

AGREEMENT

between

SHELL OIL PRODUCTS, US

and

UNITED STEELWORKERS UNION (U.S.W.) Local 12-591 (AFL-CIO)

Covering all Employees of

PUGET SOUND REFINERY

(Except Salaried Clerical Employees,
Plant Protection Employees, Technical
Employees, Professional and
Supervisory Employees)

2019 - 2021

Table of Contents

ARTICLE	PAGE
ARTICLE I BARGAINING	2
ARTICLE II EMPLOYEES' DUTIES	3
ARTICLE III HOURS OF WORK	4
ARTICLE IV WAGES.....	5
ARTICLE V OVERTIME	8
ARTICLE VI SENIORITY.....	11
ARTICLE VII LAYOFF	19
ARTICLE VIII VACATIONS	20
ARTICLE IX LEAVE OF ABSENCE	21
ARTICLE X DISCHARGE, SUSPENSION AND RESIGNATION	22
ARTICLE XI PHYSICAL EXAMINATION.....	23
ARTICLE XII SAFETY, SANITATION, ETC.....	24
ARTICLE XIII MISCELLANEOUS.....	31
ARTICLE XIV SETTLEMENT OF DISPUTES AND GRIEVANCES	34
ARTICLE XV STRIKES AND LOCKOUTS	36
ARTICLE XVI UNION SECURITY	37
APPENDIX A SUCCESSOR LETTER OF UNDERSTANDING.....	40
APPENDIX B	41
APPENDIX C.....	46
APPENDIX D OPERATIONS PROGRESSION/STRUCTURE.....	48
APPENDIX E CONSOLE OPERATOR PRE-SCREEN AND SELECTION PROCESS.....	49
APPENDIX F LABORATORY PROGRESSION/WORK SCHEDULE.....	50

SUBJECT INDEX BY ARTICLES

Agreement	Paragraph	Page
Duration, Coverage.....		1
ARTICLE I – Bargaining		2
ARTICLE II – Employee Duties		
Failure of Relief to Show Up.....	E.....	3
Good Housekeeping and Running Maintenance.....	C.....	3
Job Contents.....	B.....	3
Maintaining Proficiency.....	G.....	3
Performance of Assigned Duties.....	A.....	3
Temporary Assignments to Other Departments.....	D.....	3
Work Limit of Two Successive Shifts.....	E.....	3
Work Peculiar to a Classification.....	F.....	3
 ARTICLE III – Hours of Work		
Daily Hours of Work – Change In.....	C.....	4
Make-Up Time.....	H.....	4
Off-Scheduled Hours.....	D.....	4
Posting of Weekly Schedules.....	G.....	4
Regular Scheduled Hours of Work.....	A.....	4
Returning Tools.....	I.....	4
Saturday Work – Day Employees.....	F.....	4
Shift and Day Workers Defined.....	E.....	4
Weekly Schedules – Day Employees.....	F.....	4
Work Week Established.....	B.....	4
 ARTICLE IV – Wages		
Conference – Bargaining.....	H.....	6
Conference – Called by Company.....	G.....	6
Conference – Contract Negotiation.....	H.....	6
Conference – Requested by Employee.....	G.....	6
Death in Family.....	J.....	6
Employee Assigned to Higher Classification.....	C.....	5
Job Rate Application.....	A.....	5
Hourly Rate & Classification Schedule.....		41
Leadperson Rate Application.....	K.....	7
Leadperson Rate or Above – Maintaining.....	L.....	7
Multiple Classified Employees.....	B.....	5
Operating Unit Down for Cleanout or T&I.....	D.....	5

Operating Unit Down for Construction or Extraordinary Repairs.....	D.....	5
Rate Protection.....	E.....	5
Reporting and Instructed Not to Work.....	F.....	5
Reporting and Used Less Than a Full Day.....	F.....	5
Temporary Assignment.....	E.....	5
Work in More Than One Classification During a Single Shift.....	C.....	5

ARTICLE V – Overtime

Balancing of Overtime.....	L.....	10
Beginning Work in Advance of Scheduled Starting Time.....	E.....	9
Changing Employees Posted Schedule.....	D.....	9
Emergency Callout.....	H.....	9
Holidays – Benefit Bearing.....	C.....	9
Holidays Observed.....	A.....	8
Holiday Pay.....	A.....	8
Individuals Off Sick.....	M.....	10
Lunch Period – Day Employee Working.....	G.....	9
New Employees in a Unit.....	N.....	10
No Pyramiding Overtime Rates.....	I.....	10
Parts of Overtime Hours.....	K.....	10
Retention of Overtime Hours.....	J.....	10
Upgraded Employees.....	O.....	10
Workday – Basic or for Overtime.....	B.....	9
Work in Excess of 8 Hours Per Day or 40 Hours Per Week.....	B.....	9
Work on Days Off.....	F.....	9

ARTICLE VI – Seniority

Ability Considered in Promotions.....	G.....	12
Applying for Posted Vacancy.....	I.....	12
Assignment on Bids.....	I.....	12
Consolidation of Departments.....	U.....	17
Credit for Employee Temporarily Absent or Engaged in Light Work.....	T.....	17
Departmental – When Effective.....	B.....	11
Disqualified Status – 6 Month.....	J.....	14
Employee’s Rights When in Line for Promotion.....	M.....	15
Equal Departmental and Plant Seniority Procedure.....	N.....	15
Filling Temporary Vacancies.....	L.....	14
Layoff and Rehiring Procedure.....	Q.....	16
Layoff – Reinstated Within 365 Days.....	R.....	16
Line of Promotion Chart Followed in Promotions and Reductions.....	F.....	12
Loss of Seniority Rights.....	E.....	12
New Departments in Operating Division.....	V.....	17
New Units in Established Department.....	W.....	17
Operator Relief Pool Accumulation of Dept. Seniority.....	C.....	11
Permanent Vacancy.....	H.....	12
Plant – When Effective.....	A.....	11

Posting of Vacancies and Filling of Applications.....	I.....	12
Promotion Refused.....	J.....	14
Promotion to Supervisory Status.....	Y.....	17
Promotion to Vacancies in Higher Classifications;		
Craft Departments.....	I.....	12
Operating Departments.....	I.....	12
Recall Procedure After Layoff.....	S.....	16
Reduction – From Lowest Classification in a Department.....	P.....	15
Reduction – Number of Employees in a Classification.....	O.....	15
Seniority Lists.....	Z.....	17
Service Credit – Helper Pool.....	J.....	14
Special or Unusual Ability.....	X.....	17
Starting Employment – Accumulating Seniority.....	D.....	11
Temporary Transfers to Other Properties or Affiliates.....	AA.....	17
Temporary Vacancy.....	K.....	14
Waiting Period – Employee Assigned on Bid.....	I.....	12

ARTICLE VII – Layoff

Rights and Benefits Permanent Loss.....	A.....	19
Reinstatement.....	C.....	19
Temporary Layoff.....	B.....	19

ARTICLE VIII – Vacations

Administration.....	B.....	20
Eligibility Established.....	A.....	20

ARTICLE IX – Leave of Absence

Company Regulations.....	E.....	21
Individual Requests for Union Business.....	C.....	21
Seniority Reinstatement Rights.....	D.....	21
Union Business – 45 Days Per Year.....	A.....	21
Union Business – 1 Year.....	B.....	21

ARTICLE X – Discharge, Suspension & Resignation

Filing of Complaints – Time Limit.....	A.....	22
Loss or Retention of Rights and Benefits.....	B.....	22
Restoration of Rights and Benefits of Discharged Employees.....	C.....	22
Restoration of Rights and Benefits of Suspended Employees.....	D.....	22
Right to Discharge or Suspend for Proper Cause.....	E.....	22

ARTICLE XI – Physical Examination

Applicants for Initial Employment or After Layoff of 365 Days.....	A.....	23
Cases of Recurring Absence.....	D.....	23
Laid Off Employee – Rights of.....	E.....	23
Minimum Physical Requirement.....	A-B.....	23
Rehires After Layoff of 365 Days or Less.....	B.....	23
Return to Work After Illness or Physical Impairment.....	C.....	23

ARTICLE XII – Safety, Sanitation, etc.

Employee Right to Refer to Plant Manager or Representative.....	C.....	24
Safety Meeting.....	A.....	24
Suggestions or Recommendations.....	B.....	24
Unreasonably Hazardous Condition.....	C.....	24
Industrial Health & Safety.....	D.....	24
Health and Safety Representative.....	E.....	25
Safety Coordinator.....	F.....	29

ARTICLE XIII – Miscellaneous

Benefit Plans.....	F.....	31
Union Notices and Communications.....	H.....	32
Conferring During Working Hours.....	E.....	31
Contracting of Work.....	N.....	33
Dispute of Benefit Plans.....	G.....	31
Lunch or Allowance for Employees Working Overtime.....	L.....	32
Medical Plan Contributions.....	G.....	31
No Discrimination Clause.....	A.....	31
Probationary Period.....	B.....	31
Rain Gear and Welders Gloves.....	K.....	32
Record of Violations in Employee’s Folder.....	D.....	31
Replacement of Damaged Clothing.....	J.....	32
Smoking or Lunch Periods for Employees Working Overtime.....	M.....	33
Solicitation or Collections During Working Hours.....	I.....	32
Transportation of Employees.....	C.....	31

ARTICLE XIV – Settlement of Disputes and Grievances..... 34

ARTICLE XV – Strikes and Lockouts..... 36

ARTICLE XVI – Union Security

Union Security Maintenance of Membership.....	A.....	37
Payroll Deduction of Union Dues.....	B.....	38

APPENDICES

A. Successorship Letter of Understanding.....	40
B. Twelve-Hour Shift Summary.....	41
C. Maintenance 4x10 Schedule.....	46
D. Operations Progression/Structure.....	48
E. Console Operator Pre-Screen and Selection Process.....	49
F. Laboratory Progression/Work Schedule.....	50

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(Except Salaried Clerical Employees,
Plant Protection Employees, Technical
Employees, Professional and
Supervisory Employees)

It is agreed by and between Shell Oil Products, US and the United Steelworkers Union (U.S.W.) Local 12-591 on behalf of the said employees, that the Articles set forth herein shall constitute the Agreement between the parties, as amended, which shall be in effect from May 1,

2015, through April 30, 2019, and if not terminated at the end of that period by sixty (60) days prior written notice by one party to the other, shall continue thereafter in effect until terminated by either party upon sixty (60) days written notice.

It is also agreed that either party, sixty (60) days prior to April 30, 2021, may serve notice on the other of its desire to amend rather than terminate the Agreement, in which event the terms and conditions of the Agreement shall continue in full force and effect until amended by mutual consent or terminated by either party by the sixty (60) days notice provided above.

It is understood that the employees covered by this Agreement are limited to the employees in the unit defined and referred to by the National Labor Relations Board in the decisions dated November 18, 1958 and November 18, 1997, Case No. 19-RC-2240 and Case No. 19-RC-13366, respectively, in which the United Steelworkers Union, Local 12-591, was certified as the exclusive bargaining agent.

ARTICLE I
BARGAINING

- A. The Company will, through its appointed representatives, receive the bona fide representatives of the United Steelworkers Union, Local 12-591, as the exclusive representatives of all of the said employees at Puget Sound Refinery for the purpose of collective bargaining in respect to pay, wages, hours of employment and other conditions of employment.

ARTICLE II EMPLOYEES' DUTIES

- A. Employees are expected to perform the duties to which they may be assigned.
- B. Job contents for additional classifications or substantial revision of job contents in existing classifications shall be established by the Company after consultation with the Union. Copies of the written description of existing or revised job contents will be furnished to the Union. No change in existing job contents will be arbitrarily made for the purpose of reducing the rate of pay for any classified job. Management will continue to consult with the Workers' Committee and will continue to consider the facts as presented by the Workers' Committee before making a final decision.
- C. All work incidental to good housekeeping, running maintenance, etc., will, consistent with efficient operation, be performed by operating employees.
- D. When a need for additional manpower exists in any department, employees may be temporarily assigned to such department and classification and will receive the rate of pay upon such assignment as provided in Article IV, Paragraph E.
- E. If a shift worker's relief fails to show up, such employee shall remain at their post until relieved by another employee or released by a Supervisor. However, no employee shall be required to work more than two consecutive shifts without relief, or as otherwise agreed to by the parties to this contract.
- F. Under normal plant conditions, work peculiar to one classification will be performed by employees assigned to such classification except that under normal conditions, an employee may be required to perform the duties of other classifications incidental to the duties of the classification to which they are assigned.
- G. An employee working outside their normal classification will work in their normal classification at a frequency to be determined by the Company, to maintain their proficiency.

ARTICLE III HOURS OF WORK

- A. Regular scheduled hours of work will not exceed 8 hours in any one day or 40 hours in any one week at regular rates of pay, or as otherwise agreed to by the parties to this contract.
- B. The work week shall consist of seven consecutive days commencing on Monday at 6:00 A.M. The established work day shall consist of the 24-hour period starting at 6:00 A.M., or as otherwise agreed to by the parties to this contract.
- C. Daily hours of work shall be those in effect at the date hereof. Any interest in changes to the scheduled hours of work by either party, except as provided in Paragraph D of this Article III, shall be jointly examined.
- D. Regular work schedules will be maintained but off scheduled hours may be required from time to time in order to maintain continuity of operations, make tests and inspections and provide for vacation and other relief.
- E. In applying the provisions of the Agreement to Shift and Day Employees, the following definition will govern:
 - Employees are designated as Shift Employees when their scheduled hours of work are rotated and the requirements of the work necessitate a compliment of employees within a classification for two or more daily shifts in order to maintain continuous operation.
 - All other employees will be designated as Day Employees.
- F. Normal weekly schedules of work for day employees will be established on the basis of five (5) consecutive work days within the established work week. Employees scheduled for Saturday work will be rotated within a classification insofar as is practicable. This paragraph does not apply to employees acting as shift relief nor does it apply during weeks in which paid holidays occur.
- G. Weekly schedules of work will be posted on Thursday afternoon not less than two (2) weeks prior to the week in which they are effective, and in the event of any subsequent change therein, employees affected will be notified as soon thereafter as possible.
- H. An employee, at their request, may be permitted at the discretion of Management to make up at regular rates on their days off within the week, time lost on account of inclement weather, sickness, or other such reasons, except that such time cannot be made up under any conditions where a premium or overtime rate is required.
- I. Reasonable time will be allowed for employees to return tools and other equipment at the end of a shift or day on Company time, taking due account of the distance of the work from the check-in point and the nature of the tools to be handled.

ARTICLE IV WAGES

- A. Employees will receive not less than the job rate, including shift differential, established for the work performed; the rate to be effective immediately upon the employee assuming the duties of the particular job on their own responsibility under normal supervision.
- B. An employee having more than one classification carrying different rates of pay will be paid the rate applicable to the classification in which they are working, except as provided in Paragraph C of this Article IV.
- C. An employee who is assigned to work at a higher rate will begin to receive such higher rate immediately. If they work less than one-half day in such classification, they will be paid the higher rate for one-half a work day; but if they work in such higher classification one-half a work day or more, they will be paid the higher rate for the total hours worked during the day.
- D. If an operating unit is down for a normal cleanout, for test and inspection, or for running repairs in order to keep the unit on line, during the normal time of such shutdown, operators may be required to perform maintenance work on that or other units and, for work performed, will continue to receive regular rates of pay.

If an operating unit is down due to lack of running orders, or for extraordinary repairs or construction work, personnel employed as operators on such unit will be assigned duties to the best advantage, consistent with good operations, and will, subject to Paragraphs C and D of this Article, be paid the rate applicable to the work to which they are assigned.

- E. If an employee is temporarily assigned to work in a department or classification other than their regular department or classification, no change in their classification or rate of pay will be made during the period of such temporary assignment, unless the rate of pay for the classification to which they are temporarily assigned is higher than their regular rate, in which event they will receive the higher rate. This paragraph will not apply, however, to employees who may be assigned temporarily to another department or classification for their own convenience or to employees reduced from a classification as a result of a reduction in compliment.
- F. An hourly employee reporting for work as scheduled and instructed not to work will be allowed 3 hours pay at their applicable straight time rate, provided the Company has not made a reasonable attempt to give such employee 2 hours prior notice that they will not be required to work.

An hourly employee reporting for work as scheduled and used less than a full scheduled day will, in addition to one hour travel time at regular rate:

- 1) Be allowed 3 hours pay at their applicable straight time rate or be paid for the hours actually worked at their applicable straight time rate plus applicable

overtime, whichever is greater; but in no event shall the amount paid exceed the amount for a scheduled day's work at the applicable rate.

2) The provisions of this Paragraph F will not apply to employees making up lost time as provided in Article III, paragraph H, or to changes made for the convenience of the employees.

G. If hourly employees are called into conference by the Company during regularly scheduled hours of work, they will be paid for such time at regular rates. If the conference extends over and beyond regular working hours, or has been called for any other than regular working hours, they will be paid time and one-half for such extra time, except, that if the conference is for the purpose of (1) collective bargaining, or (2) consideration of grievances in connection with any of the Articles, no payments will be made to such employee for time spent outside regularly scheduled hours. Should a conference, requested by an employee, be held at any time other than their regularly scheduled hours, they will not be paid for the time spent in such conference.

H. The Company will, through its appointed representatives, meet with the Workers' Committee of the United Steelworkers Union, Local 12-591, at reasonable intervals for consideration of matters of mutual interest. Time spent by employees in such conferences shall be without loss of regular scheduled time or pay; however, such pay is limited to not more than six (6) employees.

The Company will also pay the employee members of the Workers' Committee, not to exceed six (6) in number, for regular time lost while engaged in Contract Negotiations for the employees covered by this Agreement, but such pay shall be limited to not more than eight (8) days of bargaining during the term of this agreement.

Upon mutual agreement between the Company's appointed representatives and the Workers Committee, subcommittees may be formed from time to time to address issues that require additional time from both parties to progress matters of common interest.

I. When absent on jury duty an employee will be paid their regular wages, subject to Company regulations.

J. When you have a death in your immediate family, the Company provides time off with pay (typically, up to three days) so that you can attend the funeral. Under certain circumstances, you may take a longer absence, with or without pay. Discuss your situation with your manager as soon as you can.

In addition to spouse or domestic partner and child(ren), the immediate family will be considered as:

- Your father, mother, grandparent, or grandchild(ren);
- The father, mother, grandparent, or grandchild(ren) of your spouse or domestic partner;

- Your brother, sister, brother-in-law, or sister-in-law; or
- The brother, sister, brother-in-law, or sister-in-law of your spouse or domestic partner.

An employee will be paid regular wages for scheduled time for the following period:

- 1) If death occurs within a radius of 200 miles of the plant, for three (3) calendar days. The three (3) calendar days will be the two calendar days immediately following the day of the death and the day of the funeral.
- 2) If death occurs at a location in excess of 200 miles from the plant, additional time will be allowed at the discretion of your supervisor or manager up to a maximum of three (3) calendar days.

- K. The Company reserves the right to re-instate the below language if call-out acceptance level is below 90% over a time period of 6 months.

In order to maintain Leadperson rate or above in the subsequent 6-month interval, an employee in every fixed six-month period (i.e., 5/1 – 10/30 and 11/1 – 4/30) will be required to adhere to the following:

Meet one of the following 3 overtime requirements (providing opportunities were made available and the craftsperson is qualified to perform the work)

- Accept two (2) call-outs
- OR work a minimum of 50 hours overtime
- OR accept one (1) call-out PLUS work a minimum of 25 hours overtime

Employees removed from a classification shall not work the classification at a lesser rate of pay.

- L. In order to receive Leadperson rate, the craftsperson must take on additional responsibilities as follows:

An individual, when designated as a lead by management, will receive the Leadperson rate for the shift in which any of the following occur:

- 1) Welders, certified in two or more materials (e.g. Chrome, Stainless Steel, or Alloy 20), weld
- 2) Crane Operators operate cranes of 30 ton or greater capacity
- 3) Usage of a Bosun's chair
- 4) Other activities requiring elevated responsibilities, as defined by the Company (e.g. Unit bolt up or welding QA/QC for a large turnaround event, leading a crew for an entire shift or more, etc.)

ARTICLE V OVERTIME

A. Holidays

1) Day Employees

A day employee will be paid time and one-half for all work performed on the following ten (10) holidays, on the day on which they are observed. Should the calendar date of these holidays fall on Sunday, the holiday will be observed on the following Monday. Should the calendar date of these holidays fall on Saturday, the holiday will be observed on the preceding Friday.

2) Shift Employees

A shift employee will be paid time and one-half for all work performed on the following ten (10) holidays on the calendar date on which they occur:

New Year's Day
President's Day
Good Friday
Memorial Day
Independence
Day Labor Day
Columbus Day
Thanksgiving Day
Friday after Thanksgiving
Christmas

Hourly employees will receive a holiday allowance equivalent to normal daily scheduled hours not to exceed eight (8) hours for these holidays whether or not they work on such holiday. In no event will an employee receive more than eight (8) hours holiday allowance for any of the holidays regardless of when it is observed.

However, such holiday allowances shall not be paid to any employee who does not work on such holiday if:

- 1) The employee is requested to work on the holiday and does not work, or
- 2) The employee is absent on their last scheduled work day prior to, or the first scheduled work day following the holiday, and said absence is unexcused, or
- 3) The employee is on leave of absence of more than one week's duration, or
- 4) The employee is on leave of absence without pay due to sickness or accident and the holiday occurs after the first week of continuous absence.

- B. Employees will be paid time and one-half for all work performed:
- 1) For consecutive hours worked in excess of eight (8) after completion of regular daily schedule.
 - 2) In excess of eight (8) hours in any one day or forty (40) hours in any one week.

Hours paid for on a daily overtime basis will not be used again in computing weekly overtime in excess of forty (40) hours. There may be occasions when the Company and the Union may enter into agreements that deviate from Sections 1 and 2 of this Paragraph B.

- C. When a holiday occurs on an employee's regularly scheduled workday, and the employee is permitted by the Company to take the holiday in lieu of working the scheduled day, the holiday allowance shall be benefits bearing.
- D. An employee, who is assigned from their posted schedule to another regular schedule or special schedule on a different hourly basis, will be paid time and one-half for one shift unless given 16 consecutive hours notice prior to the starting time of the changed schedule.
- E. If an employee is required to begin work in advance of the starting time established on their posted schedule, they will receive time and one-half for hours worked up to the posted schedule starting time and thereafter receive their regular rate for working posted scheduled hours. Such change in starting time will not be considered a change of schedule as covered in Paragraph D of this Article V.
- F. Employees required to work on their posted day off will be paid time and one-half for such work, except this rule will not apply to:
- 1) Changes in schedule made for the convenience of the employee, or
 - 2) Employees who are promoted to a higher classification to fill a permanent vacancy, or
 - 3) An employee who is acting as temporary relief and returns to their normal classification, or
 - 4) Employees regularly assigned to the lowest classification in a department for the purpose of providing necessary relief in such department.
- G. A day employee who is required to work during the regular lunch period will be given an alternate lunch period on Company time and allowed to continue to work until the regular scheduled quitting time.
- H. An employee out to perform emergency work after leaving the plant shall receive a minimum of four (4) hours pay at his/her overtime rate for reporting or working not to exceed four (4) hours, and shall be paid one and one-half (1 ½) times his/her straight time rate thereafter until his/her regular starting time.

Management agrees that if an employee has punched out they will be considered as having left the plant.

- I. There shall be no pyramiding of the various premium or overtime rates for the same day worked. If two or more premium or overtime rates are applicable during the same hours of work, only the highest premium rate will be paid.
- J. Except where work is not available due to interruption of operations beyond the control of Management, all overtime actually worked by an employee will not be deducted from the regular weekly schedule.
- K. Employees working overtime hours shall be considered as having worked in increments of 6 minutes.
- L. Balancing of overtime will be administered on a consistent and annual basis.
- M. Individuals off sick, out of the department or on light duty for one month or more will be excluded from considerations on the balancing of overtime during such period. These individuals, on returning to regular duty, will be charged with the average number of overtime hours worked in the department during their absence.
- N. New employees in a classification will be charged with the average number of overtime hours worked in the department.
- O. Individuals accumulating overtime as a result of being upgraded in classification will be considered on balancing overtime in their regular classification only in the event their total overtime hours are less than those accumulated by the employee with the greatest amount of overtime in such regular classification.

ARTICLE VI SENIORITY

CREDITING OF SENIORITY

A. Plant Seniority

Employees shall be credited with plant seniority in the following manner:

An employee hired at Puget Sound Refinery shall begin to be credited with plant seniority 120 consecutive calendar days after they are initially and actively employed (during which period they shall be considered a probationary employee for seniority purposes). However, after the 120-day period, plant seniority will be credited retroactively to the date of initial hiring. This 120-day period is concurrent with the first 120 days of the 365-day probationary period as provided in Article XIII, Paragraph B.

B. Departmental Seniority

Employees shall be credited with departmental seniority in the following manner:

For employees hired at Puget Sound Refinery who are assigned by the Company to a department, departmental seniority shall become effective 90 consecutive days after they have been continuously assigned or transferred to a department and then departmental seniority will be credited retroactively to the date they first entered the department.

A Laborer temporarily upgraded on a day-to-day basis as a Craftsperson will not accumulate department seniority even though in some circumstances a Laborer works in one craft for more than 90 consecutive days.

C. An employee who is hired or assigned by Management to serve as sickness, vacation or other relief work will begin to accrue pool seniority in the Operator Relief pool effective with the date of employment or the date of assignment by Management and will receive one day of Pool seniority each day thereafter regardless of where the employee is working until such time as the employee may permanently leave the Pool. Promotions from the Operator Relief Pool to permanent vacancies in any Operating Department shall be made according to provisions of Article VI, Paragraph J.

D. An employee may start employment in the Laborer classification or in any other classification and accumulate plant and departmental seniority in accordance with the rules outlined above.

LOSS OF SENIORITY CREDIT

- E. An employee laid off for a period of 365 consecutive days, or who voluntarily resigns, or who is discharged, will lose seniority rights. Employees laid off but reinstated within 365 days or less will have only plant and departmental seniority rights earned at the time of layoff.

PROMOTIONS

- F. Promotions and reductions in force will, subject to the provisions of this Article VI, be made in accordance with the Line of Promotion Chart which has been established.
- G. In making promotions, the Company will consider length of service and ability and, where ability of the employees involved is determined to be relatively equal for the job under consideration, length of service shall govern. Ability shall be interpreted to include knowledge, training, skill, efficiency and physical fitness.

PERMANENT VACANCY

- H. If the Company determines that a vacancy must be filled and the vacancy is of a permanent nature, such as one resulting from an employee being separated from service, from the creation of new jobs requiring additional forces, etc., it shall be considered a permanent vacancy.
- I. In the Operating Department, the Company will have the right to fill two (2) out of every three (3) permanent job vacancies either by direct hire into the Department or in such other manner as the Company may deem appropriate. One (1) permanent vacancy in the Operating Department out of every three (3) shall be posted for bid. If no employee bids, is eligible to bid, or is qualified to accept the job assignment posted for bid, Management is at liberty to fill such vacancy either by direct hire or in such other manner as the Company may deem appropriate.

Employees in their probationary period will be restricted from being awarded a bid during the first 12 months of employment. An employee active in the formal levels of the Positive Performance Process will not be considered eligible to bid.

Vacancies occurring as a result of pre-hire placements to an Operating Unit or additional employees beyond the compliment determined appropriate for an Operating Unit do not constitute a permanent vacancy and therefore, are exempt from this bidding process.

The successful bidder, depending on their classification, will have the following wage setback: Lead Outside Operator to 36 month Outside Operator rate; Console Operator to 24 month Outside Operator rate; and Outside Operator to 12 month Outside Operator rate.

An employee who has been assigned to a unit on the basis of a successful bid shall remain in the unit for a period of 24 months before he/she can exercise their right to bid on any other vacancy posted for bid.

In the Maintenance Department, the Company will have the right to fill two (2) out of every three (3) permanent job vacancies either by direct hire into the Department or in such other manner as the Company may deem appropriate. One (1) permanent vacancy in the Maintenance Department out of every three (3) shall be posted for bid.

If no employee bids, is eligible to bid, or is qualified to accept the job assignment posted for bid, Management is at liberty to fill such vacancy either by direct hire or in such other manner as the Company may deem appropriate.

The Company will consider the written request of employees to transfer from the Maintenance Department to the Operating Department or between various units within the Operating Department. An employee who is allowed to transfer from the Maintenance Department to the Operating Department or between various units within the Operating Department will be considered as having utilized a bid right.

If a permanent vacancy is posted in the Craftsperson classification in the Maintenance Department, such vacancy shall be posted for a period of seven (7) calendar days on bulletin boards provided for this purpose.

An employee who desires to be considered for a posted vacancy shall be required to sign a written request and deliver it to the Human Resource Department before the expiration of the seven-day period. From the list of employees who submit written requests, consideration will be given in the following order:

First, to the qualified employees who have previous seniority in the primary craft skill required;

Second, to the qualified employees on the basis of plant seniority.

Due consideration will be given employees who are off sick, on vacation or other excused absence when a bid is posted if they should submit their bid after returning to work. Such bid shall be submitted within seven (7) calendar days after returning to work.

Employees who have been assigned to a classification on the basis of a bid shall remain in this classification for a period of 24 months before they can exercise their right to bid on any other vacancy for bid.

Employees will begin accruing seniority in their new department on the date following the close of the bid.

It is understood that in the event of a conflict between the provisions of this Paragraph I and any other provision of the Labor Agreement, the provisions of this Paragraph I shall govern.

- J. If the Company determines that a permanent vacancy above the lowest classification in any Operating Department must be filled, the qualified employee in the next lower classification with the greatest departmental seniority shall be promoted to such vacancy. Such employees shall thereupon acquire the seniority status in that classification to which they are entitled by reason of seniority in that department, except that, if an employee has, subject to Management's approval, declined promotion to or training for a higher classification for reasons other than temporary physical incapacity and subsequently accepts promotion to or training for the same

higher classification, neither departmental seniority nor previous service in that classification shall be effective for the purpose of placing them ahead of the employees who did accept such promotion or training as a result of the refusal to do so, and will remain behind such employees throughout that classification and any higher classification in that department. In applying the provisions of this Paragraph J, employees who have obtained Management's approval to decline temporary or part-time promotion to or training for shift, vacation, sickness or other relief will be considered to have refused promotion to the next vacancy in the next higher classification. All declining of promotion or demotion to a lower classification shall require prior Management approval and the employee's request therefore shall be in writing.

Any employee determined by Management to be disqualified from promotion or disqualified and therefore reassigned to perform duties which the employee is capable of performing shall on remaining in such disqualified status for six (6) months be permanently bypassed in seniority by all employees assigned and determined by Management as qualified to perform the duties which were the subject of the disqualification.

TEMPORARY VACANCY

- K. If the Company determines that a vacancy must be filled and the vacancy is the result of an employee's being absent due to sickness, accident, vacation, jury duty, personal business, etc., and where such absence can reasonably be expected to be of a temporary nature, it shall be considered a temporary vacancy.
- L. If such a temporary vacancy in a classification must be filled, the Company may deviate from strict seniority and first fill the temporary vacancy for a period of up to 45 days with the senior qualified employee on the shift, then by using some other qualified employee.

If the temporary vacancy continues beyond 45 days and the employee next in line on the basis of seniority is not trained to fill the temporary vacancy, the Company may, for a period not to exceed an additional 30 days, promote the senior employee who is trained and qualified to fill such vacancy.

PROMOTIONS – GENERAL

- M. If the Company determines that a temporary vacancy will be greater than 45 consecutive days, the seniority line for that classification, and subsequent affected classifications within the department, will be temporarily adjusted. The qualified employee next in line on the basis of seniority will fill such temporary vacancy.

Employees filling these classifications during such temporary basis will receive the applicable pay and benefits for the classification being worked, until the vacancy no longer exists. When the Company determines the vacancy no longer exists, the seniority lines will be re-adjusted and employees will be reassigned accordingly, e.g., by returning employees to their base classification (no rate protection shall apply).

Employees who have been assigned to temporarily work (i.e., less than 45 days) at a higher classification and are returned to work at their base classified rate of pay will receive such (lower) rate effective the beginning of the first full workday in such classification.

The Company may return individuals who are temporarily “working up” to a lower classification to allow less senior individuals to train, maintain qualifications, to accommodate restrictions, or for other reasons to promote safe and efficient work practices.

- N. In administering the provisions of the Article VI, when employees being considered have identical departmental seniority, then plant seniority shall be used in making selections. When employees being considered have identical plant seniority, their seniority rights shall be determined on the basis of the Puget Sound Refinery employment number.

REDUCTIONS

- O. If the number of employees in any classification in any department is reduced, such reduction shall be effected on the basis of departmental seniority and the employees affected thereby shall be entitled to preference for a job in the next lower classification over employees in such next lower classification regardless of departmental seniority. This same procedure shall be followed in making reductions from successive lower classifications including the lowest classification in the department.

It is understood that the provisions of this Paragraph O will not serve to cause the demotion of an employee who has more departmental seniority and who, because of physical reasons or the inability to perform the work of the higher classification, was not promoted to the higher classification.

- P. If any employee hired prior to July 23, 1984, is about to be reduced from the lowest classification in any department or primary craft skill group, they may claim any departmental seniority they have in the lowest classification in any other department or primary craft skill

group, and, if there are no employees in the lowest classification in any other department or primary craft skill group with less departmental seniority, they may then claim a job in the Laborer classification on the basis of Plant seniority, and if they do so, the employee to be laid off will be determined in accordance with Paragraph Q.

If any employee hired after July 23, 1984 is about to be reduced from the lowest classification in any department or primary craft skill group, they may claim any departmental seniority they have in the lowest classification in any other department or primary craft skill group within the Department, i.e. Operations or Maintenance, in which they are currently employed, and, if there are no employees in the lowest classification in any other department or primary craft skill group with less departmental seniority, they may then claim a job in the Laborer classification on the basis of plant seniority, and if they do so, the employee to be laid off will be determined in accordance with Paragraph Q.

- Q. In the event of layoffs, employees hired prior to July 23, 1984, shall be laid off from the Laborer classification and the lowest classification in other divisions in the plant or from primary craft skill groups in the inverse order of their plant seniority and after layoff will be rehired in the order of their plant seniority.

In the event of layoffs, employees hired after July 23, 1984, shall be laid off directly from the Operating or Maintenance Department that is reducing manpower. This procedure shall apply even if both divisions reduce manpower at the same time. Employees in the Laborer classification, the lowest classification in the department involved in the layoff, or in primary craft skill groups, will be laid off in the inverse order of their plant seniority and after layoff will be rehired in the order of their plant seniority except that such employees shall have recall rights only in the Department from which they were laid off.

- R. If an employee is laid off but is reinstated within 365 days after being laid off, their seniority rights accumulated up to the date of layoff will be reinstated.
- S. Any former employees who have earned seniority rights and are laid off for 365 days or less, and who have kept their current address on file with the Company, will be given notice at such address of a vacancy for which they are qualified. If they cannot be located at that address or do not report for duty within seven (7) days after reasonable attempt to notify them has been made, they shall lose seniority rights, and their name shall be removed from the layoff list, and the next qualified employee shall be offered such vacancy; but if within the said seven-day period they notify the Company of their intention to accept such vacancy, they shall then be allowed two weeks from the date of such notice of acceptance to report for work without loss of seniority rights, provided that this shall not serve to extend the period of 365 days referred to in Paragraph R of this Article. The Company, at its discretion, may temporarily fill vacancies until the qualified employee is notified and reports for duty as set forth above.

GENERAL

- T. If, on account of illness or temporary physical incapacity, an employee is absent or temporarily engaged in light work, the time spent during such absence or in such temporary employment will contribute toward their plant and departmental seniority, but such time shall not be permitted to give such employee any seniority advantage over any other employee who at the time such absence or light work began had greater seniority in any department or classification.
- U. When two or more operating departments are consolidated by the Company, each employee in the departments involved shall have seniority in the consolidated department equal to the total seniority which they have accumulated in all of the departments consolidated.
- V. When new departments are established by the Company in the Operating Department, employees who have established departmental seniority in other operating departments will be given consideration in filling the vacancies above the bottom classification in the new department in accordance with the provisions of Paragraph I of this Article VI.
- W. When the Company places new operating units within an established department, employees with departmental seniority within the department affected shall be given consideration in filling the various vacancies created by the addition of the new unit or units.
- X. Under exceptional circumstances where an employee possesses special or unusual ability, the Company may, regardless of seniority rights, promote such employee or transfer them to another department or classification, provided, however, that any deviation from seniority may be made subject to the grievance procedure of the contract.
- Y. An employee promoted from a position included within the Bargaining Unit to a supervisory or other position excluded from the Bargaining Unit shall be entitled to return to an included position within the department out of which they were promoted, in accordance with their departmental seniority for all time worked in the included classifications of such department and, in addition, for all consecutive time worked up to a maximum of one year from the date of initial promotion in the excluded positions.
- Z. The Company will have available, for the inspection of employees, accurate information and records on seniority; and employees, or their authorized representatives, upon request, will have the right to inspect these records. Seniority lists will be furnished to Local 12-591 and to the Worker's Committee semi-annually.
- AA. If an employee is temporarily transferred from Puget Sound Refinery to any other property of the Company or any of the affiliates, either within or outside of the continental limits of the United States, such transfer shall be classified in one of the two categories listed below, and the seniority status of the employee affected shall be governed by the rules applicable to such category. However, no employee shall be required to accept a temporary transfer from the United Steelworkers' Union, Local 12-591, Bargaining Unit.

1) Domestic

Employees temporarily transferred from Puget Sound Refinery to any other property of the Company or any of its affiliates within the continental limits of the United States, shall continue to accumulate seniority in the department and classification in which they were employed at Puget Sound Refinery at the time of transfer, and if they return to Puget Sound Refinery within two years' time from the date of transfer, will be reinstated in the department and classification to which their seniority would have entitled them had they remained at Puget Sound Refinery. However, if such transfer extends beyond said two-year period, the employee's departmental and classification seniority shall cease to accumulate as of the date said two year period ends and, thereafter, they shall continue to accumulate Plant seniority only, and upon their return to Puget Sound Refinery will be reinstated in the position to which their accumulated seniority entitles them.

2) Foreign

Employees temporarily transferred from Puget Sound Refinery to any other property of the Company or any of its affiliates outside the continental limits of the United States shall continue to accumulate seniority in the department and classification in which they were employed at Puget Sound Refinery at the time of transfer, and if they return to Puget Sound Refinery within three years' time from the date of transfer, will be reinstated in the department and classification to which their seniority would have entitled them had they remained at Puget Sound Refinery. However, if such transfer extends beyond said three-year period, the employee's departmental and classification seniority shall cease to accumulate as of the date said period ends, and thereafter, they shall continue to accumulate plant seniority only; provided, however, such extension does not exceed three additional years, in which event their plant seniority shall cease to accumulate and in either case upon their return to Puget Sound Refinery they will be reinstated in the position to which their accumulated seniority entitles them.

ARTICLE VII
LAYOFF

- A. If an employee is laid off and so remains for a period of more than 365 consecutive days, they permanently lose all rights and benefits as an employee as of the date of their layoff.
- B. A layoff for a period of 365 consecutive days or less will be considered temporary, but during such period the employee laid off will not be entitled to any rights or benefits as an employee.
- C. If an employee who has been in the employ of the Company for a period of 120 consecutive calendar days is re-employed within 365 days after being laid off, all their rights and benefits as an employee which accumulated up to the date of layoff will be reinstated.

ARTICLE VIII
VACATIONS

- A. Employees will be eligible for vacation as follows:
- 1) All employees who have completed one year's continuous service will be eligible for two weeks' vacation with pay and will thereafter qualify for two weeks' vacation on each succeeding January 1;
 - 2) Commencing with January 1 of the year in which the 5th anniversary of accredited service occurs, employees will be eligible for three weeks' vacation with pay during that year and in each year thereafter;
 - 3) Commencing with January 1 of the year in which the 10th anniversary of accredited service occurs, employees will be eligible for four weeks' vacation with pay during that year and in each year thereafter;
 - 4) Commencing with January 1 of the year in which the 20th anniversary of accredited service occurs, employees will be eligible for five weeks' vacation with pay during that year and in each year thereafter;
 - 5) Commencing with January 1 of the year in which the 30th anniversary of accredited service occurs, employees will be eligible for six weeks vacation with pay during that year and in each year thereafter.
- B. The administration of this Article will be governed by the Vacation Plan of the Company.

ARTICLE IX
LEAVE OF ABSENCE

- A. When plant conditions permit, leaves of absence without pay for a period not to exceed 14 days will be granted to not more than two employees at any one time to attend conferences or conventions as representatives of the Union. The total period of absence for any one employee shall not exceed 45 calendar days during the year, computed on an accumulated basis. The total of all leaves shall not exceed 90 calendar days.
- B. A leave of absence up to one (1) year for Union business will be granted without pay to one (1) employee of Puget Sound Refinery upon written request of the Union. No such employee will be allowed a renewal or extension of such leave in excess of a total period of two (2) consecutive years' absence, except that if such employee, after completing such leave of absence, returns to Company service for a period equivalent to the total time covered in the previous leave or leaves, they will then become eligible again for leave as above provided.
- C. In individual cases, the Company will consider requests for additional leaves of absence for representatives of employee groups.
- D. An employee granted a leave of absence for Union business shall, upon the termination of such leave, be entitled to reinstatement on the basis of accumulated seniority.
- E. Otherwise, leaves of absence will be subject to Company regulations.

ARTICLE X
DISCHARGE, SUSPENSION AND RESIGNATION

- A. In all cases of complaints arising over an alleged unjust discharge, suspension or layoff, a written notice of such complaint must be filed with the Company within ten (10) working days after notice to the employee affected.
- B. When an employee is discharged or voluntarily resigns, they immediately lose all employee rights and benefits. When suspended, an employee loses all rights to wages during the period of suspension, but does not lose their other employee rights and benefits.
- C. If a discharged employee is, pursuant to a decision reached under Article XIV, found to have been improperly discharged; or, if the discharge of an employee constitutes discrimination within the meaning of Paragraph A of Article XIII, they will be reinstated in the employ of the Company and the Board of Review shall, after consideration of all of the circumstances, determine the restoration of rights and benefits to which they will be entitled but in no event will any employee receive any greater pay or other rights or benefits over that they would have received had they not been discharged less (a) any amounts earned after discharge, and (b) any amounts represented by time lost due to a delay in a final decision caused by the employee.
- D. If a suspended employee is, pursuant to a decision reached under Article XIV, found to have been improperly suspended; or, if the suspension of an employee constitutes discrimination within the meaning of Paragraph A of Article XIII, they will be paid for the period covered by the suspension as determined by the Board of Review, after full consideration of all of the circumstances. In no event, however, will the employee be granted pay in excess of that which they would have received if not suspended, less (a) any amounts earned after suspension, and (b) any amounts represented by time lost due to a delay in a final decision caused by the employee.
- E. The Company reserves the right to discharge or suspend any employee for proper cause.

ARTICLE XI
PHYSICAL EXAMINATION

- A. Applicants for initial employment, and for employment after a layoff of more than 365 consecutive days, shall submit to a physical examination by a local physician appointed by the Company. Except in special circumstances, the Company will not hire any such applicant who is found not to meet the minimum physical requirements of the Company for the job for which they are making application, and the findings of the physician appointed by the Company shall be final.
- B. Before any person is rehired after a layoff of 365 consecutive days or less, they may be required to furnish a certificate signed by the local physician appointed by the Company showing that they meet the Company's minimum physical requirements for the job for which they are rehired. If the findings of such physician are that such person does not meet such minimum physical requirements, the employee may obtain a physical examination by a second physician agreeable to them. If the findings of such second physician are that the employee does meet such minimum physical requirements, then the employee shall be examined by a third physician agreeable to the employee and the Company, at the expense of the Company. The third physician's findings as to the facts of such person's physical condition shall be final, and, if the findings meet the minimum physical requirements of the Company, then such person shall be eligible for re-employment; otherwise not.
- C. In case an employee returns to work after being absent due to illness or physical impairment, the Company may require them to furnish a certificate signed by a physician appointed by the Company showing that they are physically fit to return to work. If such physician finds that the employee is not physically fit to return to work, the employee may obtain a physical examination by a second physician agreeable to them. If the findings of the second physician are that the employee is fit to return to work, then the employee shall submit to an examination by a third physician agreeable to the employee and the Company, at the expense of the Company, and the opinion of such third physician shall be final.
- D. Irrespective of the foregoing, the Company may, in cases of constantly recurring absence from duty, or in other exceptional cases, require the employee to submit to an examination by a physician appointed by the Company.
- E. Where an employee who has earned seniority rights is laid off, they shall, upon that employee's request, have the right to be examined at or immediately previous to the time of layoff by a local physician appointed by the Company and will be advised as to the results of the physical examination by the physician making it, or the Company may require such an examination.

ARTICLE XII
SAFETY, SANITATION, ETC.

- A. Safety meetings will be held monthly in departments where such meetings are feasible.
- B. Employees may, directly or through their representatives, make suggestions or recommendations for the promotion of safety and sanitation or other similar matters of mutual interest to employees and the Company.
- C. No employee will be required to perform such services that will unreasonably endanger their physical safety. Should a situation arise under which an employee in good faith believes the condition to be unreasonably hazardous, they may request reference of the matter to the Refinery General Manager or a representative designated by the Refinery General Manager, whose decision after a personal inspection, shall be final.
- D. In recognition of the mutual belief that a useful purpose would be served by instituting industrial health research of the work environment by recognized independent authorities in the field of industrial health, it is mutually agreed, for the term of the currently effective Basic Agreement, that:
 - 1) There shall be established a Joint Labor/Management Health and Safety Committee, consisting of equal Union and Company representatives, and not less than two or more than four each.
 - 2) The Company will, from time to time, retain at its expense independent qualified industrial health consultants, mutually acceptable to the International Union President or designee, and the Company, to undertake industrial health research surveys, as decided upon by the Committee, to determine if any health hazards exist in the work place.
 - 3) Such research surveys shall include measurements of the exposures in the work place, the results of which will be submitted in writing to the Company, the International Union President and the Joint Committee by the research consultant, and the results will also relate the findings to existing recognized standards.
 - 4) The Company shall agree to pay for appropriate physical examination and medical tests at a frequency and extent necessary in light of findings, set forth in industrial consultant reports, as may be determined by the Joint Committee.
 - 5) The Union agrees that each research report shall be treated as privileged and confidential and will be screened by the Company to prevent disclosure of proprietary information or any other disclosure not permitted by legal or contractual obligations.
 - 6) At a mutually established time, subsequent to the receipt of research reports, the Joint Committee will meet for the purpose of reviewing such reports and determine whether

corrective measures are necessary in light of the industrial consultant's findings, and to determine the means of implementing such corrective measures.

- 7) Within sixty (60) days following the execution of this Agreement, and on each successive October 1 thereafter, the Company will furnish to the Union all available information on the morbidity and mortality experience of its employees.
- 8) The Joint Committee shall meet as often as necessary but not less than once each month at a regularly scheduled time and place for the purpose of jointly considering, inspecting, investigating and reviewing health and safety conditions and practices. The Union members of the Joint Committee shall have the right to investigate accidents in accordance with procedures established by the Committee. The Joint Committee shall make constructive recommendations with respect thereto including but not limited to the implementation of corrective measures to eliminate unhealthy and unsafe conditions and practices and to improve existing health and safety conditions and practices.
- 9) All matters considered and handled by the Committee shall be reduced to writing, and joint minutes of all meetings of the Committee shall be made and maintained, and copies thereof shall be furnished to the International Union President.
- 10) Time spent in connection with the work of the Joint Committee by Union representatives including walk-around time spent in relation to inspections and investigations shall be considered and compensated for as their regularly assigned work.
- 11) In addition to the foregoing, the Company intends to continue its existing industrial hygiene program as administered by Company personnel.
- 12) Any dispute arising with respect to the interpretation or application of the provisions hereof shall be subject to the grievance and arbitration procedure set forth in the Agreement.
- 13) The Company will, at its expense, provide for the training of the Union members of the Joint Committee twice during the term of this Agreement when such training is requested by the Union members of the Committee. Such training will be limited to five (5) days per Committee member and will be conducted by qualified individuals, institutions or organizations recognized in the field.

E. Both the Union and the Company agree that health and safety at Puget Sound Refinery are paramount concerns that deserve cooperative attention. The parties also acknowledge that if the health and safety of all employees is to be continuously improved, it must involve all employees working together in promoting an accident free work environment. Both parties, therefore, support a cooperative partnership involving health and safety that will foster involvement and participation by all employees and their representatives.

This effort toward establishing a cooperative health and safety partnership is reflected in this understanding.

NOTE: Unless specifically stated otherwise, decisions and agreements required herein of the Joint Health and Safety Committee shall be by consensus.

- 1) A Union represented position of Health and Safety Representative will be established at Puget Sound Refinery.
- 2) The Health and Safety Representative will be assigned to the Health, Safety and Environmental Department (HSSE), and will report directly to the Health & Safety (H&S) Manager, who will be responsible for making work assignments.
- 3) The job duties of the Health and Safety Representative will be assigned by the H&S Manager with guidance from the Joint Health and Safety Committee, including, but not limited to the following:
 - a) Participate in developing, revising and delivering health and safety training programs, including TOP and PSM required training. This includes assisting in the coordinating and conducting of safety training for new employees and other Puget Sound Refinery employees as determined by the Joint Health and Safety Committee.
 - b) Assist the Company in tracking PSM and safety recommendations and see that recommendations are done to completion on a timely basis.
 - c) Attendance, as necessary, at “tailgate” safety meetings to present information on elements of PSM and help build individual awareness and accountability for working safely. Attend safety meetings of each department or unit at least once annually.
 - d) Audit and monitor for compliance with Shell’s health and safety policies and personnel safety processes.
 - e) Encourage all employees to provide input on PSM and safety activities and maintain records of employee questions, inputs and actions taken.
 - f) The Health and Safety Representative will also work with the Joint Health and Safety Committee and the HS&E department to develop site-specific training materials and/or programs to build individual awareness and accountability.
 - g) The Health and Safety Representative will assist in investigating, researching and providing answers to employee questions relative to health and safety.
 - h) The Health and Safety Representative will participate in inspections, investigations and reviews of health and safety conditions and practices.

- i) The Health and Safety Representative will evaluate, review and report the results of the site safety inspections/audits to the work area supervisor and the Manager HSSE, and discuss follow-up corrective action.
 - j) Perform the role of employee liaison officer during emergency response.
- 4) The selection of the Health and Safety representative and one alternate will be by consensus agreement of the Joint Health and Safety Committee.
- a) Notification of the Health and Safety Representative position opening will be placed on refinery bulletin boards and/or electronic messaging (if available). Job duties and responsibilities, desired skills, rate of pay, reporting relationship and length of assignment will be included in the notification.
 - b) At least 90 days prior to the end of a term assignment, the H&S Manager, along with the Worker's Committee, will solicit candidates for filling the H&S Representative position. The Union will provide the full membership of the Joint Health and Safety Committee with a list of candidates to be considered for filling the Health & Safety Representative position.
- 5) The length of the Health and Safety Representative assignment will normally be for the term of the Articles of Agreement. The Health and Safety Representative's performance will be reviewed jointly by the Joint Health and Safety Committee, the H&S Manager and by the Bargaining Unit chair.
- The reviews may occur at any time but must be done at least annually. The incumbent can be returned to his/her normal duties if their roles and responsibilities as a Health and Safety representative are not performed in a satisfactory manner. The incumbent also has the right to voluntarily return to normal duties within ninety days of being appointed to the Health and Safety Representative position. Any incumbent's assignment beyond the term of the Articles of Agreement will require the prior, mutual agreement of the Joint Health and Safety Committee, and H&S Manager, and the Bargaining Unit Chair.
- 6) The Health and Safety Representative will be paid \$1.00 per hour over their highest qualified rate or \$1.00 per hour over the Lead Outside Operator rate, whichever is higher.
- 7) The Health and Safety Representative will continue to accrue seniority in the department from which they came during assignment to the Health and Safety Representative position. The Health and Safety Representative will be removed from the department's overtime distribution list for the duration of the assignment. Though no amount of overtime is guaranteed, the Health and Safety Representative will likely receive some overtime in conjunction with his/her duties.

- 8) The Health and Safety Representative will normally work day shift hours; however, hours may vary as necessary to meet requirements of this position.
- 9) The alternate Health and Safety Representative will fill any absence of the Health and Safety Representative, if deemed necessary by the Joint Health and Safety Committee.
- 10) The Health and Safety Representative will be provided with the physical resources, such as office space and equipment, necessary to perform their job functions.
- 11) In addition to the Health and Safety training provided at Shell's Puget Sound Refinery, the Health and Safety Representative and alternate will be provided, at the Company's expense; forty (40) hours of USW Health and Safety Representative training, which will be required per term; plus forty (40) hours of additional safety related training each year. All additional training must have advance Joint Health and Safety Committee approval, and must be conducted by qualified individuals, institutions, or organizations recognized in the field.
- 12) The Joint Health and Safety Committee may, provided there is sufficient justification to demonstrate that the existing Health and Safety Representative has been effective, recommend to the Refinery General Manager that an additional represented position be created in the HSSE department. The Refinery General Manager will consider any recommendation received; however, the final determination concerning the establishment of an additional position will rest solely with the Refinery General Manager.
- 13) It is the intention of the parties that the Health and Safety Representative position will have a positive influence on the refinery's safety performance.
- 14) It is understood that the job duties of the Health and Safety Representative are not exclusive bargaining unit work and that such job duties may currently and/or in the future also be performed by non-represented individuals. This negotiated bargaining unit job will not be used in the grievance and arbitration procedure to take away any existing work being done by management except if mutually agreed upon.
- 15) Any disputes or questions arising in connection with the application of this Memorandum of Agreement shall be referred to the Joint Health and Safety Committee for resolution. If no resolution is achieved, the Joint Health and Safety Committee will refer the matter to the Worker's Committee and Management for them to resolve.
- 16) Both parties understand and agree that employees working in assignments covered by this agreement are intended to carry out their responsibilities in a constructive and co-operative fashion with the aim of furthering the location's health and safety efforts. Both parties understand that USW represented employees will have access to and use

information that may be considered trade secrets or proprietary. Such information must be handled in a confidential manner and not disclosed outside PSR. If there is any question about the confidential nature of information, the USW represented employee must seek the advice of the H&S Manager.

- F. The Company will agree to compensate the represented employee who is serving in the position of Safety Coordinator, at the Leadperson classification rate. The Union likewise agrees not to grieve this application of the Leadperson rate and classification. It is understood that an employee serving in this capacity would continue accruing seniority in their regular classification prior to assignment to this position.

Typical duties of the Safety Coordinator include, but are not limited to, the following:

- Participate in Field Support Team meetings periodically
- Conduct New Hire Orientation
- Track employee suggestions
- Coordinate BEST process
- Participate in HSSE Audits including escorting auditors as necessary
- Provide turnaround safety coverage
- Review Job Hazard Analyses (JHA)
- Facilitate safety meetings
- Participate in developing, revising, and delivering Safety training programs and updating Standing Instructions
- Conduct Contractor Orientation
- Maintain Contractor Orientation training materials
- Assist with the administration of various surveys
- Assist H&S Representative as needed
- The Safety Coordinator will assist in investigating, researching, and providing answers to employee questions relative to safety.
- Assist in updating HSSE Handbook

These duties are not exclusive bargaining unit work and employees not represented by the Union may currently and/or in the future also perform such duties.

This position will report directly to the HSSE Manager.

The length of the Safety Coordinator assignment will normally be for the term of the Articles of Agreement.

Selection Process will be as follows:

The selection of the Safety Coordinator will be made by the Joint Health and Safety Committee from a list of candidates provided by the Worker's Committee.

Things to consider:

- Qualifications; as defined by the Joint Health and Safety Committee
- Availability of individual
- Work quality/employee job performance
- Resource constraints in department

All else being equal, seniority as a tiebreaker.

The HSSE Manager will review the Safety Coordinator's performance using input from the Joint Health and Safety Committee.

The reviews may occur at any time but must be done at least annually. The incumbent can be returned to his/her normal duties if their roles and responsibilities as a Safety Coordinator are not performed in a satisfactory manner. The incumbent also has the right to voluntarily return to normal duties within ninety days of being appointed to the position. Any incumbent's assignment beyond the term of the Articles of Agreement will require the prior, mutual agreement of the HSSE Steering Council.

Generally, the Health & Safety Rep alternate will fill absences of the Safety Coordinator, of one (1) week or greater, provided appropriate advance notice of the absence is given. When the vacancy is expected to exceed 45 days, the parties will determine via the JH&SC how to fill the vacancy.

The TOP Rep alternate and H&S Rep alternate will fill in for absences of one week or more, for the Primary TOP and H&S Rep, respectively

Notification of the Safety Coordinator position opening will be placed on refinery bulletin boards and/or electronic messaging (if available). Job duties and responsibilities, desired skills, rate of pay, reporting relationship and length of assignment will be included in the notification.

The Safety Coordinator will work the following:

Maintenance employees filling this position will work the Maintenance schedule. Operators and Lab employees filling this position will work the Process Trainer schedule.

ARTICLE XIII MISCELLANEOUS

- A) There will be no discrimination against any employee in regard to promotion, discharge, suspension, layoff, or sickness, accident, insurance and pension benefits, on account of membership or non-membership in any church, society, fraternity, labor union, or other organization or affiliation, provided such other organization or affiliation is not recognized as being subversive, or on account of any activity taken in good faith in the capacity as a representative of other employees.
- B) The first 365 consecutive calendar days of employment for any employee shall be considered a probationary period. Should the Company consider it advisable to terminate the services of an employee during this period, such action shall not be made the subject of a grievance under Article XIV of this Agreement.
- C) If an employee reports to their regular place of employment as instructed, and is then instructed to report to another place for work, or, if an employee is compelled to remain at work until past the hour when regular means of transportation is available, the Company will provide transportation.
- D) When employees violate Company regulations, or when their actions are subject to adverse criticism, which may eventually result in disciplinary action being taken and a record thereof is placed in an employee's personal folder, the employee will be given a copy of such record and the right to reply thereto. Such reply shall become a part of the employee's record.

Management stated that our present practice is if there are no subsequent infractions relating to the original letter, the letter is destroyed at the end of three (3) years. Management stated that they had no objection to returning the letter to the employee when it is removed from the folder and will do so.

- E) Employees acting as representatives of Local 12-591, or any employee or group of employees, may, with the approval of supervision, be permitted to confer during working hours with other employees or with their Supervisor for the purpose of promoting Management-Employee relationships.
- F) The Shell benefit plans are described in the document entitled Dimensions, which contains Summary Plan Descriptions of such plans and which governs their content and administration.

There shall be no strike, stoppage or slowdown of work because of any dispute, grievance, or question arising in connection with any of the Plans.

- G) No dispute, grievance, or question arising from the application or interpretation of or in connection with Dimensions will be subject to the arbitration procedure described in Article XIV of the Labor Agreement between the parties.

- H) Exclusive space on a bulletin board and use of the plant electronic mail system by the Union and other employee groups will be provided by the Company. All notices, bulletins, electronic mail messages or any other material must first be approved by the Refinery General Manager or a designated representative before being posted or transmitted.
- I) Solicitation of members for any employee group or collection of dues shall not be done during working hours.
- J) Employees required to perform work which unavoidably results in the destruction of or serious damage to their clothing by chemical action or other abnormal conditions will be provided with suitable replacements by the Company. Employees are expected to use protective clothing provided to mitigate damage to their personal clothing.
- K) The Company agrees it will furnish rain gear and welders' gloves on the following basis:
- 1) Employees, at their request, will be furnished rain gear.
 - 2) The Company will furnish the first pair of welders' gloves.
 - 3) Welders must turn in the old pair of welding gloves before they will be issued another pair.
 - 4) If welders are careless and gloves are lost or stolen, the welder will have to buy the next pair (at cost) before the Company will again furnish welders' gloves.
- L) The Company agrees it will furnish lunch or meal allowances on the following basis:
- 1) If an employee so desires, the Company will furnish one lunch or in lieu thereof, one lunch allowance paid via payroll (\$10.50) to any employee who is required on an unscheduled basis to remain at work more than two (2) hours beyond and continuous with their scheduled shift.
 - 2) If an employee is dismissed after working more than two (2) hours beyond and continuous with their scheduled shift without having received an overtime lunch, the employee shall have the choice of a lunch or one lunch allowance paid via payroll (\$10.50).
 - 3) Lunches or lunch allowances will not be furnished by the Company in any case of scheduled overtime. Employees who receive three (3) hours or more notice of overtime will be considered as scheduled and will not be eligible for a lunch or lunch allowance. The three (3) hours or more notice does not apply to an employee on shift who receives notice of overtime continuous with their scheduled shift.
 - 4) An employee, called back for emergency work under the provisions of Article V, Para. H, will be furnished a lunch, or, in lieu thereof, one lunch allowance to be paid via payroll

(\$10.50), after completing four (4) hours of actual work. Additional lunches or lunch allowances will be provided at six (6) hour intervals thereafter.

- 5) However, only one meal allowance (\$10.50) will be allowed per overtime situation.
 - 6) In applying the above provisions when an employee is furnished a lunch, if proper relief is available and with the approval of their supervisor, such employee may, if they so desire, go to a designated area to eat their lunch for a period not to exceed 20 minutes and such time will be considered as time worked.
- M) If an hourly employee, having completed the normal daily schedule, is required to continue working in excess of two hours beyond the regular quitting time, when proper relief is available and with approval of the immediate supervisor, the employee may, if so desired, go to a designated area where smoking is permitted for the purpose of eating a lunch or smoking, for a period not to exceed twenty (20) minutes on Company time. Similarly, if an employee works six (6) or more hours beyond the regular quitting time, an additional twenty- minute period will be granted under the above conditions. The provisions of this paragraph will not apply to an employee who is granted a lunch allowance or meal authorization.
- N) It is expressly recognized that the Company has the right to contract out such work as it may consider desirable. However, the Company will not contract a maintenance or repair job normally performed by its own employees if such contracting would result in the layoff or demotion of qualified employees in the Division and/or Classifications involved during the period of such contract job. This shall not preclude contracting work when necessary equipment required is not available in the Plant.

ARTICLE XIV SETTLEMENT OF DISPUTES AND GRIEVANCES

All grievances arising out of the application of the Articles of this Agreement shall be governed in the manner of settlement by the terms of the Agreement, according to the following complaint/grievance procedure:

Step 1.

The employee should bring forth their concern to their supervisor or other immediate supervisor either individually or with the assistance of a Union Representative.

Step 2. Grievance Procedure

If satisfaction is not obtained through discussions as outlined in Step 1, or should a grievance arise that a Union Representative believes cannot be resolved at the supervisory level, such as grievances involving a group of employees or termination, a Union Representative may, within thirty (30) calendar days, refer the matter in writing to Human Resources of Puget Sound Refinery by the submission of a written grievance.

Human Resources shall, within ten (10) working days after receiving the written grievance, render a decision in writing to the Union, with a copy to the aggrieved employee(s).

Step 3. Board of Review

Within fourteen (14) calendar days after the response from Human Resources, if still dissatisfied, the Union may notify Human Resources in writing of their desire to submit the matter to a Local Board of Review. The Union and the Company Board of Review members shall discuss the facts relating to the subject grievance and attempt to resolve the dispute.

Step 4. Mediation

Prior to proceeding to arbitration, within fourteen (14) calendar days after the Board of Review and by mutual agreement only, the parties may request a mediator assigned by the Federal Mediation and Conciliation Service (FMCS) to assist them in resolving the grievance.

Step 5. Arbitration

If the grievance is not resolved pursuant to the forgoing procedures, the Union may submit the grievance to Arbitration within thirty (30) calendar days after either the completion of a) Step 3 of the grievance procedure; or, b) the conclusion to any FMCS mediation effort, whichever is the latter.

If the parties are unable to mutually select an Arbitrator within fourteen (14) calendar days, the Union may request the FMCS to submit the names of seven (7) Arbitrators.

Within seven (7) calendar days after receipt of the list of names submitted by the FMCS the Company and the Union shall meet and each shall alternately strike, including first strike, one name from the list until only one name remains, whose name shall be declared the arbitrator.

The Arbitrator's decision shall be final and binding upon both parties. The procedure to be followed by the Arbitrator shall be the Arbitrator's sole determination. In all cases of grievances presented to an Arbitrator under this Article, the Company and the Union will furnish to the other and the Arbitrator all information in their possession necessary to a full understanding of the subject matter of the grievance.

Expenses incident to the Arbitration procedure shall be borne equally as follows:

- (a) One-half by the Company; and
 - (b) One-half by the Union,
- except that each party shall pay the expenses of its own representatives.

An individual's rights for processing a grievance will be handled by the Company in full conformity with all Federal and State Laws.

Any grievance filed during the term of the Labor Agreement shall be null and void if arbitration is not conducted within a two-year period from the date of the receipt of such grievance in writing by the Company as required pursuant to the second step of this Article XIV.

Any delay which is not attributable to the employee or the employee's representative shall serve to extend the two-year timeframe in an amount equal to such period of delay. Once a hearing date is set there will be no intentional delay in conducting a hearing unless such delay is caused by the arbitrator so selected by the parties. The time-limits contained throughout this Article may be extended by mutual agreement of the Parties.

ARTICLE XV
STRIKES AND LOCKOUTS

The Union agrees that there shall be no strike, including sympathy strikes, and no stoppage or slowdown of work for any cause, and the Company agrees that there shall be no lockout of the Union during the period of this agreement.

It is understood by the parties that the language of Article XV, Strikes and Lockouts, does not restrict the Union's rights to strike under the Plant Closure or Layoff provisions of the current Memorandum of Agreement.

ARTICLE XVI UNION SECURITY

- A.
- 1) All of the employees covered by this Agreement and who are members in good standing of the Union thirty (30) days after the date of this Agreement, or who during the term of this Agreement become members of the Union shall, unless they withdraw from the Union, remain members in good standing for the duration of this Agreement. For the purpose of this Agreement, good standing shall mean being current monthly in the payment or offer of payment of Union dues.
 - 2) For the purpose of this Article, a member may withdraw from the Union by written notice to the Union and the Company as follows:
 - (a) During the 30 calendar day period following the signing of this Agreement;
 - (b) During the 15 calendar day period prior to each anniversary date of this Agreement. Such notice shall remove the employee from further application of Paragraph A (1) of this Article.
 - 3) If a dispute should arise as to whether an employee:
 - (a) Is subject to the provisions of this Article as provided in Paragraph A (1) above, or
 - (b) Withdrew from the obligations of this Article as provided in Paragraph A (2) above, such dispute may be submitted within thirty (30) days to a Board of Review consisting of three (3) members, one to be selected by the employee, one by the Union, and one by the two so selected. If these representatives of the employee and the Union cannot agree on a third member of the Board of Review within 14 days, then the third member will be selected in accordance with the procedure outlined in Article XIV. Should the dispute arise under (3) (b) above, the Board of Review shall have jurisdiction only to determine (1) whether written notice as provided in Paragraph A (2) was in fact given by the employee, and (2) whether such written notice was given by the employee within the time limit provided.
 - 4) If an employee covered by this Article becomes delinquent in the payment of Union dues or if a Board of Review decides that an employee is subject to Paragraph A (1) above, such employee shall be so advised by the Union in writing with copy to the Company and shall have 15 calendar days thereafter in which to pay or offer to pay their Union dues.

- B. Upon written request of an employee, the Company will deduct from wages due the regular monthly dues of such employee as fixed by the Union's International Secretary Treasurer, and shall continue to make such deductions each month until written notice to the contrary is served by the employee to the Company, with a copy to the Union. All money so deducted by the Company shall be paid to the Union International Secretary Treasurer on or before the 5th day of the following month in which such deductions were made.

The authorization used by the employee shall be as follows: "You are hereby requested and authorized to deduct each month from wages due and payable to me, my regular monthly Union dues and pay the sum so deducted to the United Steelworkers Union, (U.S.W.), Local 12-591, for my account on or before the 5th day of the month following the month for which said deductions are made.

"You are further authorized and requested to continue making such deductions each month unless and until you are advised by me in writing to discontinue same."

Signature

Dated this 1st day of May 2019.

UNITED STEELWORKERS UNION (U.S.W.),

Ryan Meyhoff

International Representative

SHELL OIL PRODUCTS, US PUGET SOUND REFINERY

Christine Hillier

Industrial Relations Manager

UNITED STEELWORKERS UNION (U.S.W.), LOCAL 12-591

Erwin Rommel

Financial Secretary

WORKERS' COMMITTEE

Jason Muzzy, Chairperso

John Magill

Scott Campbell

William Rodio

Mike Wigen

Juan Soto

APPENDIX A
SUCCESSOR LETTER OF UNDERSTANDING

The Successor Letter of Understanding, applicable to the Shell Oil Products, US, Puget Sound Refinery, agreed to by the parties on December 15, 1997 will continue in effect for the term of the Articles of Agreement effective September 1, 2002. This Successorship Letter of Understanding is clarified as follows:

This Successor Letter Agreement would be applicable to the sale of Shell Oil Products, US, Puget Sound Refinery where the seller retained (1) terminal operations such as tank farms or loading racks and wharf facilities, (2) lubricants base oil manufacturing or packing and blending operations, (3) co-generation plants, (4) waste-water treatment facilities, (5) coke handling facilities, or other stand-alone assets of a similar nature and scope. However, this understanding does not create a separate successorship obligation with respect to facilities where there is no sale of the Puget Sound Refinery.

APPENDIX B

On the date this document was signed, the Operating 12-hour shift administrative details were recognized by the parties to be the following:

SHELL - PUGET SOUND REFINERY OPERATING DEPARTMENT TWELVE-HOUR SHIFT SUMMARY

There must be no increase in cost as a result of the implementation of a 12-hour shift compared to the previously implemented 42-hour work week. Thus, a factor must be applied to the present rate of pay such that when overtime dollars (1½) are paid for hours worked beyond eight (8) hours per day, the new result over two (2) pay periods will be approximately what would be earned for an equivalent 42-hour work week/8-hour schedule.

The Shell benefits plans are described in the document entitled “Dimensions” which contain Summary Plan Descriptions of such plans, which govern their content and administration.

Time worked beyond the normally scheduled 12-hour shifts and callouts will be paid at 1½ times the unfactored (base) rate.

There must be no problem in obtaining replacements for shift employees who are unable to report for their scheduled shift and for emergency coverage during start-up, shutdowns, etc. As long as they remain effective, current procedures for filling shifts for both scheduled and unscheduled absences will be continued.

Safety performance must be maintained or improved. Operating efficiency must be maintained or improved. Attendance levels must be maintained or improved.

Effective communications between employees and supervisors and between shifts must be maintained or improved. In an effort to ensure good communication with supervision, shift relief will not be permitted any earlier than sixty (60) minutes prior to the official shift change at 6:00 am and 6:00 pm. Each unit will agree upon a start time within the stated 60-minute window. Any employee who relieves after the agreed start time will be considered tardy if the employee they are relieving seeks compensation for the additional time.

Operating employees must cooperate in giving appropriate/periodic relief to the Console

Operators to insure they stay alert and refreshed during the 12-hour shift.

1. CALCULATION OF FACTORED BASE PAY RATE

The previously implemented 42-hour work week required payment for 172 hours every four- (4) week period calculated as follows:

20 days at straight time	= 8 hours x 20 days	=	160 hours
1 scheduled overtime day	= 8 hours x 1.5	=	12 hours
	Total		172 hours

The 12-hour shift schedule requires payment for 196 hours every four-week period calculated as follows:

14 days at 8 hours straight time =			
	14 days x 8 hours	=	112 hours
14 days at 4 hours at time and one-half =			
	14 days x 4 hours x 1.5	=	84 hours
	Total		196 hours

In order to maintain labor costs and employee earnings at approximately the same as the current 42-hour work week level, the 12-hour shift schedule "adjusted base rate" must be 87.76% of the straight time base rate calculated as follows:

Hours paid for a four- (4) week period under the current 42-hour work week schedule divided by hours paid for a four- (4) week period under the 12-hour shift schedule =

$$172 / 196 = .8776$$

2. ADMINISTRATION DEFINITIONS

- A) Work Day - 24 Consecutive hours starting at 6:00 am.
- B) Work Week - 7 Consecutive work days starting with Monday shift.
- C) Work Schedule - 12 Consecutive hours of work per day.
- D) Day Shift - 6:00 am to 6:00 pm. E) Night Shift - 6:00 pm to 6:00 am.
- F) Base Rate - Prevailing hourly straight time rate - not factored.
- G) Factored Rates - Normal scheduled 12-hour shifts will be paid at factored base rates plus applicable shift differential.

- H) Shift Differential - An average Shift differential of \$1.32 for all night shift hours will be paid for ease of administration.
3. TWELVE- (12) HOUR SHIFT SCHEDULE (See attached schedule)
- A) Procedures for filling both scheduled and unscheduled relief requirements will be continued.
 - 1) Present procedures for reporting absences will be continued. The Shift Team Leader will determine if there are qualified people available at straight time rates. Off duty employees must also be available to work on their normal days off. It is recognized by the parties that availability of off-duty Operators on a willing and voluntary basis is a key to the success of a 12-hour shift.
 - 2) On-shift employees may be required to continue working for six (6) hours past their scheduled 12-hour shift.
 - B) Overtime Work

All overtime work, which is defined as hours worked outside the employee's normal 12-hour schedule, will be paid at 1½ times the unfactored (base) rate. Callouts will be paid at 1½ times the unfactored (base) rate.
 - C) Overtime distribution handling will not be altered.
 - D) Shift Trades
 - 1) The Shift Team Leader's consent must be obtained first.
 - 2) No trades will be allowed that would result in an additional cost to the Company, without the approval of the Company.
4. LEAVES of ABSENCE
- A) Holidays
 - 1) Holidays commence with the first shift of the day and continue for 24 hours.
 - 2) a. Not worked - Paid eight (8) hours at the unfactored (base) rate when the holiday occurs on a regular day off.

- b. Worked - Paid 12 hours at the unfactored base rate times 1½ when holiday occurs on a regularly scheduled work day; in addition, the employee is paid eight (8) hours at the unfactored (base) rate.

B) Vacations

- 1) Paid at 42 straight-time hour increments - unfactored (base) rates/week. In the event an employee only takes one day of vacation with approval of departmental supervisor, the vacation pay will be based on 12 straight time hours at the base rate.

- 2) Vacations scheduled in calendar weeks.

- 3) Eligibility:

Service	Weeks	Hours
1-4 Years	2	84
5-9 Years	3	126
10-19 Years	4	168
20-29 Years	5	210
30 Years & Above	6	252

- 4) Scheduling will be handled under current scheduling rules in effect at any point in time.
- 5) For a holiday occurring during a vacation, an employee will be paid eight (8) hours at the unfactored (base) rate in addition to the vacation pay.
- 6) Employees will be permitted to exchange vacation periods with supervisory approval.

C) Funeral Leave

Paid at 12 hours straight time per day - unfactored (base) rate per Article IV, Paragraph J of the Labor Agreement.

D) Jury Duty

- 1) Paid at 12 hours per day - factored rate as if the employee had worked.
- 2) Employees working the night shift will be excused the shift preceding the first day of jury duty.

3) If the employee is released from jury duty prior to 12:00 noon, then the employee is expected to report for work for the rest of their regular day shift or the entire night shift.

E) Paid Union Business Leave

1) Paid at 12 hours per day - factored rate as if the employee had worked.

2) For part of a regular 12-hour shift, payment for all hours worked will be at the factored straight time rate up to 8 hours and 1½ times the factored rate for hours beyond 8.

5. Overtime Meals

A) An overtime meal or meal allowance (\$10.50) for unscheduled overtime will be provided to employees required to work more than two (2) hours beyond their regular 12-hour shift schedule.

B) No overtime meals or meal allowances will be paid or provided for scheduled 12-hour shifts.

6. The parties expect that most training will be performed on the employee's posted scheduled day off or on shift. However, the Company may utilize other training options.

7. **THE 12-HOUR OPERATING SHIFT IS SUBJECT TO THE TERMS AND CONDITIONS OF ARTICLE III, PARAGRAPH C.**

APPENDIX C

On the date this document was signed, the Maintenance Crafts current work schedules were recognized by the parties to be the following:

INSTRUMENT & ELECTRICAL SHOP WORK SCHEDULE

SHIFTS

A	Monday through Thursday	4 X 10 Hour Days; 6:30 a.m.-5:00 p.m.
B	Tuesday through Friday	4 X 10 Hour Days; 6:30 a.m.-5:00 p.m.
C	Thursday through Sunday	4 X 10 Hour Days; 6:30 a.m.-5:00 p.m.
D*	Monday through Sunday	7 X 10 Hour Days; 4:00 p.m.-2:30 a.m. *followed by 7 scheduled days off.

A Shift could precede and follow any shift.

B Shift could precede and follow any shift.

C Shift could precede and follow any shift.

D Shift could precede and follow any shift.

ADDITIONAL INFORMATION

- The scheduled 10-hour workday is based on 10 hours regular straight-time pay, within a 40-hour week. However, reversion to a standard 5 X 8-hour workweek will occasionally be required under special circumstances.
- No shift differential from 6:30 a.m. to 5:00 p.m.
- The 7 x 10-hour shift benefits would be based on 40 regular hours per week as is currently the case for all hourly employees.
- Management decides who is on which shift due to back-up coverage requirements on operating units.
- Lunch on 7 X 10-hour schedule between 9:00 p.m. to 9:30 p.m.
- The Union agrees that Management does not have any requirement to pay overtime rates from the 8th to 10th hour under the 4 X 10-hour schedule. Overtime rates are paid for work beyond the 10th hour under this schedule.
- The parties recognize that the 7 X 10-hour shift would pay overtime rates for work beyond 8 hours for any one shift.

- The Shell benefits plans are described in the document entitled “*Dimensions*” which contain Summary Plan Descriptions of such plans, which govern their content and administration.
- All Maintenance Department employees working under this schedule are considered as "day" employees as defined in the Labor Agreement."

The delineation of the above work schedules is provided as a resource for the benefit of Plant personnel; however, it is understood that the Company's right to change work schedules as provided in the Labor Agreement under Article III, Paragraph C is not effected."

APPENDIX D

OPERATIONS PROGRESSION/STRUCTURE

New Hire/Pool Operator Start: Employees hired as operators will receive New Hire/Pool Operator Start pay until assigned to a unit and qualified on one job. Employees hired as operators may be initially assigned to the Operator Relief Pool per Article VI Paragraph C and will work as Relief Operators in the department(s) in which they are qualified. While in the Operator Relief Pool, their pay will be progressed based on time or jobs learned.

For vacation selection operators in the relief pool will be assigned a department with which to select vacation. The department designation for vacation selection for a given Relief Pool Operator may change from year to year.

Outside Operator: Employees will be promoted into a department within one of the three operating areas (North Side, South Side, or West Side) from the Operator Relief Pool per Article VI Paragraph J. Once an employee is promoted from the operator pool he / she will progress within the department to which they have been promoted.

Lead Outside Operator: Outside Operators will be promoted to Lead Outside Operator per Article VI Paragraph J. The Lead Outside Operator mentors and directs the work of Outside Operators and communicates with the appropriate Console Operator.

Console Operator: The Console Operator will be responsible for optimizing production, making the appropriate adjustments and directing the required field moves via communications with the Lead Outside Operator.

Console Operators will be selected from interested candidates. Normally these will come from the Lead Outside Operator and Outside Operator job classifications. New Hire/Relief Pool Operators must be fully qualified for the Outside Operator job and demonstrate potential and skills for operating the console before being eligible for console selection. Operators appointed to promote to a Console position shall maintain the ability to progress to a Lead Outside Operator position.

An operator who voluntarily accepts assignment to the Console position shall remain in said position for four (4) years unless the Company approves transfer.

An employee who is assigned by the Company to the Console position can move, basis seniority, to another position as vacancies occur and provided the Console position is filled.

The Operating department structure consists of 3 areas (North, South, and West). These areas include five (5) departments and a total of thirty-six (36) jobs per shift and three (3) day shift jobs. In addition, there are nine (9) Unit Trainers assigned to support the ongoing training requirements for the areas.

APPENDIX E

CONSOLE OPERATOR PRE-SCREEN AND SELECTION PROCESS

A pre-screening process for Console Operators will be implemented. The opportunity to train on a console job will be contingent upon passing the pre-screening process. An operator's existing qualifications will not be affected by the results of the pre-screen process. An operator who does not pass the pre-screen process will continue to work and be paid based on their qualifications. Employees currently qualified on a console job will be exempt from the pre-screen process during the term of this agreement*. The Company agrees to review substantial changes to the pre-screen process with union leadership prior to implementation.

*While an employee qualified as a "B" Operator at the time of transition is exempted from the pre-screen process, failure to pass the necessary training and walk through will vacate this exemption for any future attempt to become a Console Operator.

The selection process will include:

- The applicant must pass an appropriate pass / fail pre-screen exam to be allowed to train.
 - Pre-Screen will include technical evaluation of both process knowledge as well as computer and trouble-shooting aptitude.
- Operators will be selected to begin training in seniority order.
- Employees must successfully complete the provided training and walk through.
- As vacancies occur, candidates for permanent positions will be considered from the operators qualified on the Console Board job in the department. Two management representatives and two Union representatives will jointly select the candidate to fill the permanent console board position. In the event the Company and Union representatives cannot agree on a selection, the Production Manager or their designee will make the final decision.
- The Production Manager's decision is considered final and is not subject to the grievance and arbitration procedure.
- If the Union disagrees with the Production Manager's decision, the Union has the right to appeal the decision to the General Manager, at which time the Union and the Company will meet to resolve the issue.
- Feedback will be provided to the unsuccessful candidates in order to assist them in their development.

APPENDIX F

LABORATORY PROGRESSION/WORK SCHEDULE

Technical Specialist

Senior Lab Technician qualified. Supplements Lab Technicians performing testing; assists in training as directed by management.

Senior Lab Technician

36 months of directly related experience and qualify in all Lab sections and provide Statistical Quality Control (SQC) support in all unit labs. Training and successful completion of the evaluation must occur before receiving additional pay.

Lab Technician II

12+ months of directly related experience and qualify in three Lab sections and provide SQC support to a minimum of two unit labs. Training and successful completion of the evaluation must occur before receiving additional pay.

Lab Technician I

Qualify in at least one section and provide SQC in at least one unit lab. Knowledge and skills tested with a passing score of 80%. Training and successful completion of the evaluation must occur before receiving additional pay.

Lab Technician Trainee

Entry Level. Knowledge and skills tested with a passing score of 80%. Training and successful completion of the evaluation must occur before receiving additional pay.

Lab Schedule

Day Shift - 4 X 10 Monday through Sunday 6:00am to 4:00pm

Swing Shift - 4X 10 Monday through Friday 2:00pm to 12:00am