

COLLECTIVE AGREEMENT

BETWEEN

SHELL CANADA LIMITED



AND

UNITED OIL WORKERS OF CANADA, CEP LOCAL 121



Montreal Plant

2010-2013

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ARTICLE 1 BASIC RECOGNITION

1.01 Use of masculine

The masculine gender as used herein applies to all persons.

1.02 Definition: "Union"

The term "Union" as used herein shall mean the United Oil Workers of Canada, CEP local 121. Union representatives in agency appear in Article 2 hereof.

1.03 Definition: "Company"

The term "Company" as used herein shall mean the management of the Montréal Plant of Shell Canada Limited (including the Lubricants and Grease Plant).

1.04 Definition: "Spouse"

The term "spouse" as used herein means the person who has lived on a marital basis with the employee for at least a year, whether of the opposite or same sex.

1.05 Definitions: "shift employee" and "day employee"

All work performed by employees covered under the terms of this Agreement shall be done by employees known as "shift employees" and "day employees".

The term "shift employees" or "plant operators" as used herein shall mean the shift employees working at the refinery or at the Montréal Plant regularly assigned to schedules as defined in paragraphs 6.02 A) and B) of Article 6. All of the employees in the refinery and the Montréal plant shall be known as "day employees".

1.06 Definition of the Montreal Plant

The Montreal Plant encompasses Plant activities at the port facilities, the former territory of the Shell Refinery and the installations on Henri-Bourassa Blvd.

1.07 Union recognition

Shell Canada Products recognizes the United Oil Workers of Canada, local 121, as the sole bargaining agent for all employees, within the meaning of the Labour Code, working at the Montréal East Refinery, the Chemicals Plant, the Lubricants and Grease Plant, the Montréal Plant and the Montréal Distribution Centre, except for office employees, engineers, chemists, technologists and technicians (senior and other), plant and safety inspectors, training supervisors, compounding and shipping assistants, the senior laboratory assistant and all employees under another Shell Canada accreditation, for its establishments located at 10501 Sherbrooke St. East in Montréal East, 6010 Notre-Dame St. East in Montréal, and 10605 Henri-Bourassa Blvd. East in Montréal, 10351 Sherbrooke Street East, Montreal-East, Quebec, H1B 1B3, 10460 Metropolitan Blvd, East, Montreal-East, Quebec, H1B 1A2 and at Pier 103 of the Montreal Port at 10680 Notre-Dame Street East, Montreal-East Quebec, H1B 5X9.

1.08 Organizational effectiveness

It is understood that the Company will develop and implement technological, human resources and business strategies to improve effectiveness and competitiveness at the refinery and the Montréal plant.

The Company and the Union agree to cooperate on ways to implement the necessary changes to ensure human resources involvement as part of a process called the "organizational effectiveness approach".

The Company and the Union acknowledge that:

- 1) the Montréal plant must be more effective;
- 2) the Union has a role to play in improving effectiveness;
- 3) while recognizing the need for various partners in this approach, the Union is the sole bargaining agent representing Union members;
- 4) neither the Union, nor the employees whom it represents, will be involved in personnel management activities such as hiring, appraisals, discipline, dismissals;

- 5) no employee covered by this Collective Agreement may lose his job due to improvements resulting from this approach; however, any layoff caused by curtailment or lack of work shall be handled according to the provisions herein;
- 6) both parties will agree in advance on how to communicate with employees on matters involving this approach;
- 7) all matters concerning the "organizational effectiveness approach" will be conducted with transparency, honesty, mutual respect and openness of mind, while commitments are being met;
- 8) the intent and purpose of the parties to this Agreement are to foster reciprocally good industrial relations. The Union recognizes the responsibility it assumes by its right to act as exclusive bargaining agent for its members.

IMPLEMENTATION TERMS

- a) Within a global plan, the Company will identify the sectors or processes to be improved;
- b) The Company and the Union will then agree on ways to improve the areas identified;
- c) The Company and the Union will agree on employee involvement mechanisms.

1.09 Documents

The Company shall give the Union copies of documents distributed to employees concerning working conditions and fringe benefits. Furthermore, the Company shall give the Union copies of the following documents:

- a) vacant job postings
- b) lists of applicants for posted job
- c) job filled notices
- d) hiring notices
- e) retirement notices
- f) death notices
- g) seniority lists (once a year, in the fall)
- h) Union dues reports

If requested by employee, the Company shall give the Union a copy of a discussion report.

1.10 Bulletin boards

The Union shall be accorded the use of bulletin boards situated at appropriate places in the Company where it can post notices. Except for announcements of regular Union meetings and minutes of such meetings, all other notices shall be submitted to management for approval.

1.11 Discrimination

The Company and the Union agree to create a working environment free from harassment and discrimination according to the provisions of the law.

ARTICLE 2

THE UNION AND ITS REPRESENTATIVES

2.01 The Council

The Union Representatives Committee, hereinafter called the "Council", is the elected body of the United Oil Workers of Canada, Local 121, which is specifically authorized to negotiate, enter into and sign, and administer the Collective Agreement and letters or memoranda of agreement on behalf of the United Oil Workers of Canada, Local 121.

2.02 Stewards

Effective December 1, 2010, the company recognizes, for the Montreal plant, two elected stewards, who are company employees with no less than one (1) year of service in the company to represent employees covered by this agreement.

There will be one steward for the transition group.

2.03 In-house activities

During regular working hours, stewards will be allowed reasonable time off from their jobs to attend to Union business directly concerned with the interpretation and administration of this Agreement.

One of the two Plant stewards has to perform health and safety duties and thus can request additional leave.

2.04 Prior permission

Before leaving his regular job, a steward must obtain permission from his immediate supervisor. The steward will also report to his immediate superior when he returns to his regular duties. The Company cannot refuse to grant permission without reasonable cause.

2.05 Outside representative

One (1) technical consultant for the United Oil Workers of Canada, Local 121, may attend bargaining meetings, arbitration hearings and, by mutual agreement, 2nd stage grievance meetings at the Montréal plant.

2.06 National representative

The CEP National Representative may have access to administrative office and after management's approval may attend meetings with the employer at the request of the president of the United Oil Workers of Canada, CEP local 121, or his replacement. The National Representative will not have access to the refinery and must sign a letter of confidentiality.

2.07 Partial leave without pay for Union business

Upon written application of the Union to the Company, leave of absence without pay to engage in Union business shall be granted provided that:

- a) leave under this provision shall not involve more than one (1) employee or exceed two (2) weeks per employee at any one time;
- b) wherever possible, notification is given one (1) week prior to the period in which the absence is scheduled;
- c) such leaves of absence can be granted without additional cost or penalty to the Company.

The Company cannot refuse to grant permission without reasonable cause.

2.08 Full-time leave without pay for Union business

On written request of the Union to the Company, an employee who is elected or appointed by the Union to act in its behalf in full-time Union work, shall be granted leave of absence without pay for the term of such office but not to exceed one (1) year, provided that:

- a) only one such leave of absence shall be in effect at any one time;

- b) notification be given at least two (2) weeks before the date of departure;
- c) such leave of absence can be granted without added cost or penalty to the Company.

An employee granted such leave of absence shall continue to accumulate seniority during the leave of absence. However, he will not be entitled to exercise his seniority on return from such leave of absence against a vacancy which has been filled during his absence but, while on leave of absence, he will be given consideration for promotional vacancy. The Company cannot refuse to grant permission without reasonable cause

ARTICLE 3 RULES OF THE COLLECTIVE AGREEMENT

3.01 Duration of agreement

- A) This Agreement shall be in effect from February 1, 2010, to January 31, 2013 and shall be renewed from year to year thereafter, until the Company advises of a lockout and the said lockout materializes or the Union advises of a strike and the said strike materializes or the parties agree on a renewal of or amendment to the Collective Agreement or a new Collective Agreement.
- B) Each party to this Agreement shall have the right, no more than ninety (90) days or less than thirty (30) days before January 31, 2013, the anniversary date of the Agreement, to provide written notification to the other party, asking the latter to open negotiations aimed at renewing or amending the Collective Agreement.
- C) If either party hereto gives the other party notice of its intention to amend the present Agreement, the latter shall remain in effect until a new agreement is signed or until either party exercises its right of lockout or strike.

3.02 Ongoing negotiations

Except by mutual consent of the parties, this Agreement shall not be subject to change prior to January 31, 2013 or any subsequent anniversary date.

However, the Company and the Union agree to institute an ongoing bargaining approach, with regular meetings, to handle several subjects relating to working conditions and, in so doing, promote good industrial relations.

3.03 Collective agreement booklets

Within a maximum of three (3) months after the filing of this Collective Agreement, the Company shall have the said Agreement printed and bound in a convenient format in quantities sufficient to meet the needs of employees concerned. Furthermore, the Company will give the Union 75 additional copies and an electronic English copy.

3.04 Letters of understanding

All appendices and letters of agreement contained herein shall form an integral part thereof along with all letters that shall be subsequently signed by the parties after this collective agreement comes into agreement.

Unless the letters of agreement are expressly renewed during negotiations to renew the collective agreement, they shall expire on the end date of this collective agreement.

The provisions of the Memorandum of Agreement the parties signed on February 21, 2011, including those included in the collective agreement, appendices or letters of agreement, bind the parties for the duration of the collective agreement.

ARTICLE 4 - UNION MEMBERSHIP AND DEDUCTION OF DUES

4.01 Union membership

The parties hereto mutually agree that any employee of the Company covered by this Agreement may choose to become, or refrain from becoming, a member of the Union.

Any employee electing for good standing membership into the Union shall remain a member for the duration of this Agreement, except that he may revoke his voluntary membership within the ninety (90) days prior to the termination date of this Agreement. This revocation will be made by submitting notice in writing to the Secretary of the Union, signed by the member and countersigned by a witness.

4.02 Union dues

Regardless of an employee's election, the Company shall, during the period of this Agreement, deduct from the wages of each employee covered by this Agreement, the amount of monthly Union dues.

The amount of monthly Union dues will be as provided to the Company by the Treasurer of the United Oil Workers of Canada, Local 121, except that the Company agrees to recognize only one (1) change in the deduction of dues in any calendar year. An increase in the hourly rate is not considered a change.

ARTICLE 5 HEALTH AND SAFETY

5.01 Occupational health and safety

The Company and the Union agree on the importance of maintaining working conditions that protect the health, safety and physical fitness of employees as well as ensuring the safe operation of facilities. The Company and the Union agree to:

Promote the implementation of a prevention program at the Montréal plant.

Actively involve employees in prevention as well as all other health and safety program activities.

Identify hazards and propose solutions aimed at protecting employees, controlling risks or eliminating hazards.

The Company and the Union recognize the importance of their role which is to ensure employee adherence to safety standards and regulations. [...].

The Company shall notify occupational health and safety committees of the hazardous materials found in the workplace. It shall also inform the committees and all employees of the measures intended to protect their health and safety.

5.02 Health and safety committees

The Company and the Union agree to form a joint health and safety committee. This committee shall be formed as follows: one (1) hourly employee dealing with transition work, two (2) Plant employees and an equal number of management employees. The Union shall choose the unionized employees who will participate. The committee shall establish its operating rules and determine the information required by the committee and its members to perform their duties. Stewards with a health and safety role and the health and safety committee can make recommendations to the employer on all occupational health and safety issues.

5.03 First aid training

The Company and the Union agree on the importance of first aid response in the workplace. The company will thus take the necessary measures to ensure that employees receive adequate training in this area.

The Company shall ensure that required qualifications are maintained on a regular basis and in accordance with recognized rules.

5.04 Right to return to work

The Company and the Union agree that an employee may exercise his right to return to work after an employment injury, according to the *Act respecting Industrial accidents and occupational diseases*, within the two years following the start of his continuous absence due to his employment injury.

5.05 Employee relocation

When an employee becomes medically unfit on a permanent basis due to illness, health impairment or an accident and can no longer do his job, the Company agrees to identify all available and existing functions at the refinery which the employee can perform given his state of health, in consultation with the Union.

If the employee is relocated within the bargaining unit, he maintains his hourly rate, continues his progression if he has not reached the top level and is eligible for the general increase.

When an employee is relocated outside his bargaining unit, the new hourly rate shall be negotiated between the Company and the Union. The minimum hourly rate that applies to an employee relocated outside the bargaining unit is that of a level 4 operator.

ARTICLE 6 HOURS OF WORK

6.01 Definition

Working day

A working day starts at one minute past midnight (00:01) and consists of twenty-four (24) consecutive hours.

6.02 Shift employees

A) Twelve (12) hour rotating schedule

At the Montréal Plant, the regular twelve (12) hour rotating shift schedule is as follows:

- i) four (4) consecutive working days on the 06:00 to 18:00 shift, followed by an off period of two (2) consecutive days;
- ii) four (4) consecutive working days on the 18:00 to 06:00 shift, followed by an off period of six (6) consecutive days;

- i) four (4) consecutive working days on the 06:00 to 18:00 shift, followed by an off period of two (2) consecutive days;
- ii) four (4) consecutive working days on the 18:00 to 06:00 shift, followed by an off period of six (6) consecutive days;
- i) four (4) consecutive working days on the 06:00 to 18:00 shift, followed by an off period of two (2) consecutive days;
- ii) four (4) consecutive working days on the 18:00 to 06:00 shift, followed by an off period of six (6) consecutive days;
- i) four (4) consecutive working days on the 06:00 to 18:00 shift, followed by an off period of two (2) consecutive days;
- ii) four (4) consecutive working days on the 18:00 to 06:00 shift, followed by an off period of six (6) consecutive days;

This schedule falls within a cycle of sixty-four (64) calendar days comprising thirty-two (32) working days.

Montréal Plant shift employees will be rotated on the above schedule, subject to the provisions in paragraphs 6.02 B) hereunder.

The average number of regular working hours is forty (40) hours per week. Therefore, an employee assigned to this schedule shall be entitled to nine (9) accumulated days off per year, each consisting of twelve (12) hours, and administered as follows:

Two (2) blocks of four (4) consecutive days off and one (1) additional day off per year. These blocks of leave shall be planned in advance and rotated among employees such that the necessary replacements are planned for and provided.

B) Regular or flexible day schedule on day assignments.

As required, a refinery shift employee may be assigned to a regular (5,5,4) day schedule as defined in paragraph 6.03.

Moreover, after agreement between the Union and the Company, flexible day schedules may be established in certain sectors or for certain groups of shift employees, provided this does not conflict with operating requirements and schedules are set and made known to employees in advance. It is understood that these flexible schedules shall be established according to the provisions of this Agreement.

C) Committee work or specific training

A shift employee, who sits on a committee voluntarily or receives "specific training" on the scheduled day of his first night assignment or the day following his last night assignment or between two of his night assignments, shall be paid the hours and premiums he would have received had he worked as normally scheduled, without any other payment. The overtime rate applies only to the hours worked in excess of twelve (12) hours per day during which the employee sits on such a committee or receives such training.

By "specific training" is meant a course given at or outside Shell by a consultant or a school on preestablished dates.

D) Respect of regular hours during a work cycle

A shift employee, regardless of the schedule he is assigned, works an average of 40 hours a week and/or three hundred and eighty-four (384) regular hours per cycle of sixty-four (64) calendar days.

Normally, a refinery shift employee assigned to a related task on one of the schedules described above should not work more than three hundred and eighty-four (384) regular hours per cycle of sixty-four (64) calendar days. Prior arrangements are made to comply with this provision.

However, when a refinery shift employee, working on the twelve (12) hour rotating shift schedule as defined in 6.02 A), is assigned to another shift within the same rotating schedule and was to work on the night preceding his new assignment, the night preceding or the day of his new assignment shall be considered a day off and be included in the computation of three hundred and eighty-four (384) regular hours per cycle of sixty-four (64) calendar days.

Moreover, when a refinery shift employee, working on a regular twelve (12) hour rotating shift schedule as defined in 6.02 A) is assigned during part of a cycle to one of the regular schedules defined in 6.02 B) and was to work on the night preceding his new assignment, this night preceding his new assignment shall be considered a day off and be included in the computation three hundred and eighty-four (384) regular hours of work, but without causing them to be exceeded. If he is short of hours, even after inclusion of the said "day off" in the computation, he may work on a scheduled day off (Monday to Friday) to make up in full or in part the three hundred and eighty-four (384) regular hours per cycle of sixty-four (64) calendar days.

A refinery shift employee assigned to one of the above schedules shall take as time off the number of hours off which he accumulated above the three hundred and eighty-four (384) regular hours per cycle of sixty-four (64) calendar days.

However, when an employee works beyond this limit at the Company's request, he shall be paid the applicable overtime rate as indicated in paragraph 8.01.

6.03 Day employees

Regular day schedule

There are two (2) regular day schedules.

Schedule A

A regular working day for day employees shall consist of eight (8) hours actual work at the place of work between the hours of between 06:00 and 14:30 from Monday to Friday inclusive.

Unpaid meal periods of one-half hour (1/2 hour) from Monday to Friday are taken between 11:45 and 12:15.

Schedule B

A regular working day for other day employees shall consist of eight (8) hours actual work at the place of work between the hours of between 06:30 and 15:00 from Monday to Friday inclusive.

Unpaid meal periods of one-half hour (1/2 hour) from Monday to Friday are taken between 12:15 and 12:45.

These schedules are part of a regular work schedule consisting of forty (40) hours per week from Monday to Friday inclusive.

ARTICLE 7- BASIC REMUNERATION

7.01 Rates of pay

The Company shall pay the employees covered by this Agreement not less than the wage rates for the various job classifications set forth in Schedule "A" attached, unless altered by mutual agreement of the parties hereto.

7.02 Minimum time unit

Fifteen (15) minutes shall be the least time unit for computing straight or overtime pay.

7.03 Shift premium, night premium

A) Shift employees

A shift premium shall be paid, in addition to all other remuneration, to any shift employee whose scheduled hours are as defined in paragraphs 6.02 A) and B).

Regardless of the schedule, a shift premium of 8-2/3% of the basic hourly rate shall be paid, in addition to all other remuneration, for overtime hours worked between 18:00 and 06:00.

B) Day employees

A night-shift premium shall be paid, in addition to all other remuneration, to any day employee whose regular hours begin before 06:00 or end after 18:00. This night-shift premium shall be 4% of the basic hourly rate between 16:00 and midnight and 7% of the basic hourly rate between midnight and 08:00, for regular and overtime hours worked.

In interpreting this paragraph, "regular hours" is taken to mean the total number of hours in a fixed schedule. In that context, a fixed schedule is defined as one having specific starting and ending times.

7.04 Work between 06:00 and 18:00

A day employee whose schedule begins and ends between 06:00 and 18:00 is not entitled to the night-shift premium.

Exceptionally, maintenance department employees whose schedule is that of the preventive maintenance team as defined in paragraph 6.03 E) shall receive the night-shift premium of 4% for regular hours worked after 16:00.

7.05 Night shift premium to shift employees

The night-shift premium shall also apply to a day employee who, even without a shift change, replaces an employee who would have received the night-shift premium had he worked; in that case, the day employee will be entitled to the applicable night-shift premium.

7.06 Impact of shift and night shift premiums on other remuneration

Shift premiums and night-shift premiums, when applicable, shall be included in computation of vacation, jury duty leave, bereavement leave, sick leave, disability income premiums and claims as well as the average salary used in calculating retirement pension for wages earned after February 1, 1979.

7.07 Temporary rate for new classification

If any new job classification is established during the life of this Agreement which is not covered by the wage rates appearing in Schedule "A", the rate for this job classification will be negotiated between the Company and the Union. The Company may apply a temporary rate pending the end of negotiations, but once a rate has been established, it shall be made retroactive to the effective date of the new job classification.

7.08 Applicable rate during training

When an employee is sent on classroom training, he will be paid at the greater of the following two rates:

- a) his regular rate, or
- b) an hourly rate equal to the weighted average of the hourly rates paid to him, but excluding overtime, during the last four (4) consecutive pay periods ending before the commencement of his classroom training.

ARTICLE 8 OVERTIME, SHIFT CHANGE AND STATUTORY HOLIDAY PREMIUMS

8.01 Definition: Applicable overtime rate

In this Agreement, all reference to "applicable overtime rate" means the following applicable rate:

Double (2) the straight time rate for all hours worked outside regular working hours, including hours worked on the statutory holidays recognized in Article 10.

8.02 Rates of pay

Straight time rate shall be paid during regular working hours according to the rates in force as per Schedule "A", and the applicable overtime rate defined in paragraph 8.01 shall be paid as stipulated in this Agreement.

8.03 Pyramided premiums or rates

There shall be no pyramiding of any premiums or overtime payments with any other premium or overtime payment. Where one or more premium or overtime rates are applicable, the single higher rate shall be paid.

8.04 Pay for overtime and meal periods

A) Overtime

An employee shall be paid the applicable overtime rate defined in paragraph 8.01 for the following:

- i) all hours worked beyond his regular working hours in any one day as described in Article 6,

and

- ii) all hours worked on days off as defined in Article 6 and on the statutory holidays recognized in Article 10.

B) Meal periods

In addition to the meal allowances provided for in Schedule 1, an employee qualifies for meal periods under the following circumstances:

- i) When an employee works overtime on his days off, he qualifies for a paid one half hour (1/2 hour) meal period.
- ii) When an employee works two (2) hours of overtime immediately following his regular hours, he may take a meal during an unpaid period. If he qualifies for subsequent meal(s) (after four (4) additional hours), he will be allowed a paid one half hour (1/2 hour) period for an appropriate meal between 16:00 and 22:00.

8.05 Attribution of overtime

Overtime will be attributed as fairly and impartially as possible among those employees who are qualified to perform the work. However, in emergency cases, those employees who can be reached by telephone will be given preference. Employees working on a particular job requiring continuity to be done efficiently will be given preference in the overtime to be worked on that job.

Except in emergency situations, the Company does not schedule work for more than fourteen (14) hours a day for a given employee.

8.06 Work during meal periods

When an employee is requested by the Company to work during a regularly scheduled meal period, he will be paid the applicable overtime rate defined in paragraph 8.01 for that meal period and will be permitted to take one half hour (1/2 hour) on Company time for a meal at the first opportunity.

8.07 Minimum overtime pay

An employee called out to perform work outside his regular hours shall receive pay for actual hours worked at the applicable overtime rate defined in paragraph 8.01, but with a minimum equivalent to four (4) hours straight time pay even though it develops that no work is actually required. This minimum pay provision shall not apply where an employee is called out one hour or less before the commencement of his regularly scheduled hours.

8.08 Meal allowance

As explained in Schedule 1, one or more meals or a fixed allowance in cash shall be provided by the company to employees who have to work several hours of overtime.

8.09 Rest periods

A) Minimum period off

An employee required to work in excess of sixteen (16) consecutive hours shall be entitled to eight (8) consecutive hours off before returning to work, without loss of pay for his regularly scheduled hours.

B) Following an emergency call

A day employee who works between midnight and 05:00 following an emergency call shall be authorized to take eight (8) consecutive hours off before returning to work, without loss of pay for his regularly scheduled working hours. However, if this employee finishes work after 05:00, he shall be off for his regularly scheduled working day, without loss of pay.

If, following an emergency call, a shift employee is required to work at least six (6) of the twelve (12) hours preceding his regular shift, he shall be off for his regularly scheduled working day, without loss of pay.

C) Flexible breaks

Employees shall be allowed two (2) flexible breaks, one to be taken during the first half and the other during the second half of the regular working day.

Rest periods are planned consistent with operating needs and at a reasonable time.

8.10 Opportunity for completion

An employee shall not be denied the opportunity to complete his regular weekly work schedule at his straight time basic hourly rate, for the purpose of avoiding overtime payments.

8.11 Definition: "Applicable shift change premium rate"

In this Agreement, all reference to "applicable shift change premium rate" means the following applicable rate: double (2) the straight time rate.

8.12 Shift change premium restrictions

Provisions for shift change premium payment shall not apply if a change is made:

- a) at the employee's request;
- b) when a new employee is assigned for the first time to a regular shift following initial induction and training;
- c) as a result of disciplinary action to the individual concerned;

In all cases, a shift change shall not be deemed to have been made on a day for which the employee was entitled to a premium for work on a statutory holiday recognized in Article 10.

8.13 Shift change for shift employees

A) Twelve (12)-hour rotating schedule

When a shift employee is assigned to a new team and must change his regular working hours, he shall receive the applicable shift change premium defined in paragraph 8.11 for the first twelve (12) hours of work on his new shift.

Thereafter, he shall be paid his straight time hourly rate and his days off shall be those of his new schedule.

B) Flexible and regular day schedules

When a shift employee is reassigned from shift work to day work, he shall receive the applicable shift change premium defined in paragraph 8.11 for the regular hours of his first day worked according to the new schedule, as defined in paragraphs 6.02 D) and E).

Thereafter, he shall be paid his straight time hourly rate and his days off shall be those of his new schedule.

C) Exceptions to shift change premiums

Contrary to the provisions of 8.13 b) above, there is no shift change premium for an employee who is assigned to a day schedule to receive complete training on work stations.

Premiums apply for all training other than under the aforementioned conditions.

D) Work on more than six (6) consecutive days by a refinery shift employee

When the schedule of a shift employee assigned to the twelve (12) hour rotating shift schedule as defined in paragraph 6.02 A) is changed so that he must work more than six (6) consecutive days, the 7th, 8th and 9th days shall be considered days off and the employee shall be paid the applicable overtime rate defined in paragraph 8.01 for work performed on those days. In the event an employee's schedule is again changed so that he must work more than nine (9) consecutive days, any additional consecutive day shall be paid at the applicable overtime rate defined in paragraph 8.01.

8.14 Change of shift for day employees

A) Change of shift on rotating shifts

When a day employee is assigned to a rotating shift, he shall be paid the applicable shift change premium rate defined in paragraph 8.11 for the first shift so worked. Thereafter, he shall be paid his straight time hourly rate and his regular hours and days off shall be those of his new schedule. When reverting to his previous schedule of hours, he shall be paid the applicable shift change premium rate defined in paragraph 8.11 for the regular hours worked during the first day on his new schedule.

B) Double change

A day employee who, working outside his regular hours, is notified by his immediate supervisor to resume his normal hours but, before doing so, is called after leaving the establishment and notified to continue his irregular hours, shall be paid the applicable shift change premium rate defined in paragraph 8.11 for the first day on the irregular hours.

8.15 Work on statutory holidays by shift employees

A) For employees on twelve (12)-hour schedules as defined in clause 6.02 A).

On any of the twelve (12) statutory holidays provided for under the Agreement, an employee must work the period from midnight to 18:00 to be entitled to twelve (12) hours straight time pay as holiday pay, plus the applicable overtime rate defined in paragraph 8.01 for hours worked. An employee not required to work shall receive eight (8) hours straight time pay as holiday pay.

An employee required to work on any statutory holiday provided for under the Agreement may avail himself of the option to be off with pay on that day provided this does not entail an additional cost for the Company. In that case, the employee shall receive twelve (12) hours straight time pay as holiday pay.

For employees assigned to these schedules, a statutory holiday is defined as the actual calendar day on which the holiday normally falls as shown in clause 10.01, even if another day was designated for its observance.

B) For employees assigned to day schedules as defined in paragraphs 6.02 B)

An employee on any of the day schedules will necessarily be off (except for overtime work) on a statutory holiday according to the rules of observance of the department to which he is assigned. However, he must choose between:

- i) being off and paid,
or
- ii) receiving eight (8) hours straight time pay as holiday pay, if the day of observance of the statutory holiday is already a scheduled day off in his work cycle.

An employee required to work on any of the twelve (12) statutory holidays shall receive straight time pay for his regular hours as holiday pay, plus the applicable overtime rate defined in paragraph 8.01 for hours worked.

However, an employee on these day schedules who works between midnight and 6 p.m. overtime on a regular operator's job on the calendar date of a statutory holiday recognized by this Agreement shall be paid twelve (12) hours straight time pay as holiday pay instead of i) and ii) above, plus the applicable overtime rate defined in paragraph 8.01 for hours worked.

8.16 For day employees on schedules as defined in paragraphs 6.03

A day employee required to work on any of the twelve (12) statutory holidays recognized by this Agreement shall be paid his regular working hours at the straight time rate as holiday pay, plus the applicable overtime rate defined in paragraph 8.01 for hours worked.

For employees assigned to these schedules, the statutory holiday is the day of its observance though it may not coincide with the holiday shown on the calendar.

ARTICLE 9 ANNUAL VACATION

9.01 Vacation entitlement

For purposes of vacation pay computation as found in paragraphs 9.02 herein, the following terms shall apply:

- a) Employees hired on or after January 1, 2001, with previously acquired relevant experience, may, in the Company's judgment, have this experience recognized for vacation purposes, to a maximum of ten (10) recognized years.
- b) During their first year of employment, employees shall accumulate annual vacation up to December 31 of that year, as follows:
 - i) Employees entitled to 3 weeks recognized annual vacation shall accumulate 1.25 days vacation per month. Employees entitled to 120 hours recognized annual vacation shall accumulate 10 hours vacation per month.
 - ii) Employees entitled to 4 weeks recognized annual vacation shall accumulate 1.66 days vacation per month. Employees entitled to 160 hours recognized annual vacation shall accumulate 13.33 hours vacation per month.

Employees who begin employment on or before the 15th of the month shall be entitled to accumulate full vacation for that month (1.25 days or 1.66 days). However, those who begin employment after the 15th of the month shall be entitled to accumulate half the vacation for that month (0.62 day / 5.00 hours or 0.83 day / 6.67 hours).

C) On January 1 of the year following the employment year, vacation is determined using the calendar year as reference (January 1 to December 31).

9.02 Montreal plant employees

All shift employees will be entitled to vacation with pay on the basis of years of service recognized by the Company for vacation purposes as follows:

- Upon completion of twelve (12) months recognized service.....3 weeks
- Upon completion of ten (10) years recognized service.....4 weeks
- Upon completion of eighteen (18) years recognized service..5 weeks
- Upon completion of twenty-five (25) years recognized service..... ..6 weeks

One week's vacation is equivalent to forty (40) working hours.

Vacation with pay for any Montréal Plant employee consists in forty (40) hours with pay for each group of forty (40) actual working hours vacation, computed as described in paragraph 9.06 hereinafter.

9.03 Computation of vacation pay

An employee's vacation pay shall be computed on the basis of the greater of either a) or b) below:

- a) his regular rate, or

- b) an hourly rate equal to the weighted average of the hourly rates he has been paid, but excluding overtime, during the last eight (8) weeks or the last four (4) pay periods ending prior to the commencement of his vacation. Vacation pay shall be computed to the nearest whole cent.

9.04 Statutory holiday during annual vacation

If a statutory holiday recognized in Article 10 should fall within an employee's annual vacation, the employee will have the following options:

- a) An additional day added to his vacation. However, if this day interferes with work planning by the Company, the extra day shall be taken at a time convenient to both the Company and the employee, or,
- b) An additional day's pay for the holiday in lieu of an additional day added to his vacation.

It is the responsibility of the employee to notify his immediate supervisor as to which option he selects.

9.05 Selection of vacation periods

The Company posts the vacation schedule before January 1 of each year to enable employees to enter their vacation choices. Employees are expected to abide by this schedule as much as possible once completed, barring exceptions such as illness, an accident or an emergency.

Vacation may be taken at any time of the year; however, employees may not take more than three (3) consecutive weeks at a time as first choice.

Employees are entitled to only one first choice of vacation per year, based on their seniority in the bargaining unit.

9.06 Vacation postponement

When an employee becomes disabled as a result of sickness or accident and the disability extends into his scheduled vacation period, a new vacation period is assigned at a later date determined by the Company, if requested by the employee.

Where an employee becomes disabled or sick after his vacation has commenced and the period of disability or sickness is for seven (7) consecutive days or more and he is qualified under the Company's sick leave policy, he shall be granted an equal number of vacation days at a later date selected by the employee and the Company. The employee will submit proof of disability. It will be the employee's responsibility to keep his immediate supervisor informed of any disability at the time of disability, affecting the start or continuation of his vacation.

ARTICLE 10 STATUTORY HOLIDAYS

10.01 List of statutory holidays

Statutory holidays are as follows:

New Year's Day.....	January 1
The day after New Year's Day.....	January 2
The third Monday in February **	
Good Friday.....	
Victoria Day.....	the Monday before May 25
St-Jean-Baptiste Day.....	June 24
Canada Day.....	July 1
The first Monday in August**	
Labour Day.....	the first Monday in September
Thanksgiving Day.....	the second Monday in October
Christmas Day.....	December 25
Boxing Day	December 26

*This holiday will eventually be replaced with a legislated holiday. The Montreal plant's regular Montréal plant employees may take a floating holiday in replacement of the third Monday in February.

**All Montréal Plant employees have the option of making the first Monday of August a movable holiday to be taken at a time that is mutually satisfactory to the Company and the employee.

10.02 Computation of holiday pay

Recognized holiday pay and pay for work performed on a statutory holiday will be treated as two separate matters. Work performed on a statutory holiday will be regarded as overtime and paid as such.

10.03 Holiday pay

An employee will be paid for a statutory holiday recognized by this Agreement according to the provisions of Article 8 and paragraph 9.04. Pay will be computed at the hourly rate he would have received had the day not been a holiday.

10.04 Holiday pay conditions

An employee shall be entitled to holiday pay only:

- a) if he works his last scheduled day before the holiday and his first scheduled day after the holiday,

or

- b) if he has an excused absence for his first day before and/or after the holiday on which he did not work.

10.05 Right to holiday pay

Except as stipulated in paragraph 10.04, in no case shall a day or shift employee be deprived of holiday pay for any of the twelve (12) statutory holidays recognized by this Agreement in the course of any calendar year.

10.06 Option to leave without pay

Montréal plant employees may take up to five (5) days of leave without pay per calendar year.

ARTICLE 11 ADJUSTMENT OF DISPUTES AND GRIEVANCES

11.01 Grievance procedure

It is agreed that complaints and grievances arising out of the application or interpretation of this Agreement shall be settled as set out below:

A) 1st step

Any complaint or grievance, whether affecting one or more employees or the Union, shall be submitted in the first instance by the employee or employees concerned, to his or their immediate superior. If desired, his or their Union representative(s) shall accompany him or them. In the case of a Union grievance, it shall be submitted by the Union representative(s).

B) 2nd step

Failing satisfactory settlement or in the absence of such settlement within the time prescribed, but not later than the sixtieth (60th) day after the occurrence of the matter complained of in cases involving Montréal plant, the complaint or grievance shall be submitted in writing by the Union's Grievance Committee to the Eastern Distribution Manager who will render his decision in writing within five (5) working days from the time it was submitted to him.

Failing satisfactory settlement in the 2nd step, or in the absence of such settlement within the time prescribed, a complaint or a grievance concerning Montréal plant may be submitted directly to arbitration.

C) Arbitration

If still dissatisfied with the results obtained in the 2nd step or in the absence of settlement within the time prescribed, the matter may be submitted to arbitration.

Notification of intent to arbitrate must be given, as applicable, the Site Manager of the Montreal Plant within sixty (60) days of management's decision. The matter complained of will be submitted to arbitration in the following manner:

- i) The Company and the Union together will endeavour to select a single arbitrator mutually acceptable to both parties within seventy (70) days of the decision rendered by the Site Manager of the Montreal Plant.
- ii) In the event that the parties cannot agree on a single arbitrator, they will instruct their respective attorneys to endeavour between them to select a single arbitrator within eighty (80) days of the decision rendered by the Site Manager of the Montreal Plant.
- iii) Within ninety (90) days of decision rendered by the Site Manager of the Montreal Plant, either one of the parties may, having failed to agree on the choice of an arbitrator, request the Minister of Labour to proceed with the appointment of an arbitrator.
- iv) The parties may agree to allow the arbitrator, whom they selected or the Minister of Labour appointed, to take on an assessor designated by the employer and another designated by the Union.
- v) The decision of the arbitrator must be rendered within three (3) weeks following completion of the hearings, or within such period as may be mutually agreed to by the parties. Both the Company and the Union agree to abide by the decision of the arbitrator shall be final and binding.
- vi) The arbitrator shall not have any power to alter any of the terms of this Agreement or to substitute any provision for existing provisions, nor to give any decision inconsistent with the terms of this Agreement.
- vii) The arbitrator's expenses shall be shared equally by the Company and the Union. Any fees and disbursements applicable to each of the two (2) assessors shall be borne by the designating party.

11.02 Meeting and right to submit a grievance

It shall be the duty of the Company to notify an employee prior to any meeting concerning potential or immediate disciplinary action, enabling him to have a Union representative accompany him if he so wishes.

In cases of disciplinary demotion, suspension or discharge, the disciplined employee shall have the right to submit a grievance according to the grievance procedure, including arbitration, except as covered in paragraph 12.03 of Article 12 below.

However, in the case of discharge, the grievance may be submitted in the first instance at the 2nd step.

The single arbitrator or the board of arbitration, whichever is selected, will have the right to order any other form of disciplinary measure which could be less severe than the one imposed by the Company and the right to order the reimbursement of all or part of the loss suffered by an employee following a disciplinary measure.

11.03 Discussion or disciplinary letter in employee's file

Not later than one (1) year after a discussion or disciplinary letter is sent to an employee, the Company will proceed with a reappraisal and, according to the results, maintain the letter in the employee's file or remove it.

Whatever decision is taken, the employee concerned shall be informed of the reasons why.

11.04 Company document

At the employee's written request, the Company shall inform the Union in writing of this disciplinary notice within three (3) working days of the date the disciplinary notice was given to the employee.

11.05 File copy

At the employee's written request, the Union may consult the disciplinary notices in an employee's personnel file before arbitration.

**ARTICLE 12 PROMOTIONS, POSTINGS, TRANSFERS,
DEMOTIONS, LAYOFFS AND REHIRS**

12.01 Seniority

A) Seniority criteria for a promotion

Length of service is a major factor entitling an employee to first consideration for a promotion. However, the deciding factors are an employee's relative ability and effectiveness.

In considering seniority for promotion to a level higher than the entry job in a line of progression, the Company shall take into account first, seniority in the bargaining unit.

The steward may apply for an employee who is absent during the posting period. On completion of the said posting period, the Company shall do its utmost to telephone the employee who can then decide to maintain or withdraw his application. The employee shall meet the job requirements.

An employee who does not apply for a job, or having done so withdraws his application, does not jeopardize his rights of promotion and transfer.

B) Seniority of Montréal plant employees within bargaining unit

For purposes of this Agreement, Shell Canada Limited employees working at the Montréal plant on April 15, 1997 have had that date assigned to them as reference point for computing their seniority within the bargaining unit of the United Oil Workers of Canada.

12.02 Justification of the choice of candidate

When the Company promotes an employee who does not have the most seniority among those eligible, the Company will advise each unsuccessful candidate of the reason why he was not selected. The employee may, if he so wishes, have a Union representative accompany him.

12.03 Probationary period

A newly-hired employee will be considered on probation for the purpose of this Agreement for a period of eight (8) months from the date of employment and shall have no seniority rights during that period until such time as he has accumulated eight (8) months of bargaining unit service without any break exceeding six (6) months. If he is absent for any period in excess of five (5) working days, the probationary period will be extended by the same number of days. Upon

completion of this service he shall acquire seniority rights computed from the date of his employment.

At the end of the eight (8) month probationary period, the name of an employee who is termed as "temporary" by the Company will be placed on the seniority list as a regular employee with all attendant rights and privileges. The Company will inform the employee of his status as a regular employee, and the employee's seniority rights will then be computed as of his date of employment.

In the event of cessation of employment during the probationary period, a probationary employee shall not have access to the final step, paragraph 11.01 d) of Article 11 entitled "Adjustment of Disputes and Grievances".

Any employee who resigns voluntarily from his employment with the Company shall, for the purpose of this Agreement, lose all his seniority rights. In the event he is rehired, he shall accumulate seniority, subject to the above paragraph, from his new date of employment.

12.04 Temporary vacancies within line of progression

When filling temporary vacancies not to exceed thirty (30) calendar days, seniority may be disregarded by the Company. However, the Company appoints the employee with the most seniority to fill a vacancy reasonably expected to exceed (30) calendar days.

This refers to vacancies created by vacation, injury, training, sickness, leave of absence, emergency and seasonal transfer. Experience gained by employees filling such temporary vacancies shall not work to the disadvantage of other eligible employees subsequently considered for promotion to a higher regular job.

12.05 Decision to fill a vacancy

Whenever vacancies occur, the Company shall consider whether work requirements are such that the vacancy needs to be filled on a regular basis, and the decision will be made by the Company within a reasonable period of time according to the circumstances. Appointments shall be made within thirty (30) days of the Company's decision that such is the case and announcement of the person selected shall be made within five (5) working days of the appointment.

12.06 Vacancies

A) Posting and selection

Vacancies in jobs in Schedule "B" which cannot be filled through promotions within the department concerned shall be posted on the Company bulletin boards for ten (10) working days.

The acceptable candidate with the most bargaining unit seniority and qualified to fill the vacancy shall be selected. Depending on operational requirements, the available person shall be transferred, if applicable, to the new job when the Company believes the move will not affect operational integrity.

The names of employees selected to fill such vacancies will be posted by the Company within thirty (30) working days of the closing date of the posting.

It is agreed that a job with a regular day schedule at the Montréal plant shall be attributed through a posting to a Shell Montréal plant employee, according to his department seniority and qualifications.

The employee selected is entitled to reasonable training.

B) Right to apply

The Union delegate may apply for an employee who is absent during the posting period. On completion of the said posting period, the Company shall do its utmost to telephone the employee who can then decide to maintain or withdraw his application. The employee shall meet the job requirements.

An employee who does not apply for a job or, having done so, withdraws his application, does not jeopardize his rights of promotion and transfer.

An operator may apply at any time for a posted day job.

Rather than hire a new employee, the Company may post the job left vacant for members of the bargaining unit. If no member of the bargaining unit applies for the posted job, the Company may select an employee from outside the bargaining unit. If a member of the bargaining unit applies for and obtains the posted job, the Company may then select an employee from outside the bargaining unit to fill the resulting vacancy.

C) Wages in job obtained through posting and/or organizational changes

Any employee in a job obtained through a vacancy posting or any Montréal plant operator displaced following an organizational change, shall see his basic hourly wage rate:

- i) Maintained, if below the maximum hourly rate in effect in his new line of progression, until it reaches or exceeds that maximum rate

or

- ii) Reduced, if above the maximum rate in effect in his new line of progression

and

iii) Eligible for general salary increases under this Agreement.

This employee shall meet all the requirements of his new line of progression.

Any employee who fails to meet all the requirements of his new line of progression shall have his classification and pay rate downgraded to the level immediately below, according to his new line of progression. He shall have his performance reappraised within the next three (3) months and, if successful in the written and oral tests, he shall be reinstated in his former classification and pay rate.

12.07 Promotions

Promotions may be made within each department above the opening or lowest paid job, without a job posting, except as specified in subsequent paragraphs of this Article.

12.08 Promotions at the Montreal plant

An employee who starts in a Montreal plant department in Schedule "B" shall have the title of operator level 4. Openings for "operator level 3" positions shall be posted according to posting regulations described in paragraph 12.06.

12.09 Layoffs (correlated with 12.14.B in the memorandum of agreement on the renewal of the collective agreement signed on February 21, 2011).

(1) Basic criteria

Layoffs made necessary by curtailment or lack of work in the job classification shown below the dotted line in the Progressions Chart attached hereto as Schedule "B" shall be made on the basis of bargaining unit seniority, except as provided in (2) below.

(2) Exception

The procedure described in (1) above will be followed unless, after layoffs are made upon strict use of this procedure, there remain too few qualified and able employees to do the available work. In such circumstances, the Company shall, in laying off employees, give qualifications and ability to perform the work, precedence over bargaining unit seniority.

B) Severance terms

If part or all of the refinery or the Montréal plant were to close on a permanent basis which, in the Company's opinion, would result in a permanent reduction in staff, the Company would proceed as follows:

Give notice, according to whichever is the longest:

a) as prescribed by law

or

b) six (6) months in the case of a partial termination or complete closure.

To minimize layoffs where there is curtailment of work, the Company shall, after consulting the Union, take one or several of the following measures:

- Attempt to relocate employees, if such is their will, at other Company locations.
- Refrain from using subcontractors to modify employees' rights under this Agreement, which could lead to the layoff of employees who are members of this bargaining unit.
- Assess with Union representatives the qualifications of employees laid off to determine if some could replace certain subcontractors, where possible.
- Undertake, in the future, to post redundant jobs by giving priority to employees eligible for retirement.
- Initiate work sharing to minimize the impact of work curtailment on employees.
- Modify work schedules, where possible, to allow a shorter workweek and thus save jobs.
- Offer employees laid-off the possibility of leave without pay to learn new skills or update their present skills to allow them to be considered for existing vacancies at the refinery or the Montréal plant. Returning employees will be allowed to maintain the wage rate they had before their layoff (if higher than wage rate in new job), provided their training has qualified them for the work available.
- Form a reclassification and relocation committee.
- If no vacancies exist, the Company and the Union will fully cooperate with the government on training or retraining programs aimed at preparing employees for work outside the Company.

When an employee is on leave without pay, his right to a lump sum payment is deferred for a maximum of two years.

C) Severance pay

In the event of a staff reduction, the employees laid off would be entitled to severance pay, provided they met the following four conditions:

- they have not refused to avail themselves of their seniority rights to claim other jobs within the bargaining unit;
- they have not rejected reasonable Company offers of jobs in Québec;
- they are willing to work until the scheduled layoff date;
- they have not been dismissed for just cause by reason of their performance or behaviour before or during the layoff notice period.

Severance pay is computed on the basis of two (2) weeks wages, plus two (2) weeks wages per year of service. A 'week's wages' is defined as the appropriate regular schedule of the employee concerned according to provisions of Article 6, at his basic wage rate at the time of termination. In the case of partial years of service, severance pay shall be prorated accordingly. The payment of this amount is subject to statutory deductions and is made only when the employee's recall rights mentioned in following paragraph 12.10 have expired or at any time beyond ninety (90) days from the date of layoff, provided that the employee notifies the Company in writing that he waives his recall rights under paragraph 12.10. At the time of his layoff, the employee receives from the Company a written confirmation of his severance pay. A copy of this notice is sent to the Union.

The severance calculated above shall be multiplied by 1.15. For the purposes of this calculation the weekly base salary is established based on the applicable hourly rate stipulated in Schedule "A" multiplied by 40 hours per week.

The above procedure regarding severance pay also applies in the case of a layoff due to lack of work for any other reason, provided the employee laid off meets the above four conditions.

If the Company is bound under the law or for any other reason to pay compensation due to the layoff or dismissal of an employee, other than:

- vacation pay
- retirement pension
- health or disability insurance benefits
- workmen's compensation,

This compensation shall be deducted from the severance pay herein provided.

12.10 Recall (correlated with 12.15.B in the memorandum of agreement on the renewal of the collective agreement signed on February 21, 2011).

For the purpose of this Agreement, employees who are unemployed due to a layoff do not retain their status as Company employees, or any rights, privileges or

benefits accruing the employees under this Agreement, except the right to be rehired if and when work becomes available subject to the following:

(1) Recall rights

Recall rights are limited to twelve (12) consecutive calendar months from the last day of work. Temporary periods of work, that is for less than thirty (30) days, while on layoff, will not affect recall rights in the application of this paragraph.

(2) Recall criteria

Former employees will be recalled on the basis of bargaining unit seniority, provided that they are qualified to do the work.

(3) Recall procedure

Subject to the provisions of subsection (4) of this Article, the Company will recall an employee by depositing in the mail, registered, a letter of recall addressed to the employee's last address as shown on the Company's records.

A former employee must take the job offered on recall, if qualified, and must report for work within seven (7) calendar days of the depositing in the mail of the Company's letter of recall. The former employee who does not comply with these requirements shall lose all seniority rights. The Company shall send a copy of the letter of recall to the Union on the same day it is sent to the employee.

(4) Period of fewer than thirty (30) days

In rehiring former employees for periods which are not expected to last beyond thirty (30) days, the Company agrees to make reasonable efforts to contact one or more qualified employees in order of seniority in the bargaining unit where the work is required. The Company will use whatever means for contacting an employee or employees as is consistent with the urgency of the work situation rather than the formal procedure outlined in subsection (3) immediately above. When a more senior qualified employee cannot be contacted by the method deemed appropriate, or where such senior former employee does not immediately agree to report for work as recalled, the next most senior employee in the bargaining unit will be contacted and offered the job. Former employees offered employment as described in this paragraph shall have the option of declining this offer without losing their seniority rights.

(5) Seniority adjustment

All forms of seniority will be adjusted, and the new dates will take into account the seniority of the former employees at the time of layoff, but not the periods during which they were laid off.

12.11 New department postings

From time to time, the Company may find it necessary to form a new department. In such cases, all new jobs will be posted in accordance with paragraph 12.06 and promotions will be made in accordance with paragraph 12.01 of this Article. Should this not provide a sufficient number of qualified employees, then it is understood that the Company will be free to make transfers (temporary or permanent) to new positions within their best judgment.

12.12 Reintegration into bargaining unit

As soon as the name of an employee is posted as the candidate selected for a managerial position, the company must remove the employee in question from the position he occupied. When this done, the employee loses all of his seniority rights as per this collective agreement.

An employee not covered by this Agreement but reintegrated into the bargaining unit where he has accrued seniority shall be given the date of his reintegration as his new bargaining unit seniority date.

The preceding two paragraphs do not affect vacation rights described in paragraphs 9.01 and 9.02.

ARTICLE 13 LEAVE OF ABSENCE

13.01 Leave

A) Bereavement

It is at the Company's discretion whether leave is to be granted in any particular case, and length such leave is to be.

Upon presentation of the circumstances, the Company may grant up to three (3) days leave with pay to employees who suffer a bereavement in their immediate family, namely: father, mother, brother, sister, spouse, parents-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandparents, grandchildren, and son or daughter of the employee and his (her) spouse.

When bereavement occurs during an authorized prime time vacation period, the employee can ask to have his vacation days carried over to a subsequent date agreed on with his employer.

B) Paternity

The Company grants two (2) days leave with pay and three (3) days leave without pay to employees on the birth or adoption of a child. This leave may be broken up in days at the request of the employee but cannot be taken later than the fifteen (15) days which follow the arrival of the child at the residence of the father or the mother.

13.02 Jury duty

Leave of absence will be granted to regular full-time employees while on jury duty or when they are subpoenaed to appear in court. Providing an employee makes every effort to report to work when not actually required in court, he will receive his regular pay in addition to fees he receives from the court.

13.03 Pre-arranges

Mutually satisfactory arrangements for relieving each other in order to secure time off for personal reasons may be made between employees in similar jobs, subject to the approval of the immediate supervisor, and provided no additional cost or penalty shall be paid by the Company.

Subject to the immediate supervisor's approval and on an exceptional basis, an employee can make arrangements by reorganizing working days to free up time for personal reasons, provided no additional cost or penalty shall be paid by the Company.

This practice must not be repetitive to avoid creating a new work schedule.

ARTICLE 14 STRIKES AND LOCKOUTS

14.01 Ban on strikes and lockouts

It is agreed by the parties hereto that there will be no strikes, lockouts, or slow-downs, partial or complete, during the life of this Agreement. No stoppage of work will occur due to any grievance. Work in the department concerned must continue during settlement.

ARTICLE 15 COMPLIANCE WITH LAW

15.01 Compliance with the law

Notwithstanding anything contained in this Agreement, the Company and the Union agree to comply with any law or regulation of a public order that shall

amend the terms hereof, and such compliance by the Company and the Union shall be deemed performance and not violation hereof.

ARTICLE 16 GENERAL INCREASES

16.01 Pay increases

Schedule A herein has been amended to reflect the following adjustments made to the base rate:

- As of February 1, 2010: 2.5%
- As of February 1, 2011: 3%
- As of February 1, 2012: 3.25%

MER employees who land a position at the Plant are entitled to the pay increase of February 1, 2010 and will see their pay maintained until December 31, 2012. Thereafter, employees affected by this clause shall return to the Montréal Plant employee pay progression (Schedule A) on December 31, 2012, when they will be recognized as having reached level 1. Annual increases provided in the agreement for 2011 and 2012 shall be paid in a lump sum on February 1, 2011 and February 1, 2012.

The first current operator at the Montreal plant is entitled to the pay increase of February 1, 2010 and shall see his pay maintained until December 31, 2012. Employees affected by the clause will return to the salary progression for Montréal Plant employees (Schedule A) on December 31, 2012, or when their salary reaches the salary progression for Montréal Plant employees, operator level 1, if prior to December 31, 2012. Annual increases provided in the agreement for 2011 and 2012 shall be paid in a lump sum on February 1, 2011 and February 1, 2012, should he not reach his salary curve.

The provisions of article 16.01 apply to the employees concerned, notwithstanding the provisions of 12.06 C) until December 31, 2012.

Transition employees are not covered by the provisions of the preceding two paragraphs, but they are covered by **Schedule D, Refinery Clauses**.

16.02 Retroactive payment

Any retroactive payment shall be made for every hour worked to all employees who were working for Shell on November 30, 2010, and to all employees who have retired since February 1, 2010, as well as their pension adjustment, as soon as possible but not later than 45 days after the signing. After that, interest will accrue at the legal rate and be added on to the retroactive payment.

The company shall collect the increased union dues arising from the salary increases for the bargaining period for all employees eligible for retroactive payment. This amount shall be turned over to the union.

SCHEDULE 1

A) Overtime meals

As per paragraph 8.08, the following provisions will apply:

Overtime immediately following regular hours or on a scheduled day off:

The Company will provide meal/meals of a value equal to the allowance or a \$13 cash allowance at the employee's choice for overtime on the basis of one after two (2) hours of overtime and one every four (4) hours thereafter.

B) Transportation allowance

A \$14 transportation allowance shall be paid on all call-outs made to the home of an employee requiring travel as per clause 8.07, including work on days off.

C) Tools

The Company shall provide employees with the tools necessary to do their work.

Certificates/Licences

Interviews, MMF and medical exams

Employees will be granted reasonable time and paid the equivalent of four (4) hours of straight time if on leave to take the examinations required by the Company or provincial regulations to obtain the certificates or licenses they need to legally carry out their craft or job.

The same pay provision applies to medical examinations the company requires to confirm fitness for duty.

Reimbursement for competency certificates and other documents

Upon presentation of a receipt, the Company shall reimburse employees for examination fees and expenses incurred to obtain and renew competency certificates required by the Company or to be in compliance with government rules. Employees shall also be reimbursed for exam fees incurred to obtain special driving permits. All other Company-required documents (such as medical certificates) that result in expenses to the employee shall also be reimbursed, except for a regular driver's licence.

No reimbursement shall be given if an exam has to be repeated.

SCHEDULE 2

Clothing and footwear

To ensure optimum use of safety clothing, the Company wishes to continue providing safety clothing and footwear to all employees covered by this Agreement, as needed. The terms "as needed" mean that clothing and footwear will be replaced when these can no longer be worn. This also involves providing new employees with the necessary footwear. The Company will supply employees with:

- pants
- shirt
- jacket or lined jacket
- coveralls
- work gloves
- winter coveralls
- anorak
- smock
- safety shoes or boots

Administrative practices governing the distribution of clothing and footwear are reviewed by the Company and the Union periodically to ensure that these articles of clothing are used as intended.

The company provides for the cleaning of work clothes by a cleaner on contract.

Protective Eye Wear

The Company shall reimburse employees for the cost of protective eyewear with corrective lenses, provided the protective eyewear has been approved by the Montréal Plant Health and Safety Committee.

SCHEDULE 3

Shell's temporary staff

It is agreed that the management of the Montréal Plant shall use the services of Shell temporary employees to replace regular employees in the following specific situations:

- Regular vacations
- Hours of accumulated leave and unpaid leave
- Sick leave (long term)
- Special assignments (projects, shutdowns or other)
- Emergencies when not enough regular employees are available

When used under such circumstances, Shell temporary employees shall be paid a level 4 hourly rate (Schedule "A") and shall maintain that rate as long as they retain their temporary employee status. Furthermore, they shall not be given regular employment status with the attendant rights, privileges and arbitration rights as mentioned in paragraph 12.03 of the Collective Agreement until they have completed eight (8) consecutive months of service.

Once a Shell temporary employee has worked as described above for six (6) consecutive months, the Company and the Union shall reassess his status and/or that of the job, and agree on how to fill the position, in anticipation of regular employment status that the employee shall acquire once he has completed his eighth (8th) consecutive month of service.

Should a temporary employee acquire the status of a permanent employee, all forms of seniority shall be calculated according to provisions of paragraph 12.03 of the Collective Agreement. Furthermore, the employee's hourly rate shall be adjusted according to recognition of acquired skills and the cumulative time spent on the job.

These employees shall be required to pay Union dues as per article 4 of the Collective Agreement.

SCHEDULE 4

Health and safety training

The Company agrees to allocate funds to the Union for training, but only in the areas of health and safety. This training supports Company initiatives in these areas and improves Union-Company relations.

At January 1 of each year, this contribution is calculated at the rate of \$60 maximum per year per member of the United Oil Workers of Canada, according to the seniority list updated annually by the human resources department and the Union. The total contribution calculated as of January 1 of each year is then made available for use from January 1 to December 31 of the current year. Any portion remaining unused at year-end cannot be carried over to the following year.

The director of the Plant site acts as depository of the funds allocated, with responsibility for follow-ups in the training management system. The funds allocated enter into tax calculations as related to training required under the law.

The Union agrees that the funds received should serve mainly to train Shell employees in service at its facilities.

The training offered through use of these funds is subject to the provisions on authorized leave contained in this Agreement.

This Schedule is considered an integral part of this Agreement subject, however, to either party cancelling the provision of these funds on December 31 of the year preceding the expiry date of this Agreement, by giving the other a written notice to that effect.

SCHEDULE 5

Summer students

Hiring period

Students may be hired for the period between May 1 and September 15 of each year, provided they are replacing hourly employees on vacation.

Description and remuneration

Students, by definition, attend educational institutions before and after their summer jobs and are paid according to the rates mentioned in Schedule "A". Moreover, they are subject to the payment of Union dues according to Article 4 herein.

Student flexibility

Generally, students are hired to work in a single department.

Student schedules

Generally, students are assigned to a regular schedule recognized under this Agreement.

SCHEDULE "A" CLASSIFICATIONS AND BASIC WAGE RATES

DEPARTMENT MONTREAL PLANT	Feb 2010 rate	Feb 2011 rate	Feb 2012 rate
1st Plant operator	37.34 \$	-----	-----
Level 1 operator	35.78 \$	36.85 \$	38.05 \$
Level 2 operator	33.31 \$	34.31 \$	35.42 \$
Level 3 operator	30.82 \$	31.75 \$	32.78 \$
Level 4 operator	28.35 \$	29.20 \$	30.15 \$
Student (shift)	20.92 \$	21.55 \$	22.25 \$
Day student	19.36 \$	19.94 \$	20.59 \$

TEMPORARY RATES FOR THE MONTRÉAL PLANT

Temporary rates only apply when an operator or a 1st plant operator acts as a temporary coordinator or supervisor.

DIFFERENTIAL FOR TEMPORARY COORDINATORS AND SUPERVISORS

Temporary coordinators or supervisors will be paid the highest classification rate of the section they will be in charge of, plus a 10% wage differential, as of the day they are assigned to their new job.

SCHEDULE "B" PROGRESSIONS CHART

MONTRÉAL PLANT OPERATOR PROGRESSION	
Level 4:	Entry level
Level 4 to level	After 12 months and tests
Level 3 to level	After 12 months and
Level 2 to level	After 12 months and

STATUTORY TESTS

All departments

Statutory tests are administered by supervisory personnel in the operational departments in question and include a demonstration of capacities, i.e., a practical oral and written test of the knowledge of the position.

The position of first plant operator has been eliminated. Following a transition period, the duties of the 1st plant operator will be permanently integrated into the position of Plant operator, Henri Bourassa tank farm and loading, within no more than 12 months.

SCHEDULE "C" THE PROGRESSION OF MONTREAL PLANT OPERATORS

This progression pertains to Plant operators and includes two (2) facets where they must be able to develop skills and knowledge to move from one level to another in their progression.

1. Knowledge and mastery of main tasks
2. Performance of team tasks

1. Knowledge and mastery of main tasks

- After a training period, a Plant operator is able to perform safely and effectively the duties for which he was trained.
- Depending on the position, the operator shall be familiar with port, environmental and hazardous materials transportation regulations.
- The operator must demonstrate usage and re-commissioning skills for automated product movement control and inventory management systems.
- The Plant operator shall be able to develop the knowledge and skills required for all Plant work stations to reach level 1 of his progression within a thirty-six (36) month period.

2. Knowledge and performance of team tasks

- Team tasks complement an operator's regular duties and all members make a contribution thereto:
 - overtime
 - preparation of vacation and leave schedules
 - rotation of work positions
 - ordering of operations materials
 - time sheet data entry
 - support for project engineering teams
 - participation in audits
 - etc

Stages of Plant operator progression

An employee assigned as operator to an operations department is governed by the operator progression which extends over thirty-six (36) months as follows:

- **Level 4:** Entry level
 Receive training and operate a first work station plus loading
 Start apprenticeship and perform team tasks
 MMF-4 Certificate

 - **Level 3:** After twelve (12) months
 Receive training and operate a second work station plus loading
 Rotate among known positions
 Start apprenticeship and perform team tasks

 - **Level 2:** After twenty-four (24) months
 Receive training and operate a third work station plus loading
 Rotate among known positions
 Start apprenticeship and perform team tasks

 - **Level 1:** After thirty-six (36) months
 Receive training and operate a fourth work station plus loading
 Rotate among known positions
 Start apprenticeship and perform team tasks
-

SCHEDULE “D” – REFINERY CLAUSES

PREAMBLE

- This Schedule contains clauses that apply in the event that refining activities resume on the site covered by the union’s certificate of accreditation.
- Employees occupying temporary transition positions following the termination of refining activities in November shall be subject to the provisions of the collective agreement provided for in the Schedule entitled REFINERY CLAUSES. However, the following clauses in italics and grey and continued in this Schedule shall cease to apply effective November 30, 2010 : 2.02,5.02 (superseded by the Plant collective agreement), 5.03, 6.02 (b) and (e), 6.03 (d) and (e), 7.03 (b), 8.14 (f), 8.16 (c), and (d), 9.03, 9.04, 9.08 (b), 12.01 (b) 12.11, 12.12, progression – no related tasks or team duties,12.14 (b) Schedule 3, letters of agreement 1,2,3,7,8,9,10,12,13 and Schedule C1.
- The parties agree that if refining activities were to resume on the site covered by the union’s certificate of accreditation, all of the clauses in this Schedule (including those in italics and shaded grey) would resume in the collective agreement and apply to operational, laboratory and maintenance employees of the refinery and that the letters of agreement contained in Schedule D would apply from the date the refining activities would resume until the expiry date of the collective agreement, even if the letters are dated 2007-2010.
- The texts in Schedule D form an integral part of the agreement, as do the other appendices, even though they are separated and only apply if the refining activities were to resume and for employees occupying temporary transitional positions, in accordance with the provisions of the second paragraph.

Note : The text in this Schedule is contained in a separate document entitled Schedule D of the Montreal Plant Collective Agreement, Refinery Clauses. Complete texts are available from the Union office and the management office at the Montreal Plant.

SIGNATURES

In witness whereof the parties hereto have signed this agreement this 1st day of April 2011.

SHELL CANADA LIMITED

UNITED OIL WORKERS OF CANADA

C.Houle

J.C. Rocheleau

A.Comeau

D.G.Brazeau

R.Cunial

J.L.Riopel

D.Marchand

M.Perron

M.Rivest

P.Chénier

M.Rivest

G. Godin

B.Dupras

D.Cloutier

**LETTER OF UNDERSTANDING NO 1: SUBCONTRACTING
BETWEEN
SHELL CANADA LIMITED
AND
UNITED OIL WORKERS OF CANADA
CEP LOCAL 121**

The Company shall not use on the site covered by the Union's accreditation certificate subcontractors to perform work normally performed by Plant operators if this would directly result in the layoff of employees who are part of this certification unit.

Moreover, the use of subcontractors shall not impede the recall of a Plant operator who is on a recall list to perform work normally performed by Plant operators.

The Company can resort to subcontracting for all kinds of jobs related to the maintenance of its facilities including construction work as part of a project, laboratory analyses and for other work that is not normally performed by Plant operators.

This letter of agreement is effective from December 1, 2010, to the end of this 2010-2013 collective agreement.

In witness whereof the parties hereto have signed this agreement this 1st day of April 2011.

SHELL CANADA LIMITED

UNITED OIL WORKERS OF CANADA

Alain Comeau

J.C. Rocheleau

**LETTER OF UNDERSTANDING NO. 2 : EMPLOYEES
TRAVELLING FOR THE COMPANY BETWEEN
SHELL CANADA LIMITED
AND
UNITED OIL WORKERS OF CANADA
CEP LOCAL 121**

This letter of agreement sets out the compensation system for employees who travel for the Company.

All travel arrangements, i.e., trips by air or other means of transportation, hotel accommodation, car rental or use of a personal vehicle, shall be made according to the Shell Canada Expense Guide. Departure and return times shall be authorized in advance. When employees travel outside regular working hours, they shall be paid as follows

1. If transportation time is two hours or less, they shall be paid two (2) hours at the double-time rate.
2. If transportation time is over two (2) hours, they shall be paid four (4) hours at the double-time rate.
3. If the employee has to take a side trip to another establishment during the same trip outside his regular working hours, he shall be paid at the overtime rate, as set out in the Collective Agreement. The same compensation arrangement shall apply when employees are called upon to attend meetings outside regular working hours after working a regular eight (8) hour day. This shall not apply when employees attend a dinner or other social event)
4. Employees' pay shall depend on their wage rates as set out in the Collective Agreement, their type of work, and their schedule of regular working hours.
5. The Collective Agreement shall apply for work on days off, statutory holidays, etc.

This letter of agreement remains valid for the term of the 2010-2013 collective agreement.

In witness whereof the parties hereto have signed this agreement this 1st day of April 2011.

SHELL CANADA LIMITED

UNITED OIL WORKERS OF CANADA

Alain Comeau

J.C. Rocheleau

**LETTER OF UNDERSTANDING NO. 3: PAYMENT OF
OVERTIME FOR LIGHT WORK FOLLOWING AN
OCCUPATIONAL ACCIDENT BETWEEN
SHELL CANADA LIMITED
AND
UNITED OIL WORKERS OF CANADA
CEP LOCAL 121**

The parties undertake to adapt the letter of agreement of October 14, 2005, and agree on the terms of application within two months following the signing of the Collective Agreement.

This letter of agreement remains valid for the term of the 2010-2013 collective agreement. .

In witness whereof the parties hereto have signed this agreement this 1st day of April 2011.

SHELL CANADA LIMITED

UNITED OIL WORKERS OF CANADA

Alain Comeau

J.C. Rocheleau