

**ARTICLES OF AGREEMENT**

**BETWEEN**

**DCP MIDSTREAM, LP**

**AND**

**INTERNATIONAL UNION OF OPERATING ENGINEERS  
AFL-CIO  
LOCAL 351**

**EFFECTIVE JUNE 1, 2012**

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## ARTICLES OF AGREEMENT

This Agreement dated May 23, 2012 is made and entered into by and between DCP Midstream, LP (DCP) (hereinafter referred to as "Company") and the International Union of Operating Engineers, AFL-CIO, and its Local 351 (hereinafter collectively referred to as "Union").

It is the intent and desire of the parties hereto to foster and promote stable and peaceful labor relations among the Company, its employees covered by this Agreement, and the Union and to establish an orderly relationship between them so that grievances will be settled in accordance with the Agreement. Therefore, in consideration of the mutual promises and obligations herein assumed, the parties agree as follows:

### ARTICLE I TERM OF AGREEMENT

This agreement shall remain in effect through March 31, 2015.

The provisions of the Agreement may be made subject to the negotiations by either party giving notice to the other in writing no earlier than ninety (90) days prior to above stated expiration date. If the parties are not in agreement within thirty (30) days following receipt of such notice then either party may give notice to the other in writing of its desire to terminate the Agreement on the termination date specified in this Article. During the sixty (60) day period, the Company and the Union will meet, negotiate and attempt to reach a new Agreement before this Agreement terminates at the expiration of said sixty (60) day notice.

### ARTICLE II NON-DISCRIMINATION

#### **Section 1.**

Gender—Wherever the masculine gender is used in this Agreement, it shall be understood to also include the feminine gender equally and without bias.

#### **Section 2.**

There will be no discrimination against any employee on account of membership or non-membership in any, society, fraternity, labor union or religious organization, by the Company or the Union. The Company and the Union agree there shall be no discrimination against any employee because of race, color, creed, age, sex, national, origin, veteran status or disability to the extent those classes of persons are protected from discrimination by applicable law. **Section 3.**

The parties agree that any accommodation made by the Company and/or the Union with respect to job duties or any other term or condition of employment under the Americans with Disabilities act, will be on a case-by-case basis, and shall be without precedent to any future matter of a like or similar nature.

### **ARTICLE III RECOGNITION**

#### **Section 1.**

The Company hereby recognizes the Union as exclusive bargaining representative of those employees in the following described bargaining unit to wit:

All operating and maintenance employees of the Company's Panhandle Asset, specifically Borger/Dumas Area including the following:

- a. Dumas gathering,
- b. Sneed facility,
- c. Borger gathering,
- d. Rock Creek Plant.

Covered classifications are included in Exhibit A.

For the purposes of collective bargaining with the Company with respect to wages, hours and other conditions of employment, subject to and in accordance with the National Labor Relations Act.

#### **Section 2.**

It is agreed that during the life of this Agreement, or during any agreed extension period thereof, there shall be no strike, slowdown, sit-down, work stoppage, by the Union and its members nor lockout by the Company. Any employee instigating or engaging in any activity prohibited by this Article shall be discharged, and the only subject of a grievance arising from such discharge shall be limited to the question of whether or not any given employee instigated or engaged in such activity.

**ARTICLE IV  
UNION MEMBERSHIP**

No employee shall be required to become a member of the Union as a condition of his or her employment with the Company. The Company and the Union agree that membership in the Union will be on a voluntary basis on the part of each employee. Neither the Union or Union members or the Company will interfere in any way with the rights of the employees of the Company who are or are not members of the Union, or who may, or may not desire to become or remain members of the Union.

Union and anti-union activity on the job that interferes with performance of job duties shall be subject to disciplinary action.

**ARTICLE V  
MANAGEMENT RIGHTS**

Except as otherwise expressly and specifically abridged, delegated, granted or modified by the Agreement, the Company has the sole and exclusive right to exercise all the rights or functions of management, including:

1. The right to manage the business.
2. The right to establish, modify and enforce reasonable Company policies, and reasonable Company rules and regulations.
3. The right to direct the working force, including the right to hire, promote, transfer, suspend, rehire, discipline or discharge any employee for just cause.
4. The right to determine the size of the work force.
5. The right to schedule working hours and establish pay practices.
6. The right to control the use of Company property, material, vehicles or equipment.
7. The right to determine the qualifications of employees, including, but not limited to, the right to require a fitness for duty examination under the provisions of Article XXII of this Agreement.
8. The right to contract with third parties for the performance of all or any part of the work of the Company; provided that such contracting of work does not result in a reduction in the workforce.
9. The right to terminate, merge or sell the business or any part thereof.

It is agreed that the enumeration of management rights listed above shall not be deemed to exclude other management rights and prerogatives not specifically enumerated above.

The Company's not exercising any functions hereby reserved for it or its exercising any function in a particular way shall not be deemed a waiver of its right to exercise such functions in the future or preclude the Company from exercising the same in some other way not in conflict with the provisions of the Agreement.

## **ARTICLE VI EMPLOYEE DUTIES AND RESPONSIBILITIES**

1. Each employee shall perform the work assigned him by a recognized supervisor (or his designee) and shall be responsible for the proper performance of such work to the supervisor making the assignment, or in his absence, to another designated supervisor.
2. Each employee will be expected to perform the requirements of his job in accordance with the prescribed standards of performance for the job classification. It is recognized that a requirement or adjunct of any job is the performance of that work which is incidental, usual or necessary for safety and efficiency and for the cleanliness, orderliness and running maintenance of the assigned equipment and clean-up area.
3. All operating employees who are not needed on equipment regularly assigned to them for operating responsibilities may be utilized to perform any clean-out, repair, maintenance or construction work on equipment for which they are qualified or perform other assigned work.
4. Each employee will observe all safety rules and regulations.
5. In order to provide maximum safety, employees may be required to be able to obtain a proper seal while wearing an air mask during routine, periodic, dangerous-to-life and emergency situations. Therefore, employees must be clean-shaven in the seal area of the mask.
6. In addition to performing their other job duties, employees in all classifications shall, as directed by the appropriate supervisor, direct the work of other employees and assist with the work of other employees and aid other less experienced employees in acquiring job knowledge.
7. Each employee shall arrive at his place of duty or the designated point sufficiently in advance of starting time (not to exceed twenty (20) minutes) such that he may prepare himself to assume his job responsibilities on time.
8. With respect to an employee's assigned reporting location, the employee should be able to immediately acknowledge a call-out by phone and to physically respond to any call-out situation at the required location as quickly as possible, but not to exceed two (2) hours.

9. In the case of relief failure, the employee on duty will remain at his post until properly relieved or released. Employees on jobs where no relief is regularly scheduled will work until the normal quitting time, except when directed otherwise by the appropriate supervisor.
10. As part of every employee's job responsibilities, the Company expects prompt and regular attendance. If the employee is going to be absent or late, he must let his supervisor know as soon as possible before the start of the work day. If the employee's supervisor is not available, he should contact the Asset Manager or his designee. Leaving voice mail messages or messages with other employees is not acceptable.
11. Work may be assigned temporarily to employees outside their normal work duties as qualifications and work priorities permit.

## **ARTICLE VII DISCHARGE**

No employee shall be discharged or disciplined without just cause. When circumstances are appropriate, the Company shall impose discipline in a progressive manner. The reason for discharge or other disciplinary action shall be given to the employee at the time of his discharge or other disciplinary action.

Although the Company may impose a lesser penalty, the following is, although not all-inclusive, shall be grounds for immediate discharge.

1. Engaging in a strike, picketing or slowdown in violation of the No-Strike Clause of this Agreement.
2. Violating the policy relating to alcohol, drugs, chemicals and substances in the workforce and workplace – violations will be addressed under the terms and conditions of that policy.
3. Refusal to submit to a drug/alcohol test.
4. Assault, battery or harassment of an individual or physical or verbal fighting at any time on DCP Midstream premises.
5. Violation of, disregard of, or failure to follow instructions, policies or guidance on environmental, health and safety laws, regulations, permits or other requirements.
6. Sleeping while on duty.
7. Bringing or possessing firearms, concealed weapons, explosives or similar hazardous materials and devices on DCP Midstream property.
8. Making disparaging comments about the Company's facilities or services, which interfere with the Company's commercial dealings or relationships.

9. Smoking in restricted areas (smoking is prohibited in all areas except where expressly designated as permissible).
10. Unauthorized use, removal and/or possession of DCP Midstream equipment and/or property or property of other employees.
11. Refusal to submit to searches of personal belongings such as lockers, purses, brief cases, tool boxes, lunch pails, etc.
12. Unauthorized and/or excessive tardiness and absences, falsifying reasons for absence or tardiness; abuse of DCP Midstream policies governing employee absences; failure to provide proper notification of an impending absence and nonconformance to assigned work schedule.
13. Leaving the plant, facilities or job assignment during work hours without the supervisor's permission.
14. Horseplay while inside the plant, facilities or on the job.
15. Conviction of a crime in the inability to perform the employee's job and/or which negatively impacts the Company.
16. Unauthorized distribution of reading printed material (i.e. newspapers, magazines, etc.) not specifically pertaining to DCP Midstream business during working hours.
17. Unauthorized solicitations during work time in work areas.
18. Gambling on premises or on-line
19. Deliberate, willful or negligent actions which may abuse, damage or destroy DCP Midstream or the property of others.
20. Violation of, or disregard of, safety rules or common recognized safety practices or standard working procedures.
21. Use of abusive, threatening or malicious language.
22. Neglect of or refusal to perform assigned duties, or insubordination.
23. Operational or occupational errors.
24. Misrepresentation of facts or falsification of DCP Midstream records or other information or assisting others to do so in any way.
25. Failure to report the possession or use of prescribed medication and/or over-the-counter products which could adversely affect one's ability to perform work safely.
26. Possession or use of cameras, TVs or recording devices on DCP Midstream property without permission.
27. Possession within gaseous areas of devices not intrinsically safe.
28. Unauthorized disclosure of use of DCP Midstream confidential information.



29. Worker's Compensation fraud.
30. Failure to report an accident or incident immediately or refusal to cooperate with any Company investigation.
31. Except as otherwise provided in this Agreement, absence from the active payroll because of an approved leave of absence for a period in excess of six (6) continuous months.
32. Any other act of dishonesty, gross misconduct or neglect not listed above.

The provisions of this Article do not apply to layoffs.

## **ARTICLE VIII HOURS OF WORK, OVERTIME**

### **Section 1.**

This Article defines the normal hours of work and the conditions under which overtime rates will be paid.

### **Section 2.**

1. The normal workweek shall begin at 12:01 a.m. each Monday and end at 12:00 midnight the following Sunday.
2. The normal workday shall start at 12:01 a.m. and end at 12:00 midnight each calendar day.
3. For the purpose of establishing a normal scheduled workweek, forty (40) hours per week shall constitute the normal workweek.
4. Daily and weekly schedules, as to hours of work, time of shift change and established scheduling procedures, shall be determined by the Company from time to time. Paydays shall be the same as for non-represented employees in the same classifications working in the Panhandle Asset.
5. Commuting to and from work adjacent to normal working hours is not work-time subject to compensation.

### **Section 3.**

An employee who is called for work outside of his normal working hours shall be compensated for time spent traveling between home and the work location subject to a maximum of 30 minutes each way. Such travel time shall be compensated at the rate of one and one-half the employee's regular base rate of pay. If an employee works into the regularly scheduled work period or continues working beyond the normal quitting time, time spent traveling from work to home will not be considered time worked.

**Section 4.**

Employees in the same classification may mutually agree to exchange shifts or days off with prior supervisor approval provided such exchange does not cause any increased overtime or call-out or other cost to the Company, and that the change does not cause any employee to be on duty more than sixteen (16) hours out of any continuous twenty-four (24) hour period.

**Section 5.**

- a. Employees designated to respond to overtime requirements in Section 5 (b) and 5 (c) below are required to work overtime unless excused by supervision.
- b. Holdover work in all classifications will be given first to employees working on the job for which such overtime is required. In the event the number of employees required for holdover work is more or less than the number of employees working on the job, the supervisor on the job shall determine the overtime assignments, taking into account the amount of overtime previously worked by the employees in the group.
- c. The supervisor at a location will establish a schedule for employees to respond to callouts.
- d. Employees will maintain a reliable means for the Company to contact them and are responsible for providing such information to the Company.
- e. The Company reserves the right to assign electronic communication devices to employees for the purpose of responding to callouts.
- f. The Company shall not be required to pay without work being performed.

**Section 6.**

Pyramiding: Pyramiding of overtime or premium time paid for the same hours worked will not be permitted under this Agreement. Hours paid at the overtime rate will not be included in calculating weekly overtime.

**Section 7.**

Overtime: Employees will be paid time and one-half (1 ½) their regular straight-time rate for hours worked in excess of their normally scheduled hours and/or in excess of forty (40) in any workweek.

**ARTICLE IX  
INCENTIVE COMPENSATION**

**Bargaining Unit employees shall be eligible to participate in the Company's Incentive Compensation Program on the same basis as non-represented employees in the same classifications working in the Company's Panhandle Asset. ARTICLE X  
CLASSIFICATION CHANGES, JOB ASSIGNMENTS**

**Section 1.**

1. In the event the Company determines the need to create additional classifications covered by this Agreement, the Company and the Union will meet and confer for the purpose of establishing the appropriate rate of pay for such classifications.
2. Failure to resolve any dispute related to new classifications shall not preclude the Company from implementing such classifications. Selection of employees for such newly created jobs will be in accordance with the applicable provisions of this Agreement.

**Section 2.**

If an employee is temporarily assigned by his supervisor to perform work in a higher paid classification for which he is qualified (other than for training purposes), he shall be paid the rate of the higher classification for the time worked in said classification, provided that he works a minimum of one (1) continuous hour in the higher paid classification.

**Section 3.**

Supervisors, management employees, and other non-bargaining unit employees shall be permitted to perform any work related to the performance of the business of the Company as follows:

- In emergencies
- In the instruction of employees
- In the performance of necessary work when production difficulties are encountered on the job
- In the transportation or movement of materials.

## **ARTICLE XI SENIORITY**

### **Section 1.**

Company service shall be defined as an employee's most recent date of hire with the Company, provided that if the Company's records recognize an earlier service date, such earlier date shall be the Company service date.

- a. Seniority within the bargaining unit will be the same as Company service except, seniority for employees transferring into this bargaining unit will be the same as Company service provided the operations from which they transfer provide for reciprocal seniority; otherwise, their seniority date shall be the date of transfer into the bargaining unit.

### **Section 2.**

Seniority rosters showing all regular employees who have seniority under the provision of this Agreement shall be revised at six (6) month intervals and copies of the revised lists shall be provided the Union for posting. During a thirty (30) day period following posting, employees hired or transferred into the unit after the previous posting may request investigation and correction of their seniority, but not thereafter. Provided, however, that if the relative seniority status of any employee is shown differently on supplementary seniority rosters furnished the Union, then said employee shall have thirty (30) days within which to submit a complaint after the revised roster is received by the Union and posted, but shall not have said right thereafter.

### **Section 3.**

An employee's seniority shall be permanently broken if:

1. The employee quits.
2. The employee is discharged for just cause as defined in this Agreement.
3. The employee is laid off as that term is defined elsewhere in this Agreement and is not recalled within twelve (12) continuous months.
4. The employee fails to return to work within the time period specified by applicable law following discharge from military service.
5. The employee fails to return to work on the first scheduled workday following termination of a leave of absence or extension thereof.

6. The employee is absent from active payroll because of illness or injury for a period in excess of twenty-four (24) months except as otherwise provided in this Agreement.
7. The employee is promoted or transferred to a regular non-bargaining unit position for a period in excess of twelve (12) months.

**Section 4.**

All new employees (including persons who have broken prior service) shall be considered probationary employees for a period of one hundred and fifty (150) calendar days. During such probationary period, the Company, at its SOLE discretion, may terminate the probationary employee, and such decision shall not be subject to the provisions of the grievance procedure of this Agreement. Employees who continue in employment after the end of the probationary period shall be considered regular employees and shall be credited with continuous service from the most recent date of hire.

**Section 5.**

The Company shall have the right to hire temporary employees for specific periods for assignments such as work/study programs, seasonal employment, etc., not to exceed six (6) consecutive months without a break in employment and such temporary employees shall not be subject to the provisions of this Agreement. A temporary employee shall be designated as such at the time of hiring.

**ARTICLE XII  
JOB BIDDING**

**Section 1.**

- a. When the Company determines a job vacancy exists, those employees in the classification in which the vacancy exists will be canvassed and succeeding vacancies within the classification will be filled by canvassing. The resulting end vacancy will be posted for bids for a period of ten (10) days.
- b. All craft positions except for Plant Operators will be canvassed by seniority only. Plant Operators will be canvassed by seniority in this order: employees that are occupying that classification at the facility where the opening occurs. Example: At Rock Creek Plant for an opening at Rock Creek, first Plant Operator III will be canvassed, then Plant Operator II and then Plant Operator I. At Sneed Plant for an opening at Sneed Plant, first Plant Operator III (if the position exists) will be canvassed, then Plant Operator II and then Plant Operator I.

**Section 2.**

Any employee canvassing to or bidding on a vacancy must be fully qualified for the position to which the employee is canvassing or bidding. For those classifications with qualifications testing requirements, such as craft positions, field operator, plant operator, etc., it is understood that all applicable qualification requirements as outlined in the applicable training and testing guidelines which must be met. The table in Exhibit D illustrates the timeframe allotment required for each position upon being awarded the "bid". When more than one fully qualified employee canvasses or bids on a vacancy, the position shall be awarded to the most senior employee.

**Section 3.**

Any employee may withdraw his bid on a particular vacancy prior to the job being awarded.

**Section 4.**

Employees who are absent due to illness or vacation and who desire to bid on vacancies that may occur during their absence must sign an absentee bidding form in order to be considered for such vacancies.

**Section 5.**

In the event that an employee becomes incapable of performing the duties of his regular classification through illness or accident, such employee may be transferred to a classification which he is capable of performing. This provision shall not require the Company to create a new position or classification, nor to make available a position or classification not then vacant or available. This provision shall not allow such employee to "bump" another employee from any position or classification. This provision shall not alter the procedure for filling a job vacancy. When an employee is transferred to a different position or classification as a result of this Section, his pay shall be adjusted accordingly.

**Section 6.**

If no fully qualified employee bids on a posted vacancy, the vacancy may be filled from any source.

**Section 7.**

Any employee successfully completing the qualification requirements defined under the Hourly Classification Guidelines and is placed in that classification, must serve in that classification for a period of one (1) year from the date of qualifying for the craft classification before being eligible for consideration in another classification. Furthermore, any employee awarded a position, for which they are already fully qualified, will remain in that position for a period of one year before bidding into any other position.

## **ARTICLE XIII TRANSFERS**

Because of unavoidable shifts and fluctuations in operations, it may be necessary to transfer employees from one area to another. In such cases, the selection of the employees to be transferred, together with their transferring destination, will be at the discretion of the appropriate supervisor. Individual preference of employees will be considered, due consideration being given to the group or groups of employees involved. No employee shall be transferred from the bargaining unit without his consent.

Payment of moving and transfer expense. In cases of transfers made at the request of the Company, the Company will assist with the cost of transporting the employee's household goods and traveling expenses of himself and members of his immediate family in accordance with Company policies. Also, any employee being transferred will receive up to twenty-four (24) hours of paid leave for relocation activities at the employee's hourly rate of pay for the new position. Moves resulting from job bids (including canvassing) are considered to be at the request of the employee and the Company is not required to assist with moving expenses.

When transfers into the unit are made the Company will advise and counsel with the Chairman of the Worker's Committee or some other members of that Committee designated by the Chairman.

An employee transferred from one area to another in this bargaining unit shall be given at least forty-eight (48) hours' notice prior to reporting to his new assignment.

## **ARTICLE XIV BENEFITS**

### **Section 1.**

The Company agrees to make available the Company-wide benefits and time-off programs to the bargaining unit employees on the same basis as all other DCP Midstream employees participating in these benefits and programs.

The Company reserves the right to alter, amend, change or withdraw any or all benefits in accordance with any applicable state or federal regulations or applicable benefit documents governing such benefits, as long as such proposed alteration, amendment, change or withdrawal is made generally effective as to all DCP Midstream employees covered by the affected benefit.

### **Section 2.**

The terms of the Employee Benefit Plans, as interpreted and applied by the Plan Administrator shall govern employee participation and this decision shall be final and binding in all cases.

**Section 3.**

Personal use of Company vehicles by employees is prohibited except for commuting to and from work as approved by management and such use shall not be considered a benefit or right.

**ARTICLE XV  
VACATIONS**

**Section 1.**

Full-time employees are eligible for vacation time in accordance with the Company's vacation policy. Vacation pay for vacation taken shall be considered as time worked for the purpose of calculating overtime.

**Section 2.**

The right to determine vacation scheduling shall remain with the Company to insure the continuous and proper operation of the business. Vacation requests must be submitted to the employee's supervisor no later than March 1st of each year to schedule the vacation time off. In the event of conflict, an employee's Company service shall determine preference

**Section 3.**

An employee who leaves the employ of the Company, for any reason, will be paid for any unused vacation hours granted in accordance with Company policy.

**ARTICLE XVI  
HOLIDAYS**

**Section 1.**

Bargaining Unit employees shall observe holidays in accordance with the Company's holiday schedule.

New Year's Day

Good Friday

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Day after Thanksgiving

Christmas Day

Another day at Christmas\*

One Personal Holiday

\*This date to be determined by the Company based on the day of the week on which Christmas Day falls.



**Section 2.**

The following rules will apply to the administration of the personal holiday:

1. The employee's request must be approved in advance by his immediate supervisor.
2. The personal holiday shall be available to employees after the first day of the month after ninety (90) days following their date of hire.

**Section 3.**

Unless required to work on an observed holiday, each regular employee shall receive pay for observed holidays at his regular rate of pay on the same basis as non-represented employees working in the Company's Panhandle Asset. Employees who are required to work on any observed holiday shall receive in addition to holiday pay, pay at the rate of time and one-half (1 1/2) for all hours worked on such holidays at the rate of pay for the job the employee is working.

Holiday pay shall be considered as time worked for overtime purposes.

**Section 4.**

When an employee is off work due to a short term illness and not available for work on either side of the holiday the holiday will be paid as a sick day provided the illness is confirmed by a medical provider's statement as requested by the Company. Similarly, no holiday pay will be paid when a holiday occurs during an extended medical leave (either occupational or non-occupational). Days absent during an extended medical leave may be eligible for pay under the appropriate leave policies depending on available benefits and the type of absence. The holiday does not extend the allowed amount of paid leave available to the employee.

Failure to provide a medical provider's statement as requested by the Company will result in non-payment of any wages for such absence.

**Section 5.**

When any of the observed holidays occur during an employee's vacation period, the employee shall receive holiday pay, but not vacation pay for the same date.

**ARTICLE XVII  
JURY, WITNESS SERVICE**

**Section 1.**

Any regular employee who is absent because of jury duty will be paid his base straight-time hourly rate for the hours normally worked by the employee, exclusive of any overtime or other premium pay, subject to the following provisions:

1. Employees on day shift are not required to report for work.
2. Employees on evening shift are not required to report for work if dismissed after 12:30 p.m.
3. Employees on the night shift shall not be required to work the shift on the calendar day of their first day in court, nor any other night shift falling on a day they are scheduled to be in court. If eight (8) hours or more remain between termination of court service and the beginning of his next work shift, an employee will be expected to work the shift following court service.
4. The pay under this provision is limited to eighty (80) hours per year.

**Section 2.**

Any employee absent as a witness under court subpoena shall be subject to the same conditions of this Article, but without pay from the Company. The provisions of this section shall not apply to employees who appear as witnesses at the request of the Company.

**Section 3.**

The Company may request the employee to present proof that he did serve or report as a juror in order to be eligible for jury pay and/or receive time off as applicable.

**ARTICLE XVIII  
FUNERAL LEAVE**

During a calendar year any employee will be allowed up to three (3) paid days off per incident due to the death of a spouse or the child, the legally adopted child, or stepchild, father/mother, sister/brother, stepmother/stepfather, grandmother/grandfather, grandchildren, son-in-law/daughter-in-law, brother-in-law/sister-in-law of either the employee or the employee's current spouse. The compensable day(s) must fall within the employee's regular scheduled work time.

An employee serving as an active pallbearer at the funeral for a fellow employee may be excused for the necessary time not to exceed one (1) day, without loss of regular pay.

Employee's compensation for time off under this provision shall be at the employee's regular scheduled work hours times the employee's regular hourly base rate of pay, excluding shift differential, except that in no case shall an employee receive more than twenty-four (24) hours of pay.

**ARTICLE XIX  
LAY OFF, RECALL, SEVERANCE**

**Section 1.**

Sixty (60) days prior to the effective date of a layoff, the Company shall post a list of the positions to be eliminated and shall provide a copy of such list to Local 351, IUOE. A "layoff" is defined as a termination of employment due to elimination of position.

**Section 2.**

An employee whose position has been identified for elimination in accordance with the provisions of Section 1 of this Article or who is displaced as a result of the provisions of this Section 2, shall have forty-eight (48) hours to notify the supervisor as to the employee he wishes to displace in accordance with the following procedure:

- a. Provided that he is fully qualified for the position, the employee may displace the junior employee in an equal or lower classification at the location.
- b. In the absence of a position under paragraph (a) and provided that he is fully qualified for the position, the employee may displace the junior employee in an equal or lower classification in the bargaining unit.
- c. In the event that the employee does not choose to displace another employee or in the absence of a position under paragraph (a) or (b), the employee shall be laid off.

**Section 3.**

An employee displaced in accordance with this Article shall maintain his qualification for the position from which he was displaced for thirty-six (36) months, after which the employee will be provided study materials and be permitted to re-qualify on his own time.

**Section 4.**

In the event of elimination of a plant operator position, the affected plant operator will be allowed the sixty (60) day notice period to qualify for a plant operator position in another plant in which there is a plant operator with lesser seniority. The number of plant operators to receive such qualification period will not exceed the number of plant operators who may be displaced.

**Section 5.**

For a period of one (1) year following layoff said former employees who are able to meet the Company's pre-employment standards shall be given preference in the matter of re-employment, the former employee having the greatest Company seniority being considered first. It is the obligation of laid off former employees to provide

the Company with updated contact information in writing. Any former employee who fails to provide such contact information shall forfeit his recall rights under this Section 5.

**Section 6.**

In the event any former employee notified under the provisions of Section 5 of this Article shall fail to apply for employment within fifteen (15) days from date of mailing of such notice, the former employee shall forfeit his recall rights under Section 5 of this Article; provided, however, such former employee is not prevented from reporting on account of sickness, death or an emergency involving himself or immediate family and so notifies the Company within the above fifteen (15) day period; and, provided further that upon reporting for work he shall present a doctor's certificate or substantial proof of such circumstances. Re-employment rights under Section 5 of this Article cease upon the laid-off employee's accepting employment (other than on a temporary basis) with DCP Midstream or any of its subsidiaries.

**Section 7.**

Any employee laid off pursuant to the provisions of this Article shall receive (1) week's base pay per year of Company service, with a minimum payment of two (2) week's base pay and a maximum payment of ten (10) week's base pay.

**ARTICLE XX  
WORKER'S COMMITTEE**

**Section 1.**

Employees covered by this Agreement shall select from among their members four (4) employees to serve as employee representatives. The said representatives shall constitute a Worker's Committee. The Worker's Committee shall represent the employees under the term of this Agreement in negotiations with the Company's representatives. Subjects which do not involve the terms or applications of this Agreement may also be discussed at meetings between the Worker's Committee and management. The Chairperson of the Worker's Committee shall inform the Asset Manager of the names of the employee representatives serving on the Worker's Committee and will promptly inform him of any changes.

**Section 2.**

Conference during working hours: Upon approval of the Asset Manager, employees may be permitted to confer during working hours with Company representatives or with representatives of the Union on matters relating to employer-employee relations. Time spent by employees in special Company-requested conferences shall be considered time worked and shall be compensated in accordance with the applicable provisions of this Agreement.

The Chairman of the Worker's Committee shall notify the members of the Committee of the time and place of scheduled or special meetings with the Company and each member shall be responsible for notifying his supervisor of such meeting if it occurs during work hours. This notice will be given as far in advance of the meeting as possible in order to allow sufficient time to provide for relief.

**Section 3.**

Representatives of the Company shall meet with the Worker's Committee on a bi-monthly basis on the last Thursday or at such other times as mutually agreed to by the parties. The members of the Worker's Committee may, upon their request and subject to management approval, be excused from all or a portion of their regular scheduled hours on the workday of such meeting in order to allow them to hold conferences and attend the meeting. Members of the Worker's Committee who attend such meetings during regularly scheduled work hours shall be paid for time spent attending such meetings up to a maximum of two (2) hours per meeting at their regular straight time hourly rate of pay plus up to one (1) hour of travel time from Dumas per meeting for those traveling from Dumas.

**Section 4.**

Negotiations: When a meeting is arranged between the Company's negotiating committee and the Union's Worker's Committee (which shall act as the Union's negotiating committee) for the purpose of negotiating a new agreement at the expiration of this Agreement, the members of the Union's committee will, upon their request and subject to management approval, be excused from all or a portion of their regular scheduled hours on the work day of such meeting in order to allow them to hold necessary conferences with their committee members and to attend the meeting. Members of the Worker's Committee who are excused from their regularly scheduled work hours in accordance with this Section 4 shall be compensated for such scheduled hours at a rate equal to their regular straight time hourly rate of pay; provided that, the total amount each such member of the Worker's Committee may be compensated by the Company under this Section 4 shall not exceed twenty (20) hours straight time regular pay.

**ARTICLE XXI  
UNION LEAVE OF ABSENCE**

**Section 1.**

Leave of Absence. If conditions permit, leaves of absence for the purpose of attending to Union business will be granted. Such leaves shall not exceed an accumulated total of more than sixty (60) days during any calendar year. Not more than a total of two (2) employees will be granted such leaves at any one time; provided

however that not more than one (1) employee shall be granted a leave from any one plant or classification at the same time. Such leaves of absence will be without pay but shall not affect the status of the employee (s) with respect to seniority or service.

**Section 2.**

Leave of Absence to Enter Employment of Union. Upon thirty (30) days' notice and upon request of the President of Local No. 351, a leave of absence to enter employment of the Union shall be granted to a maximum of one employee at any one time and for a maximum of one year. This maximum period of one year of leave may be extended with the Company's approval. Upon termination of such employment with the Union, the employee shall be reinstated subject to the following conditions:

- a. The employee shall be qualified as determined by a return to duty examination after such leave.
  1. Seniority under Article XI shall continue during such leave of absence and be implemented upon return to work.
  2. Upon reinstatement under the provisions of this Section 2, the employee will return to the same job that he held at the time his leave of absence commenced, provided that job is still in existence at the time of his reinstatement and further provided that his seniority allows him to return. If the same job does not exist or if his seniority does not permit him to return to the same job, he will then enter the job which his seniority allows him to enter and that he is qualified to perform.
- b. Whether during or at the end of the leave of absence, the employee must apply for reinstatement within five (5) days after termination of his employment with the Union. If he fails to do so, he forfeits all rights under this Section 2.

**ARTICLE XXII  
GRIEVANCE AND ARBITRATION PROCEDURE**

**Section 1.**

Grievances within the meaning of this Article shall consist only of disputes about the interpretation or application of particular clauses of this contract. Grievances may be presented by an employee through the Worker's Committee in the manner herein prescribed. Except where otherwise provided herein, or as otherwise required by law, this Article shall be the exclusive means of resolving disputes under this Agreement between the Company, the Union, and employees represented by the bargaining unit.

## **Section 2.**

The grievance procedure shall consist of the following steps:

### Step 1.

The employee who believes that any term or provision of this contract has been violated, misapplied or misinterpreted with respect to such employee shall first seek direct adjustment with his Immediate Supervisor in an effort to resolve the misunderstanding. At such discussions, the employee may have a Worker's Committeeman present, provided this does not interfere with the performance of work. If more than one employee is affected by the occurrence, the Union shall bring the occurrence to the attention of the Immediate Supervisor on behalf of all affected employees.

### Step 2.

If the employee and the immediate supervisor are unable to resolve the question in a manner mutually satisfactory to them, and according to the terms of this contract, then the Chairperson of Worker's Committee shall request an informal meeting and discussion between himself, the employee and the Asset Manager.

### Step 3.

If the matter has not been resolved at this point, the Union shall reduce all grievances to writing and present them on a form to be approved by the Company and the Worker's Committee. When the grievance is reduced to writing, it shall be presented to the Asset Manager. Unless a grievance is submitted in writing within ten (10) calendar days from the date of the occurrence of the action or within ten (10) calendar days after such occurrence became known to the employee, and provided that the lack of earlier knowledge was due to no fault of the employee, the subject of such grievance shall be deemed waived and may not thereafter be presented to the Company.

### Step 4.

Within fifteen (15) days after receipt of any written grievance, the Asset Manager shall deliver or mail to the Union a written statement either disposing of the grievance in the manner requested by the Union or rejecting the grievance with such explanation as he may deem appropriate.



Step 5.

If the parties remain in disagreement after the exhaustion of the preceding steps, the Union may present the same written grievance to the Asset Manager, by mailing a copy thereof to him. Within fifteen (15) days following receipt of the written grievance by the Asset Manager, the Union may request a meeting between Company and the Worker's Committee. If the Union does not request such meeting within the fifteen (15) day period, said grievance shall be deemed withdrawn and the matter shall be closed. If a meeting is requested, it shall be held within thirty (30) days of receipt of such request by the Asset Manager. If a meeting is held, a written reply shall be mailed by the Company either disposing of the grievance on the basis requested by the Union or rejecting the grievance with such explanation as appropriate. Such written reply shall be mailed within fifteen (15) days after such meeting.

Step 6.

If the Union disagrees with the decision rendered by the Asset Manager, the Union may elect to take the matter to arbitration. In such a case, the Union will notify management within fifteen (15) days from the date of the written reply specified in Step 5. If the Union fails to provide such notification under Step 6, the grievance shall be deemed withdrawn and the matter shall be closed.

If the Union elects to take the matter to arbitration, the parties will make a joint request to the Federal Mediation and Conciliation Service to furnish a list of seven (7) arbitrators or otherwise follow such practices with reference to the Federal Mediation and Conciliation Service for handling such disagreements according to the voluntary labor arbitration rules then pertaining. When requesting a list of seven (7) arbitrators from the Federal Mediation and Conciliation Service, each party shall have the right to reject one panel of arbitrators. Once a panel of arbitrators is selected, strike of the first name shall be determined by the flip of a coin and then the parties shall alternately strike a name until one arbitrator is left. The arbitrator shall be notified of his selection via the procedure outlined by the Federal Mediation and Conciliation Service and a time and place set for the hearing by the arbitrator, subject to the availability of the Company and the Union representatives.

Except as limited by the provisions of this Agreement, and further limited below, the Arbitrator shall be empowered to make a decision in all cases of alleged violation of any of the provisions of the Agreement. Such decisions shall be final and binding on each of the parties.

- a. The Arbitrator shall have no power to add to or subtract from or modify any of the terms of this Agreement.
- b. All awards of back wages shall be limited to the amount of wages the employee would have otherwise earned from his or her employment with the Company. Any employment or unemployment compensation or other compensation for personal services that the grievant may have received from any source during the period in dispute shall be deducted from any award of back wages.
- c. In reviewing a decision to discipline or discharge an employee, the arbitrator shall not have the right to substitute his judgment for that of the Company, but shall be limited to determining whether there was "just cause" for such discipline or discharge.

The Union and the Employer shall each assume the expense of presenting its own case and shall share equally the expense and fees of the Arbitrator.

### **ARTICLE XXIII FITNESS FOR DUTY**

In the event a dispute arises concerning the fitness of an employee to return to work or to continue to work, such dispute shall be settled by three (3) medical service providers,, one to be selected by the Company, one to be selected by the Union, and a third disinterested provider to be chosen by the two so selected. The decision of the majority of the above selected medical service providers shall be final. The Company provider and the Union provider fees and expenses shall be borne by the respective parties. The fees and expenses of the third disinterested provider shall be borne equally by the parties to this Agreement.

### **ARTICLE XXIV MISCELLANEOUS**

#### **Section 1.**

Union Bulletin Board: The Company agrees to provide a place for a bulletin board for the exclusive use of the Union for posting official Union notices. Such notices shall be of internal Union concern alone and shall not be for a derogatory nature to either the Company's personnel or the Company's business, or derogatory of the

Company or any employee of the Company, or customers, vendors or other employees, and shall not be utilized for the purpose of posting strike notices.

**Section 2.**

Meal Policy. Any employee required to work more than three (3) hours beyond the employee's regularly scheduled quitting time shall be provided with a meal to the extent possible, or at your supervisor's option, in lieu of a meal, he will receive an appropriate payment in the same amount as non-represented employees in the Panhandle Asset. An additional meal will be furnished for each additional four (4) hours of continuous work. It is understood that the meals or money herein provided shall be furnished by the Company at its option. The employee shall be given time to eat the meal so furnished and such time shall be considered as time work. Neither meals nor compensation in lieu of meals will be provided when at least twelve (12) hours advance notice of the scheduling of the overtime has been provided to the employee.

**Section 3.**

An employee may enter a classification he previously occupied on a regular basis and be credited with his prior experience in that classification provided he has occupied that classification on a regular basis within the last thirty-six (36) months; provided, further, that the employee is currently able to fulfill all job requirements and the employee must qualify for any additional duties or changes occurring during his absence.

**Section 4.**

The Company shall provide an allowance for the cost of defined personal protection equipment, such as prescription safety glasses and/or safety boots/shoes, on the same basis as non-represented employees in the same classifications working in the Company's Panhandle Asset.

**Section 5.**

Wage Retention. In the event of a regular full-time employee, is demoted through no fault of his own to a lower paid classification for a period of one hundred twenty (120) consecutive calendar days or more, such employee will continue to receive the wage rate of the higher paid classification for a period of ninety (90) days from the date of demotion. This provision shall not apply to an employee demoted as a result of his own request or demotion due to inability to fulfill the duties of the higher classification.

**ARTICLE XXV  
VALIDITY**

**Section 1.**

Nothing contained in this Agreement shall be construed in any way as interfering with the obligation of the parties hereto to comply with any and all State and Federal Laws, or any rules, regulations, and orders of duly constituted authorities pertaining to matters covered herein, and such compliance shall not constitute a breach of this Agreement.

**Section 2.**

In the event that any portion of this Agreement is invalidated by the passage of legislation or an award of a court of competent jurisdiction, such invalidation shall apply only to those portions thus invalidated and all remaining portions of this Agreement not invalidated shall remain in full force and effect.

**Section 3.**

This Agreement represents the entire Agreement between the parties and, there are no other written or oral agreements relating to rates of pay, hours of work, or conditions of employment for employees covered by this Agreement. Neither party is required to bargain during the life of this Agreement but may modify this Agreement by written mutual agreement.

**ARTICLE XXVI  
NOTICES**

Notices herein provided must be given by certified mail addressed as follows:

International Union of Operating Engineers  
Local No. 351, AFL-CIO  
111 East Coolidge Street  
Borger, Texas 79007

Group Vice President, HR, Public Affairs & Facilities  
DCP Midstream, LP  
370 17<sup>th</sup> Street  
Suite 2500  
Denver, CO 80202

Asset Manager  
DCP Midstream, LP  
9101 Highway 136  
Borger, TX 79007

In the event either party wishes to change this designation, it shall give the other party notice in accordance herewith.

**ARTICLE XXVII  
WAGES**

Section 1.

During the term of this Agreement, the employees in the bargaining unit shall receive the same annual increases as non-represented employees holding the same classification working in the Panhandle Asset. Any changes in such hourly wages rates for such non-represented employees shall be effective on the same date for employees in the bargaining unit.

Section 2.

During the term of this Agreement, the employees in the bargaining unit shall be paid the same shift differential as non-represented employees in the Panhandle Asset holding the same classification and working the same shifts.



**EXHIBIT B**  
**Overtime Priorities and selection at Rock Creek Plant and Sneed Facility**

In the event an operator has to be called out for overtime, the priority will be to call all the plant operator II, beginning with the person with the least amount of overtime worked, and then call the plant operator I, beginning with the one with the least amount of overtime.

A plant operator I is entitled to all overtime associated with the shift or work schedule assigned.

Examples:

1. If a plant operator I is assigned to and working a 48 hour schedule, he is to work the entire schedule and not released after 40 hours and a plant operator II fill in for the overtime.
2. If a plant operator I is assigned to and working a 12 hour shift he will not be released after 8 hours and a plant operator II fill in for the overtime.
3. If a plant operator I is assigned to and working two consecutive 48 hour shifts he will be afforded the overtime for both shifts.

All other aspects of the overtime equalization will be handled at the individual locations, including:

1. Calculation formulas
2. Postings
3. Notification Procedures



**EXHIBIT C**  
**Plant Operator Assignment at Sneed Facility**

Plant Operators at the Sneed facility will be required to work both Treater Operations and Engine Operations which will ensure Operators maintain proficiency in operating both sides of the plant. Plant Operators will be required to operate seven (7) daylight hours every quarter on the opposite side that they normally operate.

**EXHIBIT D**  
**Job Bidding and Qualification Process**

<b>CLASSIFICATION</b>	<b>LEVEL I</b>	<b>LEVEL II</b>	<b>LEVEL III</b>
<b>Field Operator</b>	<b>30 days</b>	<b>60 days</b>	<b>NA</b>
<b>Instrument Tech</b>	<b>120 days</b>	<b>1 year</b>	<b>NA</b>
<b>Electrical Tech</b>	<b>120 days</b>	<b>1 year</b>	<b>NA</b>
<b>Plant Operator</b>	<b>60 days</b>	<b>60 days</b>	<b>180 days</b>
<b>Mechanic</b>	<b>60 days</b>	<b>60 days</b>	<b>NA</b>
<b>Welder</b>	<b>Must pass performance test upon being awarded "bid"</b>		
<b>Measurement Tech</b>	<b>60 days</b>	<b>120 days</b>	<b>NA</b>
<b>Equipment Operator</b>	<b>30 days</b>	<b>NA</b>	<b>NA</b>
<b>Utility</b>	<b>Entry Position</b>	<b>1 year</b>	<b>2 years</b>

**AGREEMENT SIGNATURES**

IN WITNESS WHEREOF, the parties have executed this instrument this \_\_\_\_ day of \_\_\_\_\_ 2012.

**DCP MIDSTREAM, LP**

By: \_\_\_\_\_

**INTERNATIONAL UNION OF OPERATING ENGINEERS,  
LOCAL NO. 351, AFL-CIO**

By: \_\_\_\_\_

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**NOTES:**