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ARTICLE 1

PREAMBLE

This agreement is made and entered into by and between Lion Oil Company, hereinafter referred to as the Company, and International Union of Operating Engineers (AFL-CIO), Local 381, hereinafter referred to as the Union.

The Company hereby agrees to recognize the Union as the exclusive collective bargaining agent for all hourly employees employed by it at its El Dorado Refinery, El Dorado, Arkansas, excluding temporary employees, telephone operators, office clerical, engineering personnel, chemist, guards, warehouse employees, foremen, supervisors and other salaried employees for the purpose of collective bargaining with respect to rates of pay, wages, hours and conditions of employment.

ARTICLE 2

INTENT AND PURPOSE

The Company and the Union each represent that it is their intent to promote cooperation and harmony, to recognize mutual interests, to provide a channel through which information and problems may be transmitted from one to the other.

The Waiver of any breach or condition of this agreement by either party shall not constitute a precedent in the future enforcement of all of the terms and conditions of the agreement.

ARTICLE 3

MANAGEMENT RIGHTS

The Union expressly recognizes that the Company has the exclusive right to exercise the responsibility for and authority over the management, operation and maintenance of the

Company's facilities, and in furtherance thereof, has the right to determine policy affecting the selection, hiring, training, promotion, discharge for just cause, and discipline for just cause of all employees; to direct the work force and to schedule work; to institute and enforce reasonable rules of conduct, to assure discipline, and efficient operation; to determine what work is to be done, what is to be produced and by what means; to determine the quality and quantity of workmanship and level of performance; to establish tests for employee hire and movement; to determine the size and composition of the workforce; to determine the allocation and assignment of work to employees; to determine the location of the business, including the establishment of new locations or departments, divisions or subdivisions thereof; to arrange for the work to be done by other companies or by other divisions of the company; to sub-contract work provided it shall be done reasonably and in good faith; to create, alter, combine or eliminate any job, position, operation, service or department; to sell, merge, or discontinue the business or any phase thereof. The above rights of management are not all inclusive, but indicate the type of matters or rights which belong to and are inherent in management.

All rights, powers and authority are retained by the Company except as expressly and specifically abridged, delegated, granted or modified by this agreement and applicable law.

ARTICLE 4

SUB-CONTRACTING

The Company shall have the right to sub-contract work provided it shall be done reasonably and in good faith.

ARTICLE 5

REFINERY CLOSURE OR SALE

Section 1. If the Company makes a decision to permanently close all or a substantial part (one which results in a loss of 20% or more of bargaining unit jobs) of

the El Dorado, Arkansas, Refinery, it shall notify the Union of this decision in writing. This written notice shall inform the Union of the date on which the Refinery or substantial part is to be permanently closed.

Section 2. The Company shall give advance written notice of the existence of this agreement to any purchaser or lessee of the Refinery with a copy to the Union, and request any purchaser or lessee to retain current employees and to maintain the wages, benefits and conditions of employment embodied in this agreement. However, this shall not be construed to require any purchaser or lessee to agree to the request, directly or indirectly.

ARTICLE 6

NONDISCRIMINATION

Section 1. There shall be no discrimination by the Company or the Union against any employee because of membership or non membership in the Union.

Section 2. Neither the Company nor the Union shall discriminate against any employee because of race, religion, color, sex, age or national origin, or because he is handicapped, a disabled veteran or a veteran of the Vietnam era.

Section 3. No employee shall be subjected to prejudice or discrimination by the Company because of the action taken by representatives of the Union in presenting grievances instituted for such employee under the provisions of this agreement.

Section 4. The Company shall not discriminate against any employee because of his status as a Union steward or member of Workmen's Committee.

ARTICLE 7
NOTICES TO THE UNION

The Company shall give written notice in advance when reasonably possible to the Union of the following:

1. Layoffs and the names of all bargaining unit employees to be laid off, and/or who have been laid off.
2. Recalls from layoff and the names of the recalled bargaining unit employees.
3. Disciplinary action resulting in suspension or discharge and the name(s) of the bargaining unit employee(s) disciplined and the reason for taking such action against the employee which shall be done by giving copies of minutes of the disciplinary meeting when the employee or the Union has requested, in writing, a copy.

ARTICLE 8
STEWARDS

The Company recognizes the right of the Union to designate stewards from among the Company's bargaining unit employees provided the Union furnishes a list of the stewards. The stewards so designated by the Union may perform the following activities:

Section 1. The investigation of grievances during their non-work time; grievances may be presented during work time or non-work time to the Company or the designated Company representative in accordance with the provisions of this agreement; if presented during working hours, it shall be done at a time when (1) the working operations of the Company will not be affected, (2) the immediate supervisor of the steward has been notified and given permission (which permission shall not be unreasonably withheld), and (3) the working time used in presentation of the grievance shall not exceed thirty (30) minutes.

Section 2. The transmission of such messages and information which shall

originate with, and are authorized by the Union or its officers, provided such message and information has been reduced to writing.

Section 3. The Union shall notify the Company in writing of the names of the bargaining unit employees it has designated as stewards. Conversely, the Company shall notify the Union in writing of the names of its designated representative(s) whom the stewards shall contact for the purposes outlined in this article.

ARTICLE 9

WORKMENS' COMMITTEE

The Union shall create a Workmen's Committee composed of not more than five employees. The Union will submit to the company the names of all members of such committee.

Provided either the Company or the Union has furnished the other an agenda of topics for discussion at least 48 hours in advance, representatives of the Company shall meet with the workmen's committee regularly on the last Thursday of the last week of each month at 2:30 p.m. for the purpose of discussing Union, individual or mutual problems and to resolve questions or disputes arising under this agreement. Controversies which do not involve terms of application of this agreement may be subjects for discussion at any such meetings provided they were identified as topics on the advance agenda.

On 48 hours notice the Company or the Union may call emergency meetings. The party requesting the meeting shall, concurrently with the request, furnish to the other party an agenda of topics to be considered.

The Refinery Manager will meet with authorized Union representatives by appointment at the Refinery office for the purpose of promoting management-employee relationship.

ARTICLE 10

DISCHARGE OR DISCIPLINE

Section 1. At any disciplinary meeting between a representative of the Company and a bargaining unit employee, to impose disciplinary suspension or discharge for just cause, the Company shall inform said employee that a Union representative may be present upon request, and, if the employee so requests, a Union representative must be present.

Section 2. The Company shall not suspend or discharge any non-probationary employee without just cause.

Section 3. Disciplinary action in the form of a warning notice may be given.

Section 4. Any employee receiving a disciplinary suspension will be charged for the overtime work that results from such suspension as if the employee had actually worked the overtime hours.

ARTICLE 11

GRIEVANCE AND ARBITRATION PROCEDURE

Section 1. For the purpose of this agreement, the term "grievance" means any dispute between the Company and the Union or between the Company and any employee or group of employees within the bargaining unit concerning the effect, interpretation, application, claim of breach or violation of this agreement, except for questions of interpretation or application of the Sickness Benefits Plan, Article 21, or Other Employee Benefits, Article 22.

Section 2. Any such grievance shall be processed in accordance with the following grievance procedure:

(a) The individual employee or group of employees or a Union representative shall within eight (8) calendar days of the occurrence giving rise to the grievance make a complaint orally to the immediate supervisor of the work group in which the grievance occurred. The immediate supervisor, as a representative of the Company, shall discuss

the grievance with an individual employee or group of employees or a Union representative.

(b) If the grievance is not satisfactorily adjusted by the supervisor's answer, it shall be referred to the Workmens' Committee. If the Workmens' Committee feels that the grievance or dispute has merit, the grievance shall be reduced to writing in duplicate, signed by the employee or employees and the Union's representative and the Workmen's Committee shall submit it within ten (10) calendar days, following the supervisor's answer to the oral complaint to the Department Head of the Work Group in which the employee or employees were employed or where the dispute arose. If the employees involved are employed in more than one Work Group or the dispute involves more than one Work Group, it shall be submitted within the period stated to the department head of one of the Work Groups in which one or more of the employees were employed or the dispute arose.

The department head shall meet with a representative of the Workmen's Committee within ten (10) calendar days of receipt of the grievance to review the facts of the grievance. Within ten (10) calendar days of this meeting the Company will render in writing its decision as to the grievance.

Section 3. If a grievance is not adjusted satisfactorily through the grievance procedure, the grievance may be referred to arbitration. If the Union or the Company desire to submit the grievance to arbitration, it shall notify the other party in writing within thirty (30) calendar days following the decision to the Refinery Manager. Within seven (7) calendar days of receipt of that written notice, a representative of the Company and Union or, if either refuses, the other party shall make written application to Federal Mediation Conciliation Service (FMCS) to submit a panel of seven arbitrators who live within five hundred (500) miles of El Dorado, Arkansas, from which the arbitrator will be selected. Within fifteen (15) regular workdays of the receipt of the panel from the FMCS, a representative of the Company and the Union shall strike from that panel to select an arbitrator. For the first arbitration under this agreement, the representative of the Union and the Company, in that order, shall each alternately strike one name from the panel until six (6) names have been eliminated and the one person whose name remains shall be the selected arbitrator. Thereafter, the initiation of the striking process shall be done on an alternating basis. The arbitration will be held in El Dorado, Arkansas, as soon as practical after the selection. All costs of arbitration, including the arbitrator's fee and expenses, shall be shared equally by the Company and the Union. The Company and the Union may each call witnesses whose testimony is pertinent to the issues of the case but each shall bear the expense of its own witnesses. The arbitration procedure under this agreement shall be limited to specially alleged violations of a particular portion of this agreement with no more than one (1) grievance to be presented to an arbitrator at one time. The power and the authority of an arbitrator

selected hereunder shall be limited to interpreting the agreement based upon the evidence submitted at the arbitration hearing. The arbitrator shall have no authority to add to, to detract from, alter, or amend any provisions of this agreement, and a decision of the arbitrator pursuant to the terms of this contract shall be final and binding.

ARTICLE 12

PROBATIONARY EMPLOYEES

All employees covered by this agreement who were hired on or after May 1, 1985, shall be subject to a probationary period of twenty nine calendar weeks of work by the particular employee.

During the probationary period, such employees shall work under the terms and conditions of this agreement, except as otherwise expressly provided in this agreement. However, upon successful completion of the probationary period, if the Company is satisfied with the employees performance, all such employees shall be deemed to be bargaining unit employees covered by the terms of this agreement.

All probationary employees may be discharged during such probationary period, and the Company's action with respect to such probationary employees shall not be subject to the grievance or arbitration provisions of this agreement. If hired back within one hundred and eighty (180) days, his credited days of work will be as if they were continuous.

ARTICLE 13

QUALIFICATIONS AND SENIORITY

Section 1. Work Groups and Job Classifications. The work groups and jobs classifications in this agreement are described and found in Exhibit "A" attached to this agreement which are incorporated by reference herein as if set forth word for word. The Company reserves the exclusive right to determine the number of persons being employed, if any, within any job classification or work group. There are two kinds of vacancies to be filled by the Company under the provisions of this agreement, which are permanent and temporary vacancies.

Section 2. Permanent Vacancies. A permanent job vacancy is defined as any vacancy which will last or is reasonably projected to last in excess of ninety (90) consecutive days. The Company shall fill permanent job vacancies with the qualified senior employee according to the provisions of this article.

Section 3. Temporary Vacancies. (a) A temporary vacancy is defined as a vacancy which lasts for a period of time not to exceed ninety (90) consecutive days and such temporary vacancies shall not be posted to allow bargaining unit employees to file requests for progression to fill such vacancies.

(b) Employees in the pool or employees within the Work Group may be selected by the Company to fill temporary vacancies that occur in the work group.

(c) Pool personnel assigned to Job Classifications in Work Groups 1 through 9 will receive the pay rate of the Temporary Operations Helper when filling a temporary vacancy in these Work Groups, if the employee has worked less than one hundred sixty (160) hours at the job. At the end of one hundred sixty (160) hours at that job, the employee will be allowed to file a request to qualify for the temporary job he is filling. If he meets the job qualifications and criteria, he will then receive the base rate of pay for the job that he is filling. The Company may remove any employee so assigned who is not qualified and assign another employee pursuant to subparagraph (b) above. Assignments and reassignments of temporary vacancies shall not be subject to the grievance procedures under this subparagraph only except in the event of a pattern by the Company to avoid payment of the higher rate of pay under this subparagraph (c).

Once a Pool Employee has filled a temporary job vacancy for 320 hours during any

twelve (12) month period then he must demonstrate his qualifications based on the employee's knowledge, skill, ability and work experience to fill the temporary vacancy. If the employee is initially unsuccessful in demonstrating his qualifications, then he shall receive an additional one hundred sixty (160) hours of job assignments to the temporary vacancy at the end of which time he must again demonstrate his qualifications for the job. An employee who has twice failed to show his qualifications for a temporary job vacancy will be disqualified from further assignments to that job until he has demonstrated his qualification for the position. If a Pool Employee is disqualified from taking assignments to three temporary job vacancies then the Company shall have just cause to discharge the employee. Any discharge under this provision shall be subject to the grievance and arbitration procedure.

(d) Temporary assignments made from the Refinery Pool to job classifications in Work Groups 10 through 19 will not change the employee's classification and the rate of pay for these assignments will be the employee's regular rate of pay as a pool employee.

(e) Except as otherwise set forth in this agreement, temporary job assignments above the entry level by personnel within the work group will be filled at the regular rate of pay for that job.

Section 4. Qualifications. The Company has the right to determine the qualifications of employees and its determination of those qualifications shall be based on the employee's knowledge, skill, ability and work experience to perform the job or fill the vacancy. The Company's determination of qualifications shall be subject to the grievance and arbitration procedure. Employees who are qualified by such lawful methods and procedures as the Company determines to be appropriate to determine the knowledge, skill, ability and work experience of the employee will be awarded jobs based on seniority. It is the intention of the parties of this agreement to allow employees to be assigned to perform jobs for which they are qualified. The Company will continue its practice of determining qualifications for a particular position using job related criteria as defined in this Agreement. An employee that receives a score of eighty-five percent (85%) or greater on the criteria used by the Company to determine employee qualifications for a particular position will be considered qualified in that particular portion of the performance criteria.

Section 5. Entry Level Jobs. (a) The Company shall determine the qualifications of an employee for entry level jobs or vacancies in accordance with Section 4 of this

Article. The present entry level job in a Work Group is designated by an asterisk in Exhibit "A" attached to this Agreement and is incorporated by reference herein as if set forth word for word. Any entry level job vacancy is available to any employee through a request for progression. If two or more employees are qualified for the available job, the senior employee based first on work group seniority and secondly on Company seniority, as defined in this Article, will be awarded the job.

(b) The qualified senior employee for an entry level job will be initially assigned to the job for experience and will receive the rate of pay for that job upon assignment. The employee will then be entitled to thirty (30) calendar days of on the job experience before he is required to meet full qualifications for that job. Should the employee fail to meet qualifications at that time, he will, at his option, be given an additional thirty (30) calendar days of on the job work experience before he is again required to meet full qualifications for that job. If the employee fails to qualify after the second attempt, he will be placed in the refinery pool and the vacancy thereby created will be available for consideration by any other employee.

Section 6. Jobs In Maintenance. Maintenance jobs will be posted according to the following criteria:

- a. When there are 60% or greater 1st Class job staffings in a craft, any job vacancy will be posted as an entry-level job.
- b. When there are less than 60% but greater than or equal to 50% 1st Class job staffings in a craft, any job vacancy will be posted as a 2nd Class job.
- c. When there are less than 50% 1st Class job staffings in a craft, any job vacancy will be posted as a 1st Class job.
- d. Any employee that is a successful bidder on an entry-level helper job must meet the job qualifications for a 2nd Class no later than one hundred and twenty (120) days after being awarded the entry-level job. The employee must meet the job qualifications for a 1st Class no later than one year after being awarded the entry-level job.
- e. Any employee that is a successful bidder on an entry-level 2nd Class job must meet the job qualifications for a 1st Class no later than one (1) year after being awarded the 2nd Class job.
- f. Employees that are successful bidders on E&I jobs must meet the job qualifications for 1st Class no later than two (2) years after being awarded the E&I job.
- g. Welder job postings are exempt from the posting criteria set forth in this Section 6.

h. Employees that are unable to meet the job qualifications as set forth in this Section 6 will be disqualified and reduced to refinery pool job classifications.

Notwithstanding the provisions of this Section 6, the Company reserves the right to post above entry-level jobs in maintenance when needed as a result of the knowledge, skill, ability, and work experience level of the employees and the demands of the work to be performed.

Section 7. Jobs Above Entry Level. (a) The Company shall determine qualifications of an employee for jobs above entry level as set forth in Section 4 hereof. A vacant job above an entry level job (as defined in Exhibit "A") within a Work Group will be filled with the qualified senior employee within that Work Group who has requested progression. If two or more employees are qualified for the available job, the senior employee based on Work Group seniority (as defined in this Article) will be awarded the job.

(b) If any employee fails to qualify for a job above entry level for which he has requested progression, he must wait a minimum of thirty (30) calendar days before he will be allowed to again file a request for progression to have his qualifications determined for a job or vacancy within that work group.

(c) If an employee holding a job above entry level fails to re-qualify for the job and is disqualified, he must wait a minimum of thirty (30) calendar days before he will be allowed to bid on the job for which he failed to re-qualify.

(d) Should no request for progression from someone within the Work Group be received for a job or vacancy above an entry level job, the job or vacancy will be filled with the qualified senior employee who has filed a request for progression. If no request for progression is received, the Company may assign any bargaining unit employee to the job or may hire directly into the job from outside the bargaining unit. The employee assigned by the Company to fill the job vacancy shall have thirty (30) days of on the job experience before he is required to meet full qualifications for the job. If he fails to qualify, then he will be returned to his previous job and the vacancy will again be available for reposting and/or restaffing by the Company.

Section 8. Job Posting. (a) The Company shall, by posting them in writing on the employee's bulletin board, notify employees of all available entry level and available above entry level openings. All employees interested in those job openings must file a request for progression in writing in appropriate boxes designated by the Company for

such requests for progression, which shall be filed within five (5) calendar days after the date on which the Company posted those job openings. Any employee who is on Sick Leave or Vacation when a job is posted shall be permitted to bid by telephone for the job by contacting the Personnel Manager or the Personnel Supervisor during normal business hours. No bid submitted by telephone shall alter the established requirements and time constraints for job qualification. No request for progression will be recognized by the Company in work groups 10 through 19 if by granting the request the employee would receive a lateral or lower paying job within the work group in which he currently holds a job classification unless such a request is to move from one craft in the maintenance department to another.

(b) Employees may use a maximum of three (3) successful bids during the five-year period preceding the most current job posting. Only employee bids occurring after August 3, 2003 will be used in determining the number of bids per employee. Bids for progression within the employees work group and bids from the pool will not be considered when determining an employee's number of successful bids.

Section 9. Disqualification. The Company may disqualify, demote or discharge any employee who has demonstrated unsatisfactory performance, unwillingness or inability to perform the job based on the job related qualifications and criteria defined in this Article but any such action must be for just cause.

Section 10. Request for Progression. All requests for progression must be in writing signed by the employee on forms furnished by the Company.

Section 11. Company and Work Group Seniority. Bargaining unit employees shall have both Lion Oil Company and Work Group seniority. Lion Oil Company Seniority, hereinafter referred to as Company Seniority, shall be defined as the continuous time of employment with the Company since May 1, 1985. Work Group Seniority shall be defined as commencing to accrue on the date on which an employee is permanently assigned by Lion Oil Company to a particular Work Group. Those employees who were employed on May 1, will have Company and Work Group Seniority in the order furnished to the Union contemporaneously with execution of this Agreement. The application of Seniority is described in the following sections.

Section 12. (a) Promotions. When all other qualifications have been met, the qualified person pursuant to Section 4 hereof, based upon Work Group Seniority followed by Company seniority, will be awarded the promotion.

(b) Demotions. When an employee is displaced through no fault of his own, he must first move to a job in his work group for which his work group seniority and qualifications allow, then secondly he may exercise any work group seniority to displace any junior employee in any work group or pool in which he had previous seniority provided he is qualified to perform the job of the junior employee who he is displacing.

When there is a reduction in the number of employees in the bargaining unit and employees are reduced to the refinery pool, then the Company shall allow the demoted employees to qualify for an entry level job in work groups 1-19 based on their company seniority. The number of entry level jobs available and in which work group those entry level jobs are available shall be determined by the Company to minimize disruption of the refinery.

Section 13. Layoffs and Recalls. (a) The junior employee in the Refinery Pool based on Company Seniority will be the first person laid off in event there is a reduction in the number of employees. The employee with the greatest Company Seniority shall be the person first recalled provided that person (i) is qualified to perform the duties of the job to which he would be assigned on recall (ii) has worked in the bargaining unit sufficiently long to be entitled to seniority (iii) has kept his current address on file with the Company and (iv) continues to be entitled to seniority under the terms of this agreement.

(b) If recall is available for any such person, the Company shall so notify him by certified letter, with copy of such letter to the Union, addressed to him at the address then on file with the Company, and he shall be allowed seven (7) days from the date upon which said letter was mailed in which to notify the Company in writing of his desire to return to work. In the event he delivers such notice, he shall be allowed seven (7) days from the date of the delivery thereof to report for work; provided, however, that if the employee involved is on the date on which he would otherwise be required to report for work totally disabled to work, he shall on or before that date deliver to the Company a statement in writing from a physician stating that he is so disabled. In that event, the period within which he shall be permitted to return to work shall be extended ninety (90) days.

(c) The accrued seniority, both Company and Work Group of any employee who

has been laid off shall continue to be recognized by the Company for a period of two (2) years from the date upon which he was laid off.

Section 14. Work Group Consolidation. When two or more Work Groups are consolidated, each employee in such Work Groups shall have Work Group Seniority in the consolidated Work Group equal to the total seniority which he has accumulated in all of the Work Groups consolidated.

Section 15. Seniority Lists. The Company shall prepare annually a seniority list organized by Work Groups and furnish the Union with three (3) copies of each such seniority list. The seniority list shall record the name, seniority dates and social security number of each employee and the names of the employees shall be listed in seniority order.

Section 16. Work Group Seniority. Any employee who has worked in more than one Work Group shall have work group seniority in each Work Group in which he has worked but the period of time spent in one Work Group will not be counted on his Work Group seniority in another Work Group, except as set forth in Section 14 above.

Section 17. Outside Assignments. Any employee, after having established seniority under the provisions of this agreement, who accepts a job outside the bargaining unit but within Lion Oil Company shall continue to accrue seniority for a period not to exceed ninety (90) days. If the employee continues working past ninety (90) days, he shall forfeit his seniority in the bargaining unit on the ninety-first (91st) day.

Section 18. Sickness or Accident. If an employee, who has established seniority, is unable to work due to occupational or non-occupational injury or disease suffered while he was in the employ of the Company qualifies for Long-Term Disability, he shall continue to accrue Company Seniority and Work Group Seniority in the Work Group in which he was last regularly employed for a period of two (2) years and shall retain all seniority for a period of two (2) years. If the employee does not qualify for Long-Term Disability, he shall continue to accrue Company Seniority and Work Group Seniority in the Work Group in which he was last regularly employed for a period of one (1) year.

The Company has the right to determine the qualifications of employees returning to work after one (1) year of absence as outlined in other sections of the agreement. However, under any of these conditions, if an employee should become employed elsewhere, his seniority shall be terminated when he accepts such employment.

When an employee returns from sick leave, employees will be displaced to their previous jobs unless such displacement would be unduly disruptive in job movement. If excessive job movement results, the Demotions provision of Section 12 will apply to all displaced employees.

Section 19. Vacations. Employees will schedule vacations within Work Groups based on Company seniority, but maintaining guidelines established by the Company with regard to the number of positions that may be vacant at any one time. The Company shall establish such guidelines within thirty (30) days after execution of this Agreement, which shall remain the same during the term of this Agreement, except for emergencies and the reasonable needs of the Company's operation. In the event an employee's scheduled vacation is cancelled by the Company with less than thirty (30) days notice, the employee may choose to reschedule his vacation or be compensated for the vacation.

(a.) For day workers and shift workers on an eight-(8) hour schedule, scheduling of a partial week of vacation may be done by an employee after all full weeks of vacation have been scheduled. If no week is scheduled in less than one (1) week increments, then one full week may be broken into increments and moved to any available slot. The guidelines for scheduling a partial week of vacation shall be the same as the guidelines for scheduling a full week of vacation and must be done on or before 7:00 a.m. Thursday of the week prior to the week in which such vacation is to be used by the employee.

(b.) Shift workers on the twelve hour schedule will schedule their vacation in increments of complete blocks of two (2) or three (3) days, according to their schedule, except that one block of up to three days may be scheduled in increments of less than complete blocks. All vacation must be scheduled until less than a full day remains.

(c.) For all employees: In the event of an emergency, an unused partial week or block of vacation may be scheduled without regard to the vacation guidelines. The Company has the exclusive right to determine what will qualify as an emergency situation and such determination shall not be subject to the grievance and arbitration procedure.

Section 20. Probationary Employees. Neither Company nor Work Group seniority shall accrue to probationary employees during their probationary period. However, upon successful completion of the probationary period, seniority shall be calculated from their most recent date of hire.

Section 21. Loss of Company and Work Group Seniority. Both Company and Work Group seniority shall be lost for any of the following reasons:

- (a) If a period of twenty-four (24) months lapses since employee last performed work for the Company except by reason of an authorized leave of absence or for reasons set forth in this Article; (b) Voluntary termination; or
- (c) Discharge for just cause.

Section 22. New Jobs. Any new jobs established by the Company will be awarded to the qualified senior employee who has filed a request for progression and is qualified in accordance with the job qualification provisions of this agreement.

ARTICLE 14
HOURS OF WORK AND OVERTIME

Section 1. Definition of "Shift Workers" and "Day Workers". All work performed by employees covered under the terms of this agreement shall be done by "Shift Workers" and "Day Workers". The term "Shift Workers" as used herein shall be deemed to mean workers who are regularly employed for specified rotating shifts and have a regular relief job (Work Groups 1 thru 9). All other employees are "Day Workers" (Work Groups 10 thru 20).

Section 2. Hours of Work.

(a) The work week shall begin at 6:00 a.m. each Sunday.

(b) Day Workers: The normal schedule will be five (5) consecutive eight (8) hour days, Monday through Friday, except that the normal schedule will not include holidays.

(c) Shift Workers on an eight hour schedule: The normal schedule of work for shift workers shall be based on the eight (8) hour day and forty (40) hour week.

(d) Shift workers on the twelve hour shift: The normal schedule of work for shift workers on the twelve-hour shift shall be based on the Company's 2-3-2 schedule for twelve hour shifts.

(e) In the event a relief worker fails to report for work, the employee who should have been relieved, may be required to work the number of hours equivalent to a double shift.

Section 3.Overtime. Overtime rate shall be one and one-half times the regular rate including any shift differential and shall be paid for all work done in excess of forty (40) hours per week. No employee shall work overtime without the approval of his supervisor. Hours not worked, such as but not limited to personal leave or sick leave, will not be counted as hours worked for the purpose of determining entitlement to overtime. A day of vacation or a day of funeral leave will count as if worked for the purpose of determining entitlement to overtime.

Section 4. Maintenance Employees Working During Lunch Period. Maintenance employees working during lunch period shall be paid for time worked.

Section 5. No Reduction of Work Week as Result of Overtime. No employee shall be required to take any time off from his regular work week because of overtime he may have worked in that or any other week. If an employee is required to work on his day off, he shall not be forced to take another day off in lieu thereof.

Section 6. Computation of Overtime. For the purpose of computing overtime under this article, the exact working time in minutes shall be accounted for to the nearest one-quarter hour. The Workmen's Committee shall be furnished a record of overtime worked each month by the last day of the following month.

Section 7. Distribution of Overtime Work. For day workers and shift workers on the eight-hour schedule, records will be kept of overtime, and employees will be called for overtime work in a manner consistent with the approximate equal distribution of overtime within the work groups.

For shift workers working the the twelve-hour schedule, the equalization of overtime will not be a consideration in determining who is to be called for overtime work.

Effective at 6:00 a.m. on the first Sunday following the effective date of this agreement, overtime accounting for all employees will be reset to zero. Future overtime accounting for all employees will be reset to zero on August 1st of each year this agreement is in effect.

Section 8. Holiday Pay. (a) The following days shall be considered holidays: New Year's Day; Memorial Day; July Fourth; Labor Day; Thanksgiving Day; day following Thanksgiving Day; Christmas Eve; and Christmas Day. Each of the above mentioned holidays shall be deemed to begin at 6:00 a.m. the day of the holiday and end at 6:00 a.m. following the holiday.

(b) Each employee who is considered a day worker or a shift worker on an eight hour shift shall be paid a sum equivalent to eight hours at his regular rate of straight time pay with respect to each of the above holidays on the day observed. Each employee on a day shift or a shift worker on an eight hour shift who works on one of the above holidays shall be paid, in addition to the sum mentioned above, at the rate of one and a half times his regular rate of straight time pay for each hour worked on such holiday.

All shift workers on a twelve hour schedule shall be paid a sum equivalent to eight hours at his regular rate of straight time pay with respect to each of the above holidays except Christmas Day. On Christmas Day only shift workers on the twelve-hour schedule who work a full shift that day will receive a sum equivalent to twelve hours at their regular rate of straight time pay. Each employee on a twelve-hour shift who works on one of the above holidays shall be paid, in addition to the Holiday Pay mentioned above, at his regular rate of straight time pay for each hour worked on such holiday.

In order to qualify for holiday pay, an employee must work his last scheduled work day before and his first scheduled work day after said holiday. A day of funeral leave, a day in the hospital, or a day on which an employee has a surgical procedure performed will be considered as a day worked in the computation of holiday pay under this subsection. In addition, any day worker who works non-scheduled hours in a week when he receives holiday pay, will have his holiday hours counted toward time worked for the computation of weekly overtime. Any shift worker on an eight hour shift who works non-scheduled hours in a week when he receives holiday pay, will have his holiday hours worked count toward time worked for the computation of weekly overtime.

Section 9. Callout. (a) Any employee subject to this agreement called for work outside of his regular working hours shall be paid a minimum of four (4) hours. Call-out pay will not be due any employee that received twenty-four (24) hours advance notice of a change on his regular working hours.

(b) Any employee in work groups 10 through 19 that is called for work outside of his regular working hours and who works past midnight of the call out day will be permitted to delay his scheduled time to report to work by thirty minutes for each full hour worked past midnight. Notwithstanding the delay in reporting to work the employee will be paid at his established rate of pay for the time he is permitted to delay his return. All payments to the employee under this subsection will be used by the Company in the calculation of overtime worked.

(c) During the term of this agreement, the Company will place in effect an on-call procedure for the maintenance employees to cover weekend and holiday callouts. Employees will be compensated \$1.00 an hour for all off hours of on-call time. Equalization of overtime will only be a consideration in crafts where more than one employee is on-call at a time. The Company reserves the right to change to a seven (7) day on-call coverage in the event the Company determines that weekend coverage is ineffective in covering plant needs.

Section 10. Show-Up Pay. (a) If an employee reports for work as scheduled without having been previously notified not to report, he shall be given at least four (4) hour's work, or if no work is available he shall be given at least four (4) hours pay.

(b) An employee shall be deemed to have been requested to work on his regular

schedule unless previously notified by an authorized Company representative to the contrary.

Section 11. Injury at Work. All employees who are prevented from working as the result of a compensable injury suffered at work shall be paid by the Company for the balance of the regular scheduled hours for the day on which the injury occurs at the regular rate of pay, provided the injury occurs after the employee has actually commenced work at his job for that day.

ARTICLE 15

WAGE RATES AND CLASSIFICATIONS

Section 1. Pay Periods and Wage Rate. The Company shall pay employees within the bargaining unit each two weeks the amount of wages for the various classifications at the wage rates shown on Exhibit "B" attached hereto and made a part of this agreement.

Section 2. Changes in Classification of Work. If any employee is temporarily reduced to any classification carrying a lower rate of pay than his normal classification, no reduction in the rate of pay shall be made.

ARTICLE 16

NO STRIKES OR LOCKOUTS

There shall be no strikes, slow-downs, or work stoppage of any kind, including sympathy strikes, nor any other activity of employees or the Union designed to curtail or interfere with production, and there shall be no lockouts by the Company because of labor disputes between employees or the Union and the Company. In the event the employees, the Union, or the Company should engage in any activity in violation of this no strike, no lockout provision, the injured party shall have the right to avail itself of appropriate legal remedy without prior resort to any step of the Grievance and Arbitration Procedures. Any employee disciplined for violation of this provision shall have the right to have the matter reviewed through the Grievance and Arbitration Procedures as provided herein, but the only question to be determined shall be whether the employee actually participated in such violation. Should it be determined by the Grievance and Arbitration procedure that the Company was in violation of the no lockout provisions of this Article, such affected employees shall be reinstated and made whole because of the Company action.

ARTICLE 17
LEAVES OF ABSENCE

Section 1. Jury Duty. When a bargaining unit employee is required to serve on a jury or appear for a jury summons, he will be paid at his regular rate of base pay for the period during which he is required to be absent, less any amounts of jury pay received. A day worker or a shift worker on the eight hour schedule who is working the day shift and is dismissed from jury duty prior to 12:00 noon, or a shift worker on the eight-hour schedule who is working the evening shift and is dismissed by 5:00 p.m., or a shift worker on the eight hour schedule who is working the morning shift and is dismissed by 2:00p.m.. shall report to work that day. A shift worker on the twelve-hour schedule, who is working the day shift and is dismissed from jury duty prior to noon or is working the graveyard shift and is dismissed by 10:00 a.m., shall report to work that day. Jury duty is counted as hours worked for the purpose of determining entitlement to overtime.

Section 2. Funeral leave. In the event of a death in a bargaining unit employee's family, the employee is eligible for up to three (3) consecutive working days of paid leave at the employee's regular rate of straight time pay, provided the employee attends the funeral. If any of these days are scheduled working days, he shall be allowed pay for the day or days off during his regular working schedule. The "family" shall be the following relations: father, mother, wife, husband, son, daughter, brother, sister, grandfather, grandmother, great grandmother, great grandfather, mother-in-law, father-in-law, grandson, granddaughter, stepfather, stepmother, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandmother-in-law, and grandfather-in-law. Day workers are eligible for up to four (4) hours of paid funeral leave at the employee's regular base pay if the employee is called to serve as a pallbearer for a non-family member, provided the employee attends the funeral in the capacity of pallbearer. Funeral leave is counted as hours worked for the purpose of determining entitlement to overtime.

There shall be no duplication of payment under this provision for any other employee benefits such as but not limited to vacation pay, holiday pay, or sickness benefits payments.

If to attend the funeral for the deceased relative, the employee travels to a point

more than 200 miles from El Dorado, Arkansas, he shall be allowed an additional day of leave with pay during his regular working schedule when this day is consecutive with other days of paid funeral leave.

In the event a death in the family requires an employee to leave work before the end of his scheduled shift, the employee will be compensated as if he had worked a full shift that day.

Section 3. Military Leave. A bargaining unit employee who is a member of a United States Military Reserve Unit or National Guard Unit and who is required by the rules of that Unit to participate in tours of duty shall be entitled to leaves of absence and compensation in accordance with the following conditions:

(a) The employee must be on actual active duty and not on standby notification status.

(b) Tours of duty shall not exceed two calendar weeks per calendar year.

(c) The employee will be paid by the Company the difference between the amount of military pay received and the amount that he would have earned at his regular base rate of pay, excluding overtime or shift differential, during the same time period. The maximum pay shall not exceed eighty (80) hours at the regular base rate of straight time pay. The employee will only be paid for this leave following receipt of official documentation of military pay received by him. Military leave is not counted as hours worked for the purpose of determining entitlement to overtime. There shall be no duplications of payment under this provision for any other employee benefits such as but limited to vacation pay, holiday pay, or sickness benefits payments.

Section 4. Union Business. The Company shall grant a leave of absence to employee(s) in order to engage in any work pertaining to business of the Union, upon sufficient notice from the employee and President of the Union so that the employee's absence will not cause overtime employment. This privilege will not be extended to more than five at one time.

It is further provided that the Company shall grant a leave of absence to not more than one employee, not to exceed one year, should any such employee be employed by the International Union as a full time representative and such leave shall not be granted more than once during any five-year period.

Section 5. Personal Business. If an employee desires to be off on personal business (not emergencies), he may do so, so long as he does not desire to be off work over one (1) work week and provided that he gives the Company 24 hours notice of the general reason to be absent and the length of time he desires to be absent and provided he has the written permission of his supervisor to be absent. Such permission shall be given by the supervisor if such absence will not cause overtime work or interfere with the normal operation and maintenance of the refinery. Upon completion of such leave, he shall resume employment on the basis of uninterrupted service.

In case of an emergency the above requirement of 24 hours notice is waived, provided the employee notifies the Company as soon as possible of his desire to be absent.

Section 6. Other Leaves of Absence. Leaves of Absence may be granted to bargaining unit employees only at the discretion of the Company. The Company makes no guarantee that the employee will return to his prior position and reserves the right to fill the position with a permanent replacement, in the event of an extended leave of absence which is defined as any leave of absence in excess of thirty (30) calendar days.

ARTICLE 18

VACATIONS

Bargaining unit employees earn vacation based on completed years of service with the Company in accordance with the following schedule:

<u>YEARS OF SERVICE</u>	<u>HOURS OF VACATION</u>
0-1	0
1-2	40
2-5	80
5-15	120
15-PLUS	160

For day workers or shift workers on an eight-hour shift, vacation time is paid at the regular base rate of pay, at the rate of forty (40) hours per week. For shift workers on the twelve-hour schedule, vacation time is paid at the regular base rate of pay for all hours vacation taken or compensated by the Company. For all employees the vacation year begins on May 1 of each year and ends on April 30 of the following year. Vacation time may not be carried over from one vacation year to the next. One week or block of up to three days of an employee's vacation may be taken one day at a time. All other weeks of vacation must be taken in one (1) week or one (1) full block increments and may not be broken into days.

Vacation times are to be selected in accordance with Article 13, Section 19.

ARTICLE 19

PHYSICAL EXAMINATIONS

Section 1. Any physical or psychological examination requested by the Company shall be promptly complied with by all employees, provided, however, the Company shall pay for all such physical and psychological examinations. The Employer reserves

the right to select its own medical examiner or physician. The employee may, if he feels an injustice has been done, be examined by a physician or psychiatrists of his choice at the employee's expense. If the two physicians or psychiatrists disagree, they shall mutually agree on a third physician or psychiatrists whose decision shall be final and binding. The cost of a third physician or psychiatrists shall be shared equally between the Company and the employee.

Section 2. When the Company has requested an employee to be examined by a physician or a psychiatrist, the Company shall pay the employee his regular rate of pay for all regular scheduled time lost when required to be so examined. Except for employees off for sickness or injury, when a doctors examination is scheduled by the Company to begin during the employees off hours, then he will be paid for two (2) hours at his regular rate of pay. For purposes of this section, a substance abuse screening test shall not be considered a doctor's examination.

ARTICLE 20

MISCELLANEOUS PROVISIONS

Section 1. Bulletin Boards. The company shall place a bulletin board at its refinery which will be designated as "Local No. 381 Bulletin Board" and shall be for the use of the Union for posting any matters of interest affecting the business of the Union. However, nothing may be posted which is detrimental to the Company.

Section 2. Replacement of Clothing. An employee who is required to perform work which results in damage to his clothes or shoes by chemicals or fire to such an extent that they are no longer suitable for wear, shall, upon furnishing proof of such damage, be furnished with suitable replacement clothing or be given a cash replacement allowance. The replacement allowance is to be at fair market value but it will normally not be less than one-half of the replacement cost for a work quality item and it could be as much as the replacement cost if the item were new.

Section 3. Check-off of Union Dues. Upon receipt of written requests by any

employee in the form set forth in Exhibit "D" hereto, the Company shall deduct from his pay and remit to the Union such sum as he shall specify in said request. All money so deducted by the Company shall be paid to the Union on or before the 15th day of the calendar month following that for which deductions are made. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of any action by the Company under the terms of this section. In cases where deductions for dues are made in error by the Company or in reliance upon erroneous information furnished by the Union, the Union shall promptly make refund direct to any employee entitled to such refund and, if such deductions have not been remitted to the Union, the Company shall promptly make such refund.

Section 4. Safety Provisions. The Company shall continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment. Safety devices, apparel and equipment reasonably necessary to properly protect employees from injury shall be provided by the Company. No employee shall be required to perform services that seriously endanger his physical safety, and his refusal to do such work shall not warrant or justify discharge. In all such cases, an immediate conference between the Company and the Union shall be held to settle the issue in question.

Section 5. Work by Supervisors. Supervisors, except in emergencies, or for instruction and training purposes, will not normally perform work done by bargaining unit employees, to the extent that it will displace a bargaining unit employee.

Section 6. Severance Pay. A bargaining unit employee who has been continuously employed by the Company for one year shall, if laid off through no fault of his own, receive a sum equivalent to eighty (80) hours straight time pay at his regular rate.

No person shall receive such severance pay more than once in any twelve (12) month period.

Section 7. Assignments for Training. Assignments to Work Groups 1 through 9 from the Refinery Pool for training purposes will not change the employee's classification, and the rate of pay for these assignments will be the employee's regular

rate of pay as a pool employee. The training under the provisions of this Section is not for the purpose of allowing the Company to pre-select employees to fill permanent jobs and vacancies although experience gained through training may be one of the factors considered in filling permanent jobs.

Section 8. Controlled Substance Policy. The employees will be covered by a controlled substance policy. Any violation of this policy by any employee shall constitute just cause for immediate termination.

ARTICLE 21

SICKNESS BENEFIT PLAN

The Company shall during the term of this agreement maintain in effect a sickness benefit plan, a copy of which plan is attached hereto as Exhibit "C" and incorporated by reference into this agreement. Cost of this Plan will be borne by the Company without contributions from the employee.

ARTICLE 22

OTHER EMPLOYEE BENEFITS

Section 1. Group Insurance. The Company shall maintain in force during the term of this agreement a group insurance plan for the regular full-time bargaining unit employees of Lion Oil Company. Employees will be required to contribute toward monthly costs of these benefit plans. The employees will contribute the following toward monthly costs of these benefit plans:

- | | |
|---|----------|
| A. Employees Only | \$30.00 |
| B. Employee with One Dependent | \$60.00 |
| C. Employee with Two or More Dependents | \$100.00 |

Section 2. Modification of Benefits. During the term of this agreement the Company may modify the group insurance plan for the regular full-time bargaining unit employees of the Company including but not limited to coverage amounts, deductibles, prescription drug coverage, and premiums, provided the changes are effective for all group insurance participants.

Section 3. Disability. The Company shall during the term of this agreement maintain in effect a Long Term Disability Plan. The maximum coverage will be 60% of the employee's straight time rate on a 40 hour per week basis. Benefits will commence on the ninety first (91st) day of continuous total disability and continue to the maximum age of sixty five (65), subject to limitations and provisions as outlined in the details of the Insurance Policy. The Company will pay one-half of the initial premium cost. Any premium cost changes during this agreement by the insurance company will be passed on to the employee.

Section 4. Retirement Plan. The Company agrees that if, during the term of this agreement, it places into effect an employee retirement plan then such plan will also be made available to employees in the bargaining unit.

Section 5. Prorated Benefits. Accrual of vacation and sickness benefits will be prorated to reflect any inactive time during which an employee is not directly compensated by the Company.

ARTICLE 23

SEPARABILITY

Section 1. Any provision of this agreement, which may be adjudged by a court of final jurisdiction, to be in conflict with any federal, state, or local law, shall become inoperative to the extent, and duration, of such conflict. It is agreed that in the event of a conflict between any provision of this agreement and such federal, state, or local law, the remainder of this agreement shall remain in full force and effect.

Section 2. The Company and the Union agree to meet promptly to negotiate to replace any such provision but this shall not be deemed to re-open this agreement nor to permit strikes, slow-downs, or lock-out in the event the parties are unable to agree.

ARTICLE 24

DURATION OF AGREEMENT

This agreement shall be in full force and effect from 6:00 a.m. on August 1, 2006 to and including 6:00 a.m., August 1, 2011, and shall continue from year to year thereafter unless written notice to modify, amend or terminate this Agreement is served by either party upon the other party at least sixty (60) days prior to the expiration date of this agreement.

ARTICLE 25

COMPLETE AGREEMENT

The Company and the Union acknowledge that this Agreement embodies the complete and final understanding reached by the parties as to the wages, hours, and all other terms and conditions of the employment of all employees covered by this Agreement.

The Union and the Company agree that neither party shall be obligated to bargain collectively with the other during the term of this Agreement on any matter pertaining to rates of pay, wages, hours of employment or other conditions of employment, and the Union and the Company hereby specifically waives any right which it might otherwise have to request or demand such bargaining.

The Company shall not enter into any agreements with its bargaining unit employees, individually or collectively, which in any way conflicts with this agreement.

ARTICLE 26

GENDER

It is agreed and understood wherever there appears a reference in this agreement, male or female gender, such references to a specific sex include both genders.

ARTICLE 27

NOTICE

Any notice to the Company provided herein may be given by depositing same in the U.S. Mail in a sealed envelope, registered, postage prepaid, and addressed to Lion Oil Company, 1000 McHenry, El Dorado, Arkansas, attention Refinery Manager, and the notice to be given to the Union may be given by depositing the same in the U.S. Mail in a sealed envelope, registered, postage prepaid and addressed to International Union of Operating Engineers (AFL-CIO), Local No. 381, El Dorado, Arkansas,

Attn: Recording Secretary.

IN WITNESS WHEREOF, this Agreement is executed on this 1st day of August,
2006

EXHIBIT A
WORK GROUPS AND JOB CLASSIFICATION

The following illustrates the Work Groups and Job Classifications as referred to in the body of this agreement:

<u>WORK GROUP</u>	<u>JOB CLASSIFICATIONS</u>
1. <u>Utilities</u>	Boiler fireman *Operator Assistant #2
2. <u>Pumphouse</u>	Pumper Pumper Assistant #1 * Pumper Assistant
3. <u>Units 1, 4 & 11</u>	"A" Operator Operator Operator Assistant No. 1 * Operator Assistant No. 2
4. <u>Units 5 & 14</u>	"A" Operator Operator Operator Assistant No. 1 * Operator Assistant No. 2
5. <u>Units 6, 7, 9, 10 & 12</u>	"A" Operator Operator Operator Assistant No. 1 * Operator Assistant No. 2
6. <u>Asphalt Plant</u>	Operator * Operator Assistant No. 2
7. <u>Asphalt Specialties</u>	P.C. Control Tester P.C. Blender and Compounder Loader P.C. Painter and Stenciler P.C. Barreling Machine Operator Carton Filler Lift Operator

* Specialty Asphalt Plant Laborer

8. Waste Management

Water & Sludge Management

Systems Controller

* Utilities Mechanic

9. Laboratory

Laboratory Technician, 1st Class

*Laboratory Technician, 2nd Class

Senior Janitor (Laboratory)

10. Boilermakers

Boilermaker, 1st Class

Boilermaker, 2nd Class

* Boilermaker Helper

11. Carpenters

Carpenter, 1st Class

Carpenter, 2nd Class

* Carpenter Helper

13. Heavy Equipment Operators

Heavy Equipment Operator, 1st Class

*Heavy Equipment Operator, 2nd Class

14. Electricians & Instrument Repairman

Analyzer Technician

Electrician, 1st Class

Instrument Repairman, 1st Class

E&I, 1st Class

E&I, 2nd Class

*E&I Helper

15. Insulators/Painters

Insulator-Painter, 1st Class

Insulator-Painter, 2nd Class

*Insulator-Painter,Helper

16. Machinists/Mechanics

Machinist, 1st Class

Machinist, 2nd Class

Mechanic, 1st Class

Mechanic, 2nd Class

*Mechanic Helper

17. Pipefitters

Pipefitter, 1st Class

Pipefitter, 2nd Class

* Pipefitter Helper

18. Welder

Welder, 1st Class

Welder, 2nd Class

*Welder Helper

19. Maintenance Labor

Dump Truck Driver

*Maintenance Laborer

20. Refinery Pool

*Refinery Pool Helper

*** Denotes the entry level Job in each work group.**

EXHIBIT B
WAGE RATES

	8/1/2006	8/1/2007	8/1/2008	8/1/2009	8/1/2010
<u>Classification</u>	<u>\$/Hour</u>	<u>\$/Hour</u>	<u>\$/Hour</u>	<u>\$/Hour</u>	<u>\$/Hour</u>
Boiler Fireman	23.00	23.75	24.46	25.19	25.82
Water & Sludge Mgm Sys Controller	22.47	23.20	23.90	24.61	25.23
Utilities Mechanic	21.15	21.83	22.49	23.16	23.74
Pumper	23.00	23.75	24.46	25.19	25.82
Pumper Assistant No. 1	22.18	22.90	23.59	24.30	24.90
Pumper Assistant	21.15	21.83	22.49	23.16	23.74
Operator A	23.87	24.64	25.38	26.14	26.80
Operator	23.06	23.81	24.52	25.26	25.89
Operator Assistant No. 1	22.18	22.90	23.59	24.30	24.90
Operator Assistant No. 2	21.15	21.83	22.49	23.16	23.74
Temporary Operations Helper	17.65	18.22	18.77	19.33	19.81
P.C. Control Tester	22.35	23.07	23.76	24.48	25.09
P.C. Blender and Compounder	21.59	22.29	22.96	23.65	24.24
P.C. Canning Machine Operator	21.59	22.29	22.96	23.65	24.24
Loader	20.77	21.45	22.09	22.75	23.32
P.C. Painter Stenciler	20.47	21.14	21.77	22.42	22.99
P.C. Barrelling Machine Operator	20.10	20.75	21.38	22.02	22.57
Carton Filler	19.79	20.43	21.05	21.68	22.22
Lift Operator	18.92	19.53	20.12	20.72	21.24

Specialty Asphalt Laborer	18.40	19.00	19.57	20.16	20.66
Laboratory Technician, 1st Class	22.35	23.07	23.76	24.48	25.09
Laboratory Technician, 2nd Class	20.63	21.30	21.94	22.59	23.16
Senior Janitor (lab)	18.40	19.00	19.57	20.16	20.66
Boilermaker, 1st Class	22.35	23.07	23.76	24.48	25.09
Boilermaker, 2nd Class	21.15	21.83	22.49	23.16	23.74
Boilermaker Helper	19.79	20.43	21.05	21.68	22.22
Carpenter, 1st Class	22.35	23.07	23.76	24.48	25.09
Carpenter, 2nd Class	21.15	21.83	22.49	23.16	23.74
Carpenter Helper	19.79	20.43	21.05	21.68	22.22
Analyzer Technician	23.43	24.19	24.92	25.67	26.31
Electrician, 1st Class	22.35	23.07	23.76	24.48	25.09
Instrument Repairman, 1st Class	22.35	23.07	23.76	24.48	25.09
E&I, 1st Class	22.35	23.07	23.76	24.48	25.09
E&I, 2nd Class	21.15	21.83	22.49	23.16	23.74
E&I Helper	19.79	20.43	21.05	21.68	22.22
Heavy Equipment Operator, 1st Class	22.35	23.07	23.76	24.48	25.09
Heavy Equipment Operator, 2nd Class	21.15	21.83	22.49	23.16	23.74
Insulator-Painter, 1st Class	22.35	23.07	23.76	24.48	25.09
Insulator-Painter, 2nd Class	21.15	21.83	22.49	23.16	23.74
Insulator-Painter Helper	19.79	20.43	21.05	21.68	22.22
Machinist, 1st Class	22.35	23.07	23.76	24.48	25.09
Machinist, 2nd Class	21.15	21.83	22.49	23.16	23.74
Mechanic, 1st Class	22.35	23.07	23.76	24.48	25.09

Mechanic, 2nd Class	21.15	21.83	22.49	23.16	23.74
Mechanic Helper	19.79	20.43	21.05	21.68	22.22
Pipefitter, 1st Class	22.35	23.07	23.76	24.48	25.09
Pipefitter, 2nd Class	21.15	21.83	22.49	23.16	23.74
Pipefitter Helper	19.79	20.43	21.05	21.68	22.22
Welder, 1st Class	22.35	23.07	23.76	24.48	25.09
Welder, 2nd Class	21.15	21.83	22.49	23.16	23.74
Welder Helper	19.79	20.43	21.05	21.68	22.22
Dump Truck Driver	18.74	19.35	19.93	20.53	21.04
Maintenance Laborer	17.19	17.75	18.28	18.83	19.30
Refinery Pool Helper	16.33	16.86	17.37	17.89	18.34

Shift workers working the eight-hour shift as scheduled by the Company are subject to a shift differential of Seventy-five cents (\$0.75) per hour for the Evening Shift and One Dollar and fifty cents (\$1.50) for the Morning Shift. Shift workers working the twelve-hour shift as scheduled by the Company are subject to a shift differential of One dollar and fifty cents (\$1.50) for the Graveyard Shift. Day Workers on callout after regular working hours and who work 4 or more hours are subject to a shift differential of One Dollar and fifty cents (\$1.50) from 10:00 p.m. to 6:00 a.m. for all hours worked on the callout.

EXHIBIT C

NON-OCCUPATIONAL SICKNESS BENEFIT

All regular full-time employees who have completed one year of continuous service with Lion Oil Company shall be eligible for the following annual sickness benefit.

Part 1. Sickness Benefit

- (A) One to two years' service - eighty (80) hours of absence from regularly scheduled work to be paid at one hundred percent (100%) of the employee's regular base rate of pay.
- (B) Two to three years' service - one hundred sixty (160) hours of absence from regularly scheduled work to be paid at one hundred percent (100%) of the employee's regular base rate of pay.
- (C) Three to four years' service - one hundred sixty (160) hours of absence from regularly scheduled work to be paid at one hundred percent (100%), eighty (80) hours of absence from regularly scheduled work to be paid at eighty percent (80%), forty (40) hours of absence from regularly scheduled work to be paid at seventy percent (70%), of the employee's regular base rate of pay.
- (D) Four to five years' service - one hundred sixty (160) hours of absence from regularly scheduled work to be paid at one hundred percent (100%), eighty (80) hours of absence from regularly scheduled work to be paid at eighty percent (80%), eighty (80) hours of absence from regularly scheduled work to be paid at seventy percent (70%), and eighty (80) hours of absence from regularly scheduled work to be paid at sixty percent (60%) of the employee's regular base rate of pay.
- (E) Five or more years' service- one hundred sixty (160) hours of absence from regularly scheduled work to be paid at one hundred percent (100%), eighty (80) hours of absence from regularly scheduled work to be paid at eighty percent (80%), eighty (80) hours of absence from regularly scheduled work to be paid at seventy percent (70%), and two hundred (200) hours of absence from regularly scheduled work to be paid at sixty percent (60%) of the employee's regular base rate of pay.

All bargaining unit employees who were employed by the Company prior to August 1, 1988, and who

complete the one (1) year continuous service requirement shall be eligible for the sickness benefit set forth in subpart (E) above.

If an employee is totally disabled to work for a period of sixteen (16) scheduled work hours or more, was eligible for benefits under the sickness plan at the time such disability began and furnished proof of such illness and the length thereof, he shall as of the seventeenth full scheduled work hour of such disability, be entitled to the applicable benefits set forth in the schedule above. The first eight (8) hours of the waiting period shall be waived if an employee, otherwise eligible for benefits, has not been absent from work due to illness, or personal leave during the preceding twenty-four (24) month period. Such sixteen hour waiting period shall be waived in cases where scheduled surgery commences on the first day of disability.

For the purpose of this plan, a year shall be considered a period of twelve months commencing with the employee's anniversary date. Should a period of disability extend from one service year to another, the maximum weeks of benefits paid during each service year of the disability will be determined by the schedule above. However, if a period of disability does extend from one service year to another, then an eligible employee, having once received sickness benefits at the 100% and/or 80% rate, will be paid all further hours of sickness benefits at 60% of the employee regular base rate of pay. When a year's full benefits have been exhausted, an employee will receive no further benefits until such time as he has passed an anniversary date of his employment.

Commencing with the term of this agreement, an employee shall receive additional sick benefits for each service year that the employee is not absent from work due to illness or personal leave. For each service year without an absence, the benefits shall accrue as increase in the employee's sickness benefits equal to 20% of the employee's regular rate or pay for forty (40) hours. The maximum sickness benefit to be received by an employee shall be two hundred forty (240) hours at 100%, eighty (80) hours at 90%, and two hundred (200) hours at 80% of the employee's regular base rate of pay. Such increased benefits shall be accrued to the employee until used, at which time the maximum increased benefits shall be exhausted first. Any partial week of increased benefits that is unused by the employee on his anniversary date will be deleted from the employee's available sickness benefits.

Part II. Definitions:

(A) Wherever used in this plan masculine pronouns include both men

and women, unless the context indicates otherwise.

- (B) The term "employee" shall mean a person who is regularly performing the duties of an established job or position. Persons working on a temporary or casual basis shall not be deemed employees for the purpose of this plan.
- (C) Except as otherwise provided in this Exhibit C, Compensation will be payable in accordance with the schedule "Sickness Benefit" as set forth above.

Part III. Sickness Benefits Rules:

- (A) Benefits will be payable only in case of total disability resulting from sickness or non-occupational injury.
- (B) To become eligible for these benefits, an employee must have accrued one year of active and continuous service with the Company from the date of his last employment.
 - 1) An employee must commence anew to establish completed years of service under this plan if he is reemployed after discharge for cause, resignation or after having been laid off for a period of more than 180 consecutive days.
 - 2) Each twelve months of active, continuous service as determined by the Company's rules and regulations computed from an employee's last date of employment will be considered one year.
- (C) Illness or injury occurring when employee is not on duty will serve to qualify such employee for benefits under this plan except where such illness or injury occurs while:
 - 1) The employee is on vacation;
 - 2) The employee is on military leave of absence or on other leave of

absence at his request;

- 3) The employee is absent due to a layoff. However, should an illness or injury originate during a regular vacation period and carry over until after the vacation period, the employee will be entitled to benefits as a result of such illness or injury in the same manner as though the illness or injury originated on the date of his scheduled return to work.

- (D) Limit and Amount of Sickness Disability Benefits: No employee shall be entitled to the benefits during any year of employment greater than the total number of hours shown by the schedule. If an employee is absent more than once during any year on account of illness or non-occupational injury, all such periods will be totaled for the purpose of computing the benefits to which such employee is entitled under this plan.
- (E) No waiting period shall be required if an employee has once qualified for benefits under this plan for any period and is again absent on account of a medical or surgical relapse within one week after the termination of the preceding period of related disability.
- (F) No rights to disability benefits under this plan shall exist if disability is due directly or indirectly to intoxication or the use of intoxicants as a beverage or to the use of stimulants, drugs, or narcotics, or to unlawful acts, or to fighting, unless in self-defense against unprovoked assaults, or to injury received in any brawl, or to the willful intent of the employee to injury himself or another.
- (G) If an employee fails to observe any of the following rules, the company may deny all or part of the benefits otherwise payable under this plan:
- 1) If taken sick while at work, an employee shall report at once to his supervisor and follow instructions with respect to medical

attention;

- 2) If taken sick at home or injured while off duty, the fact shall be reported to the employee's supervisor on the first full day of disability;
 - 3) Give full and correct information regarding the disability including affidavits satisfactory to Company and furnish medical certificates if requested by the Company.
 - 4) A disabled employee shall take proper care of himself, and when needed, secure proper medical attention at his own expense;
 - 5) Submit to such physical examination as may be deemed necessary by a doctor selected by the Company;
 - 6) Report to the Company on a weekly basis any change in his condition, place of residence or address during the disability.
- (H) The Company may have a physician investigate the circumstances of an employee's illness or injury to determine whether the employee is taking appropriate steps to expedite his recovery.
- (I) An employee may be required to furnish medical evidence satisfactory to the Company before returning to work after a period of disability.
- (J) The benefits hereunder shall not be subject to assignment, garnishment, attachment, or execution. Neither shall this plan be construed to give any employee the right to be retained in the service of the Company or to claim benefits hereunder after his separation from service.
- (K) The decision of the Company shall be final and conclusive with respect to every question which may arise relating to either the interpretation or administration of this plan.

- (L) No benefits under this plan will be paid for any period with respect to a disability which is the result of working for remuneration for someone other than the Company.

- (M) Sickness benefits for an eligible employee shall cease once the employee qualifies to receive Long Term Disability compensation.

EXHIBIT D

I, the undersigned member of local 381 of the International Union of Operating Engineers, AFL-CIO herewith authorize my employer to deduct from my wages each and every month my union dues consisting of initiation fees and monthly fees owing to Local 381 as a result of membership therein, and direct that such amounts so deducted be sent to the Secretary-Treasurer of Local 381 for and on my behalf.

This authorization is intirely voluntary and shall be revocable at any time to giving written notice of revocation to the Company.

If my employment is terminated or if I am permanently transferred outside the bargaining unit, this voluntary authorization shall null and void on the effective date of such transfer or termination.

(Date)

(Singnature)