benefits provided under the Valero Flex Plan will be coordinated using any benefits provided by the government, with the Company benefits being secondary.

The Company's obligation to provide any benefit to an employee will immediately cease upon termination of employment, subject to his rights under COBRA.

Section 2(e) National Health Insurance Enactment. If National Health Insurance becomes a law, the Company's present and future contributions toward the present plan premiums will be used toward the cost of the National Health Insurance and that any unused portions of the Company's contributions will be used for other benefits as determined by the Company and the Union.

Section 3 Life Insurance and AD&D -- Valero Provided Dollars. During the term of this Agreement, the Company will provide eligible employees with Valero Provided Dollars under the Valero Flex Plan to purchase four (4) times their base pay in life insurance, and four (4) times their base pay in AD&D Insurance. At their option employees may purchase up to a total of seven (7) times their salary in life insurance and AD&D Insurance, provided that an employee may not increase his life insurance coverage more than one step per enrollment. Although employees will be provided Valero Provided Dollars equal to purchasing life insurance equal to four (4) times their base wages, in the initial enrollment, employees will only be able to elect life insurance equal to two (2) times their base wages.

Section 4 Valero Non-Insured Death Benefit. Upon an employee's death, Valero will provide a benefit of \$5,000 and the equivalent of one (1) month's base wages to the employee's spouse or designated beneficiary in place of the spouse.

Section 5 Dependent Life Insurance. Under the Valero Flex Plan an employee can purchase, with after tax dollars, dependent life of up to \$150,000 for spouse and/or \$10,000 per child.

Section 6 Valero Defined Benefit Pension Plan. The Company will cover eligible employees under the Valero Pension Plan at no cost to the employees. Employees will be provided with a Summary Plan Description of this Plan. For vesting and eligibility purposes, all years of service with the Company or any company acquired by or merged with the Company will be considered. However, for purposes of computing benefits, only credited service under the Valero Plan commencing May 1, 2002 will be considered.

John Hancock Plan – Freezing Of. The John Hancock Life Insurance Company pension plan in effect under the Company/Union labor agreement expiring April 30, 2002 will be “frozen” as of midnight April 30, 2002. Employees will be considered vested in any benefit they may have under the John Hancock Plan, and such benefits will be paid upon retirement consistent with the terms of that Plan. The Company will furnish the Union the actuarial report for each Plan, and the 5500, or other documents required by law.

For purposes of computing benefits under the John Hancock Life Insurance Company plan, the employee’s pension benefit will be computed by the average of the employee’s annual earnings, as provided in such Plan, for his five (5) highest paid consecutive years in the ten (10) year period immediately before his retirement under such plan.

The Company agrees that it will modify the Total Petroleum Inc. Pension Plan pension plan to include a lump sum payment option, subject to the terms and conditions of the plan. The lump sum option will be available for those who have terminated employment but not commenced receiving a benefit as of the effective date of the change (May 1, 2010), as well as active participants once they terminate from the Company. The Company will make the modification to the plan as soon as administratively possible.

**AGREEMENT
VALERO REFINING COMPANY – OKLAHOMA
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 351**

The Company and the Union acknowledge that the parties recently agreed to a change to the John Hancock Plan by adding a lump sum payment option. The parties further recognize and agree that it was their intent to also include a modification allowing for immediate annuity payments upon termination even if the terminated employee had not yet reached the age of 55. Unfortunately, this change was inadvertently not reflected in the parties' Letter of Agreement signed on April 30, 2010. To correct this error, the parties agree to modify this Letter of Agreement only as to the paragraph entitled "John Hancock Plan – Lump Sum Option" and further agree to add the following, amended paragraph to the end of Article 30 Benefits, Section 6 John Hancock Plan – Freezing of:

The Company agrees that it will modify the Total Petroleum Inc. Pension Plan to include a lump sum payment option, subject to the terms and conditions of the plan. The lump sum option will be available for those who have terminated employment but not commenced receiving a benefit as of the effective date of change (May 1, 2010), as well as active participants once they terminate from the Company. In addition, the Company agrees that it will remove from the plan the requirement that either class of employees described reach the age of fifty-five (55) before they may commence a benefit. The Company will make these modifications to the plan as soon as administratively possible.

On Behalf of
Valero Refining Company-Oklahoma



Allen Dubea
Vice President & General Manager

6-8-10

Date



Kirk Williams
Regional Director HR Refinery Operations

6-8-10

Date



Kertis Vinson
Chairman

6-8-10

Date



6-8-10

Date

Section 6(a) Valero Savings Plan. As of May 1, 2002, the Company will cover eligible employees under the Valero Savings Plan subject to all of the conditions contained in such plan and as limited by the provisions of this Section. As soon as administratively possible, but no later than July, 2002, a Company matching contribution of seventy-five cents (\$.75) per one dollar (\$1.00) of the employee's deferrals up to a maximum of eight percent (8%) of gross will be made to the Valero Savings Plan. Prior to such date, and effective the first full pay period after May 1, 2002, the Company matching contribution of fifty cents (\$.50) per one dollar (\$1.00) (seventy-five cents (\$.75) per one dollar (\$1.00) for employees with ten (10) or more years of service) up to a maximum of six percent (6%) of the employee's deferrals will continue to be paid into the Union Thrift Plan.

Section 6(b) Valero Savings Plan --Vesting and Eligibility. Except as provided in the following paragraph, for vesting and eligibility purposes under the Valero Savings Plan all years of service with the Company or a company acquired by or merged with the Company will be considered.

Section 6(c) Valero Savings Plan – Eligibility. An employee is eligible to participate in the Valero Savings Plan after completing thirty (30) days of service. After completing the thirty (30) days of service, an employee will be eligible for the Company's matching contribution.

Section 6(d) Valero Savings Plan -- Merge of Union Thrift Plan. As soon as administratively possible, employees' accounts and the Union Thrift Plan will be merged into the Valero Savings Plan consistent with any government regulation and applicable provisions of the Valero Savings Plan and the regulations of the administrators of both the Valero Savings Plan and the Union Thrift Plan.

Section 7 Pension Plan and Savings Plan Not Incorporated Into Agreement. Employees are eligible to participate in the Valero Pension Plan and Valero Savings Plan in accordance with the terms and conditions set forth in the documents for those Plans. Neither the Valero Pension Plan nor the Valero Savings Plan is incorporated into this Agreement. Claims or disputes

concerning the Valero Pension Plan and/or Valero Savings Plan are not subject to arbitration procedures contained in this Agreement. Any such claims or disputes must be processed solely in accordance with the claims and/or appeal procedures, if any, of the Valero Pension and Valero Savings Plans.

Section 8(a) Retiree Health Insurance. Employees who, at the time of termination of their employment, retire under the Valero Pension Plan during the term of this Agreement are eligible to receive a contribution to subsidize the cost of purchasing their medical insurance consistent with the Valero Retiree Health Insurance Plan. The contribution will be three percent (3%) per year of service, provided that, after such retirement, the maximum contribution for providing an employee's medical insurance cannot exceed ninety percent (90%) of the cost of the retiree's medical insurance offered by the Company for retirees.

Section 8(b) Retiree Health Insurance -- Spouse and Dependent Coverage. In addition to the contribution provided in Section 8(a), such retired employee is eligible for a contribution of 1.5% per year of service up to a maximum of 45% of the cost for providing insurance for the employee's spouse and dependent(s), if any. The cost for providing the insurance for the employee's spouse and dependent(s) will be the difference between providing the medical insurance for the employee as compared to providing the insurance for the employee and his spouse and dependent(s).

Section 8(c) Retiree Health Insurance -- Definition of Years of Service. Years of credited service includes service with the Company and any predecessor employer.

Section 8(d) Retiree Health Insurance – Administration Of. This retiree medical benefit will be administered under the Valero Energy Retiree Medical Plan. The contributions made by the Company will be used towards the purchase of insurance provided through the Company for retirees.

Section 8(e) Retiree Life Insurance. Consistent with Valero policies, the Company will provide an employee who, at the time of termination, retires during the term of this Agreement, under the Valero Pension Plan with a life

insurance policy of \$10,000.00. Eligibility for and the conditions applicable to such policy are determined under Valero's Policies and the terms of the life insurance policy.

Section 8(f) Valero Retiree Health Insurance Plan – Voluntary by Company. The Valero Retiree Health Insurance Plan is a voluntary plan provided by the Company and may be terminated or modified by the Company provided that such termination or modification is consistently applied to all other employees covered by the Valero Retiree Health Insurance Plan.

Section 8(g) The Union acknowledges that the Retiree Medical Plan has an annual cap of 2.5% on Company contributions on any premium increase.

Section 9 Work-Related Death Benefit. A benefit of \$250,000 will be paid for a work-related accidental death which occurs as a direct result of an accident while at work. This benefit will be paid exclusive of any existing company or statutory benefits.

ARTICLE THIRTY-ONE - SUCCESSORSHIP

The Company and the Union agree that in the event the Company enters into an agreement to sell the Ardmore Refinery, in its entirety to a third party or enters into a joint venture or merger agreement covering the Ardmore Refinery in its entirety, the Company will include in any merger or joint venture agreement the requirement that the successor company shall recognize the Union as the exclusive representative of the bargaining unit defined in the Collective Bargaining Agreement and shall adopt the Collective Bargaining Agreement and all existing and effective Memoranda of Agreement related to the Collective Bargaining Agreement. Such Collective Bargaining Agreement shall remain in full force and effect for its duration, except for mutually agreed changes or as otherwise allowed by the Collective Bargaining Agreement, and continued employment with the successor company shall not require any form of severance payment from the Company.

Notwithstanding the requirement to adopt the Collective Bargaining Agreement, any successor company shall not be required to continue the existing employee benefits offered in the Collective Bargaining Agreement, but shall be entitled to establish a package of benefits for employees covered by the Collective Bargaining Agreement that are reasonable comparable in the aggregate to those provided in the Collective Bargaining Agreement. If requested by the Union the successor company shall negotiate with the Union in good faith regarding those benefits. Should an agreement not be reached at the conclusion of any such negotiations, the successor company may proceed with implementation of the proposed benefits plans, and the Union will not have the right to strike. However, nothing herein shall limit any rights or lawful actions that may be taken by the Union or any successor company with respect to benefits following the expiration of the Collective Bargaining Agreement.

If the successor company and the Union are unable to reach an agreement on benefits, the successor company will have the option to waive the foregoing commitment to provide employees covered by the Collective Bargaining Agreement a package of benefits that are “reasonably comparable in the aggregate: and to provide the Union with the option to strike the successor employer on such benefits only by giving the successor company 45 days notice

within 15 days after the Union has been informed by the successor company that it is waiving the commitment to provide to employees covered by the Collective Bargaining Agreement a package of benefits that are “reasonably comparable in the aggregate.”

The parties agree that (i) in the event the Company transfers, assigns or sells all or substantially all of the assets which make up the Ardmore Refinery, (ii) in the event of a merger, consolidation, reorganization or recapitalization of the Company with any third part, or (iii) in the event of a change of control of the Company, whether effected by stock purchase, statutory share exchange, or otherwise (collectively a “Transfer”), the salary growth for participants in the Total Petroleum, Inc. Pension Plan (referred to in the Collective Bargaining Agreement as the John Hancock Life Insurance Company pension plan) will cease on the date of such Transfer to the extent that Valero Energy Corporation or any affiliate thereof no longer owns a majority or controlling interest in the Ardmore Refinery as a result of such Transfer.

Notwithstanding anything to the contrary in the Collective Bargaining Agreement in the event of a Transfer, the union hereby consents (to the extent such consent is required under the Collective Bargaining Agreement) to any assignment of the Collective Bargaining Agreement to any transferee following such Transfer, provided that the transferee agrees to be bound by the Collective Bargaining Agreement.

ARTICLE THIRTY-TWO - ENTIRE AGREEMENT

All negotiations between the parties are merged into this Agreement, and there are no understandings nor agreements other than those incorporated herein.

The Union and the Company have historically included a number of memoranda of understanding and letters and/or memoranda of agreement (collectively "MOA's) as part of the Agreement. The Union and the Company desire to create a process whereby they can collect and catalog all the MOA's, even though they may not have been specifically negotiated in the recent round of negotiations that led to the formation of the most recent Agreement. To accomplish this goal, the Union and the Company commit that they will meet on dates mutually agreeable for the purpose of cataloging the MOA's and making them part of the CBA.

IN WITNESS WHEREOF, the parties hereto have cause these Articles Of Agreement to be executed by their duly authorized officers and representatives. Signed this 30th day of April 2010.

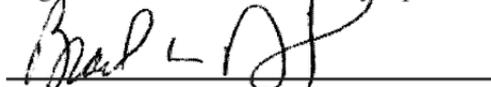
On Behalf of
Valero Refining Company-Oklahoma



Allen Dubea
Vice President & General Manager



Kirk Williams
Regional Director HR Refinery Operations



Brad Dierlam
Human Resources Manager

On Behalf of
IUOE Local 351



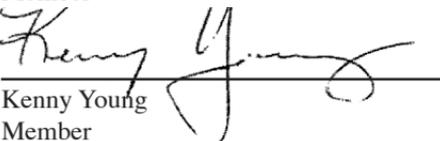
Keris Vinson
Chairman



William Russell
Member



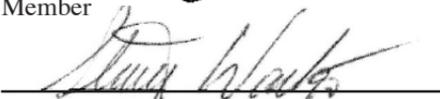
Cody Gordon
Member



Kenny Young
Member



Virgil Townley
Member



Stacy Watkins
Member



Elva Campbell
Business Representative

Attachment 1

AGREEMENT RE: EXAMPLES FOR PAYMENT OF SICK LEAVE AND OVERTIME FOR LABORATORY EMPLOYEES

The International Union of Operating Engineers, Local 351, AFL-CIO, and TPI, Inc., Ardmore Refinery, both agree that the sick leave language will be paid according to the attached examples:

If an employee is off sick on any of his regular workdays and then works overtime, that employee will receive the appropriate premium pay for working. Furthermore, an employee will not receive sick leave if he receives pay for eight (8) or more hours/day for five working days. Reference examples in Agreement dated 5/1/96.

Section 1(a). EXAMPLES OF SICK LEAVE PAY

	S	M	T	W	T	F	S
SCHEDULE	X	X	D	D	D	D	D
WORK	8	8	16	12	S	S	S
PAY	8	8	8(ST)	8(ST)	8(SL)	-	-
	1-1/2	1-1/2	8 1 1/2	4 1 1/2	Counts as an occurrence		
<hr/>							
	S	M	T	W	T	F	S
SCHEDULE	X	X	D	D	D	D	D
WORK	8	8	12	12	8	S	S
PAY	8	8	8(ST)	8(ST)	8(ST)	-	-
	1-1/2	1-1/2	4 1 1/2	4 1 1/2	Does not count as an occurrence		

	S	M	T	W	T	F	S
SCHEDULE	X	X	D	D	D	D	D
WORK	8	8	8	8	S	S	S
PAY	8	8	8	8	8	-	-
	1-1/2	1-1/2	ST	ST	SL		

Counts as occurrence

	S	M	T	W	T	F	S
SCHEDULE	D	D	D	X	X	E	E
WORK	S	S	8	8	8	8	8
PAY	-	-	8	8	8	8	8
			ST	1-1/2	1-1/2	ST	ST

Does not count as an occurrence

	S	M	T	W	T	F	S
SCHEDULE	D	D	D	X	X	E	E
WORK	12	12	S	8	X	12	8
PAY	8(ST)	8(ST)	-	8	X	8(ST)	8(ST)
	4	4	ST	1-1/2		4	
	1-1/2	1-1/2	Does not count as occurrence			1-1/2	

	S	M	T	W	T	F	S
SCHEDULE	X/D	X/D	D	D	D	D	D
WORK	S	S	S	S	S	S	S
PAY	-	-	8	8	8	8	8
			(SL)	(SL)	(SL)	(SL)	(SL)

	S	M	T	W	T	F	S	
SCHEDULE	D	D	D	D	X	X	D	
WORK	S	S	S	S	8	12	8	
PAY	-	-	8 (SL)	8 (SL)	8 1-1/2	12 1-1/2	8 ST	
			Counts as occurrence					

	S	M	T	W	T	F	S	
SCHEDULE	X	D	D	D	D	D	X	
WORK	X	S	8	12	8	8	12	
PAY	X	-	8 ST	8 ST	8 ST	8 ST	12 1-1/2	
				4 1-1/2				
			Does not count as an occurrence					

Both parties also agree that Article Five, Sections 1 and 4 pertaining to working days off will be paid as illustrated in the examples below:

**OVERTIME & DOUBLE TIME EXAMPLES
PER ARTICLE FIVE**

M	T	W	T	F	S	S
D	D	D	D	D	D	X
8	8	8	8	8	8	8
ST.....					1-1/2	2
M	T	W	T	F	S	S
D	D	D	X	X	D	D
8	8	8	8	12	12	12
ST/4OT	ST/4OT	ST/4OT	ST/4OT	1-1/2	1-1/2	D

Attachment 2

AGREEMENT RE: CODED WELDERS AND GRIEVANCES REGARDING CODED WELDERS AND IE

TPI Petroleum, Inc. (Ardmore Refinery), and Operating Engineers International Union, and its Local 351, agree as follows:

During the negotiation of their 1996-1999 collective bargaining agreement, Total Petroleum, Inc. (Ardmore) and Operating Engineers Union, Local 670 (now Local 351), negotiated the Refinery Maintenance Welder position and Coded Welder Positions, and Grievance Dated August 11, 1995 (8/95 Grievance), and the two Grievances dated September 21, 1995 (9/95 Grievances) were resolved as follows:

(1) The classification of Coded Welder was established as a separate line of progression. The qualifications of Coded Welder are attached as Exhibit A to this Letter.

(2) The Company and Union agree that Herb Belt will be recognized as a Coded Welder and be considered as retaining line of progression seniority in that classification as of June 6, 1995.

(3) At the time of this Letter Agreement, the Company, for seven days, posted three Coded Welder vacancies. The employees in the Refinery Welder classification were given priority over other Total employees to bid for such openings. To be a successful bidder for a Coded Welder opening, the employee had to be immediately qualified to perform all Coded Welding work. To establish such immediate qualification, the Company, within seven (7) days after the posting period ends, started to test the applicants to determine their immediate qualification to perform the job. The Coded Welder position was awarded to the three immediately qualified employees with the most line of progression seniority in the Refinery Maintenance classification. For this purpose, Fred Allen was considered as having Refinery Maintenance classification seniority as of February 28, 1995. If Fred Allen was awarded

one of the Coded Welder positions, the Company and the Union agree that he need not repeat the qualification test described in this paragraph 3.

(4) In the event there are future Coded Welder openings, the Company will post, for a period of seven (7) days, such opening(s) for all employee(s) in the Ardmore Refinery to bid. Such employees will be tested to determine their immediate qualification as provided above. In the event there are not sufficient immediately qualified employees to fill the openings, the Company may hire a new employee.

(5) Employees successfully bidding for the Coded Welder classification will transfer to that classification and line of progression seniority will begin accumulating from the first day on the job, provided that among the initial employees bidding for such jobs, the employee(s) with the most plant seniority was considered the employee with the most line of progression seniority.

(6) The Company and Union agree that the above Paragraphs 1 through 5 resolve pending grievances 8/95 and 9/95.

(7) As part of resolving Grievance 8/95, Ronald Glenn will be recognized as having line of progression seniority as of January 19, 1993, and therefore be ranked on the line of progression seniority list ahead of Larry Wood (line of progression seniority May 24, 1993), and Wayne Stewart (line of progression seniority April 18, 1994).

Exhibit A to Attachment 2

AGREEMENT RE: CODED WELDERS AND GRIEVANCES REGARDING CODED WELDERS AND IE

WELDER QUALIFICATION PROCEDURE

1.0 SCOPE

1.1 The performance qualification tests, set forth in this procedure are intended to determine the ability of welders to make a sound weld.

1.2 Welders will complete tests using approved welding procedures in accordance with A.S.M.E. Section IX.

1.2 This procedure establishes the process used to test welders.

2.0 REFERENCES

2.1 American Society of Mechanical Engineers – Section IX.

3.0 TEST CRITERIA

3.1 All testing shall be performed in the 6G position. This will qualify successful candidates for all positions. (QW-405.2)

3.2 Each test shall be completed in the time allotted for each individual test. The time allotted for each test is for weld out only and does not include any strap cut out and preparation.

3.3 Tack welds may be installed with the coupon in the 2G, horizontal, or 5G, vertical positions. Once the coupon is set in the 6G position, it may not be removed for any reason once welding has commenced.

3.4 Coupons which are subjected to Mechanical Guided-Bend

Testing shall have four (4) straps cut from the coupon. The order of strap removal shall conform to QW-463.2(d) and shall meet the dimensional requirements of QW-462.3(a), as illustrated in attachment “A.” Weld reinforcement shall be removed by grinding. Edges may be reduced 1/8-inch maximum by grinding.

3.5 Mechanical Guided-Bend Tests shall have no open defects in the weld or heat affected zone exceeding 1/8 inch, measured in any direction on the convex surface of the specimen after bending. Open defects occurring on the corners of the specimen during testing shall not be considered unless there is definite evidence that they result from lack of fusion, slag inclusions, or other internal defects. (QW-163)

3.6 Coupons which are subjected to Radiographic Testing shall not have external weld reinforcement removed.

3.7 Coupons which are subjected to radiographic examination shall be judged unacceptable when the radiograph exhibits any imperfections in excess of the limits specified below. (QW-191.2)

3.7.1 Linear Indications:

- (a) any type of crack or zone of incomplete fusion or penetration;
- (b) any elongated slag inclusion which has a length greater than 1/4 inch;
- (c) any group of slag inclusions in line that have an aggregate length greater than 3/4 inch in a length of 9 inches except when the distance between the successive imperfections exceed 6L where L is the length of the longest imperfection in the group.

3.7.2 Rounded Indications:

- (a) the maximum permissible dimension for rounded indications shall be 1/8 inch;
- (b) rounded indication less than 1/32 inches shall not be considered;
- (c) Appendix I, attachment “B”, represents the

maximum acceptable types of rounded indications illustrated in typically clustered, assorted, and randomly dispersed configurations.

4.0 WELDING TESTS

4.1 The successful Code Welder candidate shall complete a total of seven (7) welding performance qualifications tests with no rejectable indications. These seven (7) tests are as follows:

- TP2-640 – This is a carbon steel exam using Welding Procedure Specification (WPS) TP2. Test coupon is a six (6) inch sch 40 (0.280 inch) pipe. This is a guided-bend test.
- TP2-280 – This is a carbon steel exam using WPS – TP2. Test coupon is a two (2) inch sch 40 (0.218 inch) pipe. This a guided-bend test.
- TP2-6XX – This is a carbon steel exam using WPS – TP2. Test coupon is a six (6) inch sch XX (0.750 inch) pipe. This is Radiographic test.
- TP13.1G-280 – This is a 2 ° CR test used to qualify for P5 chrome welds. The WPS is TP-13.1G which is a GTAW root and hot pass and a SMAW fill and cap. The coupon is a two (2) inch sch 80 (0.218) pipe. This is a guided-bend test.
- TP13.2G-280 – This is a 1 ° CR test used to qualify for P4 chrome welds. The WPS is TP-13.2G which is a GTAW root and hot pass and a SMAW fill and cap. The coupon is a two (2) inch sch 80 (0.218) pipe. This is a guided-bend test.
- TP308-640 – This is a stainless steel test. WPS is TP-308. This test specifies a GTAW root and hot pass and a SMAW fill and cap. Coupon is a six (6) inch sch 40 (0.280 inch) pipe. This is a guided bend test.
- TPMONEL-240 – This is a monel test. WPS is TP-MONEL. This test is a GTAW test due to the thickness of the test coupons. Coupon is a two (2) inch sch 40 (0.154 inch) pipe. This is a guided-bend test.

Attachment 3

AGREEMENT RE: LABORATORY STAFFING AND TRANSITION

Valero Energy Corporation (“Valero”), Ardmore Refinery, and the International Union of Operating Engineers, Local 351, AFL-CIO agrees as follows:

Laboratory Positions

The laboratory will be made up of Lab Technicians assigned to eight (8) hour day shift, Lab Technicians assigned to twelve hour shift, Testers, and Relief Testers. Lab Technicians assigned to eight (8) hour day shift will work an eight (8) hour work schedule, on day shift Monday through Friday. Lab Technicians assigned to Twelve Hour Shift Technicians and Testers will work a four (4) crew, twelve (12) hour work schedule. Relief Testers will work the same twelve (12) hour daylight shifts as Relief Operators on their regular shift. The Relief Tester will be paid eight (8) hours x ABR + 1.5 x four (4) hours x ABR.

The laboratory will be staffed with three (3) Lab Technicians assigned to eight (8) hour day shifts, four (4) Lab Technicians assigned to twelve (12) hour shifts, four (4) Testers and two (2) Relief Testers. Lab Technicians assigned to eight (8) hour day shifts will be on an eight (8) hour shift schedule. Management reserves the right to adjust staffing in the future.

Unscheduled & Scheduled Vacancy Coverage 12-hour Shift Laboratory Employees:

Unscheduled vacancies that occur in the Laboratory during a daylight shift will be filled by the Relief Tester on shift. If that Relief Tester is not available (sick, vacation, etc.) to cover the shift, the supervisor will fill the position per Attachment 9(d). If an unscheduled vacancy occurs in the Laboratory during the night shift, the supervisor will fill the position per Attachment 9(d). The Relief Tester will be paid relief tester pay when he reports on his schedule and is extra.

The primary option for filling scheduled vacancies that occur in Laboratory will be Relief Testers.

8-hour Shift Laboratory Employees:

Any eight (8) hour Day Technician vacancy will be covered. The following describes the possible coverage scenarios for Laboratory Day Technician vacancies:

- **Vacancies with Relief Available** – Unscheduled vacancies that occur in the Day Technician classification will be filled by the Relief Tester on shift, everyone will step-up one (1) classification. The Shift Technician on duty will cover the Day Technician duties in the knock engine lab (rating, sample analysis, shipping, regularly scheduled maintenance such as oil / filter changes, total nitrogen testing, and plat catalyst analysis) and will not switch to an eight (8) hour shift schedule. Once the duties have been completed, the Shift Technician will assist the Shift Tester who has stepped up to cover their duties. Relief Testers and Shift Testers who have stepped up at the start of the shift under these circumstances will receive step-up pay for the entire shift.
- **Vacancies with no Relief Available, and Shift Technician accepting Overtime** – Unscheduled vacancies that occur due to Day Technician vacancies when no Relief Tester is available will be filled according to the Coleman agreement. Overtime will first be offered to the other Day Technicians. If they refuse, a Shift Technician will be called to cover. If accepted that Shift Technician will cover the Day Technician duties in the knock engine lab, as described above, for eight (8) hours. They will have the option to go home, with eight (8) hours of pay, or stay for a total of twelve (12) hours. Once the duties have been completed, the Shift Technician who was called out, may assist the Shift Technician on duty for duration of shift.
- **Vacancies with no Relief Available and Shift Technician not accepting Overtime** – If no Shift Technician accepts the overtime, a Shift Tester will be offered the overtime. If accepted, they will work in the Shift Technician job, and the Shift Technician on duty will step up to cover the Day Technician position as described above. The Shift Tester will have the option to work eight (8) or twelve (12) hours. If working only eight (8)

hours, they go home with eight (8) hours pay at step-up rate. The Shift Technician will then step back down to their normal duties. If the Shift Tester chooses to stay twelve (12) hours, the Shift Technician will cover eight (8) hours of Day Technician duties, then four (4) hours assisting the Shift Tester. The Shift Tester will work twelve (12) hours in the Shift Technician job at step-up rate.

- **Vacancies with no Relief Available and Shift Technician, Shift Tester not accepting Overtime** – If no Shift Technician or Shift Tester accepts the overtime, a Relief Tester will be offered overtime. Everyone will step up one (1) job classification and cover in the same manner as described above under ‘vacancies with relief available’. The Relief Tester will be paid overtime accordingly.
- If no Shift Tester, Shift Technician, or Relief Tester accepts overtime the vacancies will be covered by Day Technicians.

Extended Temporary Vacancy Coverage

Extended Temporary Vacancies will be posted for bid in the Laboratory Section in accordance with Article Eight, Section 4(a).

Attachment 4

AGREEMENT RE: MAINTENANCE CRAFT EMPLOYEES OPERATING SMALL EQUIPMENT 1996 CONTRACT NEGOTIATIONS

Valero (“Company”) and the International Union of Operating Engineers, Local 351 AFL-CIO agree that in the performance of their job, any represented employee during nights and weekends, or when Heavy Equipment Operators are not available may operate any forklift per Article 29, Section 1. Maintenance craft employees will operate small mobile equipment, as listed below:

Forklift, Carrydeck, All Terrain Forklift or Stevedore

The Company recognizes that, under this Attachment 4, the Company has the obligation to train employees to operate such equipment and to have them certified as being able to operate such equipment safely.

The Company will review such Maintenance craft employees’ files to determine if the file reflects such certification.

Any concerns about whether Maintenance craft employees are properly trained or certified should be brought to their supervisor’s or the Safety Committee’s attention.

Attachment 5

AGREEMENT RE: PMA BLENDER

Valero Energy Corporation (“Valero”), Ardmore Refinery, and the International Union of Operating Engineers, Local 351, AFL-CIO agree that when the Truck Rack personnel are not available during nights and weekends small jobs at the Truck Rack can be assigned to the PMA Blender, if time permits per Article 29, Section 1.

Attachment 6

AGREEMENT RE: WASTE WATER TREATMENT PLANT LINE OF PROGRESSION

Valero Energy Corporation (“Valero”), Ardmore Refinery, and the International Union of Operating Engineers, Local 351, AFL-CIO agree as follows:

Effective May 1, 2006, the Seasonal Centrifuge Operator will be referred to as the Centrifuge Operator. One of the Relief Operator positions will be reclassified to a Centrifuge Operator so that there will be two Centrifuge Operator positions. The Centrifuge Operators will be in the Waste Water Line of Progression and will work twelve (12) hour daylight shifts. Their primary responsibilities, but not limited to caustic unit, centrifuge, and assistance with wastewater treatment plant operations. Both Waste Water Operators and Centrifuge Operators will have shared responsibility to the Caustic Unit. The Relief Operator will cover vacancies for the Centrifuge Operators. The Centrifuge Operators will cover vacancies for the Waste Water Operators. The Relief Operator will be paid Relief Operator pay when he reports on his schedule and is extra.

Waste Water Treatment Plant Operators

Waste Water Treatment Plant Operators will work a four (4) crew, twelve (12) hour work schedule.

Centrifuge Operators

The Centrifuge Operators will be in the Waste Water Line of Progression and will work twelve (12) hour daylight shifts. The Centrifuge Operator position will be below the Waste Water Treatment Plant Operator and above the Relief Operator in the Waste Water Line of Progression. Centrifuge Operators will work the following schedule:

Crew	M	T	W	T	F	S	S	M	T	W	T	F	S	S
CO1	-	-	D	D	D	-	-	D	D	-	-	-	D	D
CO2	D	D	-	-	-	D	D	-	-	D	D	D	-	-

If a Centrifuge Operator ends up being scheduled for seventy-two (72) hours of work in a pay period (two (2) weeks with three (3) twelve (12)-hour shifts), the Centrifuge

Operator will be offered the opportunity to work an additional twelve (12) hour shift in the Waste Water Section.

Shared Responsibility for Caustic Unit.

Waste Water Treatment Plant Operators and Centrifuge Operators will have shared responsibility for the Caustic Unit.

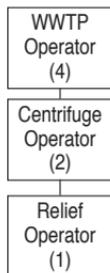
Unscheduled & Scheduled Vacancy Coverage.

During unscheduled vacancies the Relief Operator will cover vacancies for the Centrifuge Operators. The Centrifuge Operators will cover vacancies for the Waste Water Operators. The Relief Operator will be paid Relief Operator pay when he reports on his schedule and is extra. If the Relief Operator is not available (sick, vacation, etc.) to cover the shift, the Waste Water Operator will be filled by the Centrifuge Operator and the Centrifuge Operator position will go unfilled. If an unscheduled vacancy occurs in the Waste Water Section during the night shift, the supervisor will fill the position per Attachment 9(d).

The primary option for filling scheduled vacancies that occur in the Waste Water Section will be Relief Operators. The Relief Operator will cover vacancies for the Centrifuge Operators. The Centrifuge Operators will cover vacancies for the Waste Water Operators.

Extended Temporary Vacancy Coverage.

Extended Temporary Vacancies will be posted for bid in the Waste Water Section in accordance with Article Eight, Section 4(a).



Attachment 7

AGREEMENT RE: REVISED JOINT TRAINING COMMITTEE AGREEMENT

NOVEMBER 29, 2004

After reconsideration from the Joint Training Committee and a discussion with the Worker's Committee, the revised proposal is respectfully submitted.

This letter of agreement is to establish a compromise to the contract language on bidding craft maintenance and lab positions. The parties agree to change the requirements in Article 26 Section 6 to allow 50% completion of curriculum which includes written material and testing. Once an opening occurs, the employees that are at 50% will complete the curriculum which includes the remainder of written material and hands-on requirements while on the job, according to the Joint Training Committee's (JTC) milestones.

Once the employee has accepted the new position, and has been released from his old position, he will be placed in the craft and will be paid at 90% of the rate of the craft until he reaches 100% completion of the curriculum. The Union and the Company will split the wages from this training period for a maximum of one year. The union portion of 50% will come from the JTC money and 50% will come from the Company. If the JTC money is exhausted, the Company will fund the JTC program.

If the successful bidder does not complete the curriculum as established, they will be placed in the yard.

All employees that are 75% or greater at the signing of this agreement will be grandfathered in their respected craft or lab position, for one time only. In other words, each listed employee that chooses not to accept the next bid available to them in their craft will be removed from grandfather status and then compete with employees having completed 50% training in the same craft, under the new language based on seniority, per the contract. In the event the employees

listed accept their chosen craft position during the grandfather period, or are awarded a bid after the removal from grandfather status, they will receive 100% of that craft pay.

Pump Repair	Jason Sharpe	7-01-1991
	Don Cash	7-20-1992
	Paul Hull	2-12-2001
Laboratory	Dave Gallaway	7-01-1991
	James Stevens	1-10-1994
Warehouse	Jackie Miller	11-14-1975
	Bruce Huffman	9-17-1979

It is further agreed to remove all language relating to a time limit, as it pertains to becoming 50% qualified. Due to the recent opening of the training pipeline to all employees, and the proposed language change stated in this letter of agreement, it is agreed that the time constraint on employees prior to becoming 50% qualified serves no purpose.

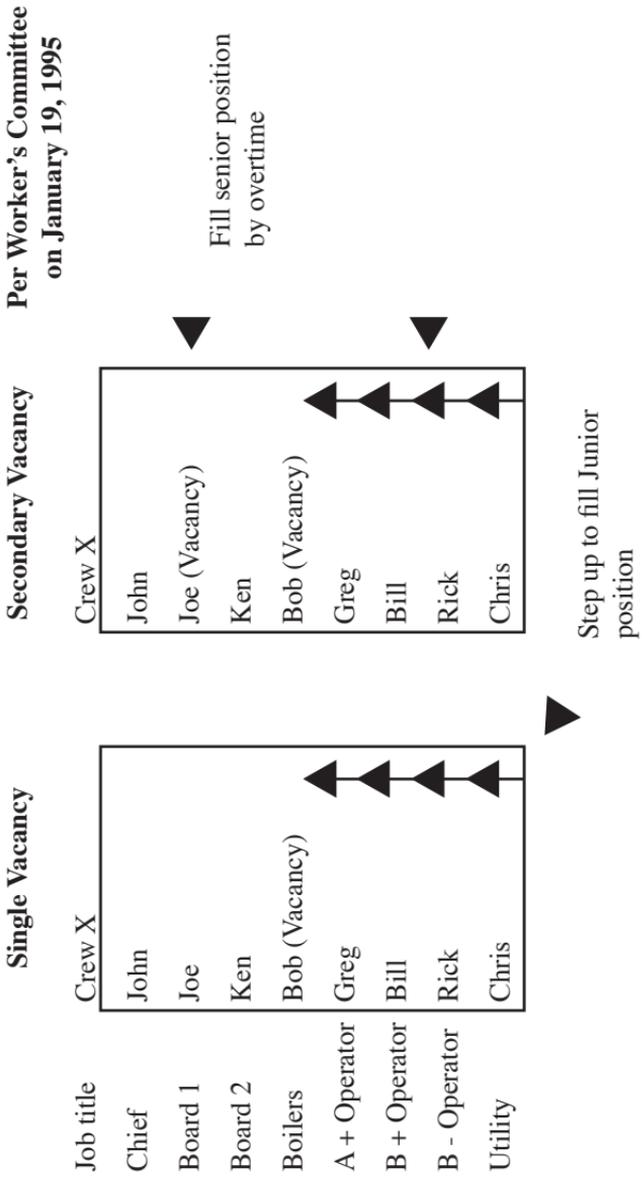
Primary/Secondary Shift Super Long Change

Week/Crew	M	T	W	T	F	S	S
1	D1	D2	D3	D4	-A-	-B-	-C-
2	-D-	-E-	-F-	-G-	N5	N6	N7
3	N1	-H-	-I-	-J-	D5	D6	D7
4	-K-	N2	N3	N4	-L-	-M-	-N-

SHIFT	PRIMARY	SECONDARY	SHIFT	PRIMARY	SECONDARY
D1	-D-	-K-	N1	-D-	-K-
D2	-E-	---	N2	-H-	-E-
D3	-I-	-F-	N3	-F-	-I-
D4	-J-	-G-	N4	-G-	---
D5	-A-	---	N5	-L-	-A-
D6	-M-	-B-	N6	-M-	-B-
D7	-N-	-C-	N7	-C-	---

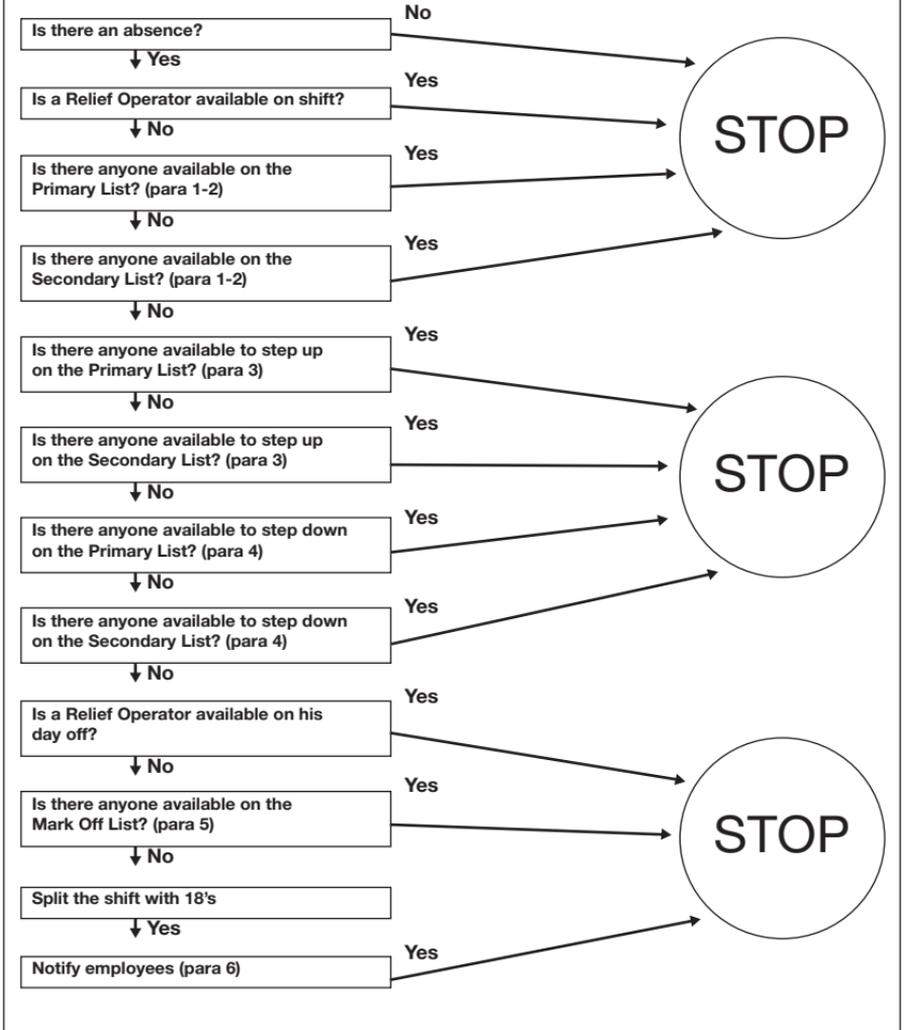
Attachment 9(b)

Example of Schedulable Secondary Vacancy Coverage



Attachment 9(c)

Absentee Coverage 12 Hour Shifts



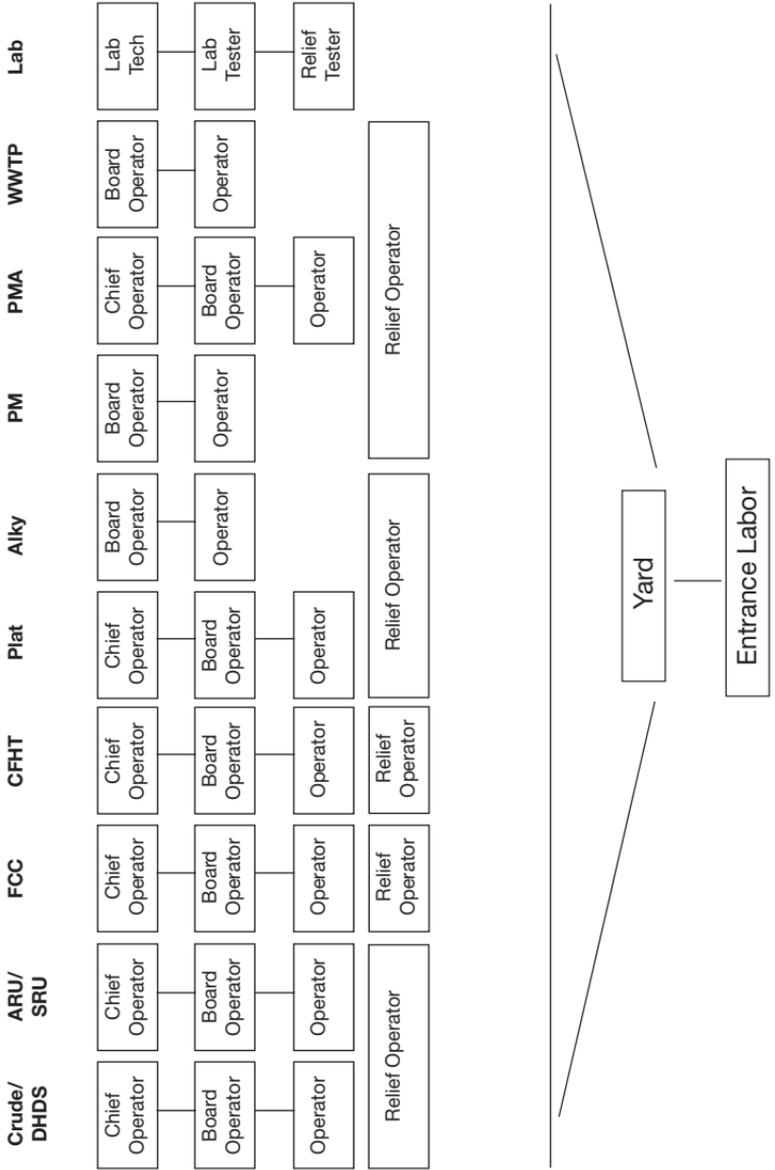
Attachment 9(d)

RULES APPLIED UNDER THE COLEMAN AGREEMENT

1. The supervisor goes to the Primary and Secondary shifts and looks for volunteers. He will start at the classification that requires coverage. When doing so, he will first offer the overtime to the individual on the Primary shift and then the secondary shift before going down another classification.
2. The only exception to this is that the second consecutive day vacancy can be filled by either the person on the Primary or Secondary List, whoever did not work the previous day. If this fails, the supervisor will then offer the overtime to the other employee of the same job classification at time and one-half.
3. If there are no volunteers in that particular classification, the supervisor will look down one classification for an employee willing to step up to fill the position. If there is still no one available, the supervisor will continue to look down, one classification at a time.
4. If there are no volunteers of equal or lesser classification, the supervisor will look up, one classification at a time for an employee willing to step down to fill the position.
5. A Mark Off List will be made available for employees to indicate that they would not like to be offered overtime on certain days. An individual on the Mark Off List gives up his first right of refusal of the overtime. If no one can be found on the Primary or Secondary lists in the job classification, step ups, and step downs, the person on the Mark Off List will be given the chance for the overtime before splitting the shift. Splitting a shift will require the employees involved to work eighteen (18) hours.
6. If the employees are forced to split a shift, all of the employees in that unit will be notified. After each occurrence of split shifts, the employees will be notified. After the third occurrence in a calendar year, that area may implement an On-Call system developed by the Worker's Committee and Company.

EXHIBIT A

OPERATIONS SECTION



Attachment 11

MAINTENANCE SECTION

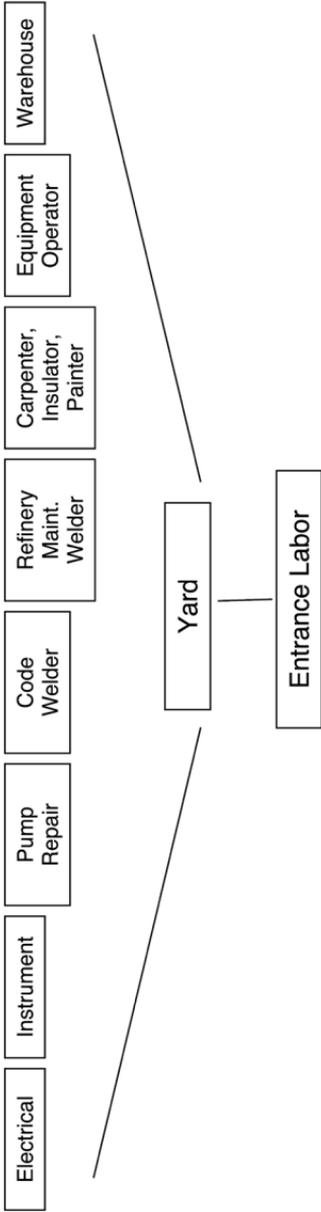


EXHIBIT B

Emergency Response Training Standard & Pay

1. Changes to the ERT Programs

Why are we doing this?

Valero is committed to developing and maintaining a well trained and properly staffed Emergency Response Team. In addition, the training & progression standard will allow for a structured program that will reward all hourly and salary non-exempt personnel meeting the required annual training with incentive pay as follows:

Progression Level	
Level 1	
Level 2	
Level 3	

At what sites will these changes be made?

Initially, these changes will take effect in January at the following sites: Corpus Christi, Three Rivers, Texas City, Houston, and St. Charles.

How will Valero ERT Members be affected?

Beginning in January, active qualified members will begin receiving incentive pay on their paychecks. The following is a schedule for each site explaining when active ERT members will see the incentive pay.

Location	Effective 2010	Pay Period		Check Date	Check of the Month
		Begin	End		
Bill Greehey	January	01/11/2010	01/24/2010	01/29/2010	Second Check
Houston	January	01/11/2010	01/24/2010	01/29/2010	Second Check
St. Charles	January	01/11/2010	01/24/2010	01/29/2010	Second Check
Texas City	January	01/11/2010	01/24/2010	01/29/2010	Second Check
Three Rivers	January	01/11/2010	01/24/2010	02/05/2010	Third Check

2. Compensation

When will I start receiving pay?

Active qualified members will start receiving pay in January 2010. Employees who are just now signing up will be required to become active qualified members before receiving the pay increase. In order to accomplish this, new inactive members will be required to complete all of their assigned training within a rolling year before they will be eligible for the ERT pay.

Will I receive a separate check for the ERT pay?

No, the ERT pay will be reflected on your normal paycheck. It will be listed as a separate line item.

Will this incentive pay apply to all time worked?

Yes, the ERT increase will apply to all hours worked. It will also apply to Holiday Pay, Vacation Pay, Sick Pay, Short Term Leave Pay, Funeral Leave Pay, Military Leave Pay, and Jury Duty Pay.

Table 1 – ERT Minimum Training/Certification Requirements

Role	Certification/Training	Refresher Training
Fire Brigade		
Incipient Industrial Fire Brigade Member (IF)	<ul style="list-style-type: none"> Respirator Fit Test NFPA 1081 Incipient Level Fire Training 	<ul style="list-style-type: none"> Respiratory Protection – 2 hrs Fire Extinguisher, hand lines and fixed monitors – 2hrs
Industrial Fire Fighter 1 (FF1)	<ul style="list-style-type: none"> NFPA 1081 Advanced Exterior Hazmat Technician – 1910.120 NIMS 100 & 700 First Aid, CPR/AED 	<ul style="list-style-type: none"> IF Adv. Exterior Live Fire – 16 hrs Basic Skills – 8 hrs Hazmat Refresher – 8 hrs First Aid, CPR/AED – 8 hrs (every 2 years)
Industrial Fire Fighter 2 (FF2) <i>Apparatus Driver/Operator Track</i>	<ul style="list-style-type: none"> Minimum 2 Yrs experience as FF1 NFPA 1002 Fire Apparatus Driver/Operator Valid DL per state requirements NFPA Fire Ground Safety Officer Nims 200 	<ul style="list-style-type: none"> FF1 Driver/Operator – 8 hrs
Industrial Fire Fighter 2 (FF2) <i>Interior Structural Track</i>	<ul style="list-style-type: none"> Minimum 2 Yrs experience as FF1 NFPA 1081 Interior Structural Industrial Fire Brigade Member NFPA Fire Ground Safety Officer Nims 200 	<ul style="list-style-type: none"> FF1 Special Hazards and/or Interior Fire fighting – 8 hrs
Fire Brigade Team Leader (FF3)	<ul style="list-style-type: none"> Minimum 3 Yrs experience as FF2 Apparatus Driver/Operator or Interior Structural NFPA 1081 Industrial Fire Brigade Leader Tank Fire Fighting NFPA 1041 Instructor NIMS 300 	<ul style="list-style-type: none"> FF2 Apparatus Driver/Operator or Interior Structural
Rescue Team		
Rescue Tech 1 (RT1)	<ul style="list-style-type: none"> NFPA 1006 Rope Rescue - Level 1 NIMS 100 & 700 First Aid, CPR/AED 	<ul style="list-style-type: none"> High Angle rope rescue – 16 hrs First Aid, CPR/AED – 8 hrs (every 2 years)
Rescue Tech 2 (RT2)	<ul style="list-style-type: none"> Minimum 1 Yr experience as RT1 NFPA 1006 Confined Space Rescue Level 1 Nims 200 	<ul style="list-style-type: none"> RT1 Confined space rescue – 16 hrs
Rescue Team Leader (RT3)	<ul style="list-style-type: none"> Minimum 3 Yrs experience as RT2 NFPA 1006 Rope Rescue Level 2 & Confined Space Rescue Level 2 NFPA 1041 Instructor Nims 300 	<ul style="list-style-type: none"> RT2

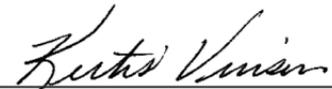
Medical Team		
Medical Responder (MT1)	<ul style="list-style-type: none"> • ECA/First Responder or state equivalent (Advanced First Aid/CPR/AED) • NIMS 100 & 700 	<ul style="list-style-type: none"> • Per state certification requirements
Medical Technician (MT2)	<ul style="list-style-type: none"> • Minimum 2 Yrs experience as MT1 • EMT Basic or state equivalent • NIMS 100 & 700 	<ul style="list-style-type: none"> • Per state certification requirements
Advanced Medical Technician (MT3)	<ul style="list-style-type: none"> • Minimum 2 Yrs experience as MT1 • EMT Intermediate or state equivalent • NIMS 100 & 700 	<ul style="list-style-type: none"> • Per state certification requirements
HazMat Team		
HazMat Technician (HM1)	<ul style="list-style-type: none"> • NFPA 472 HazMat Technician • NIMS 100 & 700 • First Aid, CPR/AED 	<ul style="list-style-type: none"> • HazMat Refresher – 8 hrs
HazMat Specialist (HM2)	<ul style="list-style-type: none"> • Minimum 2 Yrs experience as HM1 • NFPA 472 Specialist Employee A • NIMS 200 	<ul style="list-style-type: none"> • HM1
HazMat Team Leader (HM3)	<ul style="list-style-type: none"> • Minimum 2 Yrs experience as HM2 • NFPA 472 Officer & Incident Commander • NIMS 300 	<ul style="list-style-type: none"> • HM1
Oil Spill Team		
Spill Responder (SR1)	<ul style="list-style-type: none"> • Hazwoper • Boater Safety Course • Oil Spill Response in Ports & Inland Waterways • Nims 100 & 700 	<ul style="list-style-type: none"> • HazMat Refresher – 8 hrs • Oil Spill Response Refresher
Spill Response Team Leader (SR2)	<ul style="list-style-type: none"> • Minimum 2 Yrs experience as SR1 • Advanced Spill Response/SCAT • Nims 300 	<ul style="list-style-type: none"> • SR1

* State Certification (or other recognized competency based accreditation) considered in lieu of NFPA certification - must meet or exceed NFPA requirements

Letter of Agreement

Pump Shop Grievance, Dated July 26, 2010
Training of Pump Shop Employees on Vibration Analysis

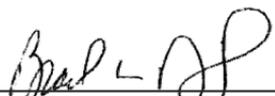
As part of the resolution, to grievance #2-2010, the Company agrees to provide equal training to all employees in the Pump Shop for Vibration Analysis. The Company and the Union agree that in the course of Vibration Analysis on the various pumps throughout the plant, vibration readings on electric motors will be work performed by Pump Mechanics. In other words, any mechanical work, filter changes, greasing etc..., which has been performed by the Electric Shop will continue to be performed by the Electric Shop. The Company and the Union also agree that the duties of performing vibration analysis will be rotated equally among all pump shop employees with the final approval being given by the Pump Shop Superintendent.


Kertis Vinson
Local 351 Chairman

1-7-11
Date


1-7-11


1-7-11


Brad Dierlam
Human Resources Manager

1-7-11

Letter of Agreement

The following agreement covers the 12-hour scheduling of the PMA/Truck Dock Attendant. It is agreed between the Company and the Union that the Truck Dock Attendants work the 12-hour schedule shown in the attached exhibit A.



Kertis Vinson
Local 351 Chairman

1-7-11

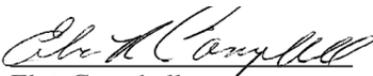
Date



Allen Dubea
Vice President &
General Manager

1-7-11

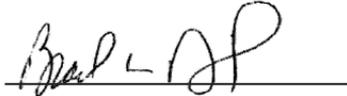
Date



Elva Campbell
Business Manager Agent

1-7-11

Date



1-7-11
