

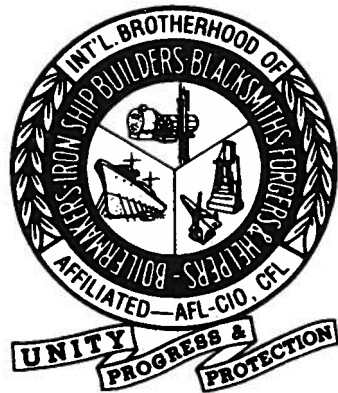
AGREEMENT

between

BESSER COMPANY
BOONE, IOWA

and

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND
HELPERS, LOCAL LODGE NO. 83



Effective February 1, 2007

TABLE OF CONTENTS

ARTICLE

| | |
|-----------------------------------------------|----|
| ARTICLE I – RECOGNITION | 1 |
| ARTICLE II – PURPOSE AND SCOPE | 1 |
| ARTICLE III - MANAGEMENT RIGHTS | 2 |
| ARTICLE IV - WAGES | 2 |
| ARTICLE V - HOURS | 4 |
| ARTICLE VI - SENIORITY | 5 |
| ARTICLE VII - LAYOFFS AND RECALLS | 7 |
| ARTICLE VIII - SHIFT PREMIUM PAY | 8 |
| ARTICLE IX – HOLIDAYS..... | 9 |
| ARTICLE X - VACATIONS | 10 |
| ARTICLE XI - GRIEVANCE PROCEDURE | 12 |
| ARTICLE XII - GROUP INSURANCE | 13 |
| ARTICLE XIII – PENSION PLAN | 14 |
| ARTICLE XIV - SAFETY | 14 |
| ARTICLE XIV - GENERAL PROVISIONS | 15 |
| ARTICLE XVI - DURATION OF AGREEMENT | 18 |
| EXHIBIT "A" WAGES | 20 |
| EXHIBIT "B" VACATION | 24 |
| EXHIBIT "C" BENEFITS | 25 |
| EXHIBIT "D" WAGE CHECK OFF | 27 |
| ADDENDUM TO THE AGREEMENT - DRUG POLICY | 28 |

**BESSER COMPANY
BOONE, IOWA**

COLLECTIVE BARGAINING AGREEMENT

This Agreement, made in Boone, Iowa by Besser Company, Boone Iowa (QUINN MACHINE & FOUNDRY CORPORATION), an Iowa corporation (hereinafter referred to as the ("Company")) and INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, and its Local Lodge No. 83 (hereinafter referred to as the "Union"), WHEREIN IT IS MUTUALLY AGREED, AS FOLLOWS:

ARTICLE I - RECOGNITION

1. The Company recognizes the Union as the exclusive representative, during the term of this Agreement, for all production and maintenance employees in the bargaining unit as defined by the National Labor Relations Board in Case No. 18-RC-4317, for the purpose of collective bargaining as to wages, hours and conditions of employment.

2. Neither the Union nor the Company will discriminate against any employee or interfere in any way with his right to work, regardless of whether he is a member of the Union; nor shall there be any discrimination by either the Company or the Union on account of the race, color, sex, age, national origin or religious belief of any employee. No employee or prospective employee shall be required to make any payment of any kind to the Union or to any other labor organization as a condition of employment.

3. A Union Shop Committee will be elected from among the employees to handle grievances and other Union matters. The Company will be notified in writing of the employees so elected and the one designated as Chairman. No member of the committee will be unlawfully discriminated against in carrying out his duties as committeeman.

ARTICLE II - PURPOSE AND SCOPE

1. This Agreement is intended to promote better relations between the Company and its employees, and more efficient and economical operation of the plant. To that end, the parties agree that during the term of this Agreement, there shall be no lock-out by the Company and no strike or other interference's with the Company business by the Union or any of the employees. In the event of any violation by an employee or any other person, the Union will take prompt affirmative action to end such violation, and any employee participating therein shall be subject to immediate discharge.

2. The parties acknowledge that during the negotiation of this Agreement each had the unrestricted right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties, after the exercise of said rights, are set forth in this Agreement. Therefore, during the term of this Agreement, the Company and the Union, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement; provided, however, that this provision shall not preclude changes by mutual agreement of the parties.

3. As used in this Agreement, words denoting the masculine gender are intended to include both the masculine and the feminine genders.

ARTICLE III - MANAGEMENT RIGHTS

1. The Company shall have the exclusive right to manage the plant and direct the working forces, subject only to such limitations as are expressly set forth in this Agreement. The management of the plant includes, but is not limited to, the right to plan, direct and control plant operations; to establish shifts and determine hours of work; to hire, promote, demote or transfer employees; to suspend, discharge or otherwise discipline any employee for proper cause; to promulgate and enforce work or other legitimate reason; to promulgate and enforce reasonable work rules not inconsistent with this Agreement; to evaluate ability, experience and performance as between employees; to determine competency and to introduce new or improved methods or facilities or to change existing production methods or facilities. The provisions of this Article shall not be so applied as to discriminate against any employee in the Bargaining Unit.

2. No supervisor, foreman or other employee of the Company who is not a member of the bargaining unit shall perform work covered by this Agreement except in unforeseen or emergency situations, or when necessary in the instruction and training of new employees.

3. The selection and assignment of personnel to perform installation and service work outside the premises is a matter solely within the Company's discretion.

ARTICLE IV - WAGES

1. The minimum straight-time hourly rates for the job classifications covered by this Agreement shall be as set forth in Exhibit "A" attached hereto.

2. The parties agree that the Company will evaluate new jobs and re-evaluate jobs that have changed. If a change in grade is to be recommended for any job, the reasons therefore will be explained to the Chief Steward upon completion of the review. A copy of the evaluation will be given to the Union, and recommended changes as to such re-evaluations will be put into effect as promptly as possible. If an employee believes that his job is improperly described, (no more than five such requests will be made, plant-wide, in one contract year) the employee (with the help of the departmental Steward) may submit to the Plant Superintendent or Company Personnel Representative proposed changes in the job description. The Company will review each proposal for the purpose of determining whether there has been a significant change in the description, and will communicate its decision to the Union within two (2) weeks. If the Union disagrees with the decision, the Union may invoke the grievance procedure in the manner provided in paragraph 2 of Article XI.

3. If an employee is temporarily transferred to a higher grade for two (2) or more hours of a scheduled workday, the employee shall be paid the applicable rate of the grade transferred to so that it will provide an increase in rate. If the rate increase is less than twenty-five cents (\$.25) per hour, twenty-five cents (\$.25) will be added to the employee's regular rate, except no rate will be paid in excess of the top rate in the classification. If an employee is required to operate more than one (1) machine at a time for two (2) hours or more of the day, the employee will be paid one (1) additional pay grade above his normal rate. If an employee is temporarily transferred to a lower grade, he shall continue at his/her current rate. Any employee, temporarily transferred to a job the employee was previously classified or performed such job for periods of time to be fully qualified, will be paid at the column rate previously paid as long as the employee receives the minimum twenty-five cents (\$.25) per hour or is paid the maximum rate.

4. Overtime worked in excess of eight (8) hours per day or forty (40) hours per week shall be compensated at one and one-half (1-1/2) times the straight time hourly rate.

5. All time worked on Saturdays shall be compensated at one and one-half (1-1/2) times the straight time hourly rate, provided the employee involved has had no unexcused absence during the remainder of the work week (illness with a medical excuse will be accepted), and provided that Saturday is not one of his regularly scheduled work days.

6. All time worked on Sundays shall be compensated at two (2) times the straight time hourly rate, provided that Sunday is not one of the regularly scheduled work days for the employees involved.

7. An employee who is called back to work for emergency repair or maintenance work outside of his regular shift shall be compensated at two (2) times his straight time hourly rate for one (1) hour, plus one and one-half (1-1/2) times his straight time hourly rate for any time actually

worked in excess of one (1) hour. An employee who, at the Company's request, works in excess of ten (10) hours per day or for more than two (2) hours after his regular quitting time shall be paid for an additional half hour in lieu of meal time, or, at the Company's option, the employee may be furnished a meal and allowed a twenty (20) minute break for eating.

8. Overtime work in each department will be distributed as equally as possible among the employees in the job classification involved, provided that no employee who normally performs particular work shall be denied overtime because of this provision, it being the purpose of this provision to equalize overtime over a period of time so far as it is reasonable and possible.

9. Employees shall be notified of Saturday overtime by posting on the plant bulletin boards the preceding Thursday if such notification is reasonably possible. Such notification shall be subject to cancellation if required by unforeseen or unknown circumstances. For purposes of distributing overtime among employees, if an employee is scheduled to work and does not, he shall be considered as having worked for the purpose of overtime distribution.

10. Time worked on holidays shall be compensated at two (2) times the straight time hourly rate (see Article IX (2) for holiday pay).

11. Hours compensated at overtime rates under one provision shall not be counted as hours worked in determining overtime under any other provision.

ARTICLE V - HOURS

1. The normal work week shall consist five (5) eight (8) hour days, Monday through Friday.

2. The regular day shift in all departments except the foundry will work from 6:30 a.m. to 3:00 p.m. with a half (1/2) hour lunch period without pay. If a second shift is scheduled, it will start at the end of the day shift.

3. If a job is scheduled for three (3) shifts, the first will start at the regular day shift time, the second shift eight (8) hours later and the third shift sixteen (16) hours later, with a paid twenty (20) minute lunch period after the fourth hour of each of the three shifts. If a three shift operation involves equipment which can function during all or part of the lunch period, it shall continue to operate.

4. The regular day shift in the foundry may be scheduled to start at any time between 6:00 a.m. and 12:00 noon, local time, and continue for eight and one-half (8-1/2) hours, with a one-half (1/2) hour lunch period without pay. The parties recognize the requirement of flexibility in the starting times of different foundry employees, however, the Company will endeavor to schedule as many foundry employees as possible to conform with schedules in other departments when it can be done without hampering Company needs and production.

5. The Union recognizes the Company's right to schedule shifts and working hours to meet production requirements, but employees required to report prior to the starting time of their shifts will not be sent home early for the sole purpose of avoiding overtime pay.

6. Employees who are not to report for work on a particular shift shall be notified before leaving the plant from the preceding shift, or by telephone prior to the time they customarily leave their home to report for work. If (without having been so notified) an employee who has worked his last regularly scheduled shift reports at the start of his next scheduled shift when no work is available, he shall be paid not less than four (4) hours at his straight time hourly rate; provided, that if the lack of work is caused by factors beyond the control of the Company, this provision shall not apply.

7. A paid fifteen (15) minute rest period will be scheduled in the middle of the first half of each eight (8) hour shift provided that the foreman may alter the schedule slightly if stoppage of certain work at the regular time would be detrimental to quality or quantity of production. Equipment which can function during the rest period shall not be shut down

ARTICLE VI - SENIORITY

1. Four (4) departments shall be recognized for the purpose of determining seniority, i.e., Pipe Form, Machine Shop, Foundry and Maintenance. Seniority shall be based upon length of service in the department and, to the extent herein provided, plant-wide.

2. A new employee shall be on probation for his first sixty (60) days of work, during which period he may be discharged with or without cause. If retained after his probationary period, the employee's seniority shall be established as of his original hiring date.

3. An employee's seniority shall be considered broken if he: (a) voluntarily leaves the service or the Company, or is discharged for just cause; (b) takes unauthorized leave during his shift without a reasonable excuse acceptable to the Company; (c) is absent from work for more than three (3) consecutive days without notifying the Company; (d) fails to return to work within the time provided for by call back, subject, however, to the provisions relating to call backs; (e) fails to return to work on the specified date after a leave of absence; (f) accepts

employment from another employer during a leave of absence; (g) accepts a non-bargaining unit position; or (h) fails to perform any work for the Company for a period that is the lesser of twelve (12) months or the employee's seniority with the Company, unless extension of this period is necessary under applicable state or federal law. If any of clauses (b), (c), (d), (e), or (f) apply, the employee shall be considered to have quit voluntarily.

4. A seniority roster, revised every six (6) months, shall be posted in all departments and a copy furnished to each committeeman. Any protest regarding the seniority list must be filed with the Company within five (5) working days after the posting.

5. A temporary position may be filled by the Company considering seniority and capability for a fifteen (15) day period. This may be extended for an additional fifteen (15) day period by mutual agreement between the Company and Union Committee. After the second fifteen (15) day period, the job must be put up for bid.

6. The Company, considering seniority and capability, may temporarily transfer an employee to a permanent position not otherwise filled for a period not to exceed sixty (60) days within the department, or not exceeding ten (10) days in another department, in any six (6) month period. If no senior qualified employee accepts such temporary transfer, then the least senior qualified employee will be required to accept the temporary transfer. The committeeman of the department affected will be notified prior to such transfer.

7. The Company may, as needed, transfer the least senior qualified employee to another shift, not to exceed two (2) weeks, if no employee volunteers.

8. Any position, which the Company intends to fill, other than a temporary position, shall be posted in all departments for two (2) working days and may be bid by any qualified employee. Seniority shall govern in filling such position, provided the employee preferred by reason of seniority shall be capable of performing the job. The Company retains the right to determine the qualifications necessary to perform any particular job. If no qualified employee bids, the Company may fill the position as it sees fit, provided, however, that any employee shall have the right to refuse any permanent appointment under this section. All bidders will be advised within five (5) days after the two (2) day posting period of the successful bidder, and if the successful bidder is not placed on the new job within fifteen (15) working days after notification, he shall be paid at his new rate of pay even though he is not working the new job. The employee so selected shall, after being placed on the job, be allowed a reasonable time, not to exceed thirty (30) working days, to demonstrate satisfactory performance of the job. The employee also has three (3) working days to decide acceptance of the job. If the employee fails the demonstrated performance or decides against acceptance, such employee will be returned to their former job and rate of pay without loss of seniority. The job will then be offered to the next senior employee who signed the bid.

9. Any employee who successfully bids on a job, whether acceptance is declined or not, shall not be eligible to bid on another posted job within three (3) months, unless the employee bids into a higher job classification, then an employee will be eligible to bid after thirty (30) days, an employee will be allowed this provision once in a twelve (12) month period. An employee who bids into a lower job classification shall not be eligible to bid up for a period of nine (9) months. The Company, in its sole discretion, may shorten these periods for an individual employee if it deems it necessary.

10. Plant-wide seniority will govern shift preference, vacation preference, and job bidding.

11. The Company will have the sole and exclusive right without regard to any provision of this Article to select employees to fill supervisory vacancies.

ARTICLE VII - LAYOFFS AND RECALLS

1. In the event of a layoff, the Company will give as much notice to affected employees as practically possible (no less than three (3) working days). This will not apply to employees who will be displaced due to layoff. An employee may opt to take layoff early without pay. Notice of layoff will be given to the Union Committeeman in the affected areas.

2. Seniority shall govern in the event of layoff for lack of work and recalls, provided that any employee preferred by reason of seniority shall be capable of performing the job within that department. If the employee is not capable of performing the job within ten (10) days, the Company has the right to disqualify the employee from the position.

3. Subject to the provisions of paragraph 2, the following procedures shall apply in the event of layoff in any job classification:

(a) The employee with the least seniority will be laid off first.

(b) Any employee who is laid off may displace another employee with less seniority, provided that if two (2) or more employees have less seniority, the one with the least seniority shall be the first to be displaced.

(c) Notwithstanding the foregoing provisions of this article, an employee who is laid off or displaced as provided in 3(a) and 3(b) above may exercise his plant-wide seniority on any job in grade 3, or any job which he has previously performed satisfactorily in another department.

4. An employee who elects not to exercise his seniority rights within his department at the time of layoff or displacement shall remain on layoff until an opening occurs in the job classification from which he was laid off, without any attempt upon the part of either party to circumvent the Unemployment Laws of the State of Iowa. An employee who had no opportunity to exercise his seniority within his department will be recalled to the first available opening in

his department to which his seniority will allow. An employee who refuses recall to a lower classification within his department will remain on layoff until recalled to the job classification from which he was laid off.

5. In the event of a reduction in force, it is understood and agreed that the foregoing layoff procedures will not be applied in such manner as to permit an employee to receive a promotion above his regular grade or classification by exercising his seniority rights.

6. Laid off employees shall keep the Company advised of their current mailing addresses and telephone numbers. The Company will give notice of recall by certified mail or telegram at the last known address, and the employee must report for work within three (3) working days after the notice is sent, unless he is more than three hundred (300) miles from Boone, in which case the time shall be five (5) days. If the employee fails to so report, he shall be considered as having quit; provided that if he is prevented from reporting by sickness, injury or an Act of God, he must report as soon as such disability is removed. The Company shall have the right to fill any such vacancy with a temporary employee until the recalled employee reports or is considered as having quit.

7. When a job classification from which an employee has been laid off or displaced opens up, employees then on layoff or working in other classifications as a result of reduction in work force shall be recalled in the order of their seniority, subject to the provisions of paragraph 2.

ARTICLE VIII - SHIFT PREMIUM PAY

1. Foundry day shift employees who regularly start work prior to 6:00 a.m., local time, shall be paid effective February 1, 2007 sixty cents (\$.60) per hour shift premium pay for all hours worked during such shift.

2. Foundry day shift employees who regularly start work after 12:00 noon, local time, and who work a full eight (8) hour shift, shall be paid effective February 1, 2007 fifty-five cents (\$.55) per hour shift premium pay for all hours worked on such shift.

3. Second shift employees will be paid effective February 1, 2007 fifty-five cents (\$.55) per hour shift premium pay for all hours worked during their shift; and third shift employees will be paid effective February 1, 2007 sixty cents (\$.60) per hour shift premium pay for all hours worked during their shift.

4. Shift premium pay shall be considered for the purpose of computing holiday and vacation pay if employee has been on the shift thirty (30) days or more.

5. In considering shift preferences within a job classification, the Company will recognize seniority when shift requirements as to capability permit. If an

employee is put on a particular shift at his request, he will not be entitled to change shifts during the following six (6) months.

6. Employees in the same job classification in a department may exchange shifts temporarily with approval of the Company, but no employee shall make more than one (1) such exchange in any four (4) week period.

ARTICLE IX - HOLIDAYS

1. New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, the day before Christmas, Christmas Day and the day before New Years shall be considered holidays. Employees will not be required to work on holidays except for compelling reasons. A holiday which falls on Sunday will be observed on the following Monday. A holiday which falls on Saturday will be observed on the preceding Friday.

2. Each employee who has been employed continuously for at least thirty (30) days immediately preceding a holiday and who works all of his scheduled eight (8) hour day before, and all of his scheduled eight (8) hour day after a holiday, shall receive holiday pay equal to eight (8) hours at his straight time hourly rate, in addition to double pay for time actually worked on such holiday. See Article IV (10).

For purposes of this paragraph 2, an employee shall not be disqualified for holiday pay because of absence on his last scheduled day before, or his first scheduled day after a holiday:

(a) if such absence consists only of tardiness of not more than twenty (20) minutes at the start of his shift;

(b) if such absence is attributable to a work related accident which occurred, within three (3) days preceding the holiday, unless employee is absent from work more than fourteen (14) days due to the injury, (If an employee receives pay from Insurance carrier, the employee will be required to reimburse the Company for the Holiday pay through two (2) payroll deductions), or if absence is attributable to a personal illness which started within seven (7) days preceding the holiday.

(c) if such absence is attributable to the death of the employee's parent, spouse or child on the holiday or during the three (3) days preceding or the day following the holiday; or

(d) if such absence is excused by the Company for other good reason.

If an employee's absence is attributable to illness or accident as provided above, the Company may require a substantiating physician's certificate.

3. No employee will receive holiday pay for a holiday that occurs while he is on suspension, or while he is on layoff if such layoff has continued for more than five (5) regular work days.

4. An employee filling a temporary transfer position to a higher rated grade of pay for five (5) or more continuous regular work days immediately prior to a holiday will be paid holiday pay at the rate of that temporary position. An employee filling a temporary transfer position to a lower rated pay grade will be paid at the higher rated grade of the classification normally held.

ARTICLE X - VACATIONS

1. All employees, who otherwise qualify under the provisions of this article, shall be entitled to time off and vacation pay based on length of continuous service, in accordance with the schedules set out in Exhibit "8" attached hereto.

2. "Continuous Service" shall be measured from the employees last hiring date, referred to herein as his "anniversary date". In measuring continuous employment, there shall be deducted all time off during any leave of absence granted under this Agreement; and the excess over thirty (30) days of all time off for layoffs and non-occupational injury or illness in anyone (1) year.

3. Time off for layoffs and non-occupational injury or illness of not to exceed thirty (30) days in anyone year shall not be deducted for measuring continuous service, but shall be deducted in determining the number of hours worked under paragraph 5 of this article.

4. Time off for an occupational injury or illness shall not be deducted for measuring continuous employment or determining the number of hours worked under paragraph 5 of this article.

5. Apart from an employee's continuous service as measured hereunder, in order to qualify for full vacation pay for any twelve (12) month period, he must have worked not less than fifteen hundred (1500) hours during such period. If he has worked fewer than fifteen hundred (1500) hours, his vacation pay shall be determined on a pro rata basis as follows:

(a) If his employment has been terminated, he shall be paid in a ratio that the number of hours worked is to two thousand (2000) hours.

(b) If his employment has not been terminated, he shall be paid in the ratio that the number of hours worked is to fifteen hundred (1500) hours.

6. (a) The Company may schedule a two (2) week shutdown of the plant between the end of the last full week of June and August 15 of each year.

During the shutdown, Maintenance Department employees and key employees from various departments whose particular skills are required will be scheduled to perform maintenance and production work. Additional plant employees required during the shutdown will be selected on the basis of seniority and desire to work during that period. For all other employees, this shutdown period shall be a general vacation period, and any unscheduled vacation time must be used.

In the event insufficient employees are available from the above selection method, the Company shall schedule employees in order of reverse seniority for work during this period.

The date of the shutdown will be posted by May 1 of each year, and the employees scheduled to work during the shutdown will be notified by June 1.

6. (b) Vacations, other than those taken during the shutdown, will be granted as far as possible at times requested by the employees. Preference shall be given according to plant-wide seniority on a departmental basis, but the Company shall have the right to allocate vacation periods in such manner as to insure orderly operation, adequate and continuous service to customers, and maintenance of the plant. The Company will notify employees of vacation approvals or denials within three (3) working days of the employee having submitted such request. In order to exercise seniority rights in connection with the choice of vacation periods, the employee's request must be made to the Company at least thirty (30) days prior to the employee's requested vacation date.

7. Vacation pay, together with any applicable holiday pay due under the holiday provision hereof, shall be paid on the last regular payday preceding the vacation period provided the employee requests such payment at least one (1) week prior to that payday. Any holiday falling during the vacation period shall not be deemed to extend the vacation period.

8. A vacation week shall consist of the seven (7) consecutive days of the calendar week in which the vacation is scheduled.

Vacations will be granted only within the twelve (12) months succeeding the anniversary date and may not be carried over unless the Company requests a postponement because of an emergency. If an employee desires to know in advance whether he will be scheduled to work on the Saturday before the start of his vacation, he may inquire of his foreman as early as the second preceding Friday and will be so advised, subject only to circumstances beyond the Company's control.

9. At the request of an employee, time off for non-occupational illness may be applied against earned vacation pay and time off. For all other provisions of this contract, pay and time off allowed under this paragraph (9) shall be considered as vacation pay and time off.

10. Vacation pay shall be paid at the person's regular rate unless during a layoff period the employee has exercised his seniority rights and bumped into a lower job classification. If this be the case, for a period of one (1) year his vacation will be paid at his regular rate rather than his rate during the layoff period.

11. Employees who have not yet qualified for vacation eligibility, who voluntarily quit their employment, will receive their accrued vacation pay provided they give the Company fourteen (14) days notice of the quit, such employees who do not give the fourteen (14) days notice or who are terminated for cause will not receive their accrued vacation pay. An employee, with more than one (1) year but less than three (3) years of service, who voluntarily quits will receive their accrued vacation pay provided they give the Company a minimum of seven (7) days notice, such employees who do not give the seven (7) days notice will not receive their accrued vacation pay.

ARTICLE XI - GRIEVANCE PROCEDURES

1. It is the purpose and intent of this Agreement that if any dispute arises hereunder, the parties will use their best efforts to settle the matter by informal discussion. It, therefore, is understood that when a dispute arises hereunder, the employee involved shall present the same orally to his foreman within two (2) working days after the "occurrence" upon which the dispute is based. If the dispute is not settled on an informal basis within two (2) working days after it was first presented to the foreman, it shall be considered a grievance and shall be handled in accordance with the steps hereinafter set forth.

STEP ONE. The employee, accompanied by his departmental committeeman, if he so desires, shall present a written, signed grievance to his foreman within four (4) working days of the foreman's initial response. The foreman shall write his answer on the grievance form and return it to the employee within two (2) working days after he received the written grievance. If this does not settle the grievance, the employee shall so state on the grievance form and present it to the HR Director within three (3) working days after the foreman has given his written answer.

STEP TWO. If the grievance is not resolved in step one, then within five (5) working days after the employee shall have presented his grievance to the HR Director, then the representative of the Company and its designees shall meet with the representative of the Union (Local 83 or International) or designee and the shop committeemen, for the purpose of considering such grievance. A five (5) day extension shall be granted upon written request by either the Company representative or the Union representatives. The employee and his foreman will be accorded a full opportunity to be heard and shall be present at the meeting at the request of any party. If the parties cannot reach a resolution to the grievance, then the respective positions of the Company and the Union shall be reduced to writing, signed and exchanged.

STEP THREE. If the grievance is not settled in the second step, either the Company or the Union may submit the grievance to arbitration by giving written notice of its intention to arbitrate within five (5) days after the exchange of written decisions. Either party shall request to the Federal Mediation and Conciliation Service to submit a list of five (5) names. The party who brought the grievance being given the first strike. The sole arbitrator shall have the authority only to interpret and apply the provisions of this Agreement and to decide the particular grievance submitted and shall have no authority to expand, restrict or in any way modify any provisions of the Agreement. Each party shall be given a full opportunity to appear and state its case; and the Company, the Union and the employee or employees involved shall comply with any decision rendered in accordance with the authority granted the arbitrator or arbitrators

hereunder. The Company and the Union shall pay the fees and expenses of their respectively designated arbitrators and will share equally the expenses of a sole arbitrator.

2. If the Union desires to invoke the grievance procedure, it shall present its written grievance to the HR Director within four (4) working days after the occurrence, and the HR Director shall submit the same to a Grievance Board as provided in Step Two.

3. Both parties agree that grievances shall be handled so as not to disrupt plant operations or cause loss of working time. Time spent by Union Committeemen in Step Two and Step Three of the Grievance Procedure shall not be at Company expense.

4. Any claim for additional pay may be submitted to the Company not more than ten (10) days after receipt of the check involved, and if such claim is denied in whole or in part, the denial shall be considered the "occurrence" for the purposes of this article.

5. Failure to comply with the time limits set forth in Step One, Step Two and Step Three of this article will constitute a waiver of the grievance and bar any further recourses to the Grievance Procedure.

6. Time periods may be extended by mutual consent in writing.

7. If an employee is called into his foreman's office for a meeting which in any way could result in disciplinary action being taken against the employee or another employee, the Department Committeeman will be notified and given an opportunity to be present.

ARTICLE XII - GROUP INSURANCE

1. (a) During the first year of this Agreement, the Company will provide, at the cost of ten (10) dollars (\$10.00) per week for single coverage and fifteen (15) dollars (\$15.00) per week for family coverage to the employees, group hospitalization and medical benefits for employees as outlined in Exhibit "C" attached hereto.

(b) During the second year of this Agreement, the Company will provide, at the cost of twelve (12) dollars and fifty (.50) cents (\$12.50) per week for single coverage and seventeen (17) dollars and fifty (.50) cents (\$17.50) per week for family coverage to the employees, group hospitalization and medical benefits for employees as outlined in Exhibit "C" attached hereto.

(c) During the third year of this Agreement, the Company will provide, at the cost of fifteen (15) dollars (\$15.00) per week for single coverage and twenty (20) dollars (\$20.00) per week for family coverage to the employees, group hospitalization and medical benefits for employees as outlined in Exhibit "C" attached hereto.

2. During the life of this Agreement, any employee may elect to have his entire family covered by the Company's group hospital insurance policy, or any other similar policy agreed to by the Company and the Union, subject to the qualifications placed upon that right by the insurance contract in place.

3. Except as otherwise provided in Article XII or Exhibit C, all eligibility, coverage and any other insurance issues will be governed by the plan documents. All employees will be provided a Summary Plan Description.

ARTICLE XIII - PENSION PLAN

1. The Company will continue its present pension plan as outlined in its booklet "A Summary Plan Description of the Retirement Income Plan for Employees of Quinn Machine & Foundry Corp., Division of International Pipe Machinery Corporation".

1 (a). Effective February 1, 2007 the contribution rate will be 2.100%, and increase in subsequent years to the rates of 2.300% (2/1/2008) and 2.400% (2/1/2009).

2. The parties understand that the Company's pension plan is subject to the applicable requirements of the Employee Retirement Income Security Act of 1974 (P.L. 93-406); and the Company agrees that except for changes required by said Act, it will negotiate with the Union any proposed change that is properly subject to collective bargaining.

3. Employees who have completed one (1) year of service with the Company are eligible to participate in a 401(K) tax deferred retirement plan. Employees who have not completed one (1) year of service with the Company will be eligible, after one (1) year of service on the following January or July (whichever is closer), to participate in a 401(K) tax deferred retirement plan. No matching funds will be contributed by the Company.

ARTICLE XIV - SAFETY

1. The parties hereto recognize the importance of safety provisions in the plant for the welfare of the employees and the protection of the Company's property. The Company agrees to make reasonable provisions for the safety and health of such employees during the hours of their employment and the Union agrees to urge safe working practices of all employees.

2. The Union Stewards will act as the Safety Committee.
3. The Wednesday following the first Tuesday of each month shall be designated as the day of the month for safety meetings.
4. The committee shall investigate, discuss and submit to the Company recommendations concerning any unsafe or unhealthy conditions or work habits that may exist; and to the extent it deems advisable, the Company agrees to make reasonable efforts to improve such conditions.
5. The Company will provide head, eye, face and hand protection for all employees. In addition the Company will provide protective clothing and equipment specifically required for a particular job. The Company will provide replacements when the worn out items are presented for replacement. The Company will also replace items destroyed or lost which were beyond the employee's control. The employee will be responsible for the replacement of employee abused articles. The employee does not need to buy the article(s) from the Company, but the item(s) must be of same quality and acceptable to the Company.
6. The Company will provide employees up to two (2) pair of prescription lenses per year. Lenses will be replaced upon the employees request.
7. The Company and the Union agree to institute the drug testing program as written by International Concrete Pipe Machinery Corporation and the Union, effective February 1, 1992. This program will provide for safer working conditions for employees, as well as offer treatment for any employee found to be in need. The Company agrees to pay for the costs of this program.
8. The Company will contribute fifty dollars (\$50.00) or seventy percent (70%) of cost (whichever is lesser) per year for Steel Toe Shoes. At the Company's discretion, when significant wear is apparent, the Company will contribute fifty dollars (\$50.00) or seventy percent (70%) of cost (whichever is lesser) on a second pair of Steel Toe Shoes.

ARTICLE XV - GENERAL PROVISIONS

1. BULLETIN BOARDS - The Company shall provide a bulletin board in each department for exclusive use of the Union for posting official notices of Union meetings and announcements concerning other Union activities; provided, that all such notices and announcements shall be manually signed by a Union official and shall be submitted to the Department Foreman or Plant Superintendent prior to posting; and provided, further, that no other posting or general distribution of notices, pamphlets, advertising, political material or any kind of literature shall be made by the Union or any employee without the

written approval of a Company official. The Union will furnish the Company a list of Union officials authorized to sign notices and announcements for posting.

2. **STUDENT EMPLOYEES** - Persons representing themselves as students may be hired, without posting, in grades two (2) and three (3). Such employees shall be paid no more than the minimum hiring rate for the job classification, shall acquire no seniority and may be terminated at the Company's discretion. Students shall not be hired into a job classification from which regular employees are laid off. No student will be scheduled for Saturday overtime work in preference to a regular employee in the same job classification.

3. **INJURIES** - If an employee is injured on the job, he shall be paid for any time lost for medical attention on the day of the injury. If he is required to leave the plant on subsequent days for further medical treatment of the same injury, he shall also be paid for the time lost in obtaining such treatment. This paragraph shall apply only if the employee goes to a doctor designated by the Company, or to a doctor selected by the employee but approved in advance by the Company.

4. **TELEPHONE CALLS** - Only emergency telephone calls may be made or received by employees during working hours.

5. **EMPLOYMENT FORM** - Each new or recalled employee will be given an employment form, with a copy to the Union, showing his job classification, straight time hourly rate and employee number. Each employee who is transferred or whose straight time hourly rate is changed will be given an appropriate form of notice with a copy to the Union.

6. **LEAVE OF ABSENCE** - An employee may be granted a leave of absence without pay for not more than thirty (30) days, and shall suffer no loss of seniority, provided he returns to his employment with the Company at the termination of such leave.

Also, an employee may be granted a leave without pay for a period of twelve (12) months to accept a position with the International or Local Union and shall suffer no loss of seniority, provided he returns to his employment with the Company at the termination of such leave. Such twelve (12) month leaves may be extended for not more than thirty (30) days if requested in writing and approved. Except as above provided, leaves of absence shall not be granted to allow employment in a temporary position, to tryout new work, or to become self-employed.

7. **PLANT VISITS** - Union Representatives may have access to the plant for sole purpose of visiting with the committee members, provided arrangements are first made with the Company.

8. **SELECTION OF SUPERVISORS**;- The Company may select an employee to become a supervisor, and both the Company and the employee

shall have a period of twelve (12) months within which to determine whether the employee shall remain in the new assignment or return to his former, or a substantially equivalent, job without loss of seniority.

9. FUNERAL LEAVE - In the event of the death of one of the relatives designated in this paragraph, a regular full-time employee shall be entitled to funeral leave at his regular straight time hourly rate of pay, provided such leave is spent arranging for and/or attending the funeral. In the case of the death of the employee's father, mother, spouse, child, mother-in-law, father-in-law, brother, sister (including half brothers and sisters) the maximum leave shall be three (3) working days. In the case of the death of employee's grandmother or grandfather the maximum leave shall be two (2) working days if funeral is out of state, one (1) working day if funeral is in state. In the case of the death of spouses' grandmother, grandfather, brother, sister (including half brothers and sisters), the maximum leave shall be one (1) working day. (It is understood for the purpose of this article that for immediate family there is no difference as to step relations.) Paid leave ends with the day of the funeral unless travel time dictates otherwise.

10. DUES CHECK-OFF - The Company agrees that, upon receipt of an authorization which meets the requirements of Section 736A.5 of the 1971 Code of Iowa, it will deduct from the employee's compensation the amount of initiation, reinstatement and monthly Union dues specified therein, and will remit the same to Local Lodge No. 83 of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers. Any such authorization shall be in effect in accordance with signed "Authorization for Check-Off" as illustrated in Exhibit "0" of this Agreement and will remain in effect in accordance with terms as in Exhibit "0".

11. JURY DUTY PAY - Regular full-time employees of the Company who are called upon for jury duty, and who are caused to lose time from work by reason of such jury duty, shall receive for each day, when such jury duty conflicts with their regularly scheduled work shift, up to but not exceeding fifteen (15) days in anyone calendar year, the difference between eight (8) times the employee's then existing straight time hourly rate and the daily jury fee received, subject to the following provisions:

(a) Employees will be expected to report for their duties when temporarily excused from attendance at court

(b) In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official showing the date and time served, and the amount of pay received.

(c.) If a night shift employee has jury duty of five (5) hours or more, he will be excused from work on his shift, if his jury duty is less than five (5) hours, he will be credited with the hours served on jury duty against his eight (8) hour night shift assignment and will be released from work early on such shift with no loss of pay. Employees will be paid the difference between eight (8) times the employee's then existing straight time hourly rate and the daily jury fee received.

12. **SUCCESSORS AND ASSIGNS** - The provisions of this Agreement shall be binding upon the Company and its successors, assigns, or future purchasers, and all of the terms and obligations herein contained shall not be affected or changed in any respect by the consolidation, merger, sale, transfer or assignment of the Company or any or all of its property, or effected or changed in any respect by any change in the legal status, ownership or management of the Company.

13. **MATERNITY LEAVE** - A maternity leave of absence will be handled in accordance with state and federal laws. However, female employees may, after completing their 6th month of pregnancy, take a leave of absence without pay. Once the physician determines that the employee is disabled, the appropriate group insurance coverage will begin. The leave will end upon the physician's statement that the employee is able to return to work. However, after the physician's release to return to work, the employee may remain on leave without pay for any time up to sixty (60) calendar days from termination of pregnancy.

14. Effective February 1, 2007 employees with one (1) year of service will be eligible for one (1) Personal Time Off Day. An employee will not be allowed to carry over their Personal Time Off Day, an employee must use the day within the one (1) year period or will forfeit the day. Employees must notify their Supervisor prior to the end of their shift to be eligible to use their Personal Time Off Day on the following day. (It is understood for the purpose of this paragraph, employees hired prior to February 1, 2007 will be eligible for their Personal Time Off Day the 1st of February in each year, employees hired after February 1, 2007 will be eligible for their Personal Time Off Day after one (1) year of service.)

15. The Company shall not subcontract work with current employees if such subcontracting would cause a layoff, a reduced work week, or impede the recall of employees on lay off.

ARTICLE XVI - DURATION OF AGREEMENT

1. This Agreement shall take effect February 1, 2007 and shall remain in full force and effect until twelve midnight on January 31, 2010 and shall continue in full force and effect from year to year thereafter, unless written notice is given by either party to the other at least sixty (60) days prior to the date of expiration of a desire to modify or terminate this Agreement. In the event of any such notice, the parties will meet not later than fifteen (15) days after receipt of such notice. If an understanding is not reached within thirty (30) days after the filing of such notice, the Federal Mediation and Conciliation Service shall be notified in accordance with the provisions of the National Labor Relations Act.

IN WITNESS WHEREOF, the parties have executed this Agreement on the 22 day of February, 20 07.

FOR THE COMPANY: BESSER, BOONE, IOWA

By: Tom Tullis
General Manager
Theresa Pellegrini
[Signature]

FOR THE UNION:
INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS
LOCAL LODGE NO. 83

By: [Signature]
Business Representative
[Signature]
Chief Shop Steward
William C. Meyer
Committeeman
John [Signature]
Committeeman
Joel J. Paris
Committeeman
[Signature]
Committeeman

EXHIBIT "A"

EFFECTIVE FEBRUARY 1, 2007

1. In applying the following wage rates, all new employees shall be hired at the applicable hiring rate set forth under Column 1. Upon completion of their probationary period (60 days), they shall automatically be increased to the applicable rate shown under Column 2. Upon completion of 180 days employment, they shall automatically be increased to the applicable rate shown under Column 3. Upon completion of 12 months, they shall advance to the rate shown under Column 4. Upon 18 months of employment, they shall automatically advance to the rate shown under Column 5. The periods for an employee's increase from hiring rate (Column 1) to the job rate (Column 3) shall be extended for any scheduled time missed.

2. In the case of newly hired employees who give proof of acceptable past experience or training, exceptions may be made as to the rates set forth in Column 1 and 2 in the following table, but no new employee shall be hired at a rate higher rate than the rate for the job as set forth under Column 3 in the following table.

3. An employee who bids on and receives, or is assigned to, a job in a higher classification shall be paid his current rate or the applicable rate shown in Column 3, whichever is higher. In either such case, he shall be advanced automatically to the applicable rate for the new job classification shown in Column 4 after he has worked on such job for a period of sixty (60) days, and advanced to Column 5 after 120 days. If, for any reason, an employee transfers permanently to a lower job classification or accepts a job in a lower classification in the exercise of his seniority rights under the layoff procedures, he shall be paid the maximum rate for such lower job classification as shown in Column 5 or his current rate, whichever is lower.

EXHIBIT "A"

RATES

EFFECTIVE FEBRUARY 1, 2007

| Column | 1 | 2 | 3 | 4 | 5 |
|--------------|-------------|------------|------------|----------------|-------------|
| | | 60 | 180 | 12 | Max. |
| <u>Class</u> | <u>Hire</u> | <u>Day</u> | <u>Day</u> | <u>Monthly</u> | <u>Rate</u> |
| 10 | 14.99 | 15.28 | 17.01 | 17.15 | 17.28 |
| 9 | 14.66 | 14.91 | 16.51 | 16.66 | 16.81 |
| 8 | 14.21 | 14.52 | 16.10 | 16.22 | 16.35 |
| 7 | 13.82 | 14.08 | 15.59 | 15.71 | 15.90 |
| 6 | 13.46 | 13.79 | 15.16 | 15.32 | 15.57 |
| 5 | 13.17 | 13.44 | 14.78 | 14.94 | 15.13 |
| 4 | 12.78 | 12.99 | 14.36 | 14.52 | 14.71 |
| 3 | 12.36 | 12.71 | 13.88 | 14.11 | 14.26 |
| 2 | 12.06 | 12.35 | 13.54 | 13.78 | 13.88 |

EXHIBIT "A"

RATES

EFFECTIVE FEBRUARY 1, 2008

| Column | 1 | 2 | 3 | 4 | 5 |
|--------------|-------------|------------|------------|----------------|-------------|
| | | 60 | 180 | 12 | Max. |
| <u>Class</u> | <u>Hire</u> | <u>Day</u> | <u>Day</u> | <u>Monthly</u> | <u>Rate</u> |
| 10 | 15.44 | 15.74 | 17.52 | 17.66 | 17.80 |
| 9 | 15.10 | 15.36 | 17.01 | 17.16 | 17.31 |
| 8 | 14.64 | 14.96 | 16.58 | 16.71 | 16.84 |
| 7 | 14.23 | 14.50 | 16.06 | 16.18 | 16.38 |
| 6 | 13.86 | 14.20 | 15.61 | 15.78 | 16.04 |
| 5 | 13.57 | 13.84 | 15.22 | 15.39 | 15.58 |
| 4 | 13.16 | 13.38 | 14.79 | 14.96 | 15.15 |
| 3 | 12.73 | 13.09 | 14.30 | 14.53 | 14.69 |
| 2 | 12.42 | 12.72 | 13.95 | 14.19 | 14.30 |

EXHIBIT "A"

RATES

EFFECTIVE FEBRUARY 1, 2009

| Column | 1 | 2 | 3 | 4 | 5 |
|--------------|-------------|------------|------------|----------------|-------------|
| | | 60 | 180 | 12 | Max. |
| <u>Class</u> | <u>Hire</u> | <u>Day</u> | <u>Day</u> | <u>Monthly</u> | <u>Rate</u> |
| 10 | 15.98 | 16.29 | 18.13 | 18.28 | 18.42 |
| 9 | 15.63 | 15.90 | 17.61 | 17.76 | 17.92 |
| 8 | 15.15 | 15.48 | 17.16 | 17.29 | 17.43 |
| 7 | 14.73 | 15.01 | 16.62 | 16.75 | 16.95 |
| 6 | 14.35 | 14.70 | 16.16 | 16.33 | 16.60 |
| 5 | 14.04 | 14.32 | 15.75 | 15.93 | 16.13 |
| 4 | 13.62 | 13.85 | 15.31 | 15.48 | 15.68 |
| 3 | 13.18 | 13.55 | 14.80 | 15.04 | 15.20 |
| 2 | 12.85 | 13.17 | 14.44 | 14.69 | 14.80 |

EXHIBIT "B"
VACATION PAY

FULL YEARS OF
CONTINUOUS SERVICE

HOURS OF VACATION PAY
AT STRAIGHT TIME HOURLY RATE

| | |
|----|-----|
| 1 | 40 |
| 2 | 80 |
| 3 | 80 |
| 4 | 80 |
| 5 | 80 |
| 6 | 88 |
| 7 | 96 |
| 8 | 104 |
| 9 | 104 |
| 10 | 120 |
| 11 | 120 |
| 12 | 120 |
| 13 | 120 |
| 14 | 128 |
| 15 | 128 |
| 16 | 128 |
| 17 | 128 |
| 18 | 136 |
| 19 | 136 |
| 20 | 160 |
| 25 | 160 |

EXHIBIT "C"
BENEFITS FOR SHOP HOURLY EMPLOYEES OF
BESSER - QUINN MACHINE & FOUNDRY CORP.

EFFECTIVE DATE: FEBRUARY 1, 2007

BENEFITS:

Group Term Life Insurance \$10,000
Accidental Death & Dismemberment \$10,000

Disability Insurance:

Will pay you 60% of your basic earnings beginning on the first day of your disability due to a non-occupational accident and on the eighth day of your disability due to a non-occupational illness, for a maximum of 26 weeks.
Maximum Benefit \$350.00 per week

Major Medical Insurance:

YEAR 1 and 2
\$350 calendar year deductible (2 per family)
YEAR 3
\$400 calendar year deductible (2 per family)

THEN
PPO - Plan pays 90% of the next \$2500
Employee pays 10% co-insurance (2 per family)
NON PPO - Plan pays 80% of the next \$2500
Employee pays 20% co-insurance (2 per family)

THEN
YEAR 1 and 2
PPO
Maximum Out of Pocket per individual - \$600.00
Maximum Out of Pocket per family - \$1200.00

NON PPO
Maximum Out of Pocket per individual - \$850.00
Maximum Out of Pocket per family - \$1700.00

YEAR 3
PPO
Maximum Out of Pocket per individual - \$650.00
Maximum Out of Pocket per family - \$1300.00
NON PPO
Maximum Out of Pocket per individual - \$900.00
Maximum Out of Pocket per family - \$1800.00

During the life of this Agreement, the Company will provide,

Prescription Drug Benefit

Retail:

For each prescription or refill (up to a thirty (30) day supply) the insured pays:

| | |
|---------------|---------|
| Generic | \$10.00 |
| Formulary | \$20.00 |
| Non-Formulary | \$30.00 |

Mail-order:

For each prescription or refill (up to a ninety (90) day supply) the insured pays:

| | |
|---------------|---------|
| Generic | \$20.00 |
| Formulary | \$40.00 |
| Non-Formulary | \$60.00 |

The Co-pay does NOT count toward the Deductible or Maximum Out of Pocket

Supplemental Accident on Emergency Illness Benefit:

Deductible Waived - 1st \$500.00 paid in full

Routine Physical Examination:

\$75.00 per covered person per calendar year for physical examinations by a licensed physician M.D.

Infertility diagnosis is a covered benefit, but treatment of same, including artificial insemination, is not covered.

EXHIBIT "D"

AUTHORIZATION FOR CHECK-OFF FROM WAGES

I hereby authorize _____ to deduct from any wages earned or to be earned by me, as your employee, and assign to Local Lodge No. 83 of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, the sum of money determined by the Union in succeeding calendar weeks, beginning with the week next following thereof, until such weekly deductions shall total the sum of my Initiation or Reinstatement Fees, and thereafter the sum of money set by the Union per month in payment of my Membership Dues, in accordance with its Constitution and By-Laws, and become due to it as my Membership Dues in said Union.

This assignment, authorization and direction shall be irrevocable for the period of one (1) year, or until the termination of the current Agreement between the Employer and the Union, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed and shall be irrevocable for successive periods of one (1) year each, or for the period of each succeeding applicable Agreement between the Employer and the Union, whichever shall be shorter, unless written notice is given by me to the Employer and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable Collective Bargaining Agreement between the Employer and the Union, whichever occurs sooner.

Executed at _____ this _____ day of _____, 20_____

Employee Signature & Clock No.

**ADDENDUM TO THE AGREEMENT
BETWEEN BESSER, BOONE, IOWA
AND LOCAL LODGE NO. 83 OF THE INTERNATIONAL
BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS**

BESSER, BOONE, IOWA

DRUG FREE WORKPLACE POLICY

ON

**CONTROLLED SUBSTANCE ABUSE
BESSER**

**Besser, Boone, Iowa also does business as Quinn Machine & Foundry
and Besser Sioux City, Iowa In this policy all organizations will be referred to
as "THE, COMPANY"**

COMPANY STATEMENT

Besser, Boone Iowa and the International Brotherhood of Boilermakers, Local Lodge No. 83, has a vital interest in maintaining a safe and efficient operating environment. Being under the influence of a controlled substance (drugs or alcohol) imposes a serious safety and health risk, not only to the user, but to all those who work around the user. Drugs and alcohol are considered controlled substances under this Company policy.

The possession, use or sale of illicit drugs or alcohol in the workplace or while on duty presents an unacceptable risk to the safe and efficient operating environment that Besser, Boone, Iowa strives to provide.

Besser, Boone, Iowa recognizes that its own future and growth are dependent on the physical and psychological health of its employees. Accordingly, it is the obligation and intent of Besser, Boone, Iowa to maintain a safe and efficient operating environment to protect its employees, property, operations and interests.

With these basic objectives in mind, Besser, Boone, Iowa and the International Brotherhood of Boilermakers, Local Lodge No. 83, have established the following drug policy with regards to the use, manufacture, possession, distribution or sale of drugs or alcohol on Company time.

"The use, manufacture, consumption, possession, distribution or sale of drugs, alcohol, or any other controlled substance while on Company time, on or off Company property, is strictly prohibited. Company property, within the meaning of this policy, shall include, *for example*, all land, occupied or vacant buildings, structures, installations, automobiles, trucks, or any other vehicles operated *for* Company purposes. Any individual found to be in violation of this policy will be subject to immediate disciplinary action from the Company relevant to all applicable local, state, and federal regulations in effect at the time."

This policy is applicable throughout the corporation to all groups of employees governed under the Collective Bargaining Agreement. Employees who are covered under Government Regulations must comply with the Government Regulations and Company Policy when applicable.

Each individual whom Besser, Boone, Iowa plans to hire must be tested for the use of controlled substances as a condition of the offer to employ. A physical examination will also be required unless the applicant was employed by Besser, Boone, Iowa within the last thirty (30) days prior to the offer to employ.

TESTING REQUIREMENTS FOR EMPLOYEES:

No employee shall be on duty if under the control of and/or tests positive for the use of a controlled substance according to Company policy or government regulation, whichever is applicable. Any employee found to be in violation or refuses to be tested will be treated in the same manner as someone testing positive,

Two (2:) instances in which employees are required to be tested:

- 1) Pre-employment as a condition of employment..
- 2) Reasonable (probable) cause, to include only post accident testing, with the exception of flash burns and foreign body eye injuries.

In all of the above listed instances, eight (8) controlled substances are authorized to be screened per specimen:

- 1)Cannabinoid(Marijuana)
- 2) Cocaine
- 3) Amphetamines
- 4) Opiates
- 5) Phencyclidine (PCP)
- 6) Barbiturates
- 7) Benzodiazepine
- 8) Methaqualone

The sample shall consist of a urine specimen, and the collection site facility must conform to government standards. In the case of a probable cause situation, the employee will also be required to submit to a blood alcohol test.

PRESCRIPTION DRUGS/MEDICATION:

The term "drugs", within this policy, shall not apply to medication, other than methadone, prescribed by a licensed medical practitioner who is familiar with the employee's medical history and assigned duties, if such medication has been taken in prescribed amounts, and if the Company has been notified in advance and in writing:

- A) that the individual is taking the prescribed medication:
- B) of the name, type and dosage of such medication:
- C) of the name and telephone number of the prescribing physician.

PERSONS SUBJECT TO CONTROLLED SUBSTANCE TESTING PROGRAM:

- ALL APPLICANTS FOR EMPLOYMENT

ALL EMPLOYEES GOVERNED BY THE COLLECTIVE
BARGAINING AGREEMENT

Actions or appearances which are out of the ordinary and unusual to the normal behavior patterns of an individual, could indicate the presence of an intoxicating substance.

TYPE OF DRUG TESTING:

PRE-EMPLOYMENT TESTING

Each applicant whom Besser, Boone, Iowa plans to hire must be tested for the use of controlled substances as a pre-qualification condition. The testing fees shall be at the expense of the Company. Any applicant whose test results are positive will not be accepted:

REASONABLE (PROBABLE) CAUSE TESTING

Any employee who is involved in an accident which requires any professional medical attention must provide a urine specimen for controlled substance testing within twenty-four (24) hours. If the individual is seriously injured and cannot provide a specimen, then the employee must provide the necessary authorization for the release of any information that would indicate the presence of a controlled substance in their system.

A reportable accident is defined as any accident where the total aggregate property damage exceeds \$500.00 and/or there is bodily injury to any of the parties requiring treatment.

ETHANOL/BLOOD TESTING

Ethanol/blood alcohol testing will be used in addition to drug testing in reasonable (probable) cause situations. Random testing shall not be conducted.

TESTING PROCEDURES

Because of the consequences of positive test results on applicants and employees, the Company will employ a very accurate, two-stage testing program. Urine and blood specimens will be analyzed by a highly qualified

independent laboratory which has been selected by the Company. All specimens will be tested according to the following sequence:

1. All specimens will first be subjected to an initial screening process.
2. Those specimens having a negative screen (no illegal or illicitly used substances present) will be considered to have "passed" the test and no further testing will be done on that sample.
3. Those specimens that test positive on the first urine drug screen will be tested more extensively by means of gas chromatography/mass spectrometry (GC/MC).
4. If the confirmatory GC/MS test is negative, the sample will be considered to have passed and no further action will be taken. No employee will suffer loss of wages while undergoing such test, and all costs of examination and test will be paid by the Company.
5. If the GC/MS is positive, applicants for employment will no longer be considered eligible for employment.

Employees confirmed positive by GC/MS will be referred to the Medical Review Officer (MRO) and then to an EAP Coordinator.

6. The first time an employee tests positive, the employee will not be terminated provided the employee agrees to evaluation and treatment according to Company Policy and Iowa law, whichever is applicable. If a later drug test results in a positive finding, the employee will be terminated.

7. In a blood alcohol test, discipline procedures will follow rules as outlined in #6.

NOTIFICATION OF TEST RESULTS AND CONFIDENTIALITY

The Medical Review Officer (MRO) maintains all test results. No results will be released without first obtaining written and explicit authorization from the individual. The MRO is authorized to release information only to the individual(s) designated by the Company.

Any employee or applicant who is alleged to have violated this policy shall have the right to prove to the MRO only, through clear and convincing evidence, their use of a controlled substance was prescribed by a licensed medical practitioner who is familiar with the employee's medical history and assigned duties.

In the case of controlled substance testing, the employee will have the results made known to him by the Medical Review Officer or Company officer.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Besser, Boone, Iowa has established an assistance program for all management and supervisory personnel which addresses the manifestations and behavioral causes that may indicate controlled substance use or abuse.

This program also assists employee(s) in understanding the effects and consequences of controlled substance use or abuse on personal health, safety and the work environment.

This program may include educational videos, booklets and test forms. All supervisors and employees must complete the program and sign that they have completed the program and understand the effects, causes, and manifestations of controlled substance use or abuse.

Under Iowa law, the first time an employee has a positive result on a drug test, the employee will be offered evaluation and treatment according to Company policy.

Employees who have satisfied their probationary period and who voluntarily discloses alcohol or illicit drug abuse, will be entitled, on a one-time basis, to participate in a substance abuse rehabilitation program. Voluntary participation in and successful completion of such program will not be cause for disciplinary action. Participation in such a program will be at the Company's expense. The Company will under no circumstances pay for rehabilitation twice for the same employee. Program must be completed to avoid disciplinary action.

Company detection of alcohol or drug use or dependency by a drug screen will require an employee's participation in a rehabilitation program consistent with Company policy or Iowa law, whichever is applicable.

When a leave of absence is necessary so that an employee may undergo treatment for drug or alcohol abuse prescribed by qualified professionals, the employee's seniority will continue to accrue and he/she will be granted a sick leave of absence and will be eligible for all benefits and coverage contained in the Collective Bargaining Agreement, benefit plan, insurance coverage, and any benefit set forth in this policy.

DISCIPLINE FOR ALL EMPLOYEES

Unlawful possession, manufacture, distribution and/or sale of drugs and/or alcohol while on Company premises or time will be cause for termination and employee(s) will not be rehired.

Employees who are under the influence of a controlled substance (alcohol/drugs) while on Company premises or time will be subject to testing with recourse as outlined in testing procedures.

(1*). The use of alcohol while on Company time, on or off Company property, is strictly prohibited with the exception of approved, Company functions and only when authorized by designated Company personnel. Any alcohol consumption must be in compliance with all local, state and federal guidelines. The consumption of alcohol on duty, while off Company property, will be permitted provided such use will not exceed legal impairment levels. Any individual found to be in violation of this policy regarding alcohol will be subject to immediate disciplinary actions.

CHANGES OR MODIFICATIONS

If it becomes necessary during the term of this policy to make changes or modifications, then such changes or modifications to any provisions of this policy shall be by mutual agreement of the parties (Company and Union) or in accordance with changes required by law.

CONTROLLED SUBSTANCE ABUSE POLICY ACKNOWLEDGEMENT

I certify that on the date indicated below I have received, read and understand the Company's Controlled Substance Abuse Policy.

DATE: _____

EMPLOYEE SIGNATURE

WITNESS

EMPLOYEE NUMBER

