



AGREEMENT

between

MUNROE, INC. SHOP EMPLOYEES

and

LOCAL UNION No. 154

of the

**INTERNATIONAL BROTHERHOOD
OF BOILERMAKERS,
IRON SHIPBUILDERS, BLACKSMITHS,
FORGERS AND HELPERS**



November 1, 2004 to October 31, 2009

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This Agreement made and entered into as of the First day of November, 2004, by and between MUNROE, INC. (hereinafter referred to as the "CORPORATION") and LOCAL NO. 154, INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS AND HELPERS OF AMERICA (hereinafter referred to as the "UNION"), witnesseth:

Purpose and Scope

It is the intent and purpose of the parties hereto set forth herein in the basic regulations covering rates of pay, hours of work, and conditions of employment to be observed between the parties hereto; and to provide procedures for the prompt and equitable adjustment of alleged grievances to the end that there shall be no interruptions or impeding of work, work stoppages, strikes, lockouts or other interference with production during the terms of this Agreement.

ARTICLE I

Recognition

SECTION 1: The term "employee" as used in this Agreement applies to all production and maintenance employees of the Corporation (excluding office and factory salaried employees), for whom the Union is or may be, during the term of this Agreement, certified by the National Labor Relations Board as the exclusive collective bargaining representative.

SECTION 2: All employees of the Corporation who are covered by this Agreement shall as a condition of continued employment, become members of the Union upon the Union's request on or after the ninety-first (91) day from the beginning date of their employment or the execution date of this Agreement, whichever is later. All present members of the Union shall continue their membership in good standing as a condition of employment.

SECTION 3: Employees shall be regarded as probationary employees until they have worked for the Company within the bargaining unit described and set forth in Section I of this Agreement, a total of ninety (90) working days, and shall be considered eligible for all benefits of this Agreement after ninety (90) working days. However, should any probationary employee be discharged or laid off, the Company shall be under no obligation to re-employ such person. It is expressly agreed that the Company may, in its sole discretion terminate a probationary employee for any reason. When employees have completed the probationary period, they shall have a plant wide seniority status beginning with the date of employment within the bargaining unit and their continuous service shall commence as of such date.

SECTION 4: There shall be no discrimination against any employee because of his membership or non-membership in the Union or because of his race, color, creed, national origin, sex, or age (as defined in the Age Discrimination Employment Act).

SECTION 5: On the date of hiring, the employer shall introduce the new employee to the Union Steward, and the new employee shall report his name, address and other information necessary to the Steward.

ARTICLE II

Seniority

SECTION 1: (A) Seniority is length of continuous service in the employ of the Corporation.

(B) In all cases of promotion (except to positions excluded in Section 1 of Article I), demotion, or increase or decrease in forces, ability to perform the work and continuous service shall be considered; however, only if ability to perform the work is equal, length of continuous service shall be the determining factor.

(C) All promotions shall be made known to the Local Shop Steward; any employee who wishes to have an opportunity to advance to any opening, shall make known his wishes in writing to the Shop Superintendent. The employee's ability to perform the job and seniority will be reviewed by the Corporation and the decision made on this basis.

(D) Continuous service shall be broken by any of the following:

- (1) Voluntary quitting.
- (2) Discharge or termination for just cause, or suspension or leave of absence, which continues for more than six (6) months.

- (3) Absence because of disability incurred in the course of employment which continues for more than two (2) years, provided; however, that an employee injured in the course of his employment shall accumulate credit for continuous service until the termination of the period for which statutory compensation is payable or two (2) years from the date of such injury, whichever is sooner.
- (4) Failure to report for work as scheduled within two (2) working days after receipt of written notice of recall, sent by overnight mail/letter to the last known address of employee.
- (5) Failure to report for work as scheduled within two (2) days of date of discharge by a physician in the case of absence because of disability incurred in the course of employment.
- (6) Layoff for a period in excess of two (2) years or a length of time equivalent to the employee's length of continuous service with the Company, whichever is shorter.

(E) When an employee fails to report for work when scheduled without notifying the Corporation or properly designated authority in advance of the time scheduled to report, the Corporation has the right to give warning for the first offense and take disciplinary action if the practice continues.

- (F) Employees shall call within one (1) hour

after the start of their normal scheduled shift, in the event said employee is unable for any reason to report for work in accordance with the times requested on the work schedule.

(G) A doctor's excuse will be required if an employee misses (5) five or more consecutive days.

SECTION 2: In case of layoff or reduction in the work force, an employee to be laid off may elect to take the layoff or to displace an employee with less seniority in an equal or lower classification, provided that at the time of layoff, such employee possesses the skill and ability to perform the duties of the job into which he asserts a right to "bump".

In exercising seniority to "bump" from one classification to another in time of layoff, senior employees will be given a trial period in which to prove their ability to perform the work required. This period may vary in length depending upon the type of work involved, but in no case shall it exceed ten (10) working days.

SECTION 3: Except in the case of an Act of God or in a situation beyond the control of the Corporation, every effort shall be made to give at least two (2) days notice to an employee who is to be laid off.

Recall from layoff will be based on seniority and skills.

SECTION 4: Any employee, who has given long and faithful service and has become unable adequately to perform the duties of his job, may be given such work, as he is able to perform at a rate commensurate with the work he performs.

ARTICLE III

Hours and Overtime

SECTION 1: The regular workweek shall consist of five (5) days of eight (8) hours, Monday through Friday, inclusive. The regular workday shall be from 7:30 a.m. to 4:00 p.m. and second shift shall be from 4:00 p.m. to 12:30 a.m. Unless the parties by mutual agreement establish different starting and quitting times on each shift.

Ten (10) minutes before the regular quitting time shall be allowed the employees for cleaning up and an additional five (5) minutes will be allowed for putting away of tools. This applies only to those men using a multiple of tools that day.

(A) When only one shift is employed, a regular work day shall consist of eight (8) consecutive hours, exclusive of the lunch period, with pay for eight (8) hours, between 7:30 a.m. and 4:00 p.m., and the regular work week shall consist of forty (40) hours.

(B) When two (2) shifts are employed, a regular work day for the first shift shall consist of eight (8) consecutive hours, exclusive of the lunch period, with pay for eight (8) hours, between 7:30 A.M. and 4:00 P.M. and a regular work week for the first shift shall consist of forty (40) hours; a regular workday for the second shift shall consist of eight (8) consecutive hours exclusive of the lunch period, with pay for eight (8) hours and the regular workweek for the second shift shall consist of forty (40) hours.

(C) When three (3) shifts are employed, a regular work day for the first shift shall consist of

eight (8) consecutive hours, exclusive of the lunch period, with pay for eight (8) hours, between 7:30 A.M. and 4:00 P.M., and a regular work week for the first shift shall consist of forty (40) hours; a regular work day for the second shift shall consist of eight (8) consecutive hours exclusive of the lunch period, with pay for eight (8) hours and the regular work week for the second shift shall consist of forty (40) hours; a regular work day for the third shift shall consist of seven (7) consecutive hours, inclusive of the lunch period, with pay for eight (8) hours, and the regular work week for the third shift shall consist of thirty-five (35) hours.

(D) The second and third shifts, respectively, if any shall immediately follow the preceding shift.

(E) Monday through Friday shall constitute the regular workdays and regular workweek.

(F) Any employee required to work over ten (10) consecutive hours on any one (1) work day shall be granted a one-half (1/2) hour lunch period at the completion of eight (8) hours without pay. This period can be waived at the discretion of the Corporation and the employees scheduled to work this period.

SECTION 2: Time and a half (1^{1/2}) the regular straight time rate shall be paid for all hours of work:

(A) In excess of eight (8) hours a day.

(B) In excess of forty (40) hours in a work week; or

(C) On Saturday.

SECTION 3: Double the regular straight time rate shall be paid for all hours of work:

(A) In excess of twelve (12) hours in a day; or in excess of eight (8) hours on Saturday.

(B) On Sunday.

SECTION 4: There shall be no duplication of overtime payments for the same hours worked under any of the provisions of this Agreement, and to the extent that hours of work are compensated for at overtime rates under one provision, they shall not be counted as hours worked in determining the applicability of overtime rates under any other provisions.

SECTION 5: An employee shall receive pay for eight (8) hours at his regular hourly rate for ten (10) holidays as follows:

1. New Year's Day
2. Good Friday
3. Memorial Day
4. Independence Day
5. Labor Day
6. Thanksgiving Day
7. The Friday after Thanksgiving
8. Day before Christmas
9. Christmas Day
10. Personal Holiday
(for present employees only,
not applicable for new hires after
July 31, 1988.)

The personal holiday must be scheduled a reasonable time in advance of desired date and must be approved by Management. An employee must work the scheduled working day preceding and following the holiday to be eligible for pay. If the holiday falls in the vacation period or during the weekend the employee must report for the scheduled working days before and after the vacation period or weekend. If an employee is unable to work on the day before a holiday the Company will not withhold the holiday pay provided the employee presents a valid reason for missing work. The intent of this clause is to prevent excessive absenteeism before a holiday and is not intended to punish any employee who has a justified absence. Any work performed on any of said holidays shall be compensated for at double the regular rate, in addition to the payment heretofore provided in this Section except as provided in Section 6 of this Article.

SECTION 6: Notwithstanding any other provisions of this Article, Maintenance Men working on Saturday, Sunday or any of the said holidays on non-production work shall be paid one and one-half (1½) times the regular straight time rate for the first twelve (12) hours of work, and all hours in excess of twelve (12) hours of work in one (1) day shall be paid at double his regular straight time rate.

SECTION 7: Employees reporting for work on order from the Corporation will be paid for four (4) hours for reporting to work if there is no work available which they are qualified to do. The Corporation will make a reasonable effort to

notify an employee when not to appear for work, but every employee to be eligible for reporting pay, must provide reasonable facilities by which he may be reached by telephone, or in some equivalent way. (Except in situations beyond the control of the employer, such as, but not limited to, flood, fire, riot) employees properly reporting for work shall receive four (4) hours' pay at their regular straight time rate unless previously notified by the Corporation not to report.

When an employee starts to work in the second period (a period consists of four (4) hours) and is sent home before the end of the second period, he shall receive eight (8) hours' pay. This does not apply if the employee goes home on his own accord.

SECTION 8: An employee reporting for work in accordance with the provisions of Section 7 of this Article may be assigned to other work in the event his regular job is not available.

ARTICLE IV

Vacation

It is agreed that vacations are granted by the Corporation to afford a period of rest to employees who have been constantly employed.

(A) Eligible employees on the active employment list as of November 1, 2004 who have attained the length of continuous credited service indicated below as of the anniversary date (anniversary date to be actual date of hire for first year of service and revert to January 1, of year hired thereafter), of their employment will be entitled

to a vacation during that year according to the following schedule:

CREDITED SERVICE YEARS:

<u>As of Anniversary Date</u>	<u>Weeks of Vacation</u>
1 but less than 3.....	1
3 but less than 10.....	2
10 but less than 15	3
15 and over.....	4

(B) All employees who attain nineteen (19) years of service by January 1, 1991 will be eligible for five (5) weeks' vacation. Effective January 1, 1991 all remaining employees will be eligible for up to a maximum of four (4) weeks' vacation.

(C) For employees hired after November 1, 2004 the following schedule will apply:

<u>As of Anniversary Date</u>	<u>Weeks of Vacation</u>
1 but less than 3.....	1
3 but less than 10.....	2
10 but less than 20	3
20 and over.....	4

A week of vacation shall consist of seven (7) consecutive days. The total vacation hours shall be forty (40) hours for one (1) week; eighty (80) hours for two (2) weeks; one hundred twenty (120) hours for three (3) weeks; one hundred sixty (160) hours for four (4) weeks; and two hundred (200) hours for five (5) weeks; to be paid at the employee's regular hourly rate.

(D) Time factor for vacation eligibility in any calendar year as of the employee's anniversary date is credited hours. Sixteen hundred (1600) hours for a full vacation. Twelve hundred (1200) hours for three-fourths ($3/4$) vacation. Eight hundred (800) hours for one-half ($1/2$) vacation.

(E) Credited hours used to compute eligibility are:

a) Hours worked.

b) All consecutive days off due to an occupational illness or injury in excess of three (3) weeks, up to a maximum of twelve (12) months.

c) If laid off for three (3) months or less.

(F) Vacations will be granted so far as is possible in accordance with the requests of the employees but the Corporation may allow vacations in such a manner as to insure the orderly operation of the plant, adequate and continuous service to its customers, or maintenance of the plant.

(G) All vacations shall be taken on consecutive days unless the Corporation and the employee agree upon a division of the vacation time.

(H) A schedule of vacations will be established by the foreman to permit the employees to list their preferred times for vacation and, in the event of a general plant shutdown for vacation the dates will be published as far in advance as possible to permit the employees to make plans for vacation. No provisions of this Article shall be construed in a manner to obstruct the rights of the Corporation to manage the plant and schedule operations most efficiently.

(I) An employee on lay-off status has the right to request his vacation pay during a lay-off period or hold until their scheduled vacation.

(J) An employee who is fired for just cause shall forfeit all vacation privileges and claims.

(K) An employee who quits without one (1) week notice shall forfeit all vacation privileges and claims.

(L) An employee who quits with proper notice shall receive his vacation pay earned to the date of termination.

ARTICLE V

Bereavement Pay

SECTION 1: In the event of a death in the immediate family — consisting of mother, father, brother, sister, wife or child — an employee shall be entitled to pay at straight time for regular working days on which he would otherwise have worked on which he is absent from work and which are within three (3) days following the date of death of such member of the immediate family.

SECTION 2: An employee shall be entitled to pay at straight time for a regular working day on which he would otherwise have worked on the day of funeral of the employees' grandparents, mother-in-law or father-in-law.

ARTICLE VI

Jury Duty

If an employee working actively in the employ of the Corporation is called for jury duty,

the Corporation recommends that he make every effort to perform his duties as a citizen and that he serve. In order to permit his doing this without undue hardship, the Corporation agrees to compensate such employee for each scheduled working day on which he serves the difference between eight (8) times his straight time rate and the payment he receives for jury duty service. The employee shall present proof of jury duty service and the amount of pay received therefore.

ARTICLE VII

Shop Committee

SECTION 1: The Corporation recognizes the importance of the Union's maintaining a local shop committee of regular qualified employees familiar with plant conditions. It is the responsibility of the Union to submit to the Corporation a list of names of employees on committees and to keep the list of names current as changes are made. Said committee shall consist of not less than two (2) nor more than four (4) employees. These employees shall process grievances one-half (1/2) during regular working hours and one-half (1/2) on their own time and shall be paid at their regular straight time rate for time during working hours which they are reasonably required to spend in processing grievances in accordance with the procedure set forth in Article VIII, Section 1, Steps 1 and 2.

SECTION 2: The committee shall act in the capacity of a grievance committee and the names of the committee shall be posted on the Union bulletin board by the Union.

SECTION 3: The Corporation agrees to furnish an appropriate bulletin board for use by the Union.

ARTICLE VIII

Adjustment of Disputes

SECTION 1: Should any difference arise between the Corporation and the Union or any member of the Union as to the intent or application of the provisions of this Agreement, there shall be no interruption or impeding of the work, work stoppage, strike or lockout on account of such difference, but an earnest effort will be made to settle any such difference in the following manner. The employer shall make every effort to answer the grievance within ten (10) working days, from when the grievance has been filed.

Step 1.

Between the employee alleging a grievance or, at the option of said employee, a member of the shop committee and the immediate foreman of the employee.

Step 2.

If the alleged grievance is not adjusted satisfactorily in Step 1, it shall be reduced to writing, dated and signed by the grieving employee and a member of the shop committee or, if a Corporation grievance, by the Manager of Operations or other Corporation official. The alleged grievance shall then be taken up between the shop committee and the Works Manager or other Corporation officials at a meeting to be held within five (5)

days after the decision in Step 1 or, if a Corporation grievance, after presentation of the written grievance to a member of the shop committee. Two (2) copies of the alleged grievance shall be given by the shop committee to the Works Manager, or vice versa, as the case may be, at least two (2) days prior to said meeting. The Corporation or the shop committee, as the case may be, agrees to notify the shop committee or the Works Manager, as the case may be, of its decision within two (2) working days after the said meeting.

Step 3.

If the alleged grievance is not adjusted satisfactorily in Step 2, the matter may be submitted to arbitration. Such appeal shall be taken within fourteen (14) days after receipt by the appealing party of the answer appealed from and shall be made in writing to the person or group from whose answer the appeal is taken. Such appeal shall be referred to an arbitrator appointed by mutual agreement of the Corporation and the Union. In the event that the Corporation and the Union are unable to agree upon an arbitrator, the Federal Mediation and Conciliation Service may be requested by either party, to submit a list of five (5) persons qualified to act as arbitrators. Upon receipt of said list, representatives of the Union and the Corporation shall alternately strike off the name of one (1) person until one (1) remains, who shall be requested to serve as arbitrator. The fees and expenses of the arbitrator shall be shared equally by the Corporation and Union. The arbitrator shall have authority only to interpret and apply the provisions of this Agreement and only

insofar as shall be necessary to the determination of such difference; the determination of the arbitrator shall be in writing and shall be final and binding upon the parties. The arbitrator shall have no authority to add to, subtract from, alter or modify in any manner, any of the provisions of this Agreement.

ARTICLE IX

Safety and Sanitation

SECTION 1: All work in the plant shall be performed under safety conditions, which conforms to the Company Safety Manual, the Union Safety Training Program and State and Federal Safety Regulations governing such work. The Company and Union shall be responsible to provide any required safety training. Hard hats, safety glasses, shall be worn during working hours. Toilet and wash rooms will be put in a dry, clean and sanitary condition, furnished with soap and paper towels, and the Union and the employees shall cooperate in maintaining cleanliness. An employee failing to comply with safety regulations shall be subject to disciplinary action by the Corporation.

ARTICLE X

Wages

SECTION 1: The regular hourly rates for the performance of various jobs as set forth below represent minimum rates and the Corporation

shall have the right in its discretion to pay a higher rate to any employee or employees designated by it. This schedule applies only to those employees on the active employment list as of November 1, 2004 and not classified as a trainee.

EFFECTIVE NOVEMBER 1, 2004

	<u>RATE PER HOUR</u>
Trainee.....	As per Agreement
Helpers	\$15.685
Mechanics	\$16.045
Lay Out.....	\$16.205

EFFECTIVE NOVEMBER 1, 2005

	<u>RATE PER HOUR</u>
Trainee.....	As per Agreement
Helpers	\$15.935
Mechanics	\$16.295
Lay Out.....	\$16.455

EFFECTIVE NOVEMBER 1, 2006

	<u>RATE PER HOUR</u>
Trainee.....	As per Agreement
Helpers	\$16.035
Mechanics	\$16.395
Lay Out.....	\$16.555

EFFECTIVE NOVEMBER 1, 2007

	<u>RATE PER HOUR</u>
Trainee	As per Agreement
Helpers	\$16.195
Mechanics	\$16.555
Lay Out	\$16.715

EFFECTIVE NOVEMBER 1, 2008

	<u>RATE PER HOUR</u>
Trainee	As Per Agreement
Helpers	\$16.345
Mechanics	\$16.705
Lay Out	\$16.865

For new hires after November 1, 2004 the following wage schedule will apply:

<u>Year of Service</u>	<u>Base Rate Per Hour</u>
1	\$11.00
2	\$11.55
3	\$12.13
4	\$12.74
5 and Over	\$13.38

The Company may, at its sole discretion, pay a rate in excess of the above if an employee displays a higher level of skill and experience.

Employees who are code welding will receive twenty-five cents (\$.25) in addition to the regular rate. Employees who are sandblasting will receive fifty cents (\$.50) in addition to the regular rate.

Night Shift differential twenty-five (\$.25) cents per hour.

SECTION 2: (A) An employee following his attainment of (10) years as of his anniversary date of employment of continuous service shall receive a wage increase of two (\$.02) cents per hour.

(B) An employee following his attainment of fifteen (15) years as of his anniversary date of employment of continuous service shall receive a wage increase of three (\$.03) cents per hour.

(C) An employee following his attainment of twenty (20) years as of his anniversary date of employment of continuous service shall receive a wage increase of five (\$.05) cents per hour.

SECTION 3: Mechanic's work shall consist of laying out, flanging, bending angles, channels, I-beams, T-bars and shapes, fitting up, riveting, chipping, caulking, putting in, expanding and bending tubes, cutting out, applying all forms of patches, operating machines, such as cranes, electric or acetylene, or tube welding, cutting torches, rolls, punches, shears, pneumatic tools, hydraulic riveting, flanging machines and machine tools. A mechanic must be able to read simple blueprints and fit material on the same.

SECTION 4: A helper or helpers shall be furnished on all work where necessary for safety and assistance.

The Corporation agrees that, under the foregoing, it will not attempt to eliminate jobs or mechanics by the assignment of helpers to perform such work.

SECTION 5: Crane operators will be qualified prior to operating any crane and will receive the mechanics rate of pay while operating the crane.

SECTION 6: Employees will be selected, trained, and equipped to operate stress-relieving equipment by the Company to ensure safe operation of equipment and efficient operation of the plant.

ARTICLE XI

Mechanic, Welder, Layer-Out Program

SECTION 1: In order that an adequate supply of competent skilled craftsmen shall be available at all times, the Corporation and the Union agree that a specific apprenticeship and training program has been formulated and accepted by both parties, and is part of this Agreement, per Article XX.

The adopted program conforms to labor standards.

ARTICLE XII

Employees Discharged

SECTION 1: Employees who are discharged from the service of the Corporation shall receive their wages and personal property in full, within twenty-four (24) hours if possible.

ARTICLE XIII

Time Off Due to Injury

Employees required to take time off from their employment during working hours to secure

treatment because of injuries arising out of and in the course of their employment, shall receive pay for such time, plus actual and expense incurred in making trips, if any, from the shop to a hospital or doctor's office and the return trip, if any, which have been approved by the Corporation. Treatment for injuries outlined above should be made during off working hours whenever possible. Visits made during normal working hours must be scheduled in advance with management.

ARTICLE XIV

Protective Garments to be Supplied

SECTION 1: Welders and burners are to be supplied with the following protective garments, if necessary: gloves, sleeves, jacket, hood, flash-goggles and leggings. All shop men are to be issued work gloves.

Section 2: Employees shall sign receipts for the above articles and be responsible for same. In order to be issued new gloves or other of the above articles, the old or worn item(s) must be handed in.

Section 3: Prescription working glasses will be purchased by the Corporation from the Corporation's supplier for employees. One (1) paid maximum each two (2) years. Employees will pay for their examination and specifications and/or prescriptions. If an employee chooses to purchase his own safety glasses the Company will reimburse him an amount equal to what the Company would normally pay for safety glasses.

ARTICLE XV

Shop Foreman

SECTION 1: Under no circumstances shall the shop foreman be permitted to do any production or maintenance work, which would result in the displacement or replacement of an employee in the shop.

ARTICLE XVI

Retirement Fund Contribution

For each employee on the active list as of November 1, 2004, covered by this Agreement, the Corporation shall contribute to the Boilermakers Local 154 Retirement Fund the following:

- a) *Effective November 1, 2004,*
\$2.00 per each hour worked.

Effective November 1, 2005,
\$2.00 per each hour worked.

Effective November 1, 2006,
\$2.10 per each hour worked.

Effective November 1, 2007,
\$2.14 per each hour worked.

Effective November 1, 2008,
\$2.24 per each hour worked.

For employees hired after November 1, 2004, the following contribution schedule will apply:

<u>Year of Service</u>	<u>Base*</u>
1	\$1.00
2	\$1.00
3	\$1.00
4	\$1.00
5 and Over	\$1.15

* *Per Each Hour Worked*

b) All fringe benefits will be paid on holidays and vacations. Said contributions shall be made on or before the 15th day of the month in which the employee had worked. Contributions shall be remitted on a monthly basis to the Administrators of the Local 154 Retirement Fund whose present name and address is:

GEM GROUP,
1200 #3 Gateway Center
Pittsburgh, PA 15222

ARTICLE XVII

Health & Welfare

(A) The Corporation will provide all enrolled hourly employees on the active employment list as of November 1, 2004, a health care plan for the employee and his designated dependents. In the event this Plan becomes unavailable, the Corporation at its discretion will replace the Plan with a new Plan with benefits equal to or as close as possible to the Plan. For new hires after November 1, 2004, the Corporation will pay for single/individual coverage only. Employees shall pay the difference between single coverage and the desired coverage opted for: i.e. single parent/

child, single parent/children, married, married/children, during the life of this contract. Beginning November 1, 2005 all employees covered by the Plan shall pay \$30.00 per month and beginning November 1, 2007 all employees covered by the Plan shall pay \$40.00 per month. This payment shall be taken from the first payroll paid in each month.

The Corporation will provide on an annual basis health care enrollment cards. Failure to complete the card and return it to the Corporation within ten (10) days will result in discontinuation of health care benefits.

The Union agrees that all participants covered under the Health & Welfare Plan will revert to actual family status, as follows: single; single-parent/child; single-parent/children; married; married/children. Those employees covered by other group Health & Welfare Policies shall revert to said respective policies for coverage. It is agreed that the Corporation will add on any additional dependents due to a change in the employee's status. It is further agreed by the Union that any changes in the status of employees will be reported to the Corporation to aid in reducing Corporation expenditures.

(B) The Corporation will provide all hourly employees Sick and Accident Benefits of \$100.00 per week in accordance with the Insuring Agency. Effective November 1, 2006 this coverage will increase to \$200.00 per week.

(C) The Corporation will provide all hourly employees with Life Insurance of \$7,500.00 in

accordance with the Insuring Agency. Effective November 1, 2006 the coverage will increase to \$10,000 per employee.

ARTICLE XVIII

Equalization of Overtime

There shall be no discrimination in the assigning of overtime work and overtime shall be allocated as equitable and practicable among the employees qualified to perform the work in question, it being understood that employees assigned to perform a job during the regular work hours shall also be assigned to overtime work if any is required on that job. When, in the opinion of the Corporation, it is necessary to work overtime, employees entitled to such work, as hereinabove provided, shall be given eight (8) hours advance notice thereof, except where unforeseen conditions arise that make the eight (8) hour notice impossible. In that event the Corporation will give as much notice as possible. The employees shall be expected to work a reasonable amount of overtime except for good and sufficient cause. When the Corporation knows a job requires overtime, the Corporation will make every effort to assign the most senior and qualified employee(s) from the start of the job. Employees refusing to work overtime on a continued basis will be subject to discipline by the Corporation.

For employees hired after November 1, 2004

Overtime shall be scheduled by the Corporation as required to meet production schedules. When overtime is scheduled, all shop employees

will be expected to work. Three (3) unexcused refusals by an employee, in a calendar year, may be laid-off, suspended or terminated. Seniority will be a factor only when all other factors of work conditions are equal (i.e. skill, shift, etc.).

ARTICLE XIX

Dues Deduction

Local 154 shall furnish to the Corporation cards voluntarily signed by the employee, stating what his dues and assessments are and that he agrees to have them deducted from his wages.

In exchange, the Corporation will deduct the dues twelve (12) times a year, from the pay period following and falling closest to the first of the month.

The Corporation will forward the amount so deducted to the Boilermakers Union Local No. 154, 1221 Banksville Road, Pittsburgh, Pennsylvania 15216.

The Corporation will also deduct assessments bi-weekly, in the amount of twenty-five (25) cents per day and forward same, monthly, to the Boilermakers Union Local No. 154, 1221 Banksville Road, Pittsburgh, Pennsylvania 15216.

Every effort will be made to forward the money before the end of the next two (2) weeks pay period, but inadvertent delays caused by clerical vacations and periodic overload of clerical facilities are understood and accepted by the Union.

ARTICLE XX

Training Program

This Article applies to trainees employed as of November 1, 2004 only.

A training program is established for the purpose of training qualified shop employees.

The Corporation will have the right to employ trainees from time to time at an entry-level position. The rates of pay for these trainees will be as follows:

- 1st level 2000 hr. at 60% of base rate.
- 2nd level 2000 hr. at 70% of base rate.
- 3rd level 2000 hr. at 80% of base rate.
- 4th level 2000 hr. at 90% of base rate.

Each trainee will be reviewed on a quarterly basis. At which time, based on his performance and skill level, he will continue in the program or be terminated. At no time will a trainee remain at a level beyond 2000 hours. The Corporation may at its discretion progress an employee at a faster rate if the employee demonstrates he has attained a higher level of proficiency.

The Corporation reserves the right to hire qualified employees at the full wage rate of the classification hired.

No trainee will be hired until all current employees have been recalled from the layoff lists.

ARTICLE XXI

Functions of Management

(A) The Corporation shall have the right to determine the extent of its operations at all job sites including, but not limited to, the selection of the kind of materials, supplies or equipment used in the prosecution of the work, the right to plan, direct and control job site operations, to hire.

(B) The Corporation shall have the right to determine the number of men to be assigned to any operation and to the operation of any equipment, and to change such numbers from time to time at its discretion.

(C) The above statement of management rights shall not waive any of management's prerogatives not herein expressed, nor shall it limit rights to the Union either in law or by contract.

ARTICLE XXII

Sick Leave

Every employee on the active list as of November 1, 2004 shall be entitled to ten (10) days sick leave a year, with regular pay, during the term of this Agreement. Employees hired after November 1, 2004 shall be entitled to five (5) days sick leave per year. The first five (5) days of absence caused by a sickness shall not be compensated. The employee must produce a doctor's certificate as proof of sickness, to qualify for above benefits. The Corporation shall be permitted to have employee examined by its doctor, if

or when questions arise, regarding authenticity of application for sickness benefits.

ARTICLE XXIII

Rest Period

A ten (10) minute break or rest period shall be granted to the employees, without reduction in pay, beginning two (2) hours and twenty (20) minutes after the start of each shift.

ARTICLE XXIV

Leave of Absence

Leave of absence may be granted to an employee by the Corporation subject notification to the Union, when so granted.

AGREEMENT

This Agreement will be effective until October 31, 2009 and shall continue from year to year thereafter unless one party has given the other written notice of not less than sixty (60) days prior to said expiration date of any anniversary date thereof of a desire to terminate this Agreement.

IN WITNESS WHEREOF the Corporation and the Union have, by their duly authorized representatives executed this Agreement the day and year first above written.

**Munroe,
Incorporated**

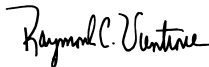


P. F. Muck
President

**Local Union No. 154
International
Brotherhood of
Boilermakers,
Iron Shipbuilders,
Blacksmiths,
Forgers and Helpers**



S. E. Zemba
*VP Finance &
Administration*



Raymond C. Ventrone
Business Manager



M. A. Muck
*General Manager of
Operations*



Thomas J. O'Connor
President

Munroe Shop



Charles Ensminger
Steward - Ambridge

