

SETTLEMENT AGREEMENT entered into this ____ day of July, 2014, by and between WESTERN REFINING SOUTHWEST, INC. ("Western Refining" or "Employer") and LOCAL 351, INTERNATIONAL UNION OF OPERATING ENGINEERS, AFL-CIO ("Union").

Western Refining and the Union agree to extend the current collective bargaining agreement, originally scheduled to expire at midnight April 30, 2011, but extended until July 30, 2014, for six (6) years, from May 1, 2014 until April 30, 2020, without change except as follows:

1. Revise the date on page 1 to reflect an effective date of May 1, 2014.
2. Article VII - Seniority, Section 5(g). No change.
3. Article VIII, Section 4 - in first bullet point, change 30 minutes to 14 minutes.
4. Article VIII, Section 5, Operator Training Program - change "Relief Operator" to "#1 Operator" and delete the seventh sentence which states "Employees who successfully learn and pass all tests and certifications, can advance up to the pay level of Relief Operator regardless of the job they are normally assigned and perform."
5. Article VIII, Section 11 - Job Bidding - in the first sentence change "Board Operator" to "Console Operator" and add the new job classifications of Senior Lab Technician, Inside Operator, and Lead Railroad Loader.
6. Article X, Section 5 - Lunch Periods - change the word "Operations" in last sentence to "12 hour classified employees."
7. Article XI, Overtime and Overtime Pay, Section 2 - in the second sentence, delete the words "normally assigned to work."
8. Article XI, Section 3, Overtime Rate - change 48 hours to 40 hours and add the following as a new Paragraph: "F. The overtime rate will not be paid, under any circumstances, for hours not actually worked, such as taking approved PTO on a day of unscheduled overtime."
9. Article XI, Overtime, Section 5 - revise the last sentence to read as follows: "Maintenance department employees eligible for an overtime meal shall have the option of taking a meal break or, instead, of receiving a \$15 payment and being credited with thirty (30) minutes overtime."
10. Article XI, Section 6 - Call Outs - revise the fourth sentence to read as follows: "When an employee "on call" is called out to work, or if an employee who has completed their shift and clocked out is called back to work, the employee shall be provided with a minimum of four (4) hours work or four (4) hours pay at the employee's overtime rate of pay."
11. Article XII, Section 3 - Night Shift Premium - change 6:30 to 6 p.m. and 6 a.m.
12. Article XVI, Section 2, Use of PTO - add the following as a last sentence: "PTO cannot be taken and will not be approved for any hours an employee would otherwise be entitled to overtime pay for all of the hours to be worked."
13. Article XXI, Section 2, Grievance and Arbitration Procedure - in Steps 1, 2, and 3, change "working days" to "business days."
14. Article XXII, Section 2, Electronic Funds Transfer - revise to read as follows: "In the case of documented hardship caused by direct deposit, the Company will provide the employee

of documented hardship caused by direct deposit, the Company will provide the employee with a pay card.”

- 15. Article XXVII - Duration of Agreement - revise to reflect new effective and termination dates.
- 16. Article XIV, Section 4, Split Vacations. Revise to read as follows:

Vacations may be split in as small as one-week increments, bounded by scheduled days off, where consistent with operating requirements. Up to one week vacation may be taken in periods of less than one week. The minimum vacation time that can be taken is in increments of one day, except for absences covered by the Family Medical Leave Act. Employees with at least three (3) weeks vacation entitlement can schedule up to two (2) weeks vacation time in increments of less than one week (i.e., one day at a time), provided, however, that they designate a time period (called “default vacation time”) during the latter part of the year when they will take any vacation not taken in increments of less than one week.

17. APPENDIX A

A. OPERATION DEPARTMENT LINES OF PROGRESSION/DEMOTIONS

There is one line of progression, as follows:

INSIDE

Consol Operator

Inside
Operator

OUTSIDE

Lead
Operator (2)

#1 Operator (2)

#2 Operator

#3 Operator

#4 Operator

#5 Operator

Training & Relief

1. New employees in Operations will be hired as Training & Relief and progress into the position of #5 Operator when qualified.
2. Employees in each Operations position are expected to become qualified (certified) for their current position and the position immediately above and below their current position as per the Operator Training Program.
3. Employees qualified for a higher position, such as a #4 Operator qualified as a #3 Operator, will receive #3 Operator pay for only the hours actually worked as a #3 Operator.
4. Initially, the new, open Consol Operator jobs and the new Inside Operator position will be posted for bidding (a total of 12 positions). Vacancies created by these bids, if any and if eligible for bidding, will likewise be posted for bidding. Thereafter, current employees will be slotted into the above new Operator positions and will become "classified" at the position level into which they are slotted.
5. No Operator will suffer a reduction in pay as a result of changing from two lines of progression to one line of progression and the slotting into the new Operator positions. Employees with current wage rates in excess of the rate for the Operator position into which they are slotted, will have their higher wage rate red-circled (frozen) until the contract rate catches up with them. Employees with wage rates less than the Operator position into which they are slotted will be increased to the position rate.
6. In addition to the foregoing openings, the Employer is planning on adding four (4) new supervisory positions in Operations. Until these openings, and the other new Operator positions are posted and a selection made, it is impossible for the Employer to tell current employees the Operator positions into which they will be

slotted. What it can assure employees, is that no Operator will suffer a reduction in wage rate.

OPERATION PAY RATES

	<u>2014*</u>
Console Operator -	\$39.22
Inside Operator -	\$38.52
Lead Operator -	\$38.02
#1 Operator -	\$35.65
#2 Operator -	\$33.27
#3 Operator -	\$29.71
#4 Operator -	\$24.55
#5 Operator -	\$22.53
Trainee & Relief -	\$19.54

B. MAINTENANCE DEPARTMENT LINES OF PROGRESSION

1. Lines of progression in the Maintenance Department craft jobs are determined in accordance with skill levels established by the Company for each job classification.

2. MAINTENANCE PAY RATES

	<u>2014*</u>
I & E Tech A	\$38.64
I & E Tech B	\$36.65
I & E Tech C	\$34.78
Craftsman A	\$38.01
Craftsman B	\$36.06
Craftsman C	\$30.50
Craftsman D	\$26.95
Helper	\$19.54

C. LABORATORY DEPARTMENT LINES OF PROGRESSION AND PAY RATES

	<u>2014*</u>
Laboratory Maintenance Technician -	\$38.01
Senior Lab Technician -	\$30.81 [4/10s days, SME acid Testing etc., also reliever]
Laboratory Technician -	\$29.81
Laboratory Technician (Trainee) -	\$19.54

D. OFF SITES LINES OF PROGRESSIONS AND PAY RATES

	<u>2014*</u>
Off Sites Lead -	\$36.93
Pumper Technician A -	\$34.19
Pumper Technician B -	\$29.58
Water Treatment Operator -	\$25.02
Off Sites Operator Trainee -	\$19.54

Create a new line of progression for the following:

	<u>2014*</u>
Lead Railroad Loader -	\$30.00
Railroad Loader -	\$25.50
Off Site Trainee (RR Loader)	\$19.54

Marketing Rack Attendant \$25.50 (no line of progression)

E. WAREHOUSE DEPARTMENT LINES OF PROGRESSION AND PAY RATES

	<u>2014</u>
Warehouse A	\$23.45
Warehouse B	\$17.98

Progression from Warehouse B to A will be afer one year.

* 2014 Increases for 2014 (3%) effective the first pay period after May 1, 2014. Wage and benefit increases in 2015, 2016, 2017, 2018, and 2019 will be based upon the Oil Industry pattern wage settlement and effective the first day of the first payroll period in May of the applicable year.

F. MISCELLANEOUS

1. All Memoranda of Understanding entered into during the term of the Agreement in effect from May 1, 2011 to April 30, 2014, are renewed for the term of this Agreement with the exception of the ones regarding Water Treatment Operator, Laboratory Maintenance Technician, and Night Shift Premium.
2. The Union will use its best efforts to assist the Company in getting employees to respond to calls for overtime and call-outs as part of the Company's efforts to equalize overtime distribution.

3. Stationary Engineers Apprenticeship and Training Trust. The Employer is willing to enter into the attached Letter of Understanding regarding the SEATT.

The Union agrees to recommend ratification of this settlement to the bargaining unit.

The Company agrees to pay each bargaining unit employee who is on the payroll on July 10, 2014 and the first payday following ratification, a one time bonus of \$1,200, payable on the first payday following ratification of this new Agreement.

ACCEPTED and AGREED to this 10th day of July, 2014.

WESTERN REFINING SOUTHWEST, INC.

Victor Frank
Cherrie B.
William C. McClain

LOCAL 351, IUOE

Ray D. Coney LOCAL 351
Ben Frank
Mark Kow
Alvin Tuzer