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Len Ferguson

Norm Kettles

Ken Wiens

ARTICLES OF AGREEMENT

between

SHELL CANADA LIMITED
hereinafter called the Company

and

THE COMMUNICATIONS, ENERGY
AND PAPERWORKERS UNION
LOCAL 835
hereinafter called the Union

TABLE OF CONTENTS

Article	Subject	Page
I	RECOGNITION	1
II	MANAGEMENT FUNCTIONS	3
III	DISCRIMINATION - HARASSMENT	4
IV	DURATION OF AGREEMENT	5
V	RATES OF PAY	6
VI	SHIFT BONUS	7
VII	HOURS OF WORK	9
VIII	OVERTIME AND PREMIUM PAY	12
IX	HOLIDAYS	18
X	VACATIONS	19
XI	JOB PROGRESSION	21
XII	SENIORITY, PROMOTIONS, LAYOFFS AND TRANSFERS	25
XIII	ADJUSTMENT OF DISPUTES AND GRIEVANCES	33
XIV	STRIKES AND LOCK-OUTS	37
XV	DUES DEDUCTIONS	38
XVI	BULLETIN BOARDS	39
XVII	HEALTH, SAFETY & ENVIRONMENT	40
XVIII	COMPANY'S COMPLIANCE WITH LAW	41
XIX	LEAVE OF ABSENCE - UNION BUSINESS	42
XX	EMPLOYMENT SECURITY	44
XXI	STUDENT EMPLOYMENT	45
	SCHEDULE "A" Wage Rates	46
	SCHEDULE "B" Operating Shift Schedule	48
	SCHEDULE "C" Job Progression Matrix	54
	MEMORANDUM OF AGREEMENT	55
	LETTERS OF UNDERSTANDING	66

ARTICLE I
RECOGNITION

1. The Company recognizes the Union as the exclusive bargaining agent for "All operating and maintenance employees of Shell Canada Limited, employed at and from the Waterton Complex near Pincher Creek, Alberta excluding foreman and those above the rank of foreman, technical, professional, laboratory, stores, office and clerical employees" in accordance with Certificate No. 119-69 issued by the Alberta Board of Industrial Relations.
2. The Union recognizes the responsibilities imposed on it as the exclusive bargaining agent of the employees it represents and will endeavor to further good industrial relations between the employees and the Company.
3. The parties agree to endeavor to hold informal monthly regular meetings for the purpose of discussing matters of mutual concern, including questions of safety and health. It is further agreed that either party may request additional meetings as necessary.
4. The Company and the Union jointly agree that in order to provide good working conditions, maximum opportunities for continuing employment, productivity and consideration for employees non-work obligations, it is necessary to promote and maintain good industrial

relations between employees and the Company.

Management will advise the Union of new hires and/or transferees and will allow a member of the Local Union Executive thirty (30) minutes during regular new employee orientation sessions to present the Union information package. The information package must be acceptable to Management and future changes will require management review and concurrence.

ARTICLE II
MANAGEMENT FUNCTIONS

The Management of the Complex and the direction of the working force, including the right to plan, direct and control Complex operations; to schedule and assign work to employees; to determine the means, methods, processes and schedules of production; to determine the products to be manufactured; the location of its plants and the continuance of its operating departments; to establish production standards and to maintain the efficiency of employees; to establish and require employees to observe Company rules and regulations; to hire, lay-off or relieve employees from duties are the sole rights of the Company. It is the exclusive function of the Company to maintain order and to suspend, demote, discipline, and discharge employees for just cause. Any discipline or discharge of an employee for just cause shall be subject to the right of the employee to lodge a grievance in the manner and the extent provided in Article XIII. During the probationary period, an employee shall not have access to the final step of the Grievance Procedure (paragraph 3 of Article XIII). The foregoing enumeration of Management's functions shall not be deemed to exclude other functions not specifically set forth in this Article, the Company therefore retaining all Management rights not specifically covered.

ARTICLE III

DISCRIMINATION – HARASSMENT

Employees shall have the right to enjoy their employment free of discrimination and/or harassment by either the Company or the Union by reason of race, sex, age, colour, nationality, religious or political affiliation, and membership or non-membership in any labour organization.

Both the Company and the Union recognize the inherent dignity, worth and equality of every employee, and are committed to providing a workplace free from unlawful discrimination and harassment.

Harassment and discrimination are offensive. Such behaviour violates human rights legislation and is hostile to the Company's and the Union's culture and interests. Neither harassment or discrimination will be tolerated regardless of intent.

ARTICLE IV
DURATION OF AGREEMENT

1. This Agreement shall be effective as of February 1, 2001 and shall remain in force and effect through January 31, 2004 and from year to year thereafter until cancelled by either of the parties hereto by the delivery of written notice from the party so intending to cancel the Agreement to the other party, at least one hundred and twenty (120) days prior to January 31, 2004 or at least one hundred and twenty (120) days prior to the expiration of any subsequent period of twelve (12) calendar months, the first of such periods to commence on February 1, 2004. The anniversary date is deemed to be February 1.

2. In the event either party to this Agreement desires to change or amend this Agreement to have effect for the twelve (12) month period beginning on February 1, 2004, or for any subsequent period of twelve (12) calendar months, the first of such periods to commence on February 1, 2004, notice of such desire shall be given within like time and manner as that herein specified for cancellation.

ARTICLE V
RATES OF PAY

1. The Company shall pay the employees covered by this Agreement not less than the hourly rates for the job classifications as set forth in Schedule "A".

The Company shall not reduce the hourly rate of pay below that now being paid to an employee regularly assigned except in the case of demotions hereafter occurring.

2. Whenever a new classification is created, the Company shall notify the Union in writing as to the rate applicable to the new classification and such rate shall be subject to negotiation if the Union so desires.
3. Where at the direction of the Company employees are required to work in a higher paid classification for fifteen (15) minutes or more, they shall receive the higher rate for one (1) hour; for time so worked over one (1) hour, they shall receive the higher rate based on actual time worked in intervals of fifteen (15) minutes.
4. When employees are assigned temporarily as an "extra" person to the Lead Operator position in order to qualify for work in the higher rated classification, they shall receive the rate of their regular classification unless they are assigned full responsibility for the job. In such event, they shall receive the Lead Operator rate based on the actual hours worked while so assigned.
5. Fifteen (15) minutes shall be the least time unit for computing straight-time or overtime pay.

ARTICLE VI
SHIFT BONUS

1. The Company agrees to pay continuous, rotating 12-hour shift employees 2.67% per hour of the Operator No. 2 straight-time hourly rate for hours worked between 8:00 a.m. and 8:00 p.m., and, 6.0% per hour of the Operator No. 2 straight-time hourly rate for hours worked between 8:00 p.m. and 8:00 a.m.
2. Shift bonuses will not be paid to day (non-shift) employees, as defined in Article VII, Paragraph 2, for out-of-scheduled work. It is expressly recognized, however, that:
 - (a) day employees, whose schedule is temporarily changed so that they are scheduled to work on a shift whose hours begin before 6:00 a.m. or end after 6:00 p.m. shall receive an applicable shift bonus during the effective period of such schedule change at 4% of the Operator No. 2 straight-time hourly rate for hours worked between 4:00 p.m. and 12:00 midnight, and 7% of the Operator No. 2 straight-time rate for hours worked between 12:00 midnight and 8:00 a.m.
 - (b) a day employee who, even without a schedule change, works in place of a shift employee is entitled to receive the applicable shift bonus during the period of such replacement.

3. Employees entitled to shift bonus and working at an overtime rate will have their overtime pay calculated on their straight-time rate and shall, in addition, receive the applicable shift bonus. In such cases, the night shift bonus shall always be calculated at the straight-time rate.
4. Shift bonuses will be included, in addition to an employee's normal rate, in the computing of pay for vacations and jury service, benefits payable under the Disability Income program, and effective February 1, 1979, the Pension Plan, but will be excluded in respect to all other Company benefit plans.

a



ARTICLE VII
HOURS OF WORK

- 1.** The workweek will begin at 12:01 a.m. on Monday and end at 12:00 midnight on Sunday; a workday will consist of a twenty-four (24) hour period commencing at 12:01 a.m.

- 2.** Day employees are those employees regularly assigned on non-continuous operations. The regular work schedule for Day employees (all employees except Plant Shift Operators) shall consist of eight (8) hours' actual work between the hours of 8:00 a.m. and 4:30 p.m. Monday to Friday for the first two (2) weeks and Monday to Thursday for the third (3rd) week. However, where the scheduling of a Friday off would result in a workweek of less than four (4) days or in a period of more than three (3) consecutive days off, such Friday off will be rescheduled. The rescheduling required will be established by the Company at the beginning of each year for the whole calendar year. A lunch period of thirty (30) minutes shall be provided and such thirty (30) minute period shall not be part of the working day (Reference Article VIII, Paragraph 4).

- 3.** Shift employees are those employees regularly assigned on continuous operations. The regular work schedule for Plant Shift Operators will be as follows:

8:00 a.m. - 8:00 p.m. (Day Shift)
8:00 p.m. - 8:00 a.m. (Night Shift)

The following constitutes the regular shift schedule:

- (a) three (3) consecutive working days on the 8:00 a.m. - 8:00 p.m. shift followed by a total off period of seventy-two (72) hours.
- (b) three (3) consecutive working nights on the 8:00 p.m. - 8:00 a.m. shift followed by a total off period of ninety-six (96) hours.

Schedule "B" outlines the work schedule for Plant Shift Operators and illustrates the "banked day" concept of the schedule.

The hours of work for employees on this schedule will average approximately thirty-seven and one third ($37\frac{1}{3}$) hours per week.

- 4. Employees shall work their regular schedule of hours per day and per week as are provided herein except that, in the event Complex operating conditions require, odd schedules may be established and such odd schedules shall be considered the regular working schedules of the employees so assigned. The Company agrees to endeavor to hold such odd schedules to a minimum **(both in terms of frequency and duration)** consistent with the operating requirements of the Complex.
- 5. Employees may make mutually satisfactory arrangements to relieve each other in order to secure time off for reasons acceptable to Complex Management, provided prior approval

is obtained and the exchange can be accomplished without additional cost to the Company.

Under no circumstances shall an employee whose shift is worked by another employee receive pay for such hours worked.

6. An employee who is required to work twelve (12) consecutive hours or more shall be entitled to eight (8) hours off the job before reporting to work again, without loss of pay for regularly scheduled hours of work. However, if the employee finishes work after five o'clock in the morning, the employee shall be authorized to take the day that is beginning and on which the employee is normally scheduled to work as a day off without loss of pay. The employee shall be available during what would have been scheduled hours of work and subject to recall in the event of an emergency. Recalled employees shall receive straight time pay for those hours which otherwise would have been regularly scheduled hours of work.

ARTICLE VIII
OVERTIME AND PREMIUM PAY

General

1. Overtime work will be distributed as fairly and impartially as practicable amongst those employees who are qualified and available to perform such work. Employees working on a particular job in which continuity is required for efficient handling will be given preference in the overtime to be worked on that job. The need for continuity will be determined by the Supervisor.
2. Straight-time pay only shall be paid during an employee's regularly scheduled hours except as provided in Paragraphs 6 and 9 of this Article.
3. In no case will overtime or premium be duplicated or pyramided.
4.
 - a) When Plant day employees are not permitted to commence their 30 minute lunch period between the hours of 12:00 noon and 12:30 p.m., they will be paid at a rate of two (2) times their own straight-time rate for 30 minutes and will be permitted to take 30 minutes on their own time for lunch at the first opportunity.
 - b) When Field day employees are not permitted to take a continuous 30 minute lunch period within their regular working hours, they will be paid a rate of two (2) times their own straight time rate for 30 minutes.

5. Two (2) times the straight-time hourly rate shall be paid for:
- (i) all hours worked in excess of eight (8) per day, for a day worker and all hours in excess of twelve (12) hours per day for a shift worker.
 - (ii) all hours employees are required to work on a day on which they are not regularly scheduled to work.

Change of Schedule

6. (a) For the purpose of this Agreement a change of schedule shall be interpreted as a change whereby the starting and stopping times are altered by four (4) hours or more, or days off are changed; it shall not include regular rotation from one shift to another.
- (b) Employees required temporarily to work a schedule of extended hours which include the original eight (8) hours of their regular schedule for day workers and twelve (12) hours of their regular day for shift workers, shall not be regarded as having their schedule changed; overtime rates shall be applied to overtime so worked.
- (c) Provisions for premium payment arising out of a change of schedule shall not apply where a change of schedule is made:

- (i) as an accommodation to or for the convenience of an employee,
 - (ii) because of the permanent promotion of an employee whose schedule is changed,
 - (iii) as a result of a disciplinary action to the employee involved,
 - (iv) when reverting from shift to permanent day work,
 - (v) when reverting to the original schedule within and including thirty (30) calendar days.
- (d) When required to change from their regular shift to a new shift, day employees will be paid two (2) times their straight-time rate for the first eight (8) hours worked, and shift workers will be paid two (2) times their straight-time rate for the first twelve (12) hours worked. Thereafter employees will be paid at their straight-time hourly rate and the new schedule will be considered their regular schedule so long as it remains in effect and their days off shall be those shown in the new schedule.

Call-Out

7. Except as provided in Paragraph 9 of this Article, employees who are called to work after completing their regular schedule and leaving the Complex, or on a contractual holiday as detailed in Article IX, will receive the greater of:

- (a) four (4) hours pay at their regular straight-time rate for reporting or working, or

- (b) pay for the hours worked at two (2) times their regular straight-time rate.

except that they shall not, by reason of the call-out, receive more than straight-time pay for any portion of the call-out period that extends into their regularly scheduled working hours.

A day employee who works between 12:00 midnight and 05:00 a.m. following a call-out shall be entitled to eight (8) consecutive hours off the job before reporting to work again, without loss of pay for regularly scheduled hours of work. However, if the employee finishes work after five o'clock in the morning, the employee shall be authorized to take the day that is beginning and on which the employee is normally scheduled to work as a day off without loss of pay. The employee shall be available during what would have been scheduled hours of work and subject to recall in the event of an emergency. Recalled employees shall receive straight time pay for those hours which otherwise would have been regularly scheduled hours of work.

Portal to Portal

- 8. Day employees as defined in Article VII(2) shall receive Portal to Portal travel allowance when they are called out to work with two (2) or less hours notice and the call-out is of more than two (2) hours duration.

Portal to Portal:

- Is only paid on a return trip basis when an

employee is called out prior to and not continuous with their regular scheduled working hours.

- Is only paid on a one way basis if the hours worked are prior to and continuous with the employees regular scheduled working hours.
- Is not paid if employees work after their regular scheduled working hours.
- Is paid at applicable overtime rates based on the following allocated times:

Pincher Creek Return Trip - 60 minutes
Pincher Creek One Way - 30 minutes

Work on Days Off

For the purposes of Paragraph 8, a day off is defined as a calendar day during which an employee is not scheduled to work.

9. When called in on days off, employees will be paid two (2) times their straight-time rate for hours worked.

Work on Contractual Holidays

10. Shift workers shall observe the contractual holidays referred to in Article IX on the calendar day on which they fall. Day workers shall observe the contractual holidays referred to in Article IX on the day of observance as designated by the Company even though this is not the actual date of the holiday.

11. Total holiday credit paid to an employee during the entire twenty-four (24) hour period of the holiday shall not exceed eight (8) hours' straight-time pay.

An employee who works on a recognized holiday at a temporary higher rate will receive holiday credit at the higher rate.

For all hours worked on a contractual holiday on which they are scheduled to work, employees will be paid two (2) times their straight-time rate.

Banking

12. All employees may elect to be paid their straight time rate for hours they would normally be paid at overtime rates under this Article and "bank the premium for the purpose of receiving future equivalent hours off with pay.

The maximum hours any employee can have "banked at any one time are:

Day Workers - Nine (9) days (72 hours)
Shift Workers - Six (6) days (72 hours)

Supervisors authorization is required prior to taking the banked time off.

**ARTICLE IX
HOLIDAYS**

1. For the purpose of this Agreement recognized holidays are:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Dominion Day	Christmas Day
Civic Holiday	Boxing Day
Family Day	

The parties to this Agreement also recognize a twelfth (12th) holiday to be observed on the 1st Friday in June. Should a new statutory holiday be legislated by either the Federal or Provincial Governments, the 1st Friday in June holiday **will** be replaced by the new statutory holiday.

2. Employees will be paid a holiday credit of eight (8) hours' regular straight-time pay for each of the following recognized holidays provided:

- (a) the employee works on the holiday, or
- (b) the employee works their last scheduled day before the holiday and their first scheduled day after the holiday, or has an excused absence for these days.

ARTICLE X
VACATIONS

1. Each employee will be entitled to annual paid vacations in accordance with the following:

after one (1) full year of service with the Company - three (3) weeks

after ten (10) full years of service with the Company - four (4) weeks

after eighteen (18) full years of service with the Company - five (5) weeks

after twenty-five (25) full years of service with the Company - six (6) weeks.

For the purpose of this paragraph, an employee's length of service with the Company will be determined under applicable Company-wide rules governing vacation eligibility.

2. For day employees a week of vacation shall mean seven (7) consecutive calendar days and all vacations shall commence on a Monday. The employee shall return from vacation on the applicable succeeding Monday or the next scheduled day of work thereafter according to their schedule at the time they commence their vacation. Vacation pay will be on the basis of 7.466 hours pay per day of vacation.

For shift workers, a week of vacation shall mean three (3) consecutive shifts.

The intent is that employees take their vacation in shift "blocks" i.e., leaving for vacation after their last shift on their particular schedule and

returning to work on the first shift of their particular schedule. Vacation pay will be on the basis of 37.3 hours pay per "block.

- 3.** Employees, at their option and with the written approval of the Company, may defer one (1) week of their vacation to the next calendar year. Such deferment, however, will not extend beyond the next calendar year.
- 4.** Vacation payment shall be computed according to the employee's forward schedule at either:
 - (a) the employee's regular rate of pay, or
 - (b) at an hourly rate equal to the weighted average of hourly rates paid the employee, excluding overtime, during the last four (4) consecutive pay periods ending prior to the commencement of their vacation, whichever is the greater.
- 5.** If a contractual holiday should fall within a shift workers annual vacation, in lieu of an extra day added to their vacation entitlement, they shall be paid for an extra eight (8) hours.
- 6.** If a contractual holiday should fall within a day employee's annual vacation, they shall have the following options:
 - (a) an additional day added to their vacation entitlement, such extra day to be taken at a time convenient to the Company, or
 - (b) an additional day's pay for the holiday in lieu of an additional day added to their vacation entitlement.

**ARTICLE XI
JOB PROGRESSION**

Principles

In view of the differences in both type and amount of work, as well as the degree of skill and knowledge required for performance, and in view of the desirability of recognizing demonstrated improvement in skill and knowledge, each Progression Program will have specific requirements, however the following general conditions apply to all Programs.

General

1. All hourly paid Company employees at the Waterton Complex except Safety Repairmen, hired on or after February 1, 1992 shall, as a condition of employment, enter a Progression Program applicable to their department (i.e., Maintenance, Operations, etc.).
2. Progression will comprise of specific levels of skill and knowledge for which the rate of pay set out in Schedule "A" shall apply.
3. An employee who enters into a line of progression, either as a new hire or who transfers from another Section per Article XII:
 - must meet the requirements as specified in the Job Progression Matrix - Schedule "C" and fulfill the requirements of the formal training system in order to qualify for promotion;
 - must achieve the "minimum career level" in the line of progression within the time frame specified or face demotion to Roustabout

" A and will remain at that level until they obtain the qualification which caused the demotion. Upon achieving the qualification they will be promoted to the classification for which they are qualified.

4. While it is the expectation of the employee to achieve the training and certification to meet the requirements of the progression program, it is also expected that the Company will provide sufficient time and training opportunities to enable the employee to meet the progression requirements. This will be taken to mean that an employee who exceeds the time required to progress by more than twenty-five percent (25%), due to the Company not providing sufficient training time or training opportunities, will be conditionally progressed with the requirement to acquire the required training in a conditionally specified time frame.
5. Entry into a specific Progression Program for all employees, other than new hires, will be in accordance with the Job Posting Procedure, Article XII, Promotions - Paragraph 2, and the qualifications and experience requirements specified in the posting.
6. Employees entering a line of Progression will be given credit for previous training and certification and placed in the appropriate step of the progression schedule. Advancement thereafter will be in accordance with the applicable Progression program.
7. An employee in a progression who fails to meet the progression requirements in the time stipulated in the Job Progression Matrix - Schedule

"C" due to illness or other absence beyond their control, shall be granted time extensions consistent with the circumstances, but shall not **advance to the next higher position until the qualifications are met.**

8. Qualifications are subject to revision from time to time, however employees will be given ample opportunity to obtain the experience and training necessary to meet any revisions to qualifications.

Revisions to qualifications shall not require the formal re-qualification of any employee for the level attained prior to the revision, however employees are expected to keep up to date on general qualifications and to utilize opportunities to meet the revised qualifications.

9. Although each employee may advance in a particular progression, each employee will be expected to perform work or accept assignments for which, in the opinion of the employee's supervisor, the employee is qualified.

10. The Company reserves the right to waive progression requirements to advance an employee to a level commensurate with their qualifications, skill and experience.

11. While attending an approved technical school under the direction of the Alberta Apprenticeship Board, apprentices will be eligible for the following:

- their regular straight-time pay
- transportation reimbursement to and from the school (maximum one round trip per week),

- equivalent to the use of personal vehicles at the Company established rate per km.
- living away from home expense reimbursement to a maximum of \$100.00 per week (may include additional driving expenses if commuting)

Should the apprentice receive any government grant, the dollar amount of the grant will be deducted from the monies received from the Company.

- 12.** Scheduling of school times for Apprenticeship training will be at the Company's discretion, taking into account Complex workload and manpower availability.

If the Company has been unable to schedule the appropriate school attendance in order to permit an employee to take the required exams for any one year step, and the employee has otherwise satisfied all the requirements of the Program, the employee will be promoted on completion of the required time but demoted to their previously held position should they subsequently fail the required exam.

Apprenticeship and Journeyman's exams are set by the Apprenticeship Board of Alberta.

- 13.** Employees who fail Apprenticeship or Steam Engineers Examinations on the first attempt will be required to take the subsequent examinations at their own cost and on their own time.
- 14.** All required Steam Engineers Certification must be valid in the Province of Alberta.

ARTICLE XII
SENIORITY, PROMOTIONS, LAY-OFFS
AND TRANSFERS

Seniority

1. An employee shall have Complex Seniority equal to the total time accumulated in the service of the Company in each and all of the job classifications listed in Schedule "A".
2. Section Seniority shall be the total time accumulated in each of the maintenance trade sections (Electrical, Instrumentation, Metal Crafts and Rotating), Plant Operations Section (including Utility Operations), Field Operations Section (including Compressor Operations) and Safety Section. For the purposes of promotion and layoff, Section Seniority which has been accumulated only in the section where the promotion or layoff is to be made will be taken into account.
3. Employees shall lose their Complex and Section Seniority standing if they voluntarily terminate their employment with the Company, or if discharged for cause and not reinstated pursuant to the provisions of Article XIII.
4. Employees that have been or are transferred or promoted to any position outside the Bargaining Unit will lose all Waterton Section Seniority earned prior to the date of transfer or promotion. As an exception to this paragraph, those employees at the Waterton Complex

holding positions outside the Bargaining Unit on February 1, 1994 shall retain Section Seniority earned prior to their promotion until such time as they either transfer from the Waterton Complex to another location or terminate their employment with the Company.

5. Seniority Lists shall be posted by the Company on an annual basis or whenever significant changes occur.

Promotions

1. When in the Company's judgment a Lead Operator vacancy needs to be filled on a regular basis, the appointment shall be made within sixty (60) days.

In cases of promotions (not covered by Job Progression Article XI), the Company will first consider the employee who, in the Company's judgment is best qualified for the job. Where, in the Company's judgment, the qualifications of two or more employees are equal, the employee with the greater or greatest Section Seniority shall receive the preference, unless Section Seniority is not applicable or is equal, in which case the employee with the greater or greatest Complex Seniority shall receive the preference.

Where a temporary vacancy for shift work is created by vacation, injury, leave of absence, sickness or emergency, selection shall be, at Company discretion, first applied to those personnel of the particular shift in which the vacan-

cy occurs. Experience gained by employees filling such temporary vacancies shall not work to the disadvantage of other eligible employees subsequently considered for promotion to higher regular jobs.

2. All regular vacancies shall be posted on the complex notice boards for fourteen (14) calendar days and the status of the selection process shall be posted by the Company within a further seven (7) days.

In filling temporary vacancies created by vacation, injury, leave of absence, sickness or emergency, the Company may waive the posting of the temporary vacancies and make its selection without regard for seniority. Experience gained by employees filling such temporary vacancies shall not work to the disadvantage of other eligible employees subsequently considered for promotion to higher regular jobs.

Lay-offs

1. Where a lay-off is necessary because of curtailment or lack of work in a job classification above the double line in Schedule "C" the employee laid off will be the employee in the job classification with the least Section Seniority.
2. Any lay-off from a job classification below the double line in Schedule "C" will be governed by Complex Seniority.
3. The probationary period for each employee

hired or rehired, will be six (6) calendar months continuous service at Waterton Complex. During this period the employee will have no rights by reason of Complex Seniority, and in the event of termination during the probationary period, shall not have access to the final step of the Grievance Procedure in Article XIII, Paragraph 3. Recalled employees will not be subject to a further probationary period.

4. For the purpose of this Agreement, individuals on lay-off do not retain their status as employees, or any rights, privileges, or benefits [subject to (e) below] accruing to employees under this Agreement, except the right to be recalled if and when work becomes available subject to the following:
 - a) Recall rights are limited to twelve (12) consecutive months from the date of lay-off.
 - b) Former employees will be recalled on the basis of Complex Seniority provided they are qualified to do the work available.
 - c) Recalled employees will be given adjusted Complex and Section Seniority dates which will include their seniority at the time of lay-off, but not the period during which they were laid off.
 - d) The notice to report for work will be given by depositing in the mail a registered letter to the employee's last address as shown on the Company's records with a copy to the Union. Employees who have been laid off and who are notified to return to work, will lose their seniority unless they notify the Company within fourteen (14) days of the

date of such notification that they intend to return to work on the date specified or on a mutually agreed upon alternative date.

- e) When on recall, laid off employees may elect to maintain, at their own expense, health care plans, dental plans, and insurance plans based on the current group rates.

- 5. Any employee who is laid off under the provisions of Article XII - Paragraph 4 shall, as a minimum, be entitled to severance pay equal to four (4) week's pay for the first year of service and two (2) week's pay for each additional year of service in the employ of the Company.

Employees may, at their option, elect to accept severance pay at any time during the 12 consecutive months from date of lay-off, however, in doing so they agree to forego any rights to recall under the provisions of Article XII - Paragraph 4.

- 6. Employees who are laid off from one Section and who have accumulated Section Seniority in another Section may exercise their Section Seniority to displace another employee who has less Section Seniority in the other Section.

Transfers

- 1. Involuntary Transfers:

Employees facing a lay-off due to lack of work and employees requested to do so by the Company will be given the opportunity to trans-

fer to any department where there is an opening, if they satisfy the basic requirements for the position. If training or retraining is required, the Company will provide such training or retraining where possible. Such transfers will be deemed to be "Involuntary".

Employees involuntarily transferred will not be required to fulfill formal certification requirements of their new position (except as required by legislation), however, will be required to fulfill requirements for the position as specified in the formalized training system.

"Involuntary transferees" will be expected to return to their original Section if a position becomes available. Employees that decide to remain in the new Section shall be deemed to have accepted a Voluntary Transfer and will be bound by the conditions associated with such a transfer.

2. Voluntary Transfers:

Employees requesting and granted a transfer from one Section to another at the Waterton Complex must attain the minimum career level and fulfill the requirements of the formalized training system associated with the new position. Failure to meet all requirements will lead to demotion to Roustabout "A" as detailed in Article XI - Job Progression.

3. Rate Retention:

When an employee transfers to a new position

where the hourly rate is lower than their present rate, and the skills and knowledge previously acquired do not fill a demonstrated business need, the employee will continue to receive the rate paid in the previous position, however, that rate will be frozen until the rate for the new position meets or exceeds the employee's present rate. The employee shall then receive the current rate of the new position.

i.e.: A Lead Operator I earning \$25.92 per hour transfers to the Maintenance Department where the Craftsman I rate is \$24.29 per hour. The employee's wage rate will remain at \$25.92 until the Craftsman I rate reached \$25.92. The employee's wage rate will then change as the Craftsman I rate changes.

When an employee transfers to a position where the skills and knowledge previously acquired fill a demonstrated business need, the employee will continue to be paid at the current rate and that rate will not be frozen.

i.e.: A Craftsman I transfers to the Field Section as there is a vacancy and the skills and knowledge previously acquired fill a business need. The employee will continue to be paid at the Craftsman I rate and the wage paid will be adjusted as the Craftsman I rate changes.

In both examples above, if the transfer is voluntary and the employee fails to attain the qualifi-

cations of the minimum career level in the new position as specified in Article XI - Job Progression, the employee will be subject to demotion to Roustabout " A and will then be paid the Roustabout " A rate until the employee obtains the qualification which caused the demotion. Upon achieving the qualification the employee will be promoted to the classification for which the employee is qualified.

ARTICLE XIII
ADJUSTMENT OF DISPUTES
AND GRIEVANCES

Shop Stewards

The Company shall recognize eight (8) stewards all of whom shall be employees of the Company who have had not less than six (6) months service with the Company. These stewards shall be elected from the employees covered by this Agreement. The allocation of these stewards shall be arranged by mutual agreement between the Company and the Union.

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

Before leaving their job stewards must obtain permission from their supervisor. Stewards will also report to their supervisor when they return to their duties.

Grievances

It is the intention of the parties hereto to establish the means for promotion and equitable settlement of disputes as to questions of fact that may arise out of the application or interpretation of this Agreement. Whenever any labour dispute, controversy, grievance or other difference arises between the Company and the Union, or between the Company and any of its employees, covered by this Agreement, as to the meaning, application or operation of any provision of

this Agreement, involving questions of fact, such matters shall be handled in the following way:

- 1.** Complaining employees shall first discuss the complaint with their supervisor, either individually or together with their steward. Failing satisfactory adjustment of the complaint by the supervisor, within seven (7) calendar days of it having been referred to him, the complainant may, within fourteen (14) calendar days of the action causing the complaint, present the complaint to the supervisor, as a grievance within the meaning of the Agreement. Such presentation shall be in writing and signed by the complaining employee.
- 2.** Failing satisfactory adjustment by the supervisor within seven (7) calendar days of it having been referred to him in writing, the complaining employee may submit this complaint to the Union Grievance Committee. If the Union Grievance Committee finds such complaint well taken, it shall be submitted in writing to the Waterton Complex Manager within a further seven (7) calendar days. Within a further seven (7) calendar days a conference composed of the Complex Manager and the Union Grievance Committee or their authorized representatives shall meet to discuss the complaint. Within seven (7) calendar days of the conference, the Complex Manager shall render a decision in writing to the Union.
- 3.** If the complaint is still not settled to the satisfaction of either the Union Grievance Committee or the Company after following the

foregoing procedure, then either party may within sixty (60) calendar days of the date of the Complex Manager's written decision pursuant to (2) above request that the matter be submitted to arbitration by the following procedure:

The party desiring to submit the grievance to arbitration shall notify the other party in writing of the name of the first party's appointee to the Arbitration Board and the notification shall contain a statement of the difference.

The recipient of the notice shall within seven (7) calendar days, inform the other party of the name of its appointee to the Arbitration Board.

If the recipient of the notice fails to appoint an arbitrator within the time limit, the appointment shall be made by the Board of Industrial Relations upon the request of either party where the Board decides the difference is arbitrable.

Within seven (7) calendar days the two (2) appointees shall elect a third (3rd) person and this three (3) person Board shall hear both sides of the matter and render a decision in accordance with this Agreement which shall be final and binding on both parties. Should the two (2) arbitrators fail to agree on the selection of a third (3rd) member to serve on the Arbitration Board within seven (7) calendar days after their appoint-

ment, they shall request the Minister of Labour for the Province of Alberta to submit the names of three (3) impartial persons, one (1) of whom shall be chosen by the process of elimination as the third (3rd) member of the Board.

Each of the parties to the Agreement will bear the expenses of the arbitrator appointed by it; and the parties will jointly bear the expenses, if any, of the third (3rd) person.

The Arbitration Board is empowered to deal only with matters of fact involving the interpretation, application, or alleged violation of this Agreement. The Board shall not have the power to alter, amend, set aside, add to or delete from any of the provisions of this Agreement, nor shall it have the right to render any decision inconsistent with the terms of this Agreement.

**ARTICLE XIV
STRIKES AND LOCK-OUTS**

There shall be no stoppage of work due to any strike or refusal to work on the part of the employees or by reason of lock-out by the Company during the period this Agreement is in force.

ARTICLE XV
DUES DEDUCTIONS

1. With the exception of those employees who were not paying Union dues through payroll deduction on December 4, 1979 and who have not requested dues check off since that date, the Company will deduct via payroll deduction from the wages of all permanent, regular employees covered by this Agreement, the uniformly established dues as indicated to the Company by the Union and remit to the Treasurer of the Union.

ARTICLE XVI
BULLETIN BOARDS

The Company agrees to afford the Union a specified space on Complex bulletin boards for the posting of non-controversial Union announcements, including notice of Union appointments, notice of Union meetings and notice of Union recreational and social affairs. All such notices shall be signed by the Union President, Secretary or duly authorized representative and shall be subject to prior approval by the Company. Such notices shall be posted and removed by a representative designated by the Complex Manager.

ARTICLE XVII
HEALTH, SAFETY AND ENVIRONMENT

1. The Company and the Union recognize the importance of health, safety and environment performance in the operation of the Complex. The Company recognizes its responsibility for formulation and carrying out of health, safety and environment programs which in its judgement are calculated to promote the health and safety of the employees and the safe and environmentally responsible operation of the Complex. The Union recognizes its responsibility to encourage its membership to participate fully in the health, safety and environment programs.
2. No worker will be required to perform work that the worker believes may be an imminent danger to the health or safety of that worker, or another worker. at the worksite.
3. The Company agrees to recognize up to five (5) employee representatives, appointed by the Union, on a designated Health, Safety and Environment Committee of ten (10) members.
4. The Company agrees to provide to the designated Health, Safety and Environment Committee and the employees the generic names of all non-proprietary substances known to management used in association with the employees' work site. The Company will also cooperate with the Health, Safety and Environment Committee and continue to develop and disseminate to the designated Health, Safety and Environment Committee and the employees information regarding known hazardous substances present at the work site,

and to advise the designated Health, Safety and Environment Committee and the employees of measures and safety precautions intended to protect their health and safety.

ARTICLE XVIII

COMPANY'S COMPLIANCE WITH LAW

Notwithstanding anything contained in this Agreement, the Company shall at all times comply with any and all Federal and Provincial laws, regulations, and rulings pertaining to matters covered hereby, and such compliance by the Company shall be deemed performance and not violation thereof.

ARTICLE XIX
LEAVE OF ABSENCE - UNION BUSINESS

Upon application by the Union, leave of absence without pay, in order to engage in the business of the Union will be granted provided that:

- a) Leave under this provision shall not exceed six (6) employees at any one time, nor shall it total more than 30 (thirty) calendar days per employee at any one time.
- b) Application is given one (1) week prior to the period in which the absence is to be scheduled.
- c) Strict adherence to the time limits and number of persons on leave can be modified by the Company if the Union, on application, can show justification for variation.
- d) The Company reserves the right to refuse leave to a particular individual when the granting of such leave would interfere with the efficient operation of the Complex.

An employee granted leave of absence covered by the above provisions will continue to receive all benefits and in addition shall have base wages, shift differentials, and bonuses maintained by the Company while on leave. The Union will be invoiced for the amount of wages, shift differentials and bonuses. In the application of this provision, the Union shall determine what constitutes Union business. The Company will be

responsible for any replacement costs to a maximum of 168 hours per annum.

All other leaves of absence will be governed by the Company Policy Manual and Waterton Complex Administrative Practices.

**ARTICLE XX
EMPLOYMENT SECURITY**

The Company will not utilize Staff employees or contractors which will cause the layoff of any regular employee in the bargaining unit. The Company will provide the Union access to information pertaining to the use of contractors, including the number of contract employees and the total hours worked, in the Waterton Complex.

In the event of technological change or the permanent closure of all or part of the plant which will result in a permanent work force reduction of employees covered by this Agreement, the Company will:

1. Notify the Union six months in advance, in writing on a separate letter addressed to the Local Union President, identifying the numbers of employees affected in the field, plant operations and/or plant maintenance sections.
2. Meet with representatives of the Union to discuss the impact of the change on the work force.
3. Attempt to provide other employment for affected employees who, in the opinion of Management, have the basic qualifications and aptitude to be considered for vacancies at other locations and provide training and retraining for employees placed in new jobs.
4. Provide rate protection for employees who are "downgraded" by "red circling" their rate for one year after which Management will assign an appropriate progression step for the employee.
5. Discuss relocation assistance that could be made available for employees being transferred to other locations within the Company.

ARTICLE XXI
STUDENT EMPLOYMENT

1. Developmental Students will only be employed for a maximum of six (6) months/year and a maximum of twelve (12) months lifetime.
2. Summer Students will only be employed for a maximum of four (4) months/year and a maximum of eight (8) months lifetime.
3. Breaks of less than thirty (30) days will be considered continuous employment.
4. Students performing bargaining unit work will be laid off first.
5. Time spent as a student will not be applied to the probationary period if the student is subsequently hired.

This Agreement shall supersede in its entirety the former Agreement effective February 1, 1997.

FOR THE COMPANY:

D. Todd
B. Skrypnek
C. VanRyk

FOR THE UNION:

R. J. Waywood
C. Piotrowski
B. Boyce
G. Young
D. Kraus
J. Bosch
B. Jesson

SCHEDULE "A"

WAGE RATES

Department & Job Title	Effective 01/02/02	Effective 01/02/03
Plant Operations Section		
Lead Operator I	\$32.49	\$33.46
Lead Operator II	30.45	31.36
Operator No. 1	30.45	31.36
Operator No. 2	27.67	28.50
Operator No. 3	25.32	26.08
Operator No. 4	24.35	25.08
Operator Trainee	23.29	23.99
Plant Utility Section		
Utility Operator No. 1	\$27.67	\$28.50
Utility Operator No. 2	25.32	26.08
Utility Operator No. 3	24.35	25.08
Plant Maintenance Section		
Craftsman No. 1	\$30.45	\$31.36
Craftsman No. 2	26.36	27.15
Craftsman No. 3	25.32	26.08
Craftsman No. 4	24.35	25.08
Craftsman No. 5	23.29	23.99
Repairman No. 1	30.45	31.36
Field Section		
Compressor Operator No. 1	\$30.45	\$31.36
Compressor Operator No. 2	26.36	27.15
Compressor Operator No. 3	25.32	26.08
Compressor Operator No. 4	24.35	25.08
Compressor Operator No. 5	23.29	23.99
Field Craftsman No. 1	30.45	31.36
Field Craftsman No. 2	26.32	27.11

Department & Job Title	Effective 01/02/02	Effective 01/02/03
Field (continued)		
Field Craftsman No.3	\$25.32	\$26.08
Field Craftsman No.4	24.35	25.08
Field Craftsman No.5	23.29	23.99
Head Field Operator	30.45	31.36
Senior Production Operator	27.67	28.50
Production Operator	25.32	26.08
Field Operator	24.35	25.08
Safety Section		
Safety Repairman No. 1	\$26.36	\$27.15
Safety Repairman No.2	24.35	25.08
Safety Trainee	23.29	23.99
General Section		
Roustabout A	\$23.29	\$23.99
Shift Bonus		
Shift Employees		
8 p.m. - 8 a.m.	\$ 1.66	\$ 1.71
8 a.m - 8 p.m.	0.74	0.76
Day Employees		
4 p.m. - 12 midnight	\$ 1.11	\$ 1.14
12 midnight - 8 a.m.	1.94	2.00
Steam Ticket Bonuses		
Classification	2nd Class Certificate	3rd Class Certificate
Operator Trainee	\$ 0.75 per hr.	\$ 0.20 per hr.
Operator No. 4	0.75 per hr.	0.20 per hr.
Operator No.3	0.75 per hr.	0.20 per hr.
Operator No.2	0.75 per hr.	

SCHEDULE "B" WATERTON COMPLEX 2001 OPERATING SHIFT SCHEDULE

D = DAY
N = NIGHT

JANUARY	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S							
A CREW	D	D	D					N	N	N					D	D						N	N	N					D	D						N	N	N					D	D					
B CREW																																																	
C CREW																																																	
D CREW																																																	
BANKED TIME OFF	7&8							9&10							11&12							13&14							15&16							17&18													

FEBRUARY	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S						
A CREW	N	N	N		D	D						N	N	N					D	D					N	N	N					D	D						N	N	N				
B CREW																																													
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D CREW																																													
BANKED TIME OFF	17&18							18&2							3&4							5&6							7&8							9&10									

MARCH	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S						
A CREW	D	D			N	N	N					D	D						N	N	N				D	D						N	N	N					D	D					
B CREW																																													
C CREW																																													
D CREW	D	D			N	N	N					D	D						N	N	N				D	D						N	N	N					D	D					
BANKED TIME OFF	9&10							11&12							13&14							15&16							17&18							18&2									

APRIL	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S						
A CREW	N	N	N					D	D						N	N	N					D	D						N	N	N					D	D					
B CREW	D							N	N	N					D	D						N	N	N					D	D						N	N	N				
C CREW	D	D						N	N	N					D	D						N	N	N					D	D						N	N	N				
D CREW	N							D	D						N	N	N					D	D						N	N	N					D	D					
BANKED TIME OFF	1&2							3&4							5&6							7&8							9&10							11&12						

MAY	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S								
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B CREW																																										
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BANKED TIME OFF	11&12							13&14							15&16							17&18							18&2							3&4						

JUNE	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S											
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SCHEDULE "B" WATERTON COMPLEX 2001 OPERATING SHIFT SCHEDULE

D = DAY
N = NIGHT

	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
JULY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31													
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B CREW	N	N	N	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	N	N	N	N	N	D	D	D	D	D	D	D								
C CREW	N	N	N	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	N	N	N	N	N	D	D	D	D	D	D	D								
D CREW	N	N	N	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	N	N	N	N	N	D	D	D	D	D	D	D								
BANKED TIME OFF	13&14							15&16							17&18							182							3&4							5&6								

	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
AUGUST	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31									
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B CREW	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	D	N	N	N	N	N	N	N		
C CREW	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	D	D		
D CREW	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	D	D		
BANKED TIME OFF	5&6					7&8					9&10					11&12					13&14					15&16														

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SEPTEMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30							
A CREW	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N
B CREW	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N
C CREW	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N
D CREW	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N
BANKED TIME OFF	1&2			17&18			182			3&4			5&6			7&8																					

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OCTOBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31											
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B CREW	N	N	N	N	N	N	N	D	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N												
C CREW	D	D	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	D	D												
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BANKED TIME OFF	1&2							8&10							11&12							13&14							15&16							17&18						

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NOVEMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30									
A CREW	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N		
B CREW	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	D	D		
C CREW	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	D	D		
D CREW	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N		
BANKED TIME OFF	1&2					3&4					5&6					7&8					9&10																		

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DECEMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31							
A CREW	N	N	N	N	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	D	D	
B CREW	N	N	N	N	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	D	D	
C CREW	D	D	D	D	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N		
D CREW	D	D	D	D	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	D	D	D	D	D	N	N	N	N	N	N	N		
BANKED TIME OFF	11&12					13&14					15&16					17&18					182					3&4												

SCHEDULE "B" WATERTON COMPLEX 2002 OPERATING SHIFT SCHEDULE

D = DAY
N = NIGHT

JANUARY	Y	T	W	T	F	S	S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
A CREW	N	N	N	N	N	N	N																																	
B CREW	D	D	D	D	D	D	D																																	
C CREW	N	N	N	N	N	N	N																																	
D CREW	N	N	N	N	N	N	N																																	
BANKED TIME OFF								8																																

FEBRUARY	F	S	S	M	T	W	T	F	S	S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		
A CREW	D	D	D	D	D	D	D																																	
B CREW	N	N	N	N	N	N	N																																	
C CREW	N	N	N	N	N	N	N																																	
D CREW	D	D	D	D	D	D	D																																	
BANKED TIME OFF								4																																

MARCH	F	S	S	M	T	W	T	F	S	S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
A CREW	N	N	N	N	N	N	N																																		
B CREW	D	D	D	D	D	D	D																																		
C CREW	N	N	N	N	N	N	N																																		
D CREW	N	N	N	N	N	N	N																																		
BANKED TIME OFF								9																																	

APRIL	M	T	W	T	F	S	S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30			
A CREW	D	D	D	D	D	D	D																																	
B CREW	N	N	N	N	N	N	N																																	
C CREW	N	N	N	N	N	N	N																																	
D CREW	D	D	D	D	D	D	D																																	
BANKED TIME OFF								5																																

MAY	W	T	F	S	S	M	T	W	T	F	S	S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
A CREW	N	N	N	N	N	N	N																																				
B CREW	D	D	D	D	D	D	D																																				
C CREW	N	N	N	N	N	N	N																																				
D CREW	N	N	N	N	N	N	N																																				
BANKED TIME OFF								1																																			

JUNE	S	S	M	T	W	T	F	S	S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
A CREW	D	D	D	D	D	D	D																																		
B CREW	N	N	N	N	N	N	N																																		
C CREW	N	N	N	N	N	N	N																																		
D CREW	D	D	D	D	D	D	D																																		
BANKED TIME OFF								6																																	

SCHEDULE "B" WATERTON COMPLEX 2002 OPERATING SHIFT SCHEDULE

D = DAY
N = NIGHT

JULY	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
A CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N		
B CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			
C CREW	D	D	D	D	D	D	D	N	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	D	D	N	N	N	N	N	N	N			
D CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			
BANKED TIME OFF	2		3		4		5		6		7																								

AUGUST	T	T	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
A CREW	D	D	D	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
B CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
C CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
D CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
BANKED TIME OFF	7		8		9		1		2		3																				

SEPTEMBER	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
A CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
B CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
C CREW	D	D	D	D	D	D	D	N	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
D CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
BANKED TIME OFF	3		4		5		6		7		8																								

OCTOBER	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
A CREW	D	D	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
B CREW	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
C CREW	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
D CREW	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
BANKED TIME OFF	8		9		1		2		3		4																							

NOVEMBER	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T
A CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
B CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
C CREW	D	D	D	D	D	D	D	N	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D					
D CREW	N	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
BANKED TIME OFF	4		5		6		7		8		9																								

DECEMBER	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
A CREW	D	D	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
B CREW	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
C CREW	D	D	D	D	D	D	N	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
D CREW	N	N	N	N	N	N	D	D	D	N	N	N	N	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
BANKED TIME OFF	8		1		2		3		4		5																								

SCHEDULE "B" WATERTON COMPLEX 2003 OPERATING SHIFT SCHEDULE

D = DAY
N = NIGHT

JANUARY	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M		
A CREW	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
B CREW	N	N	N	N	N	N	D	D	D	D	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	D	D	D	D	D						
C CREW	N	N	N	N	N	N	D	D	D	D	D	D	N	N	N	N	N	N	N	N	N	N	N	N	N	D	D	D	D	D						
D CREW	D	D	D	D	D	D	N	N	N	N	N	N	D	D	D	D	D	D	D	D	D	D	D	D	N	N	N	N	N							
BANKED TIME OFF	6						7						8						9						1						2					

FEBRUARY	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M
A CREW	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28			
B CREW	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D				
C CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
D CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
BANKED TIME OFF	2						3						4						5						6						

MARCH	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M					
A CREW	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
B CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N						
C CREW	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
D CREW	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
BANKED TIME OFF	6						7						8						9						1						2					

APRIL	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M
A CREW	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30					
B CREW	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
C CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
D CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N					
BANKED TIME OFF	3						4						5						6						7										

MAY	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M			
A CREW	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
B CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N						
C CREW	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
D CREW	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
BANKED TIME OFF	8						9						1						2						3						4					

JUNE	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M					
A CREW	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30						
B CREW	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D						
C CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N						
D CREW	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N						
BANKED TIME OFF	4						5						6						7						8						9					

SCHEDULE "B" WATERTON COMPLEX 2003 OPERATING SHIFT SCHEDULE

D = DAY
N = NIGHT

JULY	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S							
A CREW	D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
B CREW	N	N					D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
C CREW	N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
D CREW	D	D					N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
BANKED TIME OFF	9					1					2					3					4					5																						

AUGUST	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S				
A CREW	N	N					D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
B CREW	D						N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
C CREW	D						N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
D CREW	N						D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
BANKED TIME OFF	5					6					7					8					9					1																

SEPTEMBER	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S							
A CREW	D	D					N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
B CREW	N						D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
C CREW	N						D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
D CREW	D						N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
BANKED TIME OFF	1					2					3					4					5					6																

OCTOBER	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	
A CREW	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
B CREW	D					N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
C CREW	D					N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
D CREW	N					D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
BANKED TIME OFF	6					7					8					9					1					2															

NOVEMBER	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S					
A CREW	D	D					N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
B CREW	N						D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
C CREW	N						D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
D CREW	D						N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
BANKED TIME OFF	2					3					4					5					6					7																

DECEMBER	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S							
A CREW	N	N					D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
B CREW	D						N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
C CREW	D						N	N	N				D	D	D				N	N	N				D	D	D				N	N	N				D	D	D			
D CREW	N						D	D	D				N	N	N				D	D	D				N	N	N				D	D	D				N	N	N			
BANKED TIME OFF	7					8					9					1					2					3																

JOB PROGRESSION MATRIX
SCHEDULE "C"

JOB PROGRESSION MATRIX

SCHEDULE "C"

LINE OF PROGRESSION

PLANT OPERATIONS SECTION		PLANT MAINTENANCE SECTION	FIELD SECTION	
Plant Operations	Utility Operations	Crafts	Field Compressor Operator	Field Craftsman
PROGRESSION STEPS				
Operator #1	Utility Operator #1*	Craftsman #1*	Compressor Operator #1*	Field Craftsman #1*
Operator #2* a) 24 months b) 2nd Class Steam Eng c) Sustained Performance	Utility operator #2 a) 24 months	Craftsman #2 a) 12 months b) Journeyman or "B" PressureWelder	compressor operator #2 a) 12 months b) Journeyman	Field Craftsman #2 a) 12 months b) Journeyman or "B" PressureWelder
Operator #3 a) 24 months b) 3rd Class Steam Engineer	Utility Operator #3 a) 18 months b) 4th Class Steam Engineer	Craftsman #3 a) 12 months b) Passed 3rd year Apprenticeship or Journeyman Welder	Compressor Operator #3 a) 12 months b) Passed 3rd year Apprenticeship	Field Craftsman #3 a) 12 months b) Passed 3rd year Apprenticeship or Journeyman Welder
Operator #4 a) 18 months b) 4th Class Steam Engineer				Field Craftsman #4 a) 12 months b) Passed 2nd year Apprenticeship
Operator Trainee a) 6 months	Operator Trainee a) 6 months	Craftsman #5 a) 12 months b) Passed 1st year Apprenticeship	compressor Operator #5 a) 12 months b) Passed 1st year Apprenticeship	Field Craftsman #5 a) 12 months b) Passed 1st year Apprenticeship

OUTSIDE OF PROGRESSION
ROUSTABOUT*

PROGRESSION STEP LEGEND

a) Time required at Step for Progression

b) Certification Required for Promotion

c) Other Qualifications required for Promotion

* Minimum Career Level

MEMORANDUM OF AGREEMENT
between
SHELL CANADA LIMITED
(Waterton Complex)
and
COMMUNICATIONS, ENERGY and
PAPERWORKERS UNION
LOCAL 835

This Memorandum of agreement is entered into the 3rd day of October, 2001. Parties agree to recommend acceptance of this memorandum to their respective principals for full settlement of a renewed Agreement to be effective Feb. 1, 2001 to Jan. 31, 2004.

1. Changes to the Current Collective Agreement:
 - a) Term of Agreement - 3 years commencing February 1, 2001 and expiring January 31, 2004.
 - b) Increase wage rates by 3.5% effective February 1, 2001; and a further 3% effective February 1, 2002, and a further 3% effective Feb. 1, 2003.
 - c) Adjust shift differentials, using the current formula based on the new wage rates effective February 1, 2001, 2002 and 2003.
 - d) Article VI - Night Shift Bonus - revise title of Article to Shift Bonuses. Change all references to "night shift bonus" to "shift bonus" within the article.
 - e) Article VII - Hours of Work - Delete last paragraph Item 3 and Revise Item 5:

Item 3...delete last paragraph "The twelve (12) hour shift arrangement may be terminated by either party by giving thirty (30) days notice in writing. In the event that notice to terminate this shift arrangement is given by the Union, no change of schedule premiums will be paid for the reason of changing to another schedule."

Item 5...revise 1st paragraph to read "Employees may make mutually satisfactory arrangements to relieve each other in order to secure time off for reasons acceptable to Complex management, provided prior approval is obtained and the exchange can be accomplished without additional cost to the Company." 2nd Paragraph stays as is.

(f) Article VIII - Overtime and Premium Pay

Banking

Item 12...Revise to read.. "The maximum number of hours any employee can have "banked at any one time are:

Day Workers - Nine (9) days (72 hours)

Shift Workers - Six (6) days (72 hours)

Supervisor's authorization is required prior to taking the banked time off."

(g) Article IX - Holidays

Switch the order of Items 1 and 2 in the Agreement.

(h) Article X - Vacations

Revise all reference to "Day Workers" to "Day Employees" in this Article.

Item 2...add to the first paragraph...
"Vacation pay will be on the basis of 7.466
hours pay **per** day of vacation."

(i) Article XII -Seniority, Promotions, Lay-offs
and Transfers Seniority

Item 2...revise to read "Section Seniority shall be the total time accumulated in each of the maintenance trade sections (Electrical, Instrumentation, Metal Crafts and Rotating), Plant Operations Section (including Utility Operations), Field Operations Section (including Compressor Operations) and Safety Section. For the purposes of promotion and layoff, Section Seniority, which has been accumulated only in the section where the promotion or layoff is to be made, will be taken into account."

(j) Article II - Management Functions

The Management of the Complex and the direction of the working force, including the right to plan, direct and control Complex operations; to schedule and assign work to employees; to determine the means, methods, processes and schedules of production: to determine the products to be manufactured; the location of its plants and the continuance of its operating departments: to establish production standards and to maintain the efficiency of employees; to establish and require employees to observe Company rules and regulations: to hire, lay-off or relieve employees from duties are the

sole rights of the Company. It is the exclusive function of the company to maintain order and to suspend, demote, discipline and discharge employees for just cause. Any discipline or discharge of an employee for just cause shall be subject to the right of the employee to lodge a grievance in the manner and the extent provided in Article XIII. During the probationary period, an employee shall not have access to the arbitration provisions of the Grievance Procedure (paragraph 3 of Article XIII). The foregoing enumeration of Management's functions shall not be deemed to exclude other functions not specifically set forth in this Article, the Company therefore retaining all Management rights not specifically covered.

- (k) Article XVII...rename Health, Safety and Environment.

Item 1...revise to read "The Company and the Union recognize the importance of health, safety and environmental performance in the operation of the Complex. The Company recognizes its responsibility for the formulation and carrying out of health, safety and environmental programs which in its judgement are calculated to promote the health and safety of the employees and the safe and environmentally responsible operation of the Complex. The Union recognizes its responsibility to encourage its membership to participate fully in the health, safety and environment programs." Items 3

and 4...revise Health and Safety Committee to "Health, Safety and Environment Committee".

(l) Article I

Item 4...revise the first sentence to read "The Company and the Union Jointly agree that in order to provide good working conditions, maximum opportunities for continuing employment, productivity and consideration for employees non-work obligations, it is necessary to promote and maintain good industrial relations between employees and the Company."

2. It is further agreed and understood that:

- a) "Grandfathered employees referred to in Article XII - Seniority - Paragraph 4, are: R. Snell and M. Pittman."
- b) Shell Canada's current pension and benefit plans will not be reduced in total value during the term of the Collective Agreement, except premium and/or rate changes required by existing cost - sharing structure specific to each plan, without first giving at least three month's notice in writing to the CEP Local 835 specifying the nature of the change(s) to be made, thus allowing time for dialogue with the Union before such change(s) are implemented by the Company.
- c) The Company will provide the opportunity for the Union to meet with Shell Canada Senior Management to discuss issues relating to the Company Pension.
- d) For the term of this agreement, the existing

- temporary schedule (attached) will be recognized as the regular work schedule in Field Operations, and as such, will not be changed except through mutual agreement.
- e) The Company agrees to make the following lump sum, cash payment to each Local 835 member actively employed at the Waterton Complex as at the following respective dates:
- | | |
|-----------------|----------|
| January 1, 2002 | \$200.00 |
| January 1, 2003 | \$200.00 |
- f) Re-sign Letters of Understanding with the following revisions:
- As part of the Collective Agreement dated Feb. 1, 2001 to Jan. 31, 2004 the Company agrees to:
- *Pay a \$210.00 safety boot, clothing allowance in 2001.
 - *Reimburse each employee for the costs of safety footwear in 2002 and 2003.
 - *Provide each employee with personal protective equipment required by Company rules except undergarments (all clothing worn under FRC).
 - *Pay the total cost of approved prescription safety eyewear.
 - *Reimburse employees for the use of personal vehicles in the performance of the Company business at the Company established rate per km/mile.
 - *Provide a meal or meal allowance of \$9.00 per meal, at employees option:
- (a) After two (2) hours overtime continuous with regularly scheduled work and every four (4) hours thereafter.

- (b) Unscheduled Overtime after every four (4) hours worked, when insufficient time has been given to prepare a meal/lunch.
- (c) To Day Employees scheduled to work and who do work a twelve (12) hour schedule which includes three and a half (3½) hours of overtime.

FOR SHELL CANADA

D. Todd
B. Skrypnek
C. Van Ryk
Chris Jones

FOR C.E.P. LOCAL 835

D. Kraus
B. Boyce
B. Jesson
C. Piotrowski
J. Bosch
D. Young
D. Waywood

LETTER OF UNDERSTANDING TO MEMORANDUM OF AGREEMENT entered into the 3rd day of October, 2001 between Shell Canada Limited (Waterton Complex) and Local 835 of the Communications, Energy and Paperworkers Union.

HEALTH, SAFETY AND INDUSTRIAL RELATIONSTRAINING

As part of the Collective Agreement dated February 1, 2001 to January 31, 2004 the Company agrees to contribute monies to the Union for training solely in the areas of Safety, Health and Industrial Relations. Such training will be supportive of the Company's initiatives in these areas and will enhance Union/Management relations.

Local 835 of the CEP recognizes the Company's desire to have more input into the development and utilization of this Fund. It is therefore agreed that the Union will support the Company in its desire to be represented on, once established, an "Employer's Advisory Council". The Company is prepared to liaise with the HSIRT Fund Administrator in establishing such a Council. The primary purpose of the Advisory council would be to recommend the type and frequency of training programs to be offered through the HSIRT Fund.

The Union agrees that the monies so collected shall be applied primarily for the training of Shell employees working at the Waterton Complex.

Contributions shall be calculated on the basis of \$60.00 per annum per Union Local 835 member, calculated annually January 31 and paid in quarterly installments to the Fund. The Union agrees to provide a Fund audit on request.

Training carried out under this Fund will be subject to the Leave of Absence provisions contained in the Collective Agreement.

This Memorandum will be considered part of the Waterton Complex Collective Agreement for the life of this Agreement, with the proviso however, that either party may cancel the Fund within 30 days prior to February 1, 2004, by giving written notice to the other party.

FOR THE COMPANY:

D. Todd
B. Skrypnek
C. VanRyk

FOR THE UNION:

R. J. Waywood
C. Piotrowski
B. Boyce
G. Young
D. Kraus
J. Bosch
B. Jesson

LETTER OF UNDERSTANDING TO MEMORANDUM OF AGREEMENT entered into the 3rd day of October, 2001 between Shell Canada Limited (Waterton Complex) and Local 835 of the Communications, Energy and Paperworkers Union.

JOINT TRAINING

As part of the Collective Agreement dated February 1, 2001 to January 31, 2004 Shell Canada Limited and Local 835 of the Communications, Energy and Paperworkers Union (CEP) philosophically agree that appropriate training for employees would be beneficial to all parties. The parties recognize that many factors impact upon the Company's ability to operate competitively within the industry. In an effort to protect the economic well-being of Shell Canada and its employees, enhance the Company's competitive position, and provide employment security, the parties are committed to encouraging employees with appropriate training, to utilize their full skill potential for effectiveness, job satisfaction, flexibility and productivity improvements so that all parties can share in the success of the business.

The parties agree that, on a periodic basis, the Union and Management will review the training strategy for the hourly employees at the Waterton Complex. This review will be integrated into the regular Union/Management meetings and will focus on the long term strategic direction of training, not on the specific training needs of individuals.

It is understood that in addition to the Company's interest in greater flexibility and productivity, the Union is interested in their members having the opportunity to obtain portable skills or the skills necessary to perform the work available within the Company, including work currently being done by contractors. Management is prepared to invest in the training required to maximize the utilization of our current workforce, however, the Joint Union/Management Leadership Team will address business need, demographics, and manpower balancing in assessing future training requirements. As the Company and the Union achieve their objectives through this joint training initiative it will provide an opportunity for Shell employees to do the work available and thereby increase their level of employment security.

FOR THE COMPANY:

D. Todd
B. Skrypnek
C. VanRyk

FOR THE UNION:

R. J. Waywood
C. Piotrowski
B. Boyce
G. Young
D. Kraus
J. Bosch
B. Jesson

LETTER OF UNDERSTANDING TO MEMORANDUM OF AGREEMENT entered into the 3rd day of October, 2001 between Shell Canada Limited (Waterton Complex) and Local 835 of the Communications, Energy and Paperworkers Union.

As part of the Collective Agreement dated February 1, 2001 to January 31, 2004 the Company agrees to:

1. Pay a \$210.00 safety boot, clothing allowance in 2001 to all permanent employees represented by the Union and reimburse each employee for the costs of safety footwear in 2002 and 2003.
2. Provide each employee with the personal protective equipment required by Company rules except undergarments (all clothing worn under FRC).
3. Reimburse employees for use of personal vehicles in the performance of the Company business at the Company established rate per km/mile.
4. Provide a meal or meal allowance of \$9.00 per meal, at employees option:
 - (a) after two (2) hours overtime continuous with regularly scheduled work and every four (4) hours thereafter.

- (b) unscheduled overtime after every four (4) hours worked, when insufficient time has been given to prepare a meal/lunch.
- (c) To Day Workers scheduled to work and who do work a twelve (12) hour schedule which includes three and a half (3½) hours of overtime.

5. Pay the total cost of approved prescription safety eyewear.

This Letter of Understanding will be considered part of the Waterton Complex Collective Agreement between Shell Canada Limited (Waterton Complex) and Local 835 of the Communications, Energy and Paperworkers Union for the duration of the Agreement.

FOR THE COMPANY:

- D. Todd
- B. Skrypnek
- C. VanRyk

FOR THE UNION:

- R. J. Waywood
- C. Piotrowski
- B. Boyce
- G. Young
- D. Kraus
- J. Bosch
- B. Jesson