

PROJECT TERMS FOR THE HORIZON OIL SANDS PROJECT

BETWEEN:

_____ [Union name]

("[Union]")

-and-

HORIZON CONSTRUCTION MANAGEMENT LTD.
("HCML")

WHEREAS:

Pursuant to Order in Council No. 565/2004, (the "Order in Council") the Lieutenant Governor in Council for the Province of Alberta designated HCML as the principal contractor for the project as defined in the Order in Council pursuant to Division 8 of the Alberta *Labour Relations Code* (which project is called the "Project").

[Union] and **Construction Labour Relations –an Alberta Association ("CLR")** have executed a Collective Agreement with a term of _____, 2007, to April 30, 2011 (the "Current _____ Agreement").

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

- (a) contain all of the provisions of the [Union] Agreement, except those which are stated not to apply or which conflict with this Agreement; and,

- (b) establish Shift Schedules and additional terms for the Project.

ARTICLE 1 - Applicability of Provisions of the [Union] Agreement

- 1. This Agreement shall only have application to all Work performed as general _____ construction by employers with whom **[Union]** has a bargaining relationship.
 - 1.1 The terms and conditions in the **[UNION]** Agreement, as amended pursuant to the terms of this Agreement, are hereby adopted and inserted into this Agreement. Should any term of this Agreement conflict with the **[UNION]** Agreement, the terms of this Agreement shall prevail.
 - 1.2 Terms and conditions of employment, save and except where the same are provided for in this Agreement, that are varied or otherwise changed within the Current or subsequent **[UNION]** Agreement shall be incorporated into this Agreement, and become effective when such variations or changes become effective in the **[UNION]** Agreement.
 - 1.3 The terms of this Agreement are limited to work on the Project.
 - 1.4 .
 - 1.5 **[Union]** and HCML acknowledge that as a Division 8 Agreement, this Agreement is not subject to the Registration Certificate and further acknowledge that sections 59 to 83 and 163 to 193 of the *Code* do not apply.
 - 1.6 Terms in this Agreement which are capitalized will either have the meanings given to them in the body of this Agreement, or in Appendix 7.

ARTICLE 2 - Hours of Work and Scheduling

- 2.1 For the purposes of this Agreement, Article(s) ___ of the **[UNION]** Agreement is modified as contained herein.
- 2.2 Where, in this Agreement, an Employer is required to obtain permission from HCML for variances of hours of work, overtime, shifts, Shift Cycles or any other thing arising out of Article 3 the failure of the Employer to properly obtain such permission or consent does not deprive the Employee of the right to claim from his Employer for the time worked, premiums or other entitlement where the Employee has worked as directed by his Employer.
- 2.3 The following hours of work and scheduling prerogatives shall apply:
- (a) The following Articles are intended to identify 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 week, or with respect to days of work in any week.
 - (b) The regular work week shall consist of forty (40) hours of work in accordance with the **[UNION]** Agreement, except for Employees who are directed to work shift cycles pursuant to Articles 2(c) and 2(d) below.
 - (c) Recognizing that, due to heavy manpower demands for Alberta construction projects, it may be necessary to establish schedules that accommodate flights to and from the Project, HCML may institute the shift cycles under Schedules 1, 2 or 3 (etc) attached to this Agreement (the "Shift Cycles"). Other shift cycles, and the premium pay in respect to such cycles, may be established by the Parties, and will become effective when HCML or HCML's designate approves such in writing, and such are agreed to in writing by the Business Manager of **[Union]**.
 - (d) Where it is impractical to utilize all of the Shift Cycles set out in Schedules 1, 2 and 3 (and any other agreed to by the Parties), at a minimum the employer must offer Shift Cycle 1 to eligible Employees, except in circumstances in

which there is approval by the majority of the Building Trades Unions representing Employees performing the Work in question that Shift Cycle 1 does not have to be offered. This Article may not be used to eliminate the discretion of HCML or its designate to implement Shift Cycle 1.

- (e) The Shift Cycles in this Agreement, and any alternate Shift Cycles which may be established by the Parties, will become effective when HCML approves such a Shift Cycle in writing.
- (f) HCML and Employers may direct which, if any, Shift Cycles certain Employees will work. Employers will communicate Shift Cycles to their Employees on or before the day they begin work on the HCML Project. Employees will be notified of any Shift Cycle change by their Employers no later than the end of the first day worked in the Shift Cycle immediately preceding the change, unless an Employer and the **[Union]** agree on shorter notice.
- (g) HCML will determine or approve changes to the start time, end time, or the number of shifts for each day. Employers must request HCML approval of a change at least 4 hours before the end of the preceding shift. HCML will respond to the request within 2 hours of the request. If HCML does not respond, the requested change is not approved.
- (h) Employers must provide notice to Employees of the addition or deletion of an entire shift at least 3 days prior to the effective date of the addition or deletion. Failure of an Employer to give the notice required in this Article will result in affected Employees being paid 1.5 times their base wage rate for all regularly scheduled hours on their next shift. This provision expressly does not apply to the deletion of a shift arising out of a direction from the Owner or HCML in the event of the cancellation of the Work, or a portion thereof.
- (i) HCML will determine or approve changes to the start time, end time, or the number of shifts for each day. The initial, first shift, will start at 7:30 a.m., and this start time can only be changed by up to one and one-half (1.5)

hours in either direction. Employers must request HCML's approval of a change at least 4 hours before the end of the preceding shift. HCML will respond to the request within 2 hours of the request. If HCML does not respond, the requested change is not approved.

- (j) A second shift may be scheduled by the Employer, provided that it has been approved by HCML. Such a second shift must continue for at least five (5) shifts, or all hours worked shall be deemed overtime and paid at 1.5 times the applicable hourly rate.
- (k) Provided the Employer, HCML and the **[Union]** agree, second shifts may be established for periods of less than five (5) shifts and in such an event, the deemed overtime that would otherwise be payable shall not apply and overtime will be paid pursuant to the [UNION] Agreement or as otherwise agreed to by the parties.
- (l) Where a second shift is commenced and has run for at least five (5) shifts and is then terminated during the Shift Cycle, the affected Employee(s) on the terminated shift shall only be entitled to overtime and shift premiums on the actual hours worked during the second shift.
- (m) The second shift may commence between 3:00 p.m. and midnight. The hourly rate for Employees shall be as set out in the relevant **[UNION]** Agreement. In no event shall this hourly rate be greater than the applicable overtime rate plus shift differential.
- (n) When an Employee loses a regular day through the implementation or termination of shift work, then the Employee shall be paid a regular shift's pay for the day lost.

- (o) Where the assignment of an Employee is changed during a Shift Cycle from a first shift to a second shift, or vice versa, the Employer must provide notice of at least three (3) days prior to the effective date of the change. Failure of an Employer to give the notice required in this paragraph will result in affected Employees being paid one and one-half (1.5) times their base hourly wage for all regularly scheduled hours on their next shift. Employees qualifying for this pay will not receive the pay in the prior paragraph.

2.3 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) Except in emergency situations, in consideration of an extended work schedule and the remoteness of the Project, a worker shall have the prerogative of declining a request to work overtime on a day that is designated as a day of rest.
- (c) Employers will attempt to distribute unscheduled overtime work evenly among Employees who normally perform the work, and who indicate they wish to work overtime.
- (d) Overtime must be approved by HCML, or its designate. All overtime other than overtime worked as part of a Shift Cycle will be paid pursuant to the relevant provisions in the **[UNION]** Agreement.

2.4 Breaks and Meals

- (a) There will be two (2) paid coffee breaks of fifteen (15) minutes duration on each ten (10) hour shift. Employees required to work beyond ten (10) hours in a day will be provided with an additional coffee break of fifteen (15) minutes.

- (b) Employees will be given a meal period of one half (1/2) hour per shift. Foremen and other supervisors will have their meal periods at the same time as the Employees working under them.
- (c) Where Employees are scheduled to work in excess of ten (10) hours in a single shift, they shall be provided with a suitable meal or, at the Employer's option, payment in accordance with the relevant **[UNION]** Agreement and every four (4) hours thereafter until the shift is ended. Where the Employer is paying subsistence, this clause shall also apply.
- (d) Where Employees are not scheduled, but required to work beyond twelve (12) hours in a day, the Employer will provide an additional meal period of one-half (1/2) hour and a meal, hot where possible.
- (e) In the case of an emergency situation, or where the Employer has not scheduled in excess of the ten (10) hour shift, the Employer will be granted a two (2) hour extension where the Employer need not supply a hot meal.
- (f) Payment for breaks, including meal breaks, taken pursuant to this Article 2.4 (d) will be as per the relevant **[UNION]** Agreement.

2.5 Reporting for 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) The Employer 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 lunch periods and rest break periods.
- (d) Employers shall establish appropriate processes for ensuring that the above commitments are maintained.

2.6 Variances

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.

2.7 Site Closures

In consultation with the Parties, HCML may require that periods are scheduled during which construction activity on the site will be suspended during such periods as the Christmas/New Year's period, and it may also be required that the continuance of the activities of certain employees or groups of employees whose presence on the site is necessary during such periods may be scheduled. HCML undertakes to advise workers prior to December 1 of each year as to the Christmas/New Year's shutdown.

Needs a heading Vacations

The Employer will consider vacation at the times requested considering business requirements. Employees may be granted up to two weeks vacation annually."

ARTICLE 3 - Transportation and Travel

3.1 Article 8 Travel, Expenses and Accommodation of the [UNION] Agreement will not apply to this Agreement, and the terms contained in Schedule 5 of this Agreement are substituted in place thereof.

ARTICLE 4 - Accommodation

4.1 General

- (a) Employers will provide on-site or off-site accommodation or a Living out Allowance (“LOA”) to Employees whose Principal Residence is outside of an 85 kilometer (km) radius from the Project site. Residents of Fort McMurray, Anzac and Saprae Creek will be considered to be within the 85 km radius. Employees up to and including the level of General Foreman will be eligible for camp accommodation. HCML has the sole discretion to determine which Employees will be provided with on-site camp accommodation, off-site accommodation or an LOA.
- (b) Employees who are provided with offsite accommodation, which is outside of a 30 km straight line radius from the Project site, will be provided a transportation allowance of \$27.50 per day worked.
- (c) Camp facilities and catering services will be of a comparable standard for all on site construction camps.

4.2 The following are camp accommodation conditions:

- (a) Self-packed bag lunches (mid-shift meals) will be made available to camp residents prior to leaving camp for the start of the shift.

- (b) HCML's or Owner's camp policy and rules will apply to all Employees staying in camp accommodation on the Project site.
 - (c) A camp steering committee will be formed to provide advice on and/or resolve issues relating to on site camp conditions and disputes. The mandate of this committee will be defined by HCML and/or the Owner in the camp policy and rules.
- 4.3 Any rights of access to Project camp accommodation created by this Agreement, or any documents referred to in this Agreement are expressly subject to the rights of the Owner and/or HCML to assert their rights as Owner, manager, or occupant of the Project and the camp management to deny or restrict access to the Project accommodation to any person.
- 4.4 Employees will be required to check-out of camp accommodation the last day of their Shift Cycle. Night Shift and Day Shift checkout times will be posted in the Camps. Where a worker is requested to change rooms or camps by the Employer, the Owner and /or HCML during a Shift Cycle they will be paid two hours at regular rates of pay to carry out the move.
- 4.5 Secure storage at the camps will be provided with for Employee personal belongings. Employee is responsible for providing his/her own lock.
- 4.6 Facilities, including lockers and showers, are provided at the worksite for use prior to transportation to the aerodrome or Fort McMurray. Employees are responsible for providing their own locks.

4.7 Local Residents

Local Residents shall not be entitled to camp accommodations nor to mid-shift bagged meals.

4.8 Camp Grievances

The standards as set out in the Camp Grievance Procedure and Camp Conduct and Procedural Rules in the Camp Rules and Regulations Agreement will apply to any on site camp where all of the resident Employees are Building Trade Employees. Any differences respecting camp accommodations, or meals, or other camp issues shall be resolved by the existing Camp Committee and, if a decision of the Camp Committee is appealed, by the Appeals Committee.

ARTICLE 5 - **General Holidays**

The General Holidays and payment of General Holiday Pay shall be as is set out in the **[UNION]** Collective Agreement, with the exception of the provisions which follow. HCML will establish days of observance.

Notwithstanding anything to the contrary in any **[UNION]** Agreement:

- (a) Subject to HCML's approval, Employees may be required to work on any General Holiday that falls on a day which would normally be a work day in their Shift Cycle. Employees who work on the General Holiday will be paid for all hours worked on that day pursuant to the provisions of the **[UNION]** Agreement.
- (b) Where a General Holiday falls on an Employee's day of rest, the Employee shall be paid overtime pursuant to the provisions of the **[UNION]** Agreement for the hours worked on his next work day.
- (c) All other issues relating to payment of General Holiday pay will be pursuant to the provisions of the **[UNION]** Agreement.

ARTICLE 6 - **Pre-Job Conferences**

Prior to the start of each Employer's Work on the Project site, a Pre-Job Conference will be held between **[Union]** and the Employer to determine all site-specific issues. The Pre-Job Report will be presented to HCML for approval. A suggested form for Pre-Job Report under this Article is attached as **Schedule 6**

ARTICLE 7 - Apprentice Ratio

[Union] agrees to cooperate in attaining the optimal training and deployment of 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 year through to fourth year.

XXTammy will check re our contracts to determine if something in them and then get back to Bob

Heading

Generally, and subject to operational requirements, workers are to be procured in the following order, Alberta, Western Canada, Canada and Internationally. This is not a guarantee of hiring practices but rather a statement of the mutual intent of the parties.

ARTICLE 8 - Jurisdiction

This Agreement shall be governed by the laws of Alberta.

ARTICLE 9 - Duration and Renewal of Agreement

- 9.1 The Parties agree that this Agreement becomes effective upon execution of this Agreement and will continue in effect until September 30, 2014 or the completion of Work on the Project, in the event Work continues past September 30, 2014.
- 9.2 HCML may terminate this Agreement at any time by giving at least 90 days notice in writing.

- 9.3 HCML may terminate this Agreement immediately if any future **[UNION]** Agreement contains terms which are stated to specifically apply to the Project, unless those terms apply to all oil sands projects in the Wood Buffalo region.
- 9.4 There will be no strikes, lockouts, work stoppages, work slowdowns, or other action designed to limit output in respect of the Work for the duration of this Agreement. Should the **[Union]**, Employees or Employers become engaged in any strike or lockout elsewhere in Alberta, the strike or lockout will not affect the Work.
- 9.5 **[Union]** hereby agrees to provide support and not object to any applications made by HCML or the Owner to the Government of Alberta to extend the duration of the designation of the Project as a project to which Part 3, Division 8 of the Code applies to such date as may be requested by HCML or the Owner.

ARTICLE 10 - **Transfer of Employees**

[Union] agrees that, should an Employee working on the Project be subject to layoff by his Employer, such Employee may be transferred to another Employer, subject to any restrictions in the **[UNION]** Agreement.

ARTICLE 11 – **Support for Agreement**

- 11.1 For the duration of this Agreement, **[Union]** agrees that it will not commence, carry on, participate in or fund any legal proceedings that challenge the validity of:
- a. this Agreement;
 - b. Any part of Part 3, Division 8 of the Code; or
 - c. Order in Council 565/2004, or any subsequent Order in Council relating to the Project

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

11.2 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 other 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.

11.3 The Union hereby agrees to provide support for any applications made by HCML or the Owner to the Government of Alberta to extend the duration of the designation of the Project as a project to which Part 3, Division 8 of the *Code* applies to such date as may be requested by HCML or the Owner.

ARTICLE 12 - **No Ratification**

The **[Union]** represents that no membership ratification is needed to bring this Agreement into effect.

ARTICLE 13 - **Site Access**

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, 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]**, or to otherwise support the **[Union]** in an application for certification of their employer.

ARTICLE 14 – **Dispute Resolution**

14.1 Disputes or other grievances relating to Work on the Project which arise solely out of the interpretation or application of the **[Union]** Agreement will be resolved pursuant to the provisions of the **[Union]** Agreement, provided that HCML shall be given notice of such grievances, by the Employer, and shall be informed at or around the time the grievance is filed by the Union of the facts or allegations which give 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 HCML with the particulars of the settlement. In the event the grievance proceeds to arbitration, the **[Union]** shall give HCML and the Employer concurrent notice of the date and location of the hearing, and HCML shall have the opportunity to attend the hearing.

14.2 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 **[Union]** Agreement, modified as follows:

- a. HCML shall be given immediate notice of such grievances and shall be informed by the **[Union]** at or around the time the grievance is filed of the facts or allegations which give rise to the grievance;
- b. HCML 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 HCML; and,
- d. No relief will be granted against the Owner or HCML in any proceeding instituted under this Article.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the day and year indicated below.

DATED this _____ day of December 2010.

[Union]

Per: _____
_____, Business Manager

Per: _____
Name: _____

HORIZON CONSTRUCTION MANAGEMENT LTD.

Per: _____
t

Per: _____

Schedule 1 – “Ten and Four” Shift Cycle

Commencing on a Monday, Tuesday or Wednesday, 10 days of 10 hours of work per day, followed by 4 days off which will result in payment for 70 hours at the Employee’s base wage rate, and 30 hours at 1.5 times the amounts used to calculate overtime pay. Flights are provided from or to Calgary and Edmonton International Airports or other out-of-province destinations as approved by HCML. For the sake of clarity, the

Employee will be paid 1.5 times for the first scheduled hour of work in a ten hour shift and for the ninth and tenth scheduled hours of work in a ten hour shift. Straight time and scheduled overtime during the Shift Cycle are as follows:

Day	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Straight Time	7	7	7	7	7	7	7	7	7	7	0	0	0	0
Overtime	3	3	3	3	3	3	3	3	3	3	0	0	0	0

This Shift Cycle will be referred to as the "Ten and Four" Shift Cycle. The initial or final week may be split to accommodate flight arrangements. Such flight arrangements and days of work shall be clearly communicated by the Employer to the Employee prior to the commencement of the "Ten and Four Shift Cycle".

Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the **[UNION]** Agreement.

Schedule 2 – “Fourteen and Seven” Shift Cycle

Commencing on any day, 14 days of 10 hours of work per day, followed by 7 days off which will result in payment for 91 hours at the Employee’s base wage rate, and 49 hours at 1.5 times the amounts used to calculate overtime pay. Flights are provided from or to Calgary and Edmonton International Airports or other out-of-province destinations as approved by HCML. For the sake of clarity, the Employee will be paid 1.5 times for the first one and one-half scheduled hours of work in a ten hour shift and for the ninth and tenth scheduled hours of work in a ten hour shift. Straight time and scheduled overtime during the Shift Cycle are as follows:

Day	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Straight Time	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	0	0	0	0	0	0
Over time	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	0	0	0	0	0	0

This Shift Cycle will be referred to as the "Fourteen and Seven" Shift Cycle. The initial or final week may be split to accommodate flight arrangements. Such flight arrangements and days of work shall be clearly communicated by the Employer to the Employee prior to the commencement of the "Fourteen and Seven" Shift Cycle.

Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the **[UNION]** Agreement.

Schedule 3 – “Twenty and Eight” Shift Cycle

Commencing on any day, 20 days of 10 hours of work per day, followed by 8 days off which will result in payment for 128 hours at the Employee’s base wage rate, and 72 hours at 1.5 times the amounts used to calculate overtime pay. Flights are provided from or to Calgary and Edmonton International Airports or other out-of-province destinations as approved by HCML. Straight time and scheduled overtime during the Shift Cycle are as follows:

Day	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	
Straight Time	6	6	6	6	6	6	7	7	7	7	7	7	7	7	6	6	6	6	6	6	0	0	0	0	0	0	0	0	0
Over-Time	4	4	4	4	4	4	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	0	0	0	0	0	0	0	0

This Shift Cycle will be referred to as the "Twenty and Eight" Shift Cycle. The initial or final week may be split to accommodate flight arrangements. Such flight arrangements and days of work shall be clearly communicated by the Employer to the Employee prior to the commencement of the “Twenty and Eight Shift Cycle”.

Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the **[UNION]** Agreement.

1. **Supervision:**

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 these projects and will be provided with the training and mentoring to make them successful.

2. **Hiring Practices:**

In addition to the hiring procedures that are set out in the **[UNION]** Agreement, **[Union]** shall also use its best endeavours to ensure that those engaged on the site do not have to travel in order to pick up their dispatch or referral slip. The Union shall make every effort to use facsimile transmission, courier service or some other efficient means to avoid unnecessary travel, transportation and delay.

Employees who are not residents of Alberta, or who are not members of the **[Union]**, but who are qualified under industry-recognized supervisory training programs, such as the UA, Boilermaker or comparable supervisory program are eligible to act as general foremen, working foremen, lead hands, or for any other position where one of the duties involves supervision of other Employees. Employers may not engage non-resident or non-resident supervisory Employees under this paragraph in a particular Trade unless at least 50% of the Employees working for that Employer in that Trade are permit or travel card holders, or unless otherwise agreed to by the **[Union]** and the relevant Employer.

Employers and the **[Union]** will support the commitments given by the Owner to give priority in respect to training, development and hiring of: aboriginal residents

of the Wood Buffalo area of Alberta, aboriginal residents of Alberta, women, other residents of the Wood Buffalo area of Alberta, and the residents of Alberta.

Employers and the **[Union]** agree to cooperate in optimizing the use of apprentices on the Project and will accept persons qualified to become apprentices. Where practicable, the ratios of apprentices to journeymen will be maintained throughout the duration of the job and shall provide for a spectrum of apprentices from the first year through to fourth year (as appropriate to the respective Trade).

The Parties recognize that, due to potential shortages of qualified labour during the execution of the Project, it may be necessary for some Employers to hire some Temporary Foreign Workers. In consultation with the Union, HCML and the affected Employers will establish protocols for hiring Temporary Foreign Workers. A Temporary Foreign Worker hired pursuant to this provision will be employed under the terms of this Agreement and those of the applicable **[UNION]** Agreement.

3. **Site Stability:**

The Parties acknowledge that Division 8 of the *Code* and this Agreement are designed to achieve labour relations stability on the Project. It is a violation of this Agreement for the Parties, Employers, and 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.

HCML and the Owner may establish policies respecting access to the Project site. All Employees and **[Union]** Union representatives will be required to undergo such orientations, and agree to such access policies as HCML or the Owner may require.

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 not tolerate any form of violence, harassment, intimidation, bullying, or any other disparaging or demeaning conduct directed by employees, union representatives, or other persons, against other employees, union representatives, or other persons based on union affiliation, or lack of union affiliation. This prohibition includes all verbal communications, written materials, and gestures. HCML has the right to remove any employee, union representative, or other person from the Project site should they engage in any such activities.

No Employee will refuse, or threaten to refuse to perform Work for his Employer for reason that other work was or will be performed, or was not or will not be performed by any persons who were not or are not members of a particular union.

4. **Site Policies:**

HCML or the Owner may establish policies relating to health, safety (including alcohol and drug policies), environment, and other matters relating to management of the Project site, which will 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 **[Union]** Agreement.. The provisions of this Article do not take away any rights the **[Union]** or an individual would ordinarily have to challenge such policies.

5. **Cooperative Initiatives:**

The Parties will cooperate in establishing and implementing: appropriate training, upgrading, and mentoring programs for job stewards, apprentices, supervisors and for other Employees who wish to enhance or increase their skills, abilities and qualifications; programs allowing Employers operating modular assembly yards on the Project site to maximize the productivity of their Employees by making effective use of manpower, skills, composite crew arrangements or skill

enhancements; and, programs to facilitate timely and effective resolution of workplace disputes.

Schedule 5 - Travel and Transportation

1. The purpose of this Schedule is to:
 - (a) attract Employees to work on the Project by providing a combination of fly-in/fly-out from Calgary and Edmonton and bussing; and
 - (b) provide a fair means of compensating Employees for travel.
2. Subject to the exceptions stated in the rest of this Schedule, Employers will provide Employees with air, bus, or other ground transportation between Edmonton, Calgary, Fort McMurray, or such other locations as HCML may designate, and the Project site in the following situations:
 - (a) new hires;
 - (b) Employees leaving for, or returning from days off;
 - (c) Employees who are laid off; or
 - (d) probationary employees terminated for reasons other than just cause.
3. Notwithstanding any other provision in this Article, Employees who are terminated for cause or who quit during a Shift Cycle will only be provided road transportation, when requested by the Employee, from the Project site to Fort McMurray or Edmonton and such Employees will not receive any travel allowances they would ordinarily be entitled to for that Shift Cycle.
4. Where an Employee is laid off during his days off, the Employer will assume responsibility to promptly return all the Employee's personal effects and tools to his Principal Residence at no cost to the Employee.
5. The following Employees will generally not be provided air transportation:

- (a) those working Shift Cycles other than those specified in Schedules 1, 2, and 3;
 - (b) those whose Principal Residence is located within a 300 kilometer (“km”) radius of the Project; and
 - (c) those living in the area of the Town of Athabasca or where air transportation is not practical for workers on Schedule 1 through 3 bus transportation and \$100 per return trip will be provided in lieu of air transportation. Initial travel allowance will be paid in accordance with the collective agreement; however turnarounds provisions will not apply.
6. All references to distances are radial (straight-line) distances, not road distances. For the purposes of this Addendum, “Designated Location” shall mean, for any given Employee, the Edmonton International Airport, the Calgary International Airport or any other location, as specified in writing, at the sole discretion of HCML. HCML will notify Employers and **[Union]** of new Designated Locations; and, if applicable, transportation allowances for those Employees.
7. Disputes over where an Employee’s Principal Residence is will be submitted and decided pursuant to a joint committee to be established by HCML and **[Union]**.
8. Daily Travel for Local Residents

Local Residents, will be provided daily return road transportation from Fort McMurray and Fort McKay to the Project site at no cost to the Employee. A daily travel allowance will be provided at the rate of \$27.50 for those Employees living in Fort McMurray, Anzac, and Saprae Creek, and who use the road service. Employees eligible for the transportation and allowance described in this Article are not eligible for the transportation and allowances described in other Articles.

9. Shift Cycle Travel by Road from Edmonton (for most Employees working Shift Cycles not eligible for air travel under Article 12 below)

- (a) The Employer will make road transportation available to the Employee from Edmonton, or other locations as prescribed by HCML and the Owner, to the Project site and return at no cost to Employees working Shift Cycles containing less than 10 consecutive scheduled days of work.
- (b) The Employee will be provided a travel schedule from their Employer. It is the Employee's responsibility to make arrangements to meet these schedules.
- (c) Employees will be provided transportation on the day before or the day of commencement of work during their Shift Cycle and as soon as possible following completion of their Shift Cycle.
- (d) Baggage limitations will comply with generally accepted industry practice for weight and size.
- (e) Excess luggage and tools approved by the Employer will be shipped via ground transportation. Employers will provide safe transportation and storage for these tools.
- (f) In the event of missed transportation the Employee is not entitled to: compensation for hours missed; and, any travel allowances that would otherwise be paid.

10. Shift Cycle Travel by Road from the Edmonton International Airport (primarily for Shift Cycles eligible for air travel under Article 12 below, but where air travel is not available)

- (a) The Employer will make road transportation available to the Employee from Edmonton to the Project site and return at no cost to Employees working Shift Cycles eligible for air travel under Article 12 below, but where air travel is not available.

- (b) The Employee will be provided a travel schedule from their Employer. It is the Employee's responsibility to make arrangements to meet these schedules.
- (c) Employees using this service will be provided an allowance of \$62 per Shift Cycle, or such greater amount as HCML or an Employer (with HCML's approval) may prescribe, in writing, in respect of Employees traveling from locations other than Edmonton.
- (d) An additional transportation allowance per Shift Cycle will be provided for Employees using this transportation service, and whose Principal Residence is located greater than 85 kilometers (km) from the Edmonton International Airport or such other Edmonton departure points as may be provided by the Employer (with HCML approval), and based on the Employee's Principal Residence being the following distance from the Edmonton International Airport:
- 85 km to 149 km \$ 60.00
 - 150 km to 224 km \$ 85.00;
 - over 224 km \$ -110.00 or
 - such amount as HCML or an Employer (with HCML's approval) may prescribe, in writing, in respect of Employees traveling from locations other than the Edmonton International Airport.
- (e) Employees will be provided bussing on the day before commencement of their Shift Cycle and as soon as possible following completion of their Shift Cycle.
- (f) Baggage limitations will comply with generally accepted industry practice for weight and size baggage allowance.
- (g) Excess luggage and tools approved by the Employer will be shipped via ground transportation. Employers will provide safe transportation and storage for these tools.

(h) In the event of a missed bus or other road transportation service the Employee is not entitled to: compensation for hours missed; and, any travel allowances that would otherwise be paid.

11. Shift Cycle Travel by Air from the Edmonton International Airport, Calgary International Airport or other Designated Locations, as approved in writing by HCML (primarily for the Shift Cycles set out in Schedules 1, 2 and 3, and for any other Shift Cycles where the Parties agree in writing to provide Travel by Air.) Travel by Air will be provided by Owner's Air Carrier, unless otherwise approved in writing by HCML. HCML shall have no obligation to maintain any flight departure points where demand, in its sole discretion, does not warrant such flights.

(a) This Article only applies to Employees working the Shift Cycles set out in Schedules 1, 2 and 3, unless otherwise agreed to by the Parties, or specified in writing by HCML.

(b) If air travel is not available road transportation will be provided from the Edmonton International Airport in accordance with Article 11 above.

(c) Flight Conditions

Upon commencement of an air travel program to the Project site, the following will apply to Employees working the Shift Cycles described in Article 12 (a) above.

(i) All flights will be in strict accordance with Canadian Aviation Regulations (CAR) and Transport Canada approved standards and practices. Those regulations pertaining to passenger conduct will be strictly enforced.

(ii) The Employer will make available to the Employee air travel from the Edmonton International Airport, the Calgary International Airport or other additional Designated Locations, when approved by HCML

in writing, to the Project site and return at no cost to the Employee. The Employee will be provided with a schedule of his Employer's flight days and travel schedule. It is the Employee's responsibility to make arrangements to meet these schedules.

- (iii) Employees will be provided flights on the day before commencement of their Shift Cycle and as soon as possible following completion of their Shift Cycle.
 - (iv) Baggage allowance for checked and carry-on baggage will comply with generally accepted airline industry practice for weight and size limits. This generally means that checked baggage allowance is 2 bags with a maximum weight of 32 kg (70 lbs.) in total and carry-on allowance is 2 pieces with a maximum combined weight of 10 kg (22 lbs.).
 - (v) Excess luggage and tools approved by the Employer will be shipped via ground transportation. Employers will provide safe transportation and storage for these tools.
 - (vi) Employees will be provided transportation from the Project site aerodrome to the Project accommodation or camp and return in accordance with their scheduled flights.
- (d) An additional transportation allowance per Shift Cycle will be provided to Employees using air travel and whose Principal Residence is located greater than 85 kilometers (km) from the Edmonton International Airport, the Calgary International Airport or other specific Designated Locations (only when approved by HCML in writing). The allowances are as follows, with the distances referring to the distance of the Employee's Principal Residence from the Edmonton International Airport, the Calgary International Airport or the specific Designated Location, whichever is closer to the Employee's Principal Residence:

- 85 km to 149 km \$ 60.00
- 150 km to 224 km \$ 85.00; or
- over 224 km \$ 110.00

(e) Missed Flights

- (i) The Employee will be provided Employer contact information.
- (ii) If the Employee is unable to make his scheduled flight, the Employee must contact the Employer with a minimum of 72 hours notice of his inability to make scheduled Alberta flights or 7 days notice of his inability to make scheduled out-of-province flights, and provide the following information:
 - reasons for missing the flight;
 - alternative travel arrangements; and
 - estimated arrival or departure time.
- (iii) Failure by the Employee to provide this notice to the Employer will result in an amount as HCML or an Employer (with HCML approval) may prescribe in respect of Employees traveling from a Designated Location, being deducted from the Employee's pay as a pre-estimate of the expense the Employer has incurred. Exceptions to notice being provided by the Employee to the Employer for specific circumstances will be decided by the Employer.
- (iv) As a result of the missed flight the Employee is not entitled to: compensation for hours missed; and, any travel allowances that would otherwise be paid for the Shift Cycle.
- (v) The Employer may make arrangements to reschedule the Employee on the next available flight. If the Employee makes his own alternate travel arrangements to get to the Project site, the Employee does so at his or her own cost.

(vi) Commercial air flights may be used, only with Owner written approval.

(f) Flight Delays

Where flights to and from the Project site are delayed for less than 4 hours due to inclement weather or aviation related delays, no compensation will be paid to the Employee.

Where flights to the Project site are delayed for greater than 4 hours due to inclement weather or aviation related delays, the following conditions will apply:

- (i) Provided notification of the flight delay has been made available on the Air Carrier's emergency number, which is posted at each Project site camp, at least 4 hours prior to scheduled departure, no compensation will be provided to Employees;
- (ii) If notification of the flight delay has been posted less than 4 hours prior to scheduled departure and the Employee reports to the Air Carrier's departure point, the Employees will be paid 2 hours show-up time at their regular base rate as total compensation for the delay; or
- (iii) If in-transit flight delays impacts the Employees' availability to work the next scheduled shift for those Employees and the Employees remain in the care and custody of the Air Carrier, the Employees will be paid 2 hours show-up time at their regular base rate as total compensation for the delay.

If the flight delay leaving the Project site extends for a prolonged period and ground transportation is not provided in lieu of air travel in accordance with the following paragraphs, Employees remaining on the Project site

due to this delay may be provided the opportunity to work, at their Employer's discretion, at their applicable rate of pay.

If the flight delay is due solely to inclement weather, ground transportation may be provided to or from the Project site in lieu of air travel, at the option of HCML or the Air Carrier. In this case, Employees will be compensated \$31.00 per one way trip to Edmonton International Airport, or such amount as may be prescribed in writing by HCML for Calgary International Airport, or other Designated Locations. No allowances will be payable, in the event ground transportation to an alternate airstrip in the Wood Buffalo region is provided.

If in-transit flight delays to Designated Locations, supported by the Owner's Air Carrier other than the Edmonton International Airport, are due to inclement weather or aviation related delays, the Air Carrier at their option may provide road transportation in lieu of air travel and, if required will provide interim accommodation and appropriate meals.

Subject to approval by HCML, in the event weather or aviation related delays of flights to the site require the re-scheduled flight to depart the following day, overnight accommodation and meals will be provided to Employees whose Principal Residence is more than 85 kilometers (km) from the flight departure location provided that the Employee has reported to the departure terminal at the flight departure location, and the Employee has not been able to return to his Principal Residence during the delay.

When air and road transportation are not provided, an Employee whose Principal Residence is outside a 225 km radius from the Project site will be paid a travel allowance per Shift Cycle of \$100.00, or such amount as HCML or an Employer (with HCML's approval) may prescribe in writing in respect of Employees traveling from locations other than the Edmonton International Airport or the Calgary International Airport.

Where a worker, who resides within the zone for flights, and who for medical, family or compassion reasons, finds it difficult to use the plane flights and is prepared to provide his/her own transportation to/from the work site shall receive rotation allowance, in accordance with the [UNION] agreement after each cycle. HCML shall approve these requests on a case by case basis.

When an Employer hires an Employee for a start date during a Shift Cycle, a transportation allowance will be provided to the Employee, only when the Employee is responsible for his own transportation to the Project site for his first Shift Cycle. The allowances are as follows, with the distances referring to the distance of the Employee's Principal Residence from the Project site:

- flat rate of \$168

Schedule 6 – Pre-Job Report

PRE-JOB REPORT

Date:	_____		
Contractor:	_____		
Contract Between:	_____	and	_____
Contract Number:	_____	Area & Plant:	_____

JOB DESCRIPTION	_____

GENERAL INFORMATION			
Start Date	_____	End Date	_____
Rotation (Start/End Date)	_____	Payday	_____
Normal Shift Cycle (e.g. 10/4)	_____	Direct Deposit Y/N)	_____
Normal Shift Hours	_____	Normal Quitting Times	_____
Overtime Distribution as per Agreement (Y/N)	_____	If No, attach details	_____
Overtime % for Selected Shift Cycle(s)	_____		
Overtime Distribution each Day	_____		
Shift Cycle Agreement Reference(s) or attach details	_____		
Unscheduled Overtime Rate	_____		
Mark-Up Required? (Y/N)	_____	Attached (Yes, No, N/A)	_____

FIRST AID AND SAFETY PROVISIONS	
Location of first aid facilities	_____
First aid attendant on site? (Y/N)	_____
Nearest Doctor	_____
Nearest Hospital	_____

Ambulance service provided (Y/N)			
OSSA Requirements Met	Yes	No	Comments:
Contractor Provides:	Yes	No	Notes
Hard Hat			
Eye Protection			
Safety Equipment			
Protective Clothing			

Copy of safety program provided? (Y/N)	_____
Frequency of safety meetings	_____
Smoking Rules _____	Designated Smoking areas _____

DRUG AND ALCOHOL TESTING	
Drug and Alcohol testing program Administrator	_____
Program Compliance with "Canadian Model" (Y/N & Year)	_____
- Pre-Access Testing	
- RSAP	
If NO, attach your Drug and Alcohol policy	_____

SUB-CONTRACTORS		
Company Name	Contact Name	Contact Number
For more sub-contractors use another Pre-Job Conference Report form		

CONTRACTOR REPRESENTATIVES (INCLUDE PHONE NUMBERS)		
Contractor Position	Name	Phone number

Project Manager		
Superintendent		
Superintendent		
Superintendent		
Office Manager		
Lead Safety Representative		
Labour Relations Representative		
General Foreman		
General Foreman		

UNION REPRESENTATIVES AND JOB STEWARDS (INCLUDE PHONE NUMBERS)		
Union Position	Name	Phone Number
Union Representative		
Union Representative		
Union Representative		
Job Steward		
Job Steward		
Job Steward		
Job Steward		

ACCOMMODATION AND TRAVEL		
Camp	Accommodation Requested (Y/N & Location)	_____
	L.O.A (Y/N & Rate, See Note 1)	_____
Transportation	Bus (Y/N & Location)	_____
	On Site Bus Transportation (Y/N, See Note 2)	_____
	Air Transportation (Y/N & Rotation)	_____
	If YES, attach the Transportation Authorization Form	
Notes:	1. Construction Trades not eligible for Living Out Allowance unless approved in writing 2. On-site Bussing Mandatory	

PREMIUMS AND BONUS PROGRAM								
Premium			Accommodation (on or off site)			Transportation		
General Foreman								
Foreman								
Lead Hand	CWB Welder	Alloy Welder	First Aid w/ CPR	Safety Bonus	Dual Ticket	CSO	LSE	Night Shift
Bonus Program (Y/N) _____ If YES, details to be attached Other forms of Compensation (Y/N) _____ If YES, details to be attached								

DSP/SUBCONTRACTED TRADES		
Trade	Rate	Effective Date of Rate
Remittances	Union Dues	_____
	RSP	_____
	H&W	_____

TEMPORARY FOREIGN WORKERS

Permits Received (Y/N) _____ If YES, date forecast to be on Site: _____

COMMENTS	_____

Dated this _____ day of _____, 20 _____

SIGNED BY

Organization	Signature	Print Name	Title
Contractor			
Union			
HCML (Reviewed & Accepted)			

LABOUR REQUIREMENTS

Trade	Start Date	Start #'s	Peak Date	Peak #'s	Finish Date	Finish #'s
-------	------------	-----------	-----------	----------	-------------	------------

Apprentices

Boilermakers

Bricklayers

Carpenters

Cement Masons

Drywall Tapers

Electrical Workers

Elevator Constructors

Glass Workers

Insulators

Ironworkers

Labourers

Millwrights

NDT workers

Operating Engineers

Painters

Plasters

Plumbers and Pipefitters

Refrigeration Mechanics

Roofers

Sheet Metal Workers

Sheeters, Cladders & Deckers

Sprinkler Fitters

Surveyors/Chain Men

Teamsters

Scaffolders

Welder – Journeyman

Welder – CWB

Welder – 'B' Pressure

Welder – W-Rig

Schedule 7 - 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 the trade jurisdiction of **[Union]**, and whose Employer has a bargaining relationship with the **[Union]** in respect of that trade jurisdiction. The expression worker shall have the same meaning.
- “Employer” means an employer of any Employee.
- “[**UNION**] Agreement” means the Current **[UNION]** Agreement and any successor registration collective agreements covering general _____ construction which may come into existence for the duration of this Agreement
- “Local Resident” means an Employee whose Principal Residence is located within an 85 kilometer radius of the Project site, including residents of Anzac, Fort McKay, and Saprae Creek.
- "Owner" means Canadian Natural Resources Limited and any successor.
- "Parties" means HCML and **[Union]**, together.
- “Principal Residence” means the place where an Employee, in the settled routine of his life, regularly, normally or customarily lives, with the underlying premise that everyone must be a resident somewhere. This definition may be further clarified or amended by a committee appointed by the Parties.
- “Registration Certificate” means _____
- "Temporary Foreign Workers" means Employees, or prospective employees, who are not permanent residents of Canada

- "Work" means any construction work in respect of the Project. 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.