

Stipulation of Agreement Between Alon USA, GP, Inc. and International Union of Operating Engineers, Local 351

Alon USA, GP, Inc., a wholly owned subsidiary of Delek US Holdings, located at its Big Spring Refinery, 200 Refinery Road, Big Spring, Texas 79720, hereinafter referred to as the Company, and International Union of Operating Engineers, AFL-CIO, CLC, Local 351, hereinafter referred to as the Union, agree that the following provisions shall apply for extending the current Collective Bargaining Agreement effective May 31, 2018:

TERM OF AGREEMENT

1. The current Collective Bargaining Agreement will be extended to March 31st, 2022. All letters of agreement between the Company and the Union previously agreed to will remain in full force and effect.

PENSION

1. Freeze pension for all Bargaining Unit Employees effective July 31st, 2018.
2. The Company will proceed with the pension plan termination process, expected to take twelve (12) – eighteen (18) months, which will result in all active bargaining unit pension participants receiving a lump sum payment equal to their pension benefit present value at the time of termination. Employees will have the option to take the lump sum payment in cash or roll it into an IRA.
3. The Company agrees to pay each pension-eligible Bargaining Unit Employee an amount equal to \$6000 per ‘full year of service’, as calculated on July 31st, 2018. This payment will be made in four (4) installments, as follows:
 - a. As soon as administratively possible post July 31st, 2018, the Company will pay each Bargaining Unit employee 40% * \$6000 * ‘full years of service’.
 - b. On the first pay period beginning on or after July 1st, 2019, the Company will pay each Bargaining Unit employee 20% * \$6000 * ‘full years of service,’ including compound interest calculated at 3% from July 1, 2018
 - c. On the first pay period beginning on or after July 1st, 2020, the Company will pay each Bargaining Unit employee 20% * \$6000 * ‘full years of service,’ including compound interest calculated at 3% from July 1, 2018
 - d. On the first pay period beginning on or after July 1st, 2021, the Company will pay each Bargaining Unit employee 20% * \$6000 * ‘full years of service,’ including compound interest calculated at 3% from July 1, 2018
 - e. If an employee is sixty (60) years of age or more on July 1, 2018, and retires or their employment is voluntarily terminated prior to July 1, 2021, the balance of that employee’s payments will be accelerated. All other employees must be employed on July 1 of each year to be eligible to receive that year’s payment.

401(K)

1. Effective the first pay period of January 2019, the Company shall match Bargaining Unit Employee contributions, on a dollar-for-dollar basis, to a maximum of six percent (6%) of gross earnings, for all Employees with one (1) or more years of continuous employment.

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WAGES

1. The Company will implement a series of wage rate increases as follows:
 - a. Effective on the first day of the first pay period of 2019, all Bargaining Unit Employees hourly rates will be increased by 5.5%. This increase reflects 3.5% normal wage increase plus 2.0% as an offset for the reduction in the 401k match from 8% to 6%. Should the National Oil Bargaining Pattern Agreement (NOBPA) negotiations result in an increase in 2019 greater than 3.5%, the Company will implement the difference between the National Package and the 3.5% normal wage increase described above, as an additional wage increase the first pay period after the ratification of the National Oil Bargaining Pattern Agreement in 2019. For example, if the NOBPA results in a general wage increase of 4.0% in 2019, then each employee will receive an additional 0.5% wage increase, bringing the total to 6.0% in 2019.
 - b. Effective on the first day of the first pay period of 2020, all Bargaining Unit Employees hourly rates will be increased by the greater of 3.0% or the NOBPA amount for calendar year 2020.
 - c. Effective on the first day of the first pay period of 2021, all Bargaining Unit Employees hourly rates will be increased by the greater of 3.0% or the NOBPA amount for calendar year 2021.
 - d. Effective on the first day of the first pay period of 2022, all Bargaining Unit Employees hourly rates will be increased by the greater of 3.0% or the NPBPA amount for calendar year 2022.

OTHER

1. The Bargaining Unit Employees will also receive any additional economic settlements that are part of the NOBPA package negotiated in 2019.

DISABILITY BENEFITS

1. Upon ratification, all Bargaining Unit Employees who are active participants in either the Welfare Benefits Plan or Short Term and Long Term Disability Plan shall be eligible for paid disability leave during any calendar year. Disability leave is defined as any period of disability as defined in the short term and long term disability plan description.
 - a. Employees on an approved disability leave of absence will be eligible for up to twenty-six (26) weeks of disability benefits at 100% of their base wages. Such disability benefits shall be paid at forty (40) hours per week at their regular hourly rate. Upon the expiration of the STD benefits, Employees are eligible to apply for long term benefits. If the LTD leave of absence is approved, the Employee will be eligible for disability benefits of up to 60% of their base wage based on forty hours.