

PROJECT TERMS FOR THE NORTH WEST REDWATER STURGEON REFINERY PROJECT

BETWEEN:

STURGEON REFINERY CORPORATION
(hereinafter referred to as "the
Corporation")

And

**CONSTRUCTION,
MAINTENANCE AND ALLIED
WORKERS OF CANADA
LOCAL 99**

(hereinafter referred to as the
"Union", and together with the
Corporation referred to
collectively as the "Parties")

WHEREAS:

Pursuant to Order in Council No. 497/2014 ("the Order in Council"), the Lieutenant Governor in Council for the Province of Alberta designated Sturgeon Refinery Corporation as the principal contractor for the project as defined in the Order in Council pursuant to Part 3, Division 8 of the *Alberta Labour Relations Code* (which project is called "the Project").

The Parties wish to enter into a collective agreement pursuant to Part 3, Division 8 of the *Alberta Labour Relations Code* ("this Agreement") which would:

- (a) contain all of the provisions of the Current Agreements and future Collective Agreements, except those which are stated not to apply or which conflict with this Agreement.

ARTICLE 1 GENERAL

- 1.1. This Agreement shall only have application to all Work performed as general construction on the Project, as defined in Schedule 1 of this Agreement, by employers with whom the Union has a bargaining relationship.
- 1.2. Where there are discrepancies between the relevant Collective Agreements and this Agreement, the terms and conditions of this Agreement shall prevail.

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- 1.3. Should the Union enter into any other types of project agreements where any terms and conditions relating to hours of work and scheduling, transportation and travel, remuneration or benefits remittances are different than the terms and conditions in this Agreement, then the Corporation has the discretion to immediately apply any or all of these terms and conditions to Work done on the Project, and those terms and conditions will become part of this Agreement.
- 1.4. The Union and the Corporation acknowledge that as an agreement entered into pursuant to Part 3, Division 8 of the Code that sections 59 to 83 of the Code do not apply.
- 1.5. Representatives of the Corporation and of the Union may negotiate changes to this Agreement. The said changes shall, after written approval by the Corporation and after approval of the Union, be applicable pursuant to this Agreement.
- 1.6. It is understood by the parties hereto that no bargaining relationship is created by the Corporation or the Owner with the Union by voluntary recognition or by action of law pursuant to Division 5 or 6 of Part 2 of the Code. Similarly, where the Corporation or the Owner has participated in any way in the processes and administrative matters contemplated in this Agreement, it is only for the purposes of this document and the enhancement of the Project and in no way can be construed to be creating a bargaining relationship, extending a voluntary recognition or taking actions which, by action of law, would bind the Corporation or the Owner to any Collective Agreement with the Union.
- 1.7. Terms in this Agreement which are capitalized will have the meanings given to them in the body of this Agreement, or in Schedule 1.

ARTICLE 2 DURATION AND APPLICATION OF SUBSEQUENT COLLECTIVE AGREEMENTS

- 2.1 This Agreement shall become effective on DEC 22, 2015 and will continue in effect until September 30th, 2017. The Work encompassed by this Agreement shall continue without interruption by strike, lock-out, work slowdowns, or any other action designed to limit output.
- 2.2 In the event a referenced Collective Agreement ceases to be in effect, then the applicable provisions of the most recent Collective Agreement shall apply, until such time as a renewal agreement is entered into.
- 2.3 In the event that the Project ceases to be designated as a project under Part 3, Division 8 of the Code, the provisions of the relevant provincial agreements will then apply.

ARTICLE 3 DISPUTE RESOLUTION

- 3.1 Disputes or other grievances relating to Work on the Project which arise solely out of the interpretation or application of a Collective Agreement will be resolved pursuant to the provisions of that Collective Agreement. Where such disputes may impact the Project the

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Corporation shall be given notice of such grievances by the grieving party, and shall be informed at or around the time the grievance is filed by the grieving party of the facts or allegations which gave rise to the grievance. In the event the grievance is resolved without the need to go to arbitration, the Union and the Employer shall provide the Corporation with the particulars of the settlement. In the event the grievance proceeds to arbitration, the grieving party shall give the Corporation and the respondent concurrent notice of the date and location of the hearing, and the Corporation or its designate shall have the opportunity to attend the hearing.

- 3.2 Disputes or other grievances relating to Work on the Project which arise in whole or in part out of the interpretation or application of this Agreement shall be resolved pursuant to the provisions of the relevant Collective Agreement, modified as follows:
- a. The Corporation shall be given immediate notice of such grievances and shall be informed by the grieving party at or around the time the grievance is filed of the facts or allegations which give rise to the grievance;
 - b. The Corporation, or its designate, will have the ability to intervene as a party in any such grievances;
 - c. A grievance under this Article may not be settled without the consent of the Corporation; and,
 - d. No relief will be granted against the Corporation or the Project Owner in any proceeding instituted under this Article. This provision does not prevent any Employer from attempting to claim from the Project Owner (pursuant to contractual provisions between them) any additional costs or damages it incurs as a result of an adverse arbitration ruling.

ARTICLE 4 LIAISON COMMITTEE

- 4.1 A Liaison Committee shall be established which shall meet on an informal basis at the call of any of the parties signatory hereto, or at least quarterly, to discuss matters of mutual interest pertaining to the Project and/or this Agreement, with the objective of promoting and maintaining beneficial relations and cooperation between the parties, and of ensuring the achievement of the purposes of this Agreement.
- 4.2 The Liaison Committee shall consist of representatives of the Employers, the Union and the Corporation. Irrespective of the number of representatives designated by the respective parties or of the number which participate in any meeting of the Committee, the Liaison Committee members designated by the Employer, the Union and those designated by the Corporation shall have equal numbers of votes. The parties agree that the Owner and or its designee are entitled to participate in the affairs of the Liaison Committee. Persons



appointed to the Liaison Committee by the Owner will be entitled to participate fully in the proceedings of the Committee but will not be entitled to vote.

4.3 The responsibilities of the Liaison Committee shall include:

- Establishing terms of reference for the Liaison Committee giving due recognition to the language and intent and purpose of this Agreement.
 - a. Establishing rules of procedure for the Liaison Committee to carry out its responsibilities.
 - b. Establishing processes to ensure that decisions of the Liaison Committee that affect this Agreement are recommended to the parties for incorporation into this Agreement.
 - c. Establishing methods of resolving issues that the parties to and the persons bound by this Agreement are unable to quickly resolve.
 - d. Assisting in the development, implementation and administration of initiatives towards the enhancement of safety, quality, cost, productivity, and schedule.
 - e. Addressing differences between any parties engaged on the Project respecting whether certain work is or is not Work when requested to do so by the Corporation.
 - f. Dealing with such matters as are referred to it by this Agreement.
 - g. Establish and implement programs and measures to accelerate the training and mentoring of supervisors, and candidates for supervisory positions.

4.4 It is the intention of the Parties that the Liaison Committee shall provide for joint stewardship of key performance measures by labour and contractors including, without restricting the generality of the foregoing, safety, quality, cost, productivity and schedule. It is also the intention of the Parties that the Liaison Committee will be respectful of the collective bargaining, collective agreement administration and other bargaining agency roles and responsibilities of the Union.

ARTICLE 5 NOTICE

5.1 Notice given to any of the parties hereto shall, unless otherwise specified in this Agreement, be sufficient if in writing and delivered to or sent by postage prepaid registered first class mail, to the last known address of the parties, or sent to a facsimile transmitter number (with a report confirming transmission), or email to the last known email address. In the absence of an express provision to the contrary, the delivery of any statement or document to any of the parties shall be sufficient if delivered in person, or if mailed by postage prepaid registered first class mail to the last known address, and shall be deemed to be received on the earlier of the actual date of receipt or the seventh (7th) day after being mailed, or if a facsimile copy is transmitted by telecommunication device to the last known facsimile

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transmitter number in which event the document shall be deemed received on the date of that confirmed transmission, or by email to the last known email address in which event the document shall be deemed received on the date of the sent email. Each of the parties hereto shall keep the others informed as to a change of address, facsimile, phone number, or email address.

ARTICLE 6 HARMONY PROVISIONS

- 6.1 The Parties agree that in order to achieve appropriate working relationships amongst the various Employers and Union performing Work on the Project, the terms and conditions in the Articles which follow shall apply to the Work, and if any conflict exists between these conditions and the terms of any other Collective Agreement, this Agreement shall prevail.

ARTICLE 7 HOURS OF WORK AND SCHEDULING

- 7.1 The primary work schedule for the Project will be five (5) days on and two (2) days off. At the Corporation's discretion Employers may work a different work schedule for the efficient construction of the Project. Schedules are intended to identify the regular hours of work, shift hours and overtime hours, and are not to be construed as a guarantee of hours of work per day, per shift, or per cycle. Each single period of working days and days off will be referred to as a "Shift Cycle". Each single work day will be referred to as a "shift".
- 7.2 Employers shall not, without prior written approval of the Corporation, implement any shift cycles set out in this Agreement other than the five (5) days on two (2) days off or four (4) days on three (3) days off work weeks.
- 7.3 The Shift Cycles in this Agreement, and any alternate Shift Cycles which may be established by the Parties, will become effective when the Corporation approves such a Shift Cycle in writing.
- 7.4 Overtime**
- a. Overtime hours scheduled as part of the regular hours of a Shift Cycle, or which have been scheduled with twenty four (24) hours' notice, is not voluntary.
 - b. Overtime which is not part of an approved Shift Cycle must not be worked without prior written approval by the Corporation. Any failure of the Corporation to provide such written approval will not constitute a waiver of the right to provide written approval, or estop the Corporation from insisting on written approval in the future.
- 7.5 Breaks**
- a. When ten (10) hour shifts are worked, in lieu of the break and lunch periods specified in any Collective Agreements, there will be two (2) paid breaks of one half hour (1/2) each, approximately equally spaced in the ten hour shift. In the event an employee is



not able to take a break, the employee shall be paid at applicable overtime rates for the missed break. When the hour before and the hour following the missed break are at straight time, time and one-half shall be paid for the missed break.

7.6 Reporting to Work

The Parties are committed to delivering value for paid time. Accordingly,

- a. Unless some other reporting location is designated by the Employer, employees shall be in attendance at their work station and prepared to commence work at the scheduled starting time for their respective shifts.
- b. Employers will designate a location at which Employees shall complete their respective shifts, and shall stipulate the time at which Employees shall leave that location in order to reach the brass alley no earlier than the close of their shift.
- c. Employees shall be diligent in respecting start times, shift completion times, lunch periods and rest break periods.
- d. Employers shall establish appropriate processes for ensuring that the above commitments are maintained.

7.7 Variances

- a. The Parties recognize that variations in the scheduling of the work week, reporting for work or returning from work, rest breaks, meal breaks and start and finish times may be appropriate from time to time, and that it may be appropriate that such variations affect all or only a portion of the Project. Any variations that are not permitted by the above Articles may be established by resolution adopted by the Liaison Committee and approved by the Corporation.

7.8 General Holiday Observance

- a. General Holidays shall be as is set out in the relevant Collective Agreements.

7.9 Site Closures.

- a. In consultation with the Liaison Committee, the Corporation may designate certain periods in the year during which construction activity on the site may be suspended or significantly reduced in order to accommodate holiday periods such as Christmas/New Year's period or other circumstances. The Corporation may also require that Employers maintain their services during such periods in order to meet Project needs.

7.10 Vacations

- a. Employers will consider vacation at the times requested considering business requirements. Requests will not be unreasonably withheld.

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ARTICLE 8 TRANSPORTATION AND TRAVEL

- 8.1 Buses will be supplied for daily transportation, and if, based on an average during a reference week of five (5) test runs each way, conducted coincident with the times when workers are in transit, it takes more than 60 minutes for either or both of the one way trips to travel between the centre of the city (101 Street and Jasper Avenue for Edmonton) and the project gates, a travel allowance will be paid. The travel allowance shall be calculated in 10 minute intervals. As an example, if the test runs average 65 minutes on the trip to the project and 65 minutes on the return trip, an allowance of 20 minutes for each day shall be payable. The allowance will be paid only to workers who ride on the provided buses, and only for the days on which they ride the buses. Test runs shall be conducted from time to time, once during typical winter travel conditions and once during typical summer travel conditions. Test runs may also be requested when there has been a significant change in travel or site conditions.
- 8.2 In the event the employment of an employee is terminated by an Employer during a shift such that access to the provided daily transportation is not accessible in a reasonable and timely fashion, the Employer shall provide transportation for the terminated employee to the place at which the terminated employee had boarded the daily transportation that day. Should the terminated employee be required to wait more than two (2) hours on site for such transportation, the terminated employee shall be paid for all time spent on site in excess of these initial two (2) hours.
- 8.3 **Transportation Committee**
- a. The Parties share a common interest in the safe, timely and efficient transportation of workers to and from the Project. In recognition of this common interest the Parties agree to establish a Project Transportation Committee (the "PTC") comprised of four (4) representatives chosen by the Corporation and 4 representatives chosen by the Union. The PTC will be co-chaired by one representative from each of the Corporation and the Union.
 - b. The PTC will meet at least quarterly and otherwise as often as its mandate requires.
 - c. Reasonable meeting expenses incurred through the course of conducting PTC business will be shared jointly by the Corporation and the Union. The mandate of the PTC shall be to develop strategies and best practices to promote safe, timely and efficient transportation of workers to and from projects and to present unified recommendations and submissions to the Corporation.
 - d. In pursuit of its mandate, the PTC will use the transportation report(s) commissioned by the Owner prior to the date of this Agreement.

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- e. The PTC will engage contractors to participate directly with it. In any event, at an expedient and opportune time the PTC will present its recommendations to the Parties and advocate for their implementation.
- f. The PTC will be responsible to monitor the transportation of workers throughout the duration of the Project and will continue to advocate for safe, timely and efficient transportation.

ARTICLE 9 PRE-JOB CONFERENCES

- 9.1 There shall be a Pre-Job conference in respect of each contract awarded. The Pre-Job shall include any and all changes in the terms and conditions of employment for Employees working on the Project, including specific site conditions, Shift Cycles, incentives, flight allowances, or premiums applicable to the Employees. An Employer who is engaged in the capacity of a principal contractor shall notify the Union of all contracts awarded which come within the scope of this Agreement.
- 9.2 No Pre-Job, nor any changes, alterations or amendments to the terms and conditions of a Pre-Job, may be implemented on the Project site without written agreement by the Corporation.

ARTICLE 10 APPRENTICE RATIO

- 10.1 The Parties agree to cooperate in attaining the optimal training and deployment of apprentices on the Project and Employers will accept persons qualified to become apprentices to fill the journeyman/apprentice ratio where there is a shortage of registered apprentices. The employment of apprentices (within regulatory requirements and limitations), will be promoted throughout the duration of the job, and shall provide for a spectrum of apprentices from the first (1st) year through to fourth (4th) year (as appropriate to the respective trade). The Owner has established a target workforce composition of 30% apprentices and the Parties will work towards that target.

ARTICLE 11 HIRING PRACTICES

11.1 Hiring Preferences

- a. The early and continued participation of qualified local residents, female workers, and local aboriginal communities is desirable; accordingly, Employers and the Union shall optimize employment and training opportunities for such qualified local residents, female workers, and members of the local aboriginal communities under this Agreement.

11.2 Geographical Priority of Workers

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- a. The Parties are committed to working co-operatively to identify, recruit and employ workers in the following geographical order of priority in the employment of workers on the Project: 1. Local 2. Alberta 3. Canada 4. International. The Parties recognize that "front-end" work will be required among them to maximize the use of Canadian workers.

11.3 Guidelines for Determining Real Residency

- a. In making the determination as to whether a person is a "Local Resident" for the purposes of the Project, the following factors, as appropriate to the determination, will be taken into consideration:
 - i. the dwelling place of the person's spouse and dependents;
 - ii. personal property and social ties to the community;
 - iii. residential ties elsewhere;
 - iv. permanence and purpose of residence in a particular community;
 - v. documentation of:
 - a. property tax or rent receipts, telephone, gas or other utility receipts;
 - b. driver's license;
 - c. vehicle registration or pink card;
 - d. income tax;
 - e. unemployment insurance documents;
 - f. voters' list registration;
 - g. Employee benefit fund administration registration.

ARTICLE 12 LAY-OFFS

- 12.1 The Parties recognize the substantial effort and cost involved in recruiting workers from out of Province to the Project but it is also accepted that local workers within the Union expect consideration in terms of job retention on Alberta projects. Therefore, every effort will be made to retain qualified resident local workers.

ARTICLE 13 PROJECT ENHANCEMENTS

- 13.1 Policies designed to enhance project performance, in terms of employee skills, supervisory skills, health and safety (including measures to address substance use and abuse), worker satisfaction, worker retention, productivity, effective training and employment of apprentices, mentoring, attendance, and other value-adding initiatives, shall be developed by the Parties and implemented on the Project, subject to Owner approval.

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- 13.2 A process to facilitate the training, development and effective utilization of Supervision including site foremen will be developed in accordance with Schedule 2.
- 13.3 The Parties agree that they and the Employers shall deal with the below listed matters on the basis that they will consider each of the items and agree on programs, implementation and administration:
- i. health and safety;
 - ii. site closures;
 - iii. pre-job; and,
 - iv. training and maximization of the practical use of apprentices.
- 13.4 The Parties agree that they and the Employers will partner to implement and administer programs that enhance training and leadership skills, maximize retention, increase productivity, and minimize absenteeism.
- 13.5 The Parties and Employers shall discuss matters of mutual interest pertaining to the Project with the objective of promoting and maintaining beneficial relations and co-operation between them, and to discuss and implement ways to make the Project successful.
- 13.6 The Parties and Employers shall support and participate in value-added programs such as behavioral based safety, semi-automatic and automatic welding technologies, and productivity enhancement programs.

ARTICLE 14 SUCCESSOR ORGANIZATIONS

- 14.1 This Agreement is binding on the lawful successors in interest to the Parties.

ARTICLE 15 JURISDICTION

- 15.1 This agreement shall be governed by the laws of Alberta.

ARTICLE 16 SUPPORT FOR AGREEMENT

- 16.1 For the duration of this Agreement, the Union agrees that they will not commence, carry on, participate in or fund any legal proceedings that challenge the validity of:
- a. This Agreement;
 - b. Any other project collective agreement entered into by other parties and Unions relating to terms and conditions governing their relationship on the Project, whether the agreement is negotiated under the provisions of Part 3, Division 8 of the *Alberta Labour Relations Code* ("Division 8") or not;
 - c. Any part of Division 8 of the *Code*; or
 - d. Order in Council No. 497/2104 or any subsequent Order in Council relating to the Project.

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including any challenges pursuant to the provisions of the *Canadian Charter of Rights and Freedoms*.

- 16.2 Should the validity of this Agreement, or any part of it, be challenged by anyone in proceedings before the Alberta Labour Relations Board, or any competent court, arbitrator, or other judicial or administrative body, the Parties agree to take all necessary steps to defend the validity of the Agreement, or that part being challenged. Should a declaration be made by a competent authority ordering or declaring that all or any part of this Agreement is invalid, the Parties agree to take all necessary steps to cure that invalidity, including effecting any amendments to the Agreement, or entering into a new agreement.
- 16.3 The Union hereby agrees to provide support and not object to any applications made by the Corporation to the Government of Alberta to extend the duration of the designation of the Project as a project to which Division 8 of the *Code* applies to such date as may be requested by the Corporation.

ARTICLE 17 SITE ACCESS

- 17.1 The Union hereby agrees not to use their access to the Project site as a means to attempt to organize employees not represented by them. Accordingly, while on site no representative of the Union allowed on the site will, directly or indirectly, solicit employees working on the site to become members of the Union to support the Union in an application for certification of their employer.

ARTICLE 18 SITE STABILITY

- 18.1 The Parties acknowledge that this Agreement is designed to achieve labour relations stability on the Project. It is a violation of this Agreement for the Parties, Employers, or Employees to do anything to harm, delay, or otherwise impede construction of the Project. Any person engaging in such conduct will be subject to immediate removal from the Project site.
- 18.2 The Owner or the Corporation may establish policies relating to health, safety, environmental, and other matters relating to management of the Project site, which may apply to all Employees and Employers but will not form a part of this agreement. To the extent of any conflict, these policies will prevail over provisions relating to the same or similar subject matter in any Collective Agreement. The provisions of this Article do not take away any rights the Union or an individual would ordinarily have to challenge such a policy.
- 18.3 The Parties recognize that because there will be employees represented by various unions working on the Project there is a possibility of conflict between employees represented by rival unions, or between union employees and non-unionized employees. The Parties will

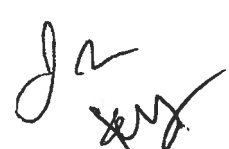


SCHEDULE 1 DEFINITIONS

The following terms shall have the following meanings in this Agreement:

- **"Code"** means the Labour Relations Code of Alberta, as amended from time to time.
- **"Employee"** means any person employed to do Work within any recognized trade jurisdiction whose Employer has a bargaining relationship with the Union in respect of that trade jurisdiction. The word "worker" shall have the same meaning.
- **"Employer"** means an employer of any Employee.
- **"Collective Agreements"** means those collective agreements between the Union and specific Employers which applies to specific Work on the Project.
- **"Owner"** means North West Redwater Partnership and any successor.
- **"Work"** means any general construction work in respect of the Project performed by Employees working for Employers affiliated with the Union and excludes work awarded to non-CMAW affiliated contractors, and plant operations, commissioning or maintenance performed by the Owner's forces and direct contractors and their subcontractors. The Work ends in respect of any portion of the Project when the Owner takes possession of that portion of the Project, or commissioning of that portion of the Project commences. In the event construction activities are undertaken after the Owner takes possession or after the start of commissioning of any part of the Project, and is not associated with normal maintenance activities, those activities shall be considered to be Work under this Agreement.
- **"Principal Contractor"** as defined by the Code, means the person, corporation, partnership or group of persons primarily responsible for the construction of a plant or the alteration of or addition to an existing plant, and may include an owner of the plant or a person contracting with the owner for the construction, alteration or addition.

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**SCHEDULE 2
TRAINING AND DEVELOPMENT**

It is in the interests of the Parties to this Agreement to promote the training and development of foremen and other supervisors to manage the extensive amount of work contemplated for Alberta. Training and mentoring of supervisors will be facilitated and encouraged on the Project within the scope of this Agreement. Workers showing leadership potential will be encouraged to accept the role of foreman as needed on the Project and will be provided with the training and mentoring to make them successful. Where it is not feasible to meet the needs for supervision on site from within the ranks of Alberta tradesmen, or in those situations where there are special language situations that need to be considered, the Parties to this Agreement will establish a protocol for insuring that supervisory needs are met having due regard for the need to maintain safety, productivity, quality, and a working environment that will promote the attraction and retention of workers.

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