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# COLLECTIVE AGREEMENT

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**THIS AGREEMENT MADE THIS 5<sup>TH</sup> DAY OF SEPTEMBER, 2003**

**BETWEEN:**

**NEXEN INC.  
NANAIMO, B.C.  
(HEREINAFTER REFERRED TO AS THE COMPANY)**

**AND**

**PULP, PAPER AND WOODWORKERS OF CANADA, LOCAL 8  
(HEREINAFTER REFERRED TO AS THE UNION)**

**SIGNED THIS 10<sup>th</sup> DAY OF DECEMBER, 2003 AT NANAIMO, B.C.**

**FOR PPWC, LOCAL 8:**

**FOR NEXEN INC., NANAIMO  
PLANT**

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## **AGREEMENT**

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### **PURPOSE**

1. This Agreement between the Union and the Company is for the purpose of establishing wages and working conditions for all hourly paid personnel engaged by the Company in the performance of operating and maintenance duties as defined in Article 6 of this Agreement.
2. It is specifically understood that the jurisdiction of this Agreement will not relate in any way by complement or conflict with the Agreement(s) for performance of construction work existing between the Union (independently or in council) and the Company.

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## **ARTICLE 1**

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### **RECOGNITION**

- 1.1** The Company recognizes the Pulp, Paper and Woodworkers of Canada, Local 8, as the sole and exclusive bargaining agent for the employees of the Company engaged in operating and maintenance duties at the Nexen Inc. plant at Harmac (Nanaimo), British Columbia.
- 1.2** The Union recognizes that the Company shall retain such Management rights as interviewing, testing, employing, terminating, promoting and demoting of its members within these classifications on the basis of performance, evaluation and job descriptions. Subject to Article 4 - Seniority.
- 1.3** As a condition of employment, all employees covered by this Agreement shall, within thirty (30) calendar days after the execution of this Agreement or, in the case of new employees, thirty (30) calendar days after the date of hiring, become members of the Union and remain members in good standing in the Union during the term of this Agreement.

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## ARTICLE 2

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### JOB POSTING

- 2.1 In the matter of a vacancy occurring in a present established job classification or in the establishment of a new job classification, the Company shall post details of the opening and invite applications for the position.
- 2.2 Any Employee who makes application for any new or existing job opening that may occur and has been posted shall receive a reply to his application.

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## ARTICLE 3

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### WORK STOPPAGES

- 3.1 The Union and its members will not cause, authorize or sanction any strike or stoppage of any of the Company's operations or any curtailment of work or restriction or interference with production and/or maintenance during the term of this Agreement.
- 3.2 The Company shall not cause or sanction a lockout during the term of this Agreement.

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## ARTICLE 4

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### SENIORITY

- 4.1 Seniority shall mean the length of continuous service in the employ of the Company at Nexen Inc. Nanaimo plant.
- 4.2 A new employee will be classified as a temporary employee and will not accumulate seniority until he has completed thirty (30) calendar days of continuous service with the Company. When a new employee has completed thirty (30) calendar days of continuous service in the employ of the Company, his seniority shall be calculated from the date last hired on which the continuous service commenced.

- 4.3** An employee shall lose all seniority rights if he:
- a.** Quits or resigns
  - b.** Is discharged.
  - c.** Is on layoff for more than twenty-four (24) successive months where the employee has acquired more than six (6) successive months of service at the time of layoff; or is on layoff for more than twelve (12) successive months where the employee has acquired less than six (6) successive months of service at the time of layoff.
- 4.4** It shall be the responsibility of the employees laid off to notify the Company promptly of any change of address; if the employees fail to notify the Company of any change of address, the Company shall not be held responsible for failure to contact the employee.
- 4.5** The Company recognizes the principle of seniority in the administration of promotions, transfers, layoffs, and recalls. Seniority will govern in the case of permanent promotion and demotion, provided the employees have approximately equal abilities and qualifications. In the case of layoffs and recalls, seniority shall govern, provided the employees are sufficiently qualified to do the work available.
- A permanent promotion or demotion is one that is to fill a permanent vacancy, whereas a temporary promotion would be to provide for relief purposes, vacations, holidays, leaves of absence, sick leave, etc.
- 4.6** Students may be employed as temporary employees. Such temporary employees shall not acquire seniority for permanent employee status nor qualify for participation in health and welfare plans. Such employees shall commence work no sooner than May 01, and be terminated no later than September 15.

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## **ARTICLE 5**

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### **GRIEVANCE PROCEDURE AND ARBITRATION**

- 5.1** A grievance is any difference of opinion or dispute with respect to the interpretation, application, operation or alleged violation of this Agreement.

**5.2** A grievance may be taken up in the following manner:

**Step 1:**

An employee must submit a grievance alone or accompanied by his shop steward to the Immediate Supervisor within thirty (30) calendar days from the time of the event to be grieved. In the event that the aggrieved person is absent beyond the thirty (30) days specified, a Local 8 Union official may submit a grievance within the prescribed thirty (30) days on behalf of the aggrieved person.

**Step 2:**

If the decision of the Immediate Supervisor is not accepted, or a decision is not rendered within the given time, the Union may, within the seven (7) working days, submit the written grievance to the Plant Manager, who will render his decision within seven (7) working days.

**Step 3:**

If any dispute or grievance cannot be settled through the procedure described above, the matter may be submitted by either party to a Board of Arbitration for adjudication, providing it is submitted within the next seven (7) working days after Step 2 has been completed.

**5.3** Arbitration procedures shall be in accordance with those established by a Provincial Labour Legislation in the Province of British Columbia, except that the parties agree to specifically exclude the operation of Sub Section (1) of Section 87 of the Labour Relations Code of British Columbia.

- a.** The Company and the Union, may, by mutual agreement, elect to use a three (3) man Arbitration Board instead of a single (1) Arbitrator and the powers of the three (3) man Board of Arbitration shall be the same as those of the single (1) Arbitrator pursuant to this Article.

Within seven (7) calendar days of the date of mailing Notice of Intent to Seek Arbitration, the party seeking arbitration shall notify the other party of the name of its representative on the Arbitration Board. The other party shall, within seven (7) calendar days of the date of such notification, name its representative.

- b.** The two (2) arbitrators thus named shall select a third (3rd) arbitrator who shall act as Chairman. If they are unable to agree as to the selection of a Chairman within seven (7) calendar days of the date on which the second (2nd) arbitrator was named, either arbitrator, or both, shall request the Minister of Labour, Province of British Columbia, to appoint an impartial individual as Chairman of the Arbitration Board.

- c. After the Arbitration Board has been chosen by the foregoing procedure, it shall meet with all members present and hear the evidence of both parties. It shall render a decision within fifteen (15) calendar days after concluding the hearing of evidence. The decision of the majority shall be the decision of the Arbitration Board and such decision shall be final and binding upon the parties and upon any employee affected by it.
  - d. The Arbitration Board shall have no power to add to, or subtract from, or modify any of the terms of this Agreement, nor shall it substitute its discretion for that of the Company or the Union where such discretion has been retained by the Company or the Union, nor shall it exercise any function or responsibility of the Company or Union, nor shall it render any decision which is inconsistent with the provisions of this Agreement. No question affecting the wage structure of the Company shall be considered arbitrable.
  - e. Each party shall pay the expenses of its own representative on the Arbitration Board and any expenses involved in presenting its own case. The parties will share equally the expenses and fees of the Chairman.
- 5.4** In the event a grievance has not advanced to the next step within the specified time limits set forth in Article 5.2, the grievance shall be deemed to be abandoned and all rights or recourse to the grievance procedure shall be at an end.
- 5.5** The time limits specified for each step of the grievance and arbitration procedures described above may be extended by written mutual agreement between the Company and the Union.

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## ARTICLE 6

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### JOB CLASSIFICATIONS

- 6.1** The job classifications of employees covered under this Agreement are considered generally as operating and maintenance personnel within the organization. These classifications of employees will be subjected to supervision and operating and maintenance demands of the plant production requirements.

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## ARTICLE 7

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### WAGES

**7.1** Wages will be paid every second Thursday by direct deposit, following a payroll closing of 8:00 am on the preceding Sunday. Pay statements will be available to employees by 4:30 PM each payday. The schedule of rates shown in Article 7.2 shall apply to and govern the hourly wages paid to the several job classifications and shall continue in effect until changed as provided in Article 28.2.

**7.2** Schedule of Wage Rates:

<b>CLASSIFICATIONS</b>	<b>EFFECTIVE MAY 1, 2003</b>	<b>EFFECTIVE MAY 1, 2004</b>	<b>EFFECTIVE MAY 1, 2005</b>
Process Operator	30.22	31.05	31.83
Chlorate Operator	29.30	30.09	30.84
Chlorate Operator II	25.70	26.41	27.07
Chlorate Operator I	22.36	22.98	23.55
Maintenance Journeyman	30.61	31.45	32.24

A new employee will commence work in the wage classification of Chlorate Operator 1. After twelve (12) months of continuous employment, the employee will advance to the Chlorate Operator II wage classification.

After twelve (12) continuous months of employment in the Chlorate Operator 11 classification, an employee will advance to the Chlorate Operator classification provided that the employee possesses a 4<sup>th</sup> Class Ticket.

Employees who work as relief in the Process Operator position shall be paid at the rate established for that classification. Upon completion of such an assignment, the rate shall revert to the appropriate lower classification rate. Twenty-five cents (\$.25) is included in the Chlorate Operator rate consistent with the Letter of Intent on Relief.

**7.3** Operators obtaining a 4<sup>th</sup> class steam ticket will receive an additional thirty-two (\$.32) per hour.

**7.4** New job classifications created during the term of the Agreement shall be subject to negotiation for establishment of job rates. In the event that agreement on job rates for new job classifications cannot be agreed upon between the Company and the Union, the job classifications shall nevertheless be established with a rate to be decided by the Company. The matter will then be referred to the next Contract Negotiations for finalization of the rate. The rate finally agreed upon shall be retroactive to the date of institution of the new classification and the Company will ensure that the lump sum payment will not add an additional tax burden to the employees involved.

## 7.5 Shift Differential

In addition to other remuneration to which they are entitled, shift workers or employees working special shifts will be paid the shift differentials as described below:

- a. Employees working on Afternoon Shift shall receive shift differential of one dollar and forty-five cents (\$1.45) per hour effective May 1, 2003. Effective May 1, 2004, the afternoon shift differential will be one dollar and forty-nine cents (\$1.49) per hour. Effective May 1, 2005, the afternoon shift differential will be one dollar and fifty-three cents (\$1.53) per hour.
- b. Employees working a Night Shift shall receive a shift differential of one dollar and eighty-one cents (\$1.81) per hour effective May 1, 2003. Effective May 1, 2004, the night shift differential will be one dollar and eighty-six cents (\$1.86) per hour. Effective May 1, 2005, the night shift differential will be one dollar and ninety-one cents (\$1.91) per hour.
- c. Employees working twelve hour shifts shall receive a shift differential of two dollars and sixteen cents (\$2.16) per hour for the night shift only, effective May 1, 2003. Effective May 1, 2004, the twelve hour shift differential will be two dollars and twenty-two cents (\$2.22) per hour. Effective May 1, 2005, the twelve hour shift differential will be two dollars and twenty-eight cents (\$2.28) per hour.

Afternoon shift differentials are included in night shift differentials for twelve hour shift workers and thus the afternoon shift differential shall not apply to twelve hour shift workers except as part of the total night shift differential.

- d. It should be noted that differentials are established to compensate shift workers for the inconvenience of working shift, as defined above.
- e. Shift differentials will not be included in computing premium pay or pay for holidays not worked.
- f. All work performed on Sunday shall be paid a premium of two dollars and twenty-five cents (\$2.25) per hour.

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## ARTICLE 8

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### HOURS OF WORK

**8.1** Shift workers are defined as employees assigned to jobs scheduled on a seven day, twenty four hour continuous basis.

**8.2** The basic shift schedule will be D,D,D; XXX; N, N, N; XXX; D,D,D; etc. where :

D denotes twelve (12) hour day shift - 8:00 a.m. to 8:00 p.m.

N denotes twelve (12) hour night shift - 8:00 p.m. to 8:00 a.m.

X denotes regular day off.

To provide an average thirty eight (38) hour work week, each rotating shift employee will have four (4) groups of three (3) consecutive days off in each thirty six (36) week period.

Except when assigned to relieve a twelve (12) hour shift worker, the work week for Relief Operators shall consist of five (5) eight (8) hour shifts averaging thirty-eight (38) hours per week, except in cases where, due to circumstances, special hours of work are required. Circumstances that allow for 12 hour scheduling of relief operators are as follows:

- shutdowns
- new equipment commissioning
- any other situation agreed to by the Joint Committee provided for under Article 27.

Relief Operators hours of work will be averaged over a nine (9) week cycle during which Relief Operators will normally work three hundred and forty-two (342) hours. Up to eight (8) surplus hours may be carried over into the next nine (9) week cycle. Hours worked in excess of the eight (8) carry-over hours will be paid at overtime rates, leaving a maximum of eight (8) hours to be carried over at the end of the defined nine (9) week cycle. It is understood the maximum number of hours scheduled per week will not exceed forty-eight (48) hours.

However, it must not be construed as meaning the Company guarantees a specific number of hours per day or days per week.

**8.3** Specific hours of work, including starting time, quitting time and applicable shift schedules compatible with the operating requirements of the plant will be continually posted on appropriate bulletin boards within the plant. Union stewards will have the opportunity to discuss with management any changes or modifications to the existing work schedule.

- 8.4 The Company shall endeavour to arrange work schedules in such a manner as to provide the employee with consecutive days off.
- 8.5 Shift change penalty (equivalent to four hours of any employee's base rate) will be paid to the employees when they are required to change shifts with less than forty eight (48) hours notice.
- 8.6 It is agreed that shift employees shall not leave their shift until properly relieved.
- 8.7 Maintenance employees are normally scheduled to work from 8:00 am to 12:00 noon and 12:30 pm to 4:30 pm. To provide an average of thirty-eight (38) hours per week, each maintenance employee will work three (3) weeks of five (5) eight (8) hour days per week and one (1) week of four (4) eight (8) hour days.
- 8.8 During scheduled maintenance shutdowns, maintenance employees may be scheduled to work twelve (12) hours shifts. That notwithstanding, overtime will be paid for any hours worked beyond the normally scheduled hours set out in Article 8.7.

When scheduled to work twelve hour shifts, the hours of work will be from 8:00 a.m. until 8:00 p.m., with two (2) paid thirty (30) minute meal breaks and two (2) paid fifteen (15) minute rest breaks.

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## ARTICLE 9

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### OVERTIME

- 9.1 In order to maintain the safe and efficient operation of the plant, the parties recognize and agree that a reasonable amount of overtime work is required. However, the Company will endeavour to give reasonable notice of overtime work and divide this work as equitably as possible.
- 9.2 The rates of pay for all overtime shall be paid at two (2) times the employee's applicable base rate.
- 9.3 Shift premiums shall not be included when computing pay for overtime. Sunday premiums and shift differentials (where applicable) shall be added to the overtime rate for all overtime hours worked by rotating shift workers.

- 9.4** Except in extreme emergencies, employees will not be required to work more than sixteen (16) hours in any regular twenty four (24) hour period, or work in excess of sixteen (16) continuous hours.
- 9.5** Overtime will be paid to employees when they are required to work short changes. Short change is when a straight time shift is worked and is subsequently followed by a second shift with only an eight (8) hour break.
- 9.6** Overtime shall be paid for all hours in excess of 12 hours per day and for all hours in excess of 36 or 48 hours per week, according to the work schedule.

For employees working other than the twelve (12) hour work schedule, overtime will be paid for all hours worked in excess of the scheduled hours per day and/or all hours in excess of the scheduled hours per week. For the purposes of calculating weekly overtime, the number of scheduled hours in the week will be based on the schedule posted by 12:30 pm on Friday. The work day is a twenty-four (24) consecutive hour period beginning at the start of the employee's scheduled shift.

A Relief Operator and/or Maintenance Journeyman working -an eight (8) hour shift who is required to delay starting his lunch period until after his regular lunch period has ended or to start his lunch period one half (0.5) hour or more before the start of his regular lunch period shall be paid at overtime rates for such regular lunch period and be permitted to eat his lunch on Company time. The employee will not be expected to start his assigned lunch period before 11:00 a.m. or after 1:30 p.m.

- 9.7** For maintenance employees, overtime will be paid for all hours worked in excess of the scheduled hours per day and/or all hours in excess of the scheduled hours per week.

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## ARTICLE 10

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### MUTUAL EXCHANGE OF SHIFTS

- 10.1** The exchange of shifts or regularly scheduled days off shall be permitted without penalty to the Company providing:
- a.** The employee desiring the exchange secures the consent of the employee with whom he wishes to exchange shifts or days off, and
  - b.** The immediate supervisor(s) of the employees involved approves the change.

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## ARTICLE 11

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### OVERTIME MEAL ALLOWANCE

- 11.1** When an employee covered by this Agreement is required at the end of his prescribed shift to work overtime in excess of one (1) hour, he shall be supplied with a hot meal, and every four (4) hours thereafter. The meals will be eaten on Company time.

The Company will provide employees with a hot meal if employees are called in early prior to their regular day shift, where less than two (2) hours notice has been given.

Where the Company is unable to provide a hot meal, a meal allowance of \$13.00 will be provided in lieu thereof.

The Company agrees to establish a workable procedure for providing overtime meals on the off-shift.

- 11.2** For barge work employee will be provided with either a hot meal or a meal allowance after nine (9) hours of work, and every four (4) hours thereafter. The meals will be eaten on Company time.

The hot meal referred to above will be selected by the employee from a “menu” of set meals as provided by the Employer.

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## ARTICLE 12

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### CALL INS

- 12.1** A call in is an occasion when an employee, after punching out, is called in to work before his next regularly scheduled reporting time. Work performed on a call in shall be paid for at the appropriate overtime rate. In addition, the Company will pay an amount equal to four (4) hours pay at the employee’s straight time hourly rate. Such call time shall not be payable when the employee, before punching out, is notified to report for work before his next regularly scheduled reporting time. However, when an employee is told during working hours that he will have to come in after his scheduled working hours, but will be notified after punching out by telephone or any other manner, the time for him to come in, he will qualify for call time.

**12.2** When the hours worked on a call in are extended to the employee's regularly scheduled starting time, payment of two (2) times base rate as called for by this Article shall cease at the employee's regularly scheduled starting time.

**12.3** If an employee who is assigned to a non-rotating work schedule, is required to work between the hours of 12:00 midnight and 4:00 am, he shall not be required to report for his regular shift without having eight (8) consecutive hours off the job. The employee shall not lose any scheduled time or pay as a result of this provision, provided he returns to work his regular shift within eight (8) hours.

Notwithstanding the above, an employee who is required to work with two (2) hours or less remaining in his regular shift will have the option of returning or not returning to work without jeopardizing his regular pay up to his last two (2) hours.

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## **ARTICLE 13**

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### **BEREAVEMENT LEAVE**

**13.1** In the event of a death in the employee's immediate family bereavement leave up to two (2) shifts for employees assigned to a 12 hour schedule, and up to three (3) shifts for employees assigned to other than a 12 - hour schedule, will be granted with pay by the Company upon the request of the employee.

Members of the employee's immediate family are defined as the employee's spouse, son, daughter, mother, father, mother-in-law, father-in-law, brother, sister, son-in-law, and daughter-in-law.

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## **ARTICLE 14**

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### **STATUTORY HOLIDAYS**

**14.1** It is agreed that the following holidays will be recognized as Statutory Holidays in the operation of this Agreement:

New Years Day  
Good Friday  
Victoria Day  
Canada Day  
B.C. Day

Labour Day  
Thanksgiving Day  
Remembrance Day  
Christmas Day  
Boxing Day

- 14.2** The holidays listed above will be observed on the date on which they fall. Employees will be paid for actual hours worked on Statutory Holidays.
- 14.3** In addition to the holidays listed above, a floating personal holiday will be given each year to all permanent employees. The employees must provide adequate notice and the holiday will be scheduled such that a proper relief may be provided at no additional cost to the Company.
- 14.4** For each of the ten (10) holidays listed in Article 14-1, employees shall be paid 7.6 hours holiday pay at their base rate without regard to shift premiums.

However, under the following circumstances, no pay shall be made for the holiday:

- a.** An employee is absent without permission or justifiable reason either of his regular working days immediately preceding or following a recognized holiday.
  - b.** An employee refuses to respond to a call out on a recognized holiday.
  - c.** An employee does not report for work on a recognized holiday on which he is scheduled to work.
  - d.** An employee is away on an extended leave of absence beyond fifteen (15) calendar days.
- 14.5** Employees will be permitted to take a maximum of six (6) twelve hour shifts off in lieu of the ten (10) statutory holidays and the floating personal holiday per year. Employees taking banked days off while assigned to a work schedule other than the 12 hour schedule, shall be entitled to an equivalent amount of time off (i.e. 72 hours).

Days off must be requested far enough in advance to permit covering the job without additional cost to the Company. However, no employee may claim such days off if, by reason of such claim, the Company is required to pay overtime to any other employee.

- 14.6** Notwithstanding Article 14.5, employees will be permitted to take up to a maximum of three (3) of the six (6) twelve (12) hour shifts consecutively, after giving seven (7) days notice. However, in cases of emergency or lack of available relief, the scheduled day(s) off may be deferred by the Company. Only one employee may schedule banked days off for any given day unless approved by the Company.

- 14.7** An employee may, upon written request, bank the earned statutory holiday pay. The banked earnings will be payable when the employee takes the day or days off as specified in Article 14.5.

Banked days are to be taken within the period of twelve (12) months, commencing on May 1 and ending April 30. Banked days not taken during this period shall be forfeited. Banked statutory holiday pay associated with such forfeited banked days will be paid out however.

- 14.8** When a statutory holiday falls on a maintenance employee's scheduled day off, the holiday will be observed on the next working day.

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## **ARTICLE 15**

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### **WORK PERFORMED ON A RECOGNIZED HOLIDAY**

- 15.1** For work performed on a recognized holiday, an employee will be paid his regular 7.6 hours of holiday pay, plus an additional premium of two (2) times his base rate for actual hours worked. However, no holiday pay shall be paid under any of the circumstances outlined in Article 14.4.
- 15.2** For all work performed on a recognized holiday in excess of an employee's regularly scheduled hours, an employee shall be paid at three (3) times his applicable base rate.
- 15.3** With special reference to the Christmas and New Year's Day holiday, it is recognized that the number of employees required to work will be held to the absolute minimum to maintain the efficient operation of the plant. Work performed on the Statutory Holiday of Christmas Day shall be at two and one half (2.5) times the employee's applicable base rate.

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## **ARTICLE 16**

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### **VACATIONS**

- 16.1** The vacation period shall be the twelve (12) month period commencing on May 01 and ending on the following April 30. Employees in their third (3<sup>rd</sup>), eighth (8<sup>th</sup>), seventeenth (17<sup>th</sup>) and twenty fifth (25<sup>th</sup>) years of service shall qualify for the third (3<sup>rd</sup>), fourth (4<sup>th</sup>), fifth (5<sup>th</sup>) and sixth (6<sup>th</sup>) week of vacation on their anniversary date of hire. Such additional weeks shall be taken from the anniversary date to the following May 01 only.

The vacation pay for the additional week of earned vacation shall be calculated at the same rate as the employee's vacation pay entitlement for the vacation period in which the anniversary date falls, and shall be payable as soon as practicable following the employee's anniversary date.

No employee may continue to work and draw vacation pay in lieu of taking a vacation.

- 16.2** An employee who has worked less than three quarters (3/4) of the full time hours available on their jobs during the twelve (12) month vacation qualifying period shall be paid four percent (4%) of his regular earnings. Time off for the vacation is to be pro-rated to earnings.

The following shall be considered as time worked for the purpose of qualifying for vacation:

- a. Time not exceeding one (1) year, lost as a result of an accident recognized as compensable by the Workers' Compensation Board, suffered during the course of employment.
  - b. Time not exceeding one (1) year, lost as a result of a non occupational accident or illness.
  - c. Time spent on earned vacations and Statutory Holidays as defined in Articles 16 and 14 respectively.
  - d. Time absent from work because of Jury Duty, Bereavement Leave or approved Leaves of Absence.
- 16.3** Employees who have completed one (1) year of continuous service and who have worked at least three quarters (3/4) of the full-time hours available on their jobs during the twelve (12) month vacation qualifying period, will qualify for two (2) weeks vacation. Pay for such vacation will be at four percent (4%) of the employee's regular earnings or seventy-six (76) hours at the employee's regular base rate, whichever is greater.
- 16.4** Employees who have completed three (3) year of continuous service and who have worked at least three quarters (3/4) of the full-time hours available on their jobs during the twelve (12) month vacation qualifying period, will qualify for three (3) weeks vacation. Pay for such vacation will be at six percent (6%) of the employee's regular earnings or one hundred fourteen (114) hours at the employee's regular base rate, whichever is greater.

- 16.5** Employees who have completed eight (8) years of continuous service and who have worked at least three quarters (3/4) of the full-time hours available on their jobs during the twelve (12) month vacation qualifying period, will qualify for four (4) weeks vacation. Pay for such vacation will be at eight percent (8%) of the employee's regular earnings or one hundred fifty two (152) hours at the employee's regular base rate, whichever is greater.
- 16.6** Employees who have completed seventeen (17) years of continuous service and who have worked at least three quarters (3/4) of the fulltime hours available on their jobs during the twelve (12) month vacation qualifying period, will qualify for five (5) weeks vacation. Pay for such vacation will be at ten percent (10%) of the employee's regular earnings or one hundred ninety (190) hours at the employee's regular base rate, whichever is greater.
- 16.7** Employees who have completed twenty-five (25) years of continuous service and who have worked at least three quarters (3/4) of the fulltime hours available on their jobs during the twelve (12) month vacation qualifying period, will qualify for six (6) weeks vacation. Pay for such vacation will be at twelve percent (12%) of the employee's regular earnings or two hundred twenty eight (228) hours at the employee's regular base rate, whichever is greater.
- 16.8** It is understood that the above noted weekly vacation schedule will apply to employees working the twelve (12) hour schedule as follows: a two (2) week vacation will consist of 6-12 hour shifts; a three (3) week vacation will consist of 10-12 hour shifts; a four (4) week vacation will consist of 13-12 hour shifts; a five (5) week vacation will consist of 16-12 hour shifts, and a six (6) week vacation will consist of 19-12 hour shifts.
- 16.9** All Employees shall be allowed to take vacation in accordance with their accrued time and earnings within the specified vacation period.
- 16.10** The Company will consider an equitable system of distributing the prime weeks of vacation period. The Company will prepare a vacation schedule considering both the wishes of the employee and the efficient operation of the plant.
- 16.11** Where an employee becomes disabled as a result of sickness or accident and the disability extends into his scheduled vacation period, a new vacation period may be assigned.
- 16.12** Employees on the payroll at the time of signing the 1999 agreement will have the option of a one time only election to have vacation pay paid at the time vacation is taken. Individual elections are to be made prior to April 1<sup>st</sup> of any calendar year on the form provided. Employees not exercising this option will have vacation paid out no later than the last pay day in May of each year.  
Effective February 10, 1999, all new hires into Local 8 will have vacation pay paid at the time vacation is taken.

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## ARTICLE 17

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### SUPPLEMENTARY VACATIONS

- 17.1** In addition to regular vacations, an employee is eligible for one (1) week of supplementary vacation, to be taken as a block of time, after completion of five (5), ten (10), fifteen (15), twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of continuous service. For employees working the 12 hour schedule, one week of supplementary vacation shall consist of 3-12 hour shifts.
- 17.2** Supplementary vacations must be taken prior to the date the employee is eligible for his next earned period of supplementary vacation.
- 17.3** One (1) week of supplementary vacation shall be at thirty-eight (38) hours at the employee's regular base rate.
- 17.4** The allotment of supplementary vacation dates shall be decided in accordance with Article 16.10.
- 17.5** One (1) day of supplementary vacation will be credited for each completed year of continuous service up to thirty-five (35) years of service. At retirement or termination from the Company, the employee shall be entitled to that portion of supplementary vacation pay proportionate to the number of years of service completed subsequent to his last five (5) year entitlement period. Each day of supplementary vacation that an employee is entitled to under this provision will be paid at 7.6 hours at the employee's regular base rate.

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## ARTICLE 18

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### HEALTH AND WELFARE

- 18.1** The Company will make available to its employees a Health & Welfare Plan which will encompass the following coverage and benefits. Participation in these programs, with the exception of the Weekly Indemnity Plan set out below, will be by means of automatic enrolment following three (3) months of regular full time employment.

**a. Weekly Indemnity Plan**

A weekly indemnity plan which will provide a benefit as follows:

<u>CONTINUOUS SERVICE</u>	<u>Full Pay</u>	<u>2/3 Pay</u>
Less than three months.	2 weeks	24 weeks
Three months or more but less than one year.	15 weeks	11 weeks
One year or more.	26 weeks	

Premium cost will be borne by the Company.

Effective May 1, 1994, the Company undertakes to maintain first day benefit payments. The Company will decide, annually, on the basis of claims experience, whether first day illness payments will continue.

**b. Long Term Disability Plan**

Effective 1989 January 01, employees covered by this Agreement shall be entitled to the benefits provided by the Nexen Inc. Long Term Disability Program.

**c. Group Term Life Insurance Plan**

A non contributory Group Term Life Insurance Plan, which will provide benefits equal to two and one half (2.5) times annual earnings, rounded to the next higher \$1,000.00. Annual earnings are defined as the employee's normal weekly hours, times fifty two (52) times employee's base hourly rate.

**d. Accidental Death & Dismemberment Insurance**

A non contributory Accidental Death & Dismemberment Insurance Plan which will provide benefits in an amount equal to the Group Term Life Insurance coverage to which an employee is entitled.

**e. Medical/Surgical Plan**

A Medical/Surgical Plan as required by the British Columbia Medical Commission. Premium costs for this program to be on a cost sharing basis, seventy percent (70%) payable by the Company, thirty percent (30%) payable by the employee.

**f. Standard Extended Health Benefit Plan**

The standard Extended Health Care Plan will also form part of this Agreement. Premium costs for this program to be on a cost sharing basis, seventy percent (70%) payable by the Company, thirty percent (30%) payable by the employee.

**g. Pension Plan**

The Pension Plan(s) as offered by Nexen Inc. to all hourly employees, will form part of this Agreement.

**h. Dental Care Plan**

A compulsory Dental Care Plan will be provided. Premium costs of the Dental Care Plan will be borne by the Company. Effective 1988 September 01, Part A (Routine Services) coverage will increase to 100%.

**i. Employee Savings Plan**

The Nexen Inc. Employee's Savings Plan (as in effect 1984 January 01 and designated as "Employee Savings Plan for Industrial Chemicals Division Hourly Employees") will be available to all hourly employees covered by this Agreement.

**18.2 Work Clothing**

The Company shall provide each employee with two (2) pairs of coveralls or two (2) pairs of pants/shirts per contract year. The Company will provide laundering facilities or a laundry service at no cost to employees.

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**ARTICLE 19**

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**UNION STEWARD, SAFETY AND ENVIRONMENT**

**19.1** The Union may appoint two (2) employees to act as representatives of the Union in connection with grievance procedures. The employees will be permitted reasonable time to process grievances but at all times subject to the demands of operating procedures and practices and safety of the Plant.

**19.2** It is understood that employees will be paid by the Company only for regularly scheduled working time lost at their permanently assigned job classification base rate for the handling of grievances at the job site. The Company will not reimburse employees for time spent on arbitration or negotiations.

### **19.3 SAFETY AND ENVIRONMENT**

- a.** The Company agrees to provide equipment, procedures and safety and environmental rules which adequately provide safe working conditions for its employees.
- b.** The Union agrees to promote the development of safe and environmentally responsible working practices among its members.
- c.** Employees will not be expected to operate or work with unsafe equipment, under unsafe working conditions and/or using environmentally unacceptable practices or equipment.
- d.** The Company shall maintain an Industrial Health, Safety & Environment Committee, which shall be constituted and work in accordance with the Workers' Compensation Board Industrial Health & Safety regulations. This committee will also review and deal with environmental issues.

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## **ARTICLE 20**

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### **BULLETIN BOARDS**

**20.1** A bulletin board will be provided by the Company for the use of the Union. Use of the bulletin board shall be restricted to notices of Union social affairs, Union elections, time and place of Union meetings.

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## ARTICLE 21

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### LEAVES OF ABSENCE

- 21.1** Employees may obtain a Leave of Absence without pay, not to exceed thirty (30) calendar days, when approved in advance by Management. The granting of such leave shall be contingent upon the Company's ability to replace the employee on a straight time basis.
- 21.2** Employees may obtain a Leave of Absence without pay, not to exceed sixty (60) calendar days, when approved by Management and after employee has completed five (5) or more years of continuous employment with the Company. Such leave shall be contingent upon the Company's ability to replace the employee on a straight time basis.
- 21.3** An employee who is elected or otherwise appointed to attend a Union convention or conference shall be granted a Leave of Absence, without pay, for the term of the conference, providing the request for such leave is received, in writing, two (2) weeks in advance, from the employee concerned, with verification by the Union.
- 21.4** An employee who is elected or appointed to handle Union affairs which requires full time employment by the Union, shall be granted a Leave of Absence, without pay, for a period of up to one (1) year. This leave may be extended by the Company and the Union.
- 21.5** Consideration of Leaves of Absence as provided in this article shall be granted to no more than one (1) employee at any one time.
- 21.6** An employee who is granted a Leave of Absence in accordance with this section shall have his seniority continue to accumulate during the period of absence, but no other benefit under this Agreement.

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## ARTICLE 22

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### FAILURE TO PROVIDE WORK

- 22.1** If an employee reports to work at his regularly scheduled reporting time and no work is provided, he shall receive two (2) hours pay at a straight time rate for so reporting, provided that such employee was not notified prior to his regular reporting time that he should not report to work.

- 22.2** If an employee has commenced his regularly scheduled hours of work and then is informed that no work is available, he shall receive a minimum of four (4) hours of pay at his regular straight time hourly rate of pay in lieu thereof, at the discretion of the Company, provided that, failure to provide work is not because of accident, interruption of power supply or Act of God.

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## **ARTICLE 23**

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### **JURY DUTY**

- 23.1** The Company will pay an employee called for Jury Duty, Coroner's Inquest, or as a Crown Witness, the difference in remuneration received for the performance of these duties and his straight time pay for hours necessarily lost from work due to this required attendance; providing the employee works on his regular schedule on any day that he is not performing any of the duties listed above.

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## **ARTICLE 24**

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### **SEVERANCE PAY**

- 24.1** Employees with one (1) or more years of continuous service who are permanently laid off as a direct result of technological change, automation, plant closure or lack of work shall be paid severance pay in an amount equal to two (2) weeks pay plus two (2) weeks pay at the employee's regular base rate (exclusive of any other premiums) for each year of service thereafter. Severance pay is not payable in the event of a voluntary quit, discharge for cause, death or retirement.
- 24.2** At the time of separation, the employee shall have the option of receiving his severance allowance on termination, or he may elect to have his severance allowance held in abeyance for up to two years from the date of termination. He may apply in writing at any time during the year, at which time his full severance allowance will be paid forthwith.

- 24.3** When an employee is terminated as a direct result of automation, technological change, or plant closure the Company will assist the Union in communicating with Canada Manpower to advise them of the suitability of the employee for retraining and relocation in another job, and request that they use their facilities for this purpose. The Company will give as much prior notice as possible. However, not less than six (6) months notice shall be given. It is agreed by both parties the union will promote and encourage that membership productivity is maintained at an acceptable level during the notice period.
- 24.4** An employee who receives such severance pay shall be automatically terminated and therefore lose all rights and privileges under this Agreement.
- 24.5** In the event of a permanent or partial plant closure, the Company is prepared to extend to the affected Nanaimo employees, the Employment Adjustment Program.
- 25.1** The Overtime list will be updated and posted every two weeks by 2:00 PM on the Friday preceding pay close.
- 25.2** To have the opportunity to work overtime, an employee must meet the following conditions:
- a.** is on days off.
  - b.** is not scheduled to work the immediately preceding or immediately following shifts.
  - c.** can do the job.
- 25.3** Operators will be phoned in order of lowest overtime hours. The first operator personally contacted will provide relief for the shift if no other operator is available. If any operator is on a nine-day break, scheduled vacation, or banked days and does not wish to come in, the next operator personally contacted will provide relief.
- Operators who agree to work overtime while on vacation or banked days will be paid at the applicable overtime rate. However, any operator who agrees to work overtime while on a banked day or scheduled vacation day will be deemed to have forfeited any right to that banked day or scheduled vacation day that year and may not have that day rescheduled at a later time.
- 25.4** Overtime hours will be charged as they are worked.
- 25.5** Call-in hours are charged to overtime hours.

- 25.6** Employees may bank up to thirty-six (36) hours of the premium portion of their overtime hours. Overtime hours are those actually worked at double time and do not include call-in premiums.

After providing the employer with written notification, employees may withdraw all or part of the value of their banked overtime. It is understood and agreed that banked overtime hours will not be used to take additional time off with pay.

All banked overtime will be paid out on or before December 31<sup>st</sup> of each year as banked overtime may not be carried over into the next calendar year.

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## **ARTICLE 26**

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### **NEW CATEGORIES**

- 26.1** Should the Company introduce a new job classification during the term of this Agreement, the Company will notify the Union at least sixty.(60) days in advance of the details relative to the category.

Wage rates for new categories will be governed by the conditions set forth in Article 7.4.

- 26.2** It is not the intent of the Company to introduce a new job classification that would include both operations and maintenance work.

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## **ARTICLE 27**

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### **JOINT COMMITTEE**

- 27.1** It is agreed that during the term of this Agreement, a Joint Committee, made up of employees of Nexen Inc. in Nanaimo, be struck representing the Union and Management. The Committee's terms of reference are to investigate how the effects of technological change may affect the plant, and how production/maintenance and methods of operation throughout the plant may be improved.

## **27.2 Guidelines**

- a.** It is the intention of the Committee to promote co-operation between the Union and Management. A full and honest disclosure of information is essential.
- b.** Both parties agree to provide to the Committee all budgetary, technical and engineering information relative to any of the following items being reviewed or considered:
  - i** Technological change
  - ii** Changes to production/maintenance and methods of operation.
  - iii** Changes to job content and practice.
- c.** It is understood that the decisions and recommendations of the Committee will require approval of the local Union executive and the Management of the Nanaimo plant prior to the decisions and recommendations being implemented.

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## **ARTICLE 28**

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### **TERM OF AGREEMENT**

- 28.1** This Agreement shall remain in effect from midnight April 30, 2003, until midnight April 30, 2006.
- 28.2** Should either party hereto desire to change, add to, amend or terminate this Agreement, that party agrees to give the other party written notice to that effect on or before ninety (90) days prior to the expiry date of this Agreement. Provided that no such written notice is given by either party, the conditions of this Agreement shall remain in effect at the expiry date.
- 28.3** The parties agree that the operation of sub section (2) of section 50 of the Labour Relations Code of British Columbia is hereby excluded.

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## **ARTICLE 29**

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### **THE EFFICIENT MANAGEMENT AND OPERATION OF THE PLANT**

- 29.1** Subject to the terms of this Agreement, the conduct of the Company's business, the efficient management and operation of the plant, and the direction of the working force are, in all respects, vested in the Company.

- 29.2** Supervisors and employees beyond the scope of this Agreement will not perform work so as to displace or exclude regular employees on their jobs, except that their activities will not be restricted in emergencies, in the training of employees, or in the development of improved operating procedures.
- 29.3** It is not the Company's intention to cause any present, regular, full time employees in maintenance or production operations to be demoted or laid-off by bringing in an outside contractor to perform work on existing processes or equipment.
- 29.4** The Company agrees that routine maintenance will not be contracted out. The Union agrees that outside contractors may be used in three situations: during plant shutdown, major projects, and for those jobs that require special skills not available in the bargaining unit.

Notification will be given to the Shop Steward when maintenance work is being contemplated, well enough in advance that there will be enough time to call a Union Management meeting to discuss the subject. When such notification is not possible due to the urgent nature of work required, notification will be given to the Shop Steward as soon as possible.

**PLACE ORIGINAL LETTER OF UNDERSTANDING –NANAIMO  
OPERATIONS – POST C/A CLOSURE LETTER HERE**

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**LETTER OF INTENT**

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Consistent with the Post C/A Closure Letter of Understanding (dated January 29, 1991), whereby both parties committed to the co-operative resolution of problems arising out of the performance of operations work, the Company undertakes to address the Union's concern regarding the issue of Process Operator workload during the Monday - Friday day shift period.

Specifically,

1. When a relief chlorate operator is working the 8-hour schedule and is not assigned to barge loading/unloading or other priority activities, he may be assigned to perform chlorate truck loading duties by the Operations Superintendent.
2. The Company intends to continue the current truck loading schedule and reserves the right to modify the schedule in a manner which best meets the needs of the plant and its customers.
3. It is agreed by both parties that employees covered by this agreement will perform all duties associated with caustic truck loading.

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**LETTER OF INTENT**

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As clarification of the intent of the second paragraph of the Post C/A Closure Letter of Understanding (dated January 29, 1991), the Company agrees to add the following wording:

Should the Company alter or add to the operations work currently being performed by bargaining unit personnel such that additional full-time personnel are required, it is understood such personnel will be members of the bargaining unit.

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## LETTER OF INTENT

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### RELIEF

Operations employees will take training, which will ensure their ability to progress through the normal progression of Operations classifications at Nanaimo. The Operations Superintendent will assign Chlorate Operators and Relief Operators to the Process Operator function as necessary to ensure that their skills stay current.

Under normal circumstances, Chlorate Operators will relieve Process Operators during nine-day breaks, and Relief Operators will relieve Process Operators during vacations and banked days. In unusual circumstances (e.g. sickness, inability to cover shift because of vacation), either a Chlorate Operator or Relief Operator may relieve a Process Operator.

Twenty-five cents (\$.25) has been added to the Chlorate Operator rate to recognize this agreement.

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## LETTER OF INTENT

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### PROCEDURES AND MANUALS

The Union recognizes the significance of its support and participation in updating the operations manuals and procedures.

To that end, for major rewrites, the Operations Superintendent may either utilize a relief operator, working the 8 hour day, for this assignment, or a rotating shift worker, who will be relieved from his regular duties. Operators will review operations procedures and manuals and will do minor revisions and updates on shift, consistent with current practice, e.g. quality procedures and safety manuals.

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## LETTER OF UNDERSTANDING

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1. Regarding the inclusion of maintenance personnel into the bargaining unit (May 2, 1994), it is understood by both parties that operations work will be performed by operations personnel and maintenance work will be performed by maintenance personnel.
2. The parties commit to examine a pay for knowledge system for the process and chlorate operators.

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**LETTER OF UNDERSTANDING**

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**MAINTENANCE DEPARTMENT – COMPRESSED WORK WEEK**

The Company and the Union agree to continue discussions regarding the implementation of a compressed work week for the employees in the Maintenance Department. It is understood and agreed that the compressed work week will be implemented during 2003 and that it will be for a period of time not to exceed six (6) months.

After the trial period, the Company will advise the Union whether or not it is willing to adopt a compressed work week for the Maintenance Department and the conditions under which such would be implemented. It is also agreed that there is nothing contained herein which requires either party to agree to the permanent implementation of a compressed work week.

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**LETTER OF UNDERSTANDING**

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**OPERATIONS TRAINING REVIEW COMMITTEE**

The Company and the Union agree that the training process for new Operations employees needs to be reviewed and changed. Accordingly, the parties agree that during the term of this agreement, representatives from the Company and the Union will meet to discuss possible alternatives to the existing system.