

PROJECT TERMS
for the
SHELL CANADA JACKPINE
MAJOR CONSTRUCTION
PROJECT

June 30, 2008

THIS AGREEMENT ENTERED INTO THIS ___TH DAY OF _____, 2008

BY AND BETWEEN:

**THE STRUCTURAL IRONWORKERS (PROVINCIAL) TRADE DIVISION OF
CONSTRUCTION LABOUR RELATIONS – ALBERTA**

And the

**THE REINFORCING IRONWORKERS (PROVINCIAL) TRADE DIVISION OF
CONSTRUCTION LABOUR RELATIONS – ALBERTA**

(hereinafter referred to as "the Employers' Organizations" or "the Trade Divisions")

- and -

**THE INTERNATIONAL ASSOCIATION OF BRIDGE, STRUCTURAL,
ORNAMENTAL, AND REINFORCING IRONWORKERS, LOCAL UNION #720**

(hereinafter referred to as "the Local Union")

WHEREAS Shell Canada Limited ("Shell"), together with partners ChevronTexaco and Western Oilsands, intends to construct major capital facilities as part of its Shell AOSP Suite of Projects. One component of said projects is the upstream mine site known as the Jackpine Mine;

AND WHEREAS these Project Terms will provide for an uninterrupted supply of quality structural and reinforcing ironworkers for the duration of the Jackpine Mine Upstream portion of the AOSP Suite of Projects, bridging any labour negotiations or disruptions which may take place in the general construction industry;

AND WHEREAS these Project Terms are in recognition of the Local Union and the contractors that employ their members as key stakeholders in the overall success of the Shell Jackpine Project;

AND WHEREAS these Project Terms will provide a forum through which key stakeholders including contractors, unionized labour and client may address issues of mutual concern;

AND WHEREAS these Project Terms are beneficial to all of the stakeholders in terms of communications and working relationships;

AND WHEREAS the Employers' Organizations and the Local Union have agreed to the Project Terms as set out below;

AND WHEREAS it is the expressed intention of all of the parties hereto that the execution of these project terms in no way detracts from the bargaining authority of any Employers' Organization or any group of Trade Unions pursuant to a Registration Certificate or otherwise, nor does it in any way act as a surrender of any bargaining authority that any such group may hold.

NOW THEREFORE IT IS AGREED that the Employers' Organizations, and the Local Union have, based on the mutual understandings set out above, entered into the following terms and conditions of employment (which shall be referred to as the "Project Terms").

A. BASIC AGREEMENTS

1.00 Scope and Definition

The Provincial Collective Agreements between the Parties shall govern the relationship in respect of the Shell Canada Limited Jackpine Mine Major Construction Project (referred to herein as "the Project" or "the Jackpine Mine") except as is modified by these Project Terms.

1.01 These Project Terms are intended to cover Capital Works undertaken as part of the Project. Capital Works are set out in Schedule 3, which schedule shall be amended and updated from time to time as determined by Shell. This Agreement does not apply to work which is not "construction" work.

1.02 These Project Terms shall be construed so as to include on-site and off-site module and pre-assembly work which may be staged at other locations within the Province of Alberta, and Article 4.00 of these project terms shall apply to such module and pre-assembly work.

1.03 The provisions set out in these Project Terms shall apply to each participating Employer in respect to those of the Employer's employees engaged in construction on the Project, by each employer for whom the Local Union has established and retained or subsequently acquires and retains the right of collective bargaining. These Project Terms shall only apply in respect of Employers and employees engaged in Structural or Reinforcing Ironwork within the General Construction Sector of the construction industry.

2.00 Purpose

The parties to these Project Terms recognize and understand the specific labour relations needs of the Projects and, accordingly, have entered into these Project Terms for the purpose of ensuring those needs are met. The parties understand that the special and peculiar needs of the Projects include:

- (a) The need to establish and maintain harmony between the negotiation and administration pursuant to the Project Terms and the collective bargaining and relevant Provincial Collective Agreement ("Collective Agreement")

administration pursuant to Registration Certificates and bargaining authorizations in the balance of the Construction Industry in Alberta.

- (b) The need to maintain harmonious relations between the Project construction work force and the work forces engaged in the ongoing operation of the Shell Jackpine site and work forces engaged in other construction activities and in the maintenance and repair activities in respect to the facilities on the said sites, so that the effectiveness of all of the said work forces is enhanced.
- (c) The need to foster work practices which will yield cost effectiveness and high quality results, and fair compensation for all participants for productive and quality workmanship.
- (d) The need to establish and preserve stability and harmony in the labour management relationships among the parties and the employers and employees engaged on the Project, so that differences and problems are resolved expeditiously and so that inefficiencies, interruptions, and confrontations are not tolerated.
- (e) The need to enhance the early participation on the Project and the work experience of the qualified trades people and construction workers that are resident in the areas of the Project.
- (f) To increase the level of safety in the construction industry and on this Project particularly.
- (g) The need to provide for mechanisms through which the Project will be unaffected by any disruptions that may result from collective bargaining pursuant to registration certificates and authorizations to bargain collectively throughout the general and specialty sectors of the construction industry.

3.00 Application of Subsequent Collective Agreements

3.01 The provisions of these Project Terms shall continue through to the conclusion of the Project or until these Project Terms are terminated in accordance with the provisions of these Project Terms, whichever event shall first occur, notwithstanding that such events may take place after the expiry date of the existing Collective Agreement. It is the intentions of the parties that the work encompassed by these Project Terms shall continue without abatement by strike, lock-out, work slowdowns, or any other action designed to limit output.

3.02 As collective bargaining, pursuant to a Registration Certificate or otherwise, may take place in the construction industry which will affect terms and conditions of employment save and except where the same are provided for in these Project Terms, such variations in the resulting Collective Agreement shall apply to the

Shell Jackpine Project. Any applicable changes will be effective for the purposes of these Project Terms as and when such changes become effective pursuant to the resulting Collective Agreement.

- 3.03** In the event a referenced Collective Agreement ceases to be in effect during any period during which these Project Terms remain in effect, then the applicable provisions of the most recent Collective Agreement shall apply, until such time as a renewal agreement is entered into by the Employers' Organization and the Local Union or the successors of either.
- 3.04** The Employers' Organization and the Local Union undertake to propose to the other and to agree with the other that these Project Terms will be attached to and form part of the appropriate Collective Agreements that will be concluded pursuant to any round of construction collective bargaining entered into or initiated during any period during the duration of these Project Terms.

4.00 No Strikes or Lockout

The Employers' Organization and the Local Union agree that in the event that any strike or lockout is commenced pursuant to Part 3 of the Alberta Labour Relations Code, such strike or lockout shall not apply to any work to which these Project Terms apply, and each of the Employers' Organizations and the Local Union waive any right they may have at law to commence or require that any such strike or lockout conducted under Part 3 apply to any work to which these Project Terms apply.

5.00 No Bargaining Relationship for Shell

It is understood by the parties hereto that no bargaining relationship is created by **Shell Canada Limited** together with its parents, subsidiaries and affiliates and their successors, or any of its project partners, with the Local Union, by voluntary recognition or by action of law pursuant to Section 176 of the Alberta Labour Relations Code.

- 5.01** Similarly, where Shell, or any of its project partners, has participated in any way in the processes and administrative matters contemplated in these Project Terms, it is only for the purposes of this document and the enhancement of the Projects 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 Shell to any Collective Agreement with the Local Union.
- 5.02** Where Shell Canada Limited or Shell is mentioned in this document, the terms shall be taken to mean the person or persons designated by Shell and/or its project

partners in respect to participation in the administration of portions of this Agreement, wherever that context is appropriate.

6.00 Duration

These Project Terms shall have a five (5) year term from June 5, 2008 which shall be the effective date, and shall be automatically renewed at the completion of the initial term and shall continue on the same terms and conditions for successive five (5) year periods unless either the Trade Division or the Local Union shall give notice, in writing, to the other party of its intention not to renew at least One Hundred and Twenty (120) days prior to the end of the term.

Notwithstanding any notice served in accordance with this Article 6, the terms and conditions of these Project Terms shall remain in effect for any work which was tendered prior to the service of such notice, until the completion of such work.

7.00 Notice

Notice given to any of the parties hereto shall, unless otherwise specified in these Project Terms, 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). 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 transmitter number in which event the document shall be deemed received on the date of that confirmed transmission. Each of the parties hereto shall keep the others informed as to a change of address, facsimile or phone number.

B. HARMONY PROVISIONS

The parties agree that in order to achieve appropriate working relationships amongst the various employers and Local Unions working on any work to which these Project Terms apply, the following conditions shall apply and if any conflict exists between these conditions and the terms of the Collective Agreement between the Employers' Organization and the Local Union, these Project Terms shall prevail:

8.01 Hours of Work and Scheduling

The hours of work shall be as set out in the Collective Agreement with forty (40) hours being the regular work week. In order that there should be consistency on the site between various affiliates of the Building Trades Council, 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.
- (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 for workers from Alberta, workers from other Canadian Provinces, or for Temporary Foreign Workers that may be employed on these Projects, the Employer may institute the work schedules under Schedules One, Two or Three attached to this Agreement. These Schedules will be referred to as "Fly-in Fly-out Schedules" and will apply to all workers who utilize flights arranged by, or provided by, a participating employer for the purposes of transporting workers to and from the project. Workers on fly-in fly-out schedules will not be entitled to initial or terminal travel provisions or turn-around provisions under their respective Provincial Collective Agreement. Alternative Fly-in Fly-out work schedules may be developed by the Parties.
- (d) In addition to the work schedules outlined in Schedule 1 or Schedule 2 attached, the Employer and the Union may agree to work the alternative work schedules contained in Schedule 3. Those schedules could apply to workers from any geographical area provided the employer and the local union agree apply the schedule to them.
- (e) The Employer may also schedule shifts for which the start times are between 12:00 noon and 4:00 a.m. To be classified as shift work rather than as overtime, such shifts must be scheduled for at least one (1) regular work week or cycle. The premium(s) for any such second ("evening") or third ("night") shifts shall be in accordance with the provisions of the Collective Agreement, to a maximum of three dollars (\$3.00) per hour. In no event shall the hourly rate be greater than the applicable overtime rate plus shift differential. The provisions of this clause (a) shall be reviewable annually by the Local Union and the Trade Division on each anniversary of these Project Terms.

8.02 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.

8.03 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. Any variations that are not permitted by the above Articles may be established by resolution adopted by the Parties. Other shift cycles, and the premium pay in respect to such cycles, may be established by the Parties.

8.04 Site Closures

In consultation with the Parties, Shell 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.

9.00 Transportation and Travel

9.01 Bus Transportation

For workers not on a fly-in fly-out schedule or for workers from an area where air transportation is not practical, coach style bus transportation may be provided by the Employer or groups of Employers or by Shell from designated locations, to the Fort McMurray area Project site each week or work cycle, prior to the time a crew is scheduled to commence a scheduled work week or cycle, and from the Project site to the designated locations following the end of the scheduled work

week or cycle. Where such an option is utilized, it will be provided in accordance with the terms of the applicable Provincial Collective Agreements.

9.02 Air Transportation

For workers on a fly-in fly-out schedule, air transportation will be provided by Participating Employers, either individually or in cooperation with Shell, from various locations as designated by the Employer or Shell to the Fort McMurray area prior to the commencement of each work cycle and from the Fort McMurray area to the designated locations following the end of the scheduled work cycle. Work Cycles as used in this Clause are those stipulated in Schedules 1, 2 or 3 attached hereto or such other work cycles as may be agreed pursuant to Clause 8.01 (c). Fly-in Fly-out locations will be designated at the sole discretion of the provider of the flights, however the Trade Division and the Local Union may make recommendations respecting adding to or deleting from the list of designated fly-in fly-out locations. It is recognized by the Parties to this Agreement that weather conditions, mechanical difficulties or other unforeseen circumstances may disrupt flight schedules. If this occurs it is understood that there will be no discipline for workers who, as a result of such circumstances, are late for or miss a shift and also there shall be no reimbursement for flight delays or shifts missed as a result of such circumstances.

For those workers on fly-in fly-out schedules, transportation will be provided between the work site and the airport when leaving Fort McMurray and on return to Fort McMurray.

9.03 Daily Transportation

"Local Residents", or those non local residents who may be living in or near Fort McMurray on subsistence or living out allowance, will be afforded daily transportation on routes established between Fort McMurray and the site. For each worker, the use or continued use of such transportation shall be governed by any rules established by the provider of the transportation service. There shall be no other daily transportation provision, unless such other arrangements are approved by the Employer and the Local Union to address their special circumstances.

10.00 General Holidays

The General Holidays shall be as is set out in the Collective Agreement, save and except that the observance of such holidays shall be in accordance with the schedule set out and attached hereto.

11.00 Local and Aboriginal Residents

The early and continued participation of local residents, members of the local aboriginal communities, and women, is desirable; accordingly, the parties agree to optimize employment and training opportunities for such of qualified local residents, members of the local aboriginal communities, and women under these Project Terms.

It is understood that the definition of "local residents" in article 11.01 is for the purpose of establishing access to and entitlements respecting employment on the Shell Jackpine Project, near Fort McMurray, Alberta for each of the Employers.

11.01 "Local Resident"

A "Local Resident" is a member of the Union who resides within a seventy-five (75) kilometre radius of the job site and whose principal residence is the place where he or she, in the settled routine of his or her life, regularly, normally or customarily lives, with the underlying premise that everyone must be a resident somewhere. Questions related to residency will be determined in accordance with the criteria in the relevant Provincial Collective Agreement.

12.00 Apprentices Ratio

The Unions agree to cooperate in attaining the optimal training and deployment of apprentices on the Project and 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 year through to fourth year (as appropriate to the respective trade).

13.00 Hiring

13.01 In addition to the hiring procedures that are set out in the Collective Agreement, the Local 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.

For the hiring of persons who will be engaged as foremen and general foremen, the Employer may exercise the name hiring or interview processes set out in the Collective Agreement.

13.02 A process to facilitate the training, development and effective utilization of Supervision including site foremen will be developed in accordance with Schedule 4.

14.00 Lay-offs

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 workers within the local unions from Alberta expect consideration in terms of job retention on Alberta projects. Therefore a lay-off protocol designed to balance these two interests will be developed as per Schedule 4.

14.01 Transportation for Terminated Workers

Workers who are laid off will be provided with return transportation by air if on a fly in fly out schedule or by bus if appropriate at the earliest practical opportunity following lay-off. Workers who are not local residents who quit or who are terminated for cause will be provided with bus transportation to Edmonton.

15.00 Jurisdiction

This agreement shall be governed by the laws of Alberta.

SCHEDULE 1 – FLY-IN FLY-OUT WORK CYCLES FOR RESIDENTS OF ALBERTA, SASKATCHEWAN, BRITISH COLUMBIA AND MANITOBA (COLLECTIVELY REFERRED TO AS WESTERN CANADA HEREIN)

Residents of Western Canada who will be provided with flights to and from the Shell Project(s) at the beginning and end of each work cycle, will be subject to the following schedule;

1. Work cycles may commence on a Monday, Tuesday, or a Wednesday of any week.
2. A work cycle will consist of ten consecutive work days, each of which will consist of a shift of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
3. In each shift the first scheduled hour of work and the tenth scheduled hour of work will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The eight regularly scheduled hours of work in between the first scheduled hour of work and the tenth scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
4. Each work cycle will be followed by four scheduled days of rest. The combination of the ten scheduled work days followed by the four scheduled days of rest will be referred to as a “ten and four cycle”.
5. 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 appropriate Provincial Collective Agreement.
6. A worker who is transferred to a work cycle with a different start day must be provided with a minimum of two scheduled work day’s notice. If the worker has requested the transfer, then overtime rates will not apply for days worked in the scheduled four days of rest. If the transfer is not as a result of a worker request, overtime provisions will apply for days worked, as a result of such transfer, during the scheduled days of rest the worker would have been entitled to under their previous schedule.
7. Overtime meals will be as per the provisions of the applicable Provincial Collective Agreement.
8. Temporary Foreign Workers from the United States who reside in States within 1500 Kilometers of the project may, at the discretion of the Employer, have the Western Canadian work schedule applied to them.

9. Workers who reside within 300 Kilometers of the Shell Jackpine Project Site working on the fly-in fly-out work schedule but who are not provided with flights to the Project at the beginning and end of each work cycle as stipulated in this Schedule will be paid at the rate of time and one-half for the ninth scheduled hour worked each day of their ten day cycle, in addition to the overtime payments stipulated in Clause 3 above.

10. Workers who reside beyond 300 kilometers of the Shell Jackpine Project Site will be permitted to formally opt to forego air transportation, and to opt to be paid in accordance with Schedule 1, section 9 above (i.e. 125 hours paid for 100 hours worked). Such workers will receive allowances for initial and return travel and rotation in accordance with the respective collective agreements, but will receive no other transportation or travel assistance or allowances. Workers will be permitted this as a one-time election. Participating Contractors and the Unions will strongly encourage workers who are entitled to air transportation to use the transportation provided, in the interests of safety, performance and quality of life.

SCHEDULE 2 – FLY-IN FLY-OUT WORK CYCLES FOR CANADIANS EAST OF THE MANITOBA ONTARIO BORDER (COLLECTIVELY REFERRED TO AS EASTERN CANADIANS)

Eastern Canadians who will be provided with flights to and from the Shell Jackpine Project at the beginning and end of each work cycle, will be subject to the following schedule;

1. Work cycles may commence on any day of the week.
2. A work cycle will consist of five consecutive work weeks, each of which will consist of six regularly scheduled days of work followed by one regularly scheduled day of rest. Each work day within a work week will consist of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two paid fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
3. Pay for hours worked in each work week will be based on the following;
 - a) **Day One and Day Six:** The first two scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six regularly scheduled hours of work in between the first two scheduled hours of work and the last two scheduled hours of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
 - b) **Days Two through Five:** The first scheduled hour of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The seven regularly scheduled hours of work in between the first scheduled hour of work and the last two scheduled hours of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
4. Each work cycle will be followed by seven consecutive scheduled days of rest. The combination of the five scheduled work weeks followed by the seven scheduled days of rest will be referred to as a “six and one cycle”.
5. 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 appropriate Provincial Collective Agreement.

6. A worker who is transferred to a work cycle with a different start day must be provided with a minimum of two scheduled work day's notice. If the worker has requested the transfer then overtime rates will not apply for days worked in the scheduled days of rest under their previous schedule. If the transfer is not as a result of a worker request, overtime provisions will apply for days worked as a result of such transfer during the scheduled days of rest applicable to the work cycle from which the worker was transferred.
7. Overtime meals will be as per the provisions of the applicable Provincial Collective Agreement.
8. Temporary Foreign Workers (TFW) from outside of Canada will work on the same schedule and be paid on the same basis as out of Province workers however they will work 24 weeks in followed by their choice of two or four weeks out. This will be referred to as a "TFW Cycle". Travel arrangements for TFWs will be worked out with the workers involved as part of the agreement between the workers and their employers. Shell will provide flights to a Canadian International Hub airport such as Toronto or Vancouver. Flight arrangements beyond that will be subject to any agreement between Shell, the contractor and the workers and will be beyond the scope of this Agreement.
9. Temporary Foreign Workers (TFW) from the United States who are not eligible to work under the Western Canadian Schedule may, at the discretion of Shell, have the Eastern Canadian Work Schedule applied to them.

SCHEDULE 3: ALTERNATIVE SCHEDULES

The following two alternative work cycles may be applied as agreed between the Local Union and the Employer on the Project Site.

1. Work cycles may commence on any day of the week.
2. **Option 1 – 14 days on followed by 7 days off.**
 - a). A work cycle will consist of 21 consecutive days, each of which will consist of fourteen regularly scheduled days of work followed by seven regularly scheduled days of rest. Each work day within a work week will consist of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two paid fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
 - b). Pay for hours worked will be based on the following;
 - i) **Days One and Two and Days Thirteen and Fourteen:** The first two scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six regularly scheduled hours of work in between the first two scheduled hours of work and the last two scheduled hours of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
 - ii) **Days Three through Twelve:** The first scheduled hour of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The seven regularly scheduled hours of work in between the first scheduled hour of work and the last two scheduled hours of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
 - c). Each work cycle will be followed by seven consecutive scheduled days of rest. The combination of the fourteen scheduled days of work followed by the seven scheduled days of rest will be referred to as a “fourteen and seven cycle”.
3. **Option 2 – 20 days on followed by 8 days off**
 - a). A work cycle will consist of twenty-eight consecutive days, each of which will consist of twenty regularly scheduled days of work followed by eight

regularly scheduled days of rest. Each work day within a work week will consist of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two paid fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.

- b) Pay for hours worked will be based on the following;
 - i) **Days One Two and Three and Days Eighteen, Nineteen and Twenty:** The first two scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six regularly scheduled hours of work in between the first two scheduled hours of work and the last two scheduled hours of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
 - ii) **Days Four through Seventeen:** The first scheduled hour of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The seven regularly scheduled hours of work in between the first scheduled hour of work and the last two scheduled hours of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
- c). Each work cycle will be followed by eight consecutive scheduled days of rest. The combination of the twenty scheduled days of work followed by the eight scheduled days of rest will be referred to as a “twenty and eight cycle”.

The following clauses apply to both Option 1 and Option 2.

- 4. 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 appropriate Provincial Collective Agreement.
- 5. A worker who is transferred to a work cycle with a different start day must be provided with a minimum of two scheduled work day’s notice. If the worker has requested the transfer then overtime rates will not apply for days worked in the scheduled days of rest under their previous schedule. If the transfer is not as a result of a worker request, overtime provisions will apply for days worked as a result of such transfer during the scheduled days of rest applicable to the work cycle from which the worker was transferred.

6. Overtime meals will be as per the provisions of the applicable Provincial Collective Agreement.
7. Workers reporting to commence work on the Project in the middle of a schedule will be paid in accordance with the pay that applies to that day of the schedule and will be integrated into the schedule rotation so that their days of work and days of rest are coordinated with the other workers on that schedule. This concept will also apply to workers working on work schedules under Schedule One or Schedule Two of this Agreement.

SCHEDULE 4: CAPITAL WORKS

1. Subject to the exceptions in paragraph 2, "Capital Works" means construction work in respect to the Shell Albian Expansion 1 Site Construction Work in the Wood Buffalo Region in the Province of Alberta. This Project is also referred to as the Jackpine Mine Site.
2. Capital Works shall specifically exclude the following:
 - (a) construction work in respect to any contracts awarded
 - (i) to non-Building Trades affiliated contractors, or
 - (ii) prior to the date this Agreement has been entered into unless specifically included by Shell;
 - (b) work performed by the owner's own forces, owner's contractors and their subcontractors on activities associated with Plant operations and maintenance; and
 - (c) project-related work performed, unless otherwise designated by Shell, for any supply or distribution pipelines.
3. "Capital Works" for this project will be deemed to be completed when Shell has assumed possession of such work or component portion. If a contractor performs construction work in respect of an aspect of the project after it is assumed by the owner, then Shell may choose to declare that this agreement also applies to that work.

SCHEDULE 5: OTHER ISSUES

1. **Lay off Protocol:** In the event of a layoff affecting Contractors working on the Project(s) covered by this Agreement, the following protocol will be followed:
 - a. **Voluntary Lay-Offs** – Workers on the Project may be offered the opportunity to exercise the option to accept a voluntary lay-off when there are lay-offs planned on the Project affecting their trade. In such cases this option will be offered to Local Union members first, travel card members second, and workers on permits third.
 - b. **Leave of Absence** – As another option, workers on the Project may be offered the opportunity to exercise the option to take a Leave of Absence from the Project when there are lay-offs planned on the Project that would affect their trade. In such cases this option will be offered to Local Union members first, travel card members second, and workers on permits third. Should the leave of absence extend beyond fourteen days in duration the Worker may request a lay-off.
 - c. **Transfers** – In a situation where one contractor is planning to lay-off workers on the Project and workers in the same trade working for other contractors working on the Project have opted to accept a Voluntary Lay-Off or Leave of Absence as stipulated in (a) or (b) above, or in cases where there are unfilled calls for workers in that trade on the Project, transfers between contractors covered by the terms and conditions of this Project Agreement will be allowed, except that there will be no transfers between the construction site(s) and fabrication shops. The offer to accept a transfer under these circumstances will be made to Local members first, travel card members second, and workers on permit third.
 - d. **Lay-Offs** – Except as modified above, all lay-offs will be carried out in accordance with the terms of the applicable Registered Provincial Collective Agreement. It is understood that where a contractor on the Project is planning a lay-off of workers, workers in the trade where the lay-off is planned who are working for that contractor on the Project under a Labour Market Agreement will be subject to first lay-off unless they are able to be transferred under Clause (c) above.
2. **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 Projects 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. 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

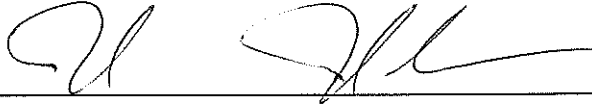
considered, the Parties to this Agreement will establish a protocol for insuring that supervisory needs are met having due regard for the need to maintain safety, productivity, quality, and a working environment that will promote the attraction and retention of workers.

Further work on the protocol for meeting Supervisory needs, or amendments as necessary to the Lay-Off Protocol above, may be carried on through the Parties.

Signed this 3rd day of July, 2008, in the City of Edmonton,

On behalf of the Structural Ironworkers (Provincial) Trade Division:

Per:



On behalf of the Reinforcing Ironworkers (Provincial) Trade Division:

Per:



On behalf of the International Association of Bridge, Structural, Reinforcing and Ornamental Ironworkers, Local Union #720:

Per:



Per:
