

**WORKERS' COMPENSATION
ALTERNATIVE DISPUTE
RESOLUTION AGREEMENT ("ADR")**

**between the
INTERNATIONAL UNION OF PETROLEUM AND INDUSTRIAL WORKERS ("IUPIW")
and
TIMEC COMPANY, INC. AND WELLTECH NATIONAL TRAINING SYSTEMS, INC.**

PREAMBLE

This Agreement is made and entered into *March 1, 2006*, by and between TIMEC Company, Inc., Welltech National Training Systems, Inc., hereinafter referred to as "the Employer", and the International Union of Petroleum and Industrial Workers, also known as "IUPIW", hereinafter referred to as "the Union". The term "parties", as used herein, shall refer collectively to the Employer and the Union. The term "Employee", as used herein, shall refer to the injured worker, who is represented by the Union. The term Third Party Administrator (TPA) shall mean the employer's agent for the purpose of claims management. This Agreement constitutes an addendum to the master labor agreement.

Section 1

(a)(1) The parties jointly recognize the importance of an effective and efficient program to provide a workers' compensation delivery system for the benefit of the employees covered by this Agreement. The parties will therefore work together, utilizing the provisions of Section 3201.5 of the California Labor Code (the "Code"), to implement a dispute resolution procedure which will reduce conflict arising out of the workers' compensation delivery system and which will provide a fair and expeditious method for resolving disputes. Additionally, the parties will work together to broaden and improve the workers' compensation process to include optimum access to delivery of medical care and disability benefits for covered employees affected by occupational injury or

disease and covered under this Agreement. Finally, the parties agree that the abuses of the system will not be tolerated and will cooperate in any investigation of a claim of abuse.

(a)(2) To accomplish the goals of (a)(1) above, the parties have agreed:

(a) That all employees working under this Agreement shall be covered to the fullest extent possible under California Labor Code Section 3201.5. Nothing in this Agreement diminishes the entitlement of an employee covered by this Agreement to compensation benefits for disability or medical treatment and other benefits as required by California law, fully paid for by the employer.

(b) To implement a medical and benefits delivery system complemented by an alternative dispute resolution process, hereby established, in cooperation with the Workers' Compensation Committee created under this Agreement.

Section 2 Workers' Compensation Committee

(a) There is hereby established a Workers' Compensation Committee to review, consult and advise all parties involved with the development, implementation and provision of benefits and procedures for workers' compensation covered under the California Labor Code and this Agreement, with particular reference to the workers' compensation provisions of this Article. The Committee shall also constitute a Safety Committee. The Committee shall participate in the selection of the providers as set forth in Section 3, below.

(b) The Workers' Compensation Committee shall meet at least once each calendar quarter, or more often as necessary on the call of the Chairman or the Secretary. The Administrator, the Ombudsperson and representatives of the TPA shall be available to attend the meetings and furnish such information as may be requested by the Committee. The Committee may recommend to the Administrator or employer's TPA, as appropriate, changes in the procedural and substantive delivery of medical care and services and ADR processing as it believes appropriate to fulfill the parties' goal to make effective use for Section 3201.5.

Section 3

(a) The Parties will jointly designate, under the auspices of the Workers' Compensation Committee herein established:

- (1) A preferred provider network of health care providers (Attachment A);
- (2) Organizations providing prescription medicine, which may be affiliated with (1) above (Attachment B);
- (3) An agreed upon list of Qualified Medical Examiners (Attachment C);
- (4) Vocational rehabilitation services consistent with 4658.5 CLC;
- (5) Mediators and Arbitrators, who shall be familiar with and experienced in the California State Workers' Compensation System related to medical issues, and to the extent available shall possess experience as referees and/or Judges under the State Workers' Compensation System. (Attachment D).

(b) The employer shall appoint an Administrator, who shall oversee and manage all aspects of the ADR program. The Administrator shall prepare and/or amend all regulations and procedures as required by the Workers' Compensation Committee or State laws and regulation. The Administrator shall ensure that all reports required by the DIR are prepared and filed in a timely fashion.

The Administrator shall prepare periodic reports that address the status and progress of the ADR program.

Ombudsperson. The Administrator shall appoint the Ombudsperson. The person appointed shall have at a minimum, the following qualifications: five years of work experience which shall have provided him/her with knowledge and understanding of the workers' compensation laws and familiarity with workers' compensation claims and case management and/or be experienced and certified in Occupational Health Practice. The Ombudsperson may be removed by the Administrator with advanced notification to the Committee .

Section 4 Medical Care and Treatment for Occupational Injury and Disease

(a) Authorized Medical Providers. The providers designated pursuant to Labor Code Section 3201.5 under this Agreement shall be the exclusive source of all medical treatment required under Code Section 4600.

(1) All medical and hospital services, except for first aid and other emergency type services only, required by employees subject to this Agreement as the result of a compensable injury or disease, shall be furnished by health care professionals and facilities selected by the employee from a list of health care professionals and facilities agreed to by the parties to this Agreement and available to each employee upon his initial employment at the site. In no event shall the deletion of a provider disrupt the ongoing treatment of an employee receiving treatment from that provider at the time of the decision. The authorized provider organizations shall have on their rosters individual Board Certified providers in this respective specialties available for selection by employees for treatment, or for referral from other individual providers, or to act as evaluators. This designation of providers pursuant to Section 3201.5 of the Labor Code replaces all other provisions regarding the selection of medical providers located elsewhere in the Code.

(2) In case of an emergency required treatment covered by this Article when no authorized provider is available, the employee may seek treatment from a health care professional or facility not otherwise authorized by this Agreement, to provide treatment during the emergency and such treatment shall be compensated for in reasonable amounts by the carrier as if provided by providers authorized under this Agreement. Responsibility for treatment shall be transferred to an authorized provider as soon as possible, consistent with sound medical practices.

(3) After selecting an authorized provider to furnish treatment for a particular injury, an employee may change once to another authorized provider. When referred by the authorized provider to another provider in a particular specialty, the employee may also change

once to another authorized provider in such specialty. Additional changes may be made only with the approval of the TPA.

(4) The employer shall not be responsible for the cost of medical services furnished by a health care professional or a facility not authorized pursuant to this Agreement or for care not required by the Code.

(5) The list of authorized providers administered by the authorized provider Organization shall contain sufficient providers for each of the specialties which the parties to this Agreement believe are required to respond to the needs of employees subject to this agreement, at least some of whom, in each specialty, shall be Board Certified. This shall include, but not be limited to providers within the following specialties:

Orthopedics	Radiology	Neurology
Chiropractic	Neurosurgery	General Practice
Ophthalmology	Psychiatry	Cardiology
Pulmonary/Respiratory	Internal Medicine	Occupation Medicine
Dermatology	Oncology	

In the event that an authorized provider furnishing treatment to an employee determines that treatment or consultation is necessary from a specialty for which no authorized provider has been selected through this Agreement, or in the event the distance makes it impractical for treatment from an authorized provider, the authorized provider shall select the additional specialist or additional provider who offers treatment at a practical distance for the employee, after consultation with the TPA.

(6) All prescription medicines furnished as the result of injuries subject to this Agreement shall be furnished by the TPA through a jointly-agreed upon medical prescription provider organization or organizations, except in those instances in which an authorized medical provider determines that due to time constraints or other valid medical reasons, use of another prescription source if required.

(7) Evaluations shall be secured in a manner consistent with, and utilized for the purposes described in, Division 4, Part 1, Chapter 7, Article 2 of the Labor Code. It is not the intent of the parties to the Agreement in this section or in any other portion of this Article to add or diminish the rights of the respective parties to a workers' compensation dispute to introduce evidence or be prohibited from introducing evidence in an arbitration proceeding in any different manner than they would otherwise be allowed to do in a proceeding before an Administrative Law Judge of the WCAB.

(8) The employee shall be bound by the opinions and recommendations of the authorized provider selected in accordance with this Agreement. In the event of disagreement with the authorized provider's findings or opinions, the sole recourse shall be to obtain a second opinion from another authorized provider to the extent permitted by Division 4, Part 1, Chapter 7, Article 2 of the Code, and to present the second opinion through the Alternative Dispute Resolution Program established in this Agreement.

Section 5 Vocational Rehabilitation

(a) Consistent with 4658.5 CLC, an injured worker may be eligible for a job displacement benefit in the form of a non-transferable voucher for educational-related training or skill enhancement. Vouchers range from \$4,000 to \$10,000, and depend upon the severity of the injury or illness.

(b) TIMEC may not be liable for this benefit if it offers the employee modified work consistent with 4658.6 CLC."

Section 6 Alternative Dispute Resolution Program

(a) The Alternative Dispute Resolution Program ("ADR" or "Program") shall be used in place of and to the exclusion of the Division of Workers' Compensation hearing and disputes resolution procedures affecting a covered employee's benefits to the full extent permitted by Section 3201.5

of the Labor Code, recognizing the continuing authority of the Workers' Compensation Appeals Board ("WCAB") and the California State Courts of Appeal to review all actions taken hereunder in a manner consistent with Section 3201.5. The program shall include all issues related to a claim, including but not limited to attorney fees; serious and willful misconduct (4551/4553CLC); discrimination (132a CLC); other sanctions as contained in Section 5814 CLC.

(1) The Program shall be used in place of the filing of an Application for Adjudication of Claim with the WCAB. Any claim subject to this Agreement filed with the WCAB for resolution will immediately be removed on Motion of the TPA and placed within the Program established by this Agreement. The Program shall not affect any covered employee's eligibility for, or his/her amount of, workers' compensation benefits, as set forth in the Workers' Compensation Provisions of the Labor Code.

(2) The Program shall apply to all compensable, work-incurred injuries, including occupational disease, as defined by the Code, sustained by employees while working under and covered by this Agreement, on and after the effective date of this Agreement and during the term of this Agreement. Upon the termination of the Agreement, any dispute involving a date of injury occurring during the term of this Agreement shall continue to be subject to the terms of this Program for the duration of the case. Any claim for a compensable injury or illness filed after such one hundred eight (180) days shall be processed as though 3201.5 does not apply.

(b) Legal Representation. No employee shall be denied the right to consult and/or be advised by legal counsel of his/her choice, if desired, at any time during the processes established herein. However, it is recognized that the ADR Program here established is intended to be non-adversarial, and until an arbitration is requested by a covered employee, no attorney shall participate in the system as counsel of record for either the employee or carrier. Counsel fees, until and unless awarded as part of an arbitration proceeding, shall be the sole responsibility of the person retaining an attorney, provided, however, that, at an applicant's request, such fees may be included as part of any settlement and/or compromise and release entered into by applicant as part of this procedure.

(c) The Program shall consist of three components: Ombudsperson, Mediation, and Arbitration.

(1) The Ombudsperson will be selected by the Administrator pursuant to Section 3, above and compensated by the employer. The Ombudsperson will be familiar with workers' compensation procedures and practices. He/she shall be available at reasonable times, upon reasonable notice, for the convenience of the employees.

The Mediator(s) and the Arbitrator(s) will be selected in chronological rotation from a permanent panel to be established by joint agreement of the parties pursuant to Section 3, above. Each shall be knowledgeable and experienced regarding medical and legal aspects of workers' compensation procedures in California. The compensation of the Mediators and Arbitrators shall be provided through the TPA.

(2) When an employee's workers' compensation benefits are denied, reduced or terminated, or otherwise affected, the employee shall be provided with a written Notice ("Notice") of such action, in a procedural and substantive format similar to those prescribed in Section 4061 of the Code, by the TPA, by certified mail. The Notice shall include a summary of the reasons for the action, in terms reasonably calculated to be understandable by the employee. Within thirty (30) days of the employee's receipt of such Notice, or whenever an employee believes that he/she is not receiving the benefits to which he/she is entitled, including medical and hospital services, the employee shall notify the Ombudsperson. The Ombudsperson shall explain to the employee the response to any employee question/complaint in terms which are understandable by the employee. The Ombudsperson shall maintain a record of all activity affecting any individual employee with whom he/she is involved by reason of these provisions or where he/she becomes aware or reasonably should become aware that such employee should be involved in these procedures, including the date of each notification and request for intervention of the Ombudsperson, the date of each response, the receipt of a form requesting mediation, and the date of reference of that form to the Mediator. All records kept by the Ombudsperson shall be kept in a form consistent with record keeping requirements under the Act, if any.

(3) If the issue cannot be resolved to the satisfaction of the employee within fifteen (15) business days after the date of notification to the Ombudsperson, the employee may apply for mediation on the form available from the Ombudsperson. Such form shall be filed with the Ombudsperson, who shall promptly notify the appropriate Mediator and furnish the Mediator with a copy of the notice. The parties to the dispute may extend the fifteen (15) business day period by mutual agreement, and no issue shall proceed to mediation without first being presented to the Ombudsperson.

(4) If the employer's TPA contends that the employee's illness or injury is not covered under the workers' compensation laws, the employee may seek immediate Arbitration. The Arbitrator shall bifurcate the arbitration, to decide the issue of liability first. If the injury is deemed covered, the employee must proceed within the ADR system.

(d) Mediation. Application for mediation shall be made not more than twenty-five (25) business days after the Ombudsperson has responded to the employee's request for assistance. Failure to timely request mediation will bar any further right to adjudicate the issue. The parties intend that such mediation will be a meaningful informal, non-adversarial effort to resolve all legitimate claims fairly without resort to adversary proceedings or unnecessary procedures. The Mediator will contact the parties to the dispute (the employee and the TPA), and take whatever steps he/she deems necessary to bring the dispute to an agreed conclusion. At any mediation, the TPA and the employee (and an adviser to the employee) may be present. The mediation must be attended by persons with authority to resolve the dispute.

Mediation shall be completed not more than fifteen (15) business days from the date of referral, unless otherwise agreed by the parties to the dispute, including the Mediator, except that in no event shall an issue be permitted to proceed beyond mediation until and unless the moving party cooperates with the Mediator and the mediation process. The Parties to the dispute may agree in writing to extend such time for a period certain. Neither party will be permitted to be represented by legal counsel at mediation; provided, however that an employee may have his/her attorney present as an adviser, and the fact that the employee, his/her advisor, or the TPA's representative

have legal training or is a licensed attorney shall not bar such person from acting as an advisor to their respective principal at the mediation session; but no such person shall participate on the basis of a lawyer/client relationship. All communication between the Mediator and the parties shall be directly with the parties to the dispute, unless disability or linguistics dictate the need for a surrogate.

If, after the completion of the mediation process, the parties to the dispute are unable to reach Agreement, either the employee or the TPA may file with the Ombudsperson, within thirty (30) business days of the completion of the process, a request that the matter be referred to Arbitration. Immediately upon receipt of the request, the Ombudsperson shall notify the appropriate Arbitrator from the Panel designated by the parties to this Agreement, as well as all parties to the dispute, that a request for Arbitration has been received and the Arbitrator shall set a date for a hearing, to be commenced no later than forty-five (45) calendar days after the Arbitrator has received Notice of the Request for Arbitration.

Notwithstanding any provision of this Workers' Compensation Addendum to the contrary, an injured employee may consult and be represented by an attorney of his choice at any stage of the proceedings specified herein and such counsel shall be compensated in the same manner normally provided in the proceeding before the Workers' Compensation Appeals Board. The injured employee's attorney may be present throughout the mediation process at the request of the employee. The injured employee shall have the right to consult his/her attorney concerning any matters raised during mediation, and any compromise or release or other agreement provided at mediation shall be subject to approval by the employee after he or she has had the opportunity to consult with the attorney of his/her choice. Should arbitration be requested, the employee will be advised, if he/she has not already designated counsel of his/her choice, of his/her right to designate a counsel of record for receipt of service and to fully represent the employee during the arbitration process and any further processes provided under this Addendum or otherwise under the Labor Code.

(e) Arbitration. The Arbitration proceeding will be conducted pursuant to the rules and regulations applied by workers' compensation judges under the Code (including rules of evidence and burden of proof), and the Arbitrator shall have the same powers and authority as such judges (and, as appropriate, referees), except as such rules, regulations or powers are specifically modified or supplemented by this Agreement or otherwise in writing by the parties to this Agreement. The arbitration proceeding shall be completed within ten (10) business days of its commencement unless otherwise ordered by the Arbitrator, in his/her sole discretion, to further the interest of fairness to all parties to the dispute and/or completeness of the record. Except in extraordinary circumstances, such extension shall not exceed forty-five (45) days. The Arbitrator shall render a decision within ten (10) business days of the completion of the proceedings. The Arbitrator's decision shall be written in a form consistent with WCAB practices and his/her findings of fact, award, order or decision shall have the same force and effect as that of a workers' compensation judge and be subject to enforcement proceedings and/or review as provided in Section 3201.5(a)(1) of the Codes. No written or oral offer or recommendation made during the mediation process by any party or the Mediator shall be admissible in the Arbitration proceedings.

(1) The hearing shall be held in a location convenient to the parties to the dispute as determined in the sole discretion of the Arbitrator, but unless otherwise agreed by the parties to the dispute, no further than fifty (50) miles from the employee's residence at the time he/she was/is working under this Agreement. The proceedings shall be recorded.

(2) At the request of either party, the Arbitrator in his/her sole discretion may allow depositions of treating physicians. Cost of medical Depositions submitted by either of the parties shall be at their own expense; if the Arbitrator requests the deposition of a treating physician, or otherwise appoints an authorized health care professional to assist in the resolution of any medical issue, the expense will be borne by the employer.

(3) The decision of the Arbitrator, including his findings of fact, award or order, shall have the same force and effect as an award, order or decision of a workers' compensation Judge, and shall be subject to review by the Workers' Compensation Appeals Board in the same

(e) Arbitration. The Arbitration proceeding will be conducted pursuant to the rules and regulations applied by workers' compensation judges under the Code (including rules of evidence and burden of proof), and the Arbitrator shall have the same powers and authority as such judges (and, as appropriate, referees), except as such rules, regulations or powers are specifically modified or supplemented by this Agreement or otherwise in writing by the parties to this Agreement. The arbitration proceeding shall be completed within ten (10) business days of its commencement unless otherwise ordered by the Arbitrator, in his/her sole discretion, to further the interest of fairness to all parties to the dispute and/or completeness of the record. Except in extraordinary circumstances, such extension shall not exceed forty-five (45) days. The Arbitrator shall render a decision within ten (10) business days of the completion of the proceedings. The Arbitrator's decision shall be written in a form consistent with WCAB practices and his/her findings of fact, award, order or decision shall have the same force and effect as that of a workers' compensation judge and be subject to enforcement proceedings and/or review as provided in Section 3201.5(a)(1) of the Codes. No written or oral offer or recommendation made during the mediation process by any party or the Mediator shall be admissible in the Arbitration proceedings.

(1) The hearing shall be held in a location convenient to the parties to the dispute as determined in the sole discretion of the Arbitrator, but unless otherwise agreed by the parties to the dispute, no further than fifty (50) miles from the employee's residence at the time he/she was/is working under this Agreement. The proceedings shall be recorded.

(2) At the request of either party, the Arbitrator in his/her sole discretion may allow depositions of treating physicians. Cost of medical Depositions submitted by either of the parties shall be at their own expense; if the Arbitrator requests the deposition of a treating physician, or otherwise appoints an authorized health care professional to assist in the resolution of any medical issue, the expense will be borne by the employer.

(3) The decision of the Arbitrator, including his findings of fact, award or order, shall have the same force and effect as an award, order or decision of a workers' compensation Judge, and shall be subject to review by the Workers' Compensation Appeals Board in the same

manner as provided for reconsideration of a final order, decision, or award made and filed by such judge pursuant to the procedures set forth in Article 1 (commencing with Section 5900) of Chapter 7 of Part IV of Division 4, in the Court of Appeals pursuant to the procedures set forth in Article 2 (commencing with Section 5950) of Chapter 7 of Part IV of Division 4.

(4) Any and all settlements and/or compromises between an employee and employer involving a workers' compensation claim arising under this Agreement shall be subject to the same appeals and review by the Arbitrator as if he were sitting as a referee under this Code, and appealed to the WCAB to the extent permitted by the Code.

(e) Notwithstanding any provision of this Agreement to the contrary, an employee who has received benefits under this Agreement, and who is subsequently injured while in the employ of an employer not covered at this time by this Agreement, shall have full access to the Workers' Compensation Appeals Board procedures in effect at the time on any matter involving apportionment due to subsequent injuries or subsequent exacerbation of the preexisting condition, and the provisions of this Agreement shall not, in such cases, be applied or asserted to diminish any rights such an employee might otherwise have had, had it not been for the existence of this Workers' Compensation Addendum.

Section 7 Informal Ratings

(a)(1) Notwithstanding any provision in these Rules or the law to the contrary, the procedure for obtaining an informal rating shall be as follows:

(a) An informal rating will be prepared by a qualified Independent Rating Consultant upon the request of the employee and/or his/her representative and the employer, or at the request of the Ombudsperson providing the necessary information. Such requests shall be submitted on a "*Request For Informal Rating Determination*" form. Informal ratings shall be issued only in those instances where a "*Request For Mediation*" or "*Request For Arbitration*" has not been filed with the Ombudsperson.

(b) The Independent Rating Consultant will issue the informal rating on an *"Informal Rating Determination"* form. The form will contain a statement that the informal rating is not (1) a finding, award, order or decision of the Mediator or Arbitrator, and (2) evidence as to existence of the factors of disability.

(c) Where the informal rating indicates a life pension or provision for future medical treatment appears indicated in the Independent Rating Consultant will forward a copy of the rating to the Ombudsperson for the purpose of obtaining a stipulated award or other action as may be appropriate.

(d) Self-ratings prepared by the employer are not acceptable substitutes for Informal Ratings prepared by an Independent Rating Consultant.

(b)(1) The *"Request for Informal Rating Determination"* form shall be presented to the Ombudsperson, along with copies of all medical reports. The Ombudsperson shall forward the *"Request For Informal Rating"* form along with all medical reports to an Independent Rating Consultant for preparation of an *Informal Rating Determination*.

(2) The Independent Rating Consultant shall promptly review the information provided and prepare an *Informal Rating Determination* within 5 business days of receipt. The Independent Rating Consultant may contact the Ombudsperson in order to obtain additional information necessary to prepare an informal rating. The Independent Rating Consultant shall not communicate directly with any of the parties involved in the claim.

(3) Upon completion of the *Informal Rating Determination*, the Independent Rating Consultant shall forward the original informal rating to the Ombudsperson, along with a statement of charges to be presented to the employer for payment. The Ombudsperson will serve copies of the *Informal Rating Determination* on all parties.

Section 8 General Provisions

(a) All payments required to be made by the employer pursuant to this Agreement, shall in accordance with California law, be made by the TPA as agent for the employer. The