

MEMORANDUM OF SETTLEMENT

BETWEEN

SUNCOR ENERGY LOGISTICS CORPORATION,
(EAST TANK FARM)

Hereinafter referred to as "the Company"

And

UNIFOR, LOCAL NO. 707-A

Hereinafter referred to as "the Union"

The parties agree to the terms of this Memorandum as constituting the basis for full and final settlement of the terms of the Collective Agreement between the Company and the Union.

The undersigned representatives of both the Company and the Union agree to unanimously recommend this Memorandum to their respective principals.

Terms applicable to this Memorandum are attached hereto and agreed upon.

Signed at Fort McMurray, Alberta, this day of March, 2018.

FOR THE COMPANY

FOR THE UNION

W. Henderson

[Signature]

Dexter Holter

Scott

[Signature]

Ben Campbell



Respectful Workplace (To be inserted as a preamble to the collective agreement)

The Company and the Union are committed to a work environment that is free from harassment, violence, threats of violence, intimidation, and other disruptive behaviour and recognize that all employees are expected to conduct themselves accordingly. No retaliation or reprisals will be tolerated against any individual who, in good faith, complains of, reports or participates in the investigation of any incident of alleged harassment. All employees are entitled to employment free from harassment, violence, threats, intimidation and other disruptive behaviour. Certain forms of harassment in employment (including harassment that is related to race, national or ethnic origin, colour, religion, age, sex, marital status, family status, citizenship, disability, or sexual orientation) are also unlawful under the *Alberta Human Rights Act*.

Recognition

Suncor Energy Logistics Corporation recognizes Unifor, Local Union No. 707-A as the sole bargaining agent for all its employees within the scope of the bargaining unit described as all employees at the East Tank Farm except office, clerical personnel and Team Lead DCS.

Purpose

The general purpose of this Agreement is to establish relations between the Company and its employees, to provide for the prompt and equitable settlement of grievances, to maintain a safe and harassment free workplace and to establish and maintain working conditions, hours of work and wages for all employees covered by this Agreement.

Union Dues

Union dues and any special assessments will be deducted as a condition of employment.

The amount will be determined by the Union and will be deducted on the first pay of each month and shall be remitted by the Company to the National Union.

Management Rights

The Company shall retain and exercise all management functions, duties and responsibilities except as limited, restricted or precluded by this Agreement.

Union Representation

The Company will recognize up to two (2) stewards who must be on offsetting shift schedules. The Company will also recognize these individuals as safety representatives. The Company will recognize one (1) steward as the unit bargaining committee representative. Union stewards attending meetings at the Company's request will be paid at their applicable hourly wage rates. Union stewards shall not leave their work to attend to Union business without securing permission from their supervisor. The Company agrees that, subject to operational requirements, Union Leave of Absence without pay but without loss of seniority shall be granted.

The Company agrees to provide a notice board located on Company premises for the posting of Union bulletins and information. The Union agrees that prior to the posting of any item on this Board; it will be submitted and approved by the Company.

It is recognized that occasions may arise which require the attendance of an outside counsel at a meeting with the Company. In such cases, the union shall inform the company of its desire, on a timely basis.

Strikes and Lockouts

There shall be no lockout by the Company or strike, slowdown, sit-down or suspension of work, either complete or partial, by the Union or employees during the life of this Agreement.

Probation Period

An employee shall be on probation for the first one hundred and eighty (180) calendar days. Days absent from work are not counted towards the first one hundred and eighty (180) calendar days.

Hours of Work

The hours of work will be or will average a minimum of 40 hours per week.

The work week will be from Sunday to the following Sunday.

A work day will be from the starting time until 24 hours after the starting time.

The Company shall maintain the right to make changes in working schedules as may be required for the efficient operation of the East Tank Farm.

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If less than 48 hours' notice is provided, the first shift of the new schedule will be paid at the applicable overtime rate.

Letter not to be published in the collective agreement:

Subject: Discussion on Hours of Work from 2018 Bargaining

During bargaining for a first collective agreement at East Tank Farm, the Union asked for a written assurance on the scheduling of hours of work from the Company.

The Company intends to keep the prevailing shift schedule in place with 12 hour shifts and start/stop times of 6 a.m. and 6 p.m. on an averaging arrangement that averages 42 hours per week.

The hours of work schedule at this site constitutes an hours of work averaging agreement under the *Alberta Employment Standards Code* for all purposes of the *Code*.

If there is a need to change the shift schedule due to operational needs for any reason, the Company will first discuss the need to change shift schedules with the Union before implementing the change.

Overtime

Any work in excess of an employee's regularly scheduled hours, including hours in excess of 40 per week averaged over the employees shift cycle, will be paid at two (2) times the employee's base hourly rate.

When overtime work is necessary it shall be distributed fairly among employees who are qualified to perform such work. Employees with the lowest hours will be canvassed first. The overtime list will be posted bi-weekly. Overtime will be reset in January, on an annual basis.

Upon hire, an employee will be placed on the overtime list with one (1) hour more than the highest Operator.

In the event that the required numbers of volunteers are not available the employee(s) with the lowest hours will be required to work overtime.

Severance

In the event of a permanent workforce reduction, the employee will receive severance pay based on:

Two weeks' pay plus two weeks' pay for each year of continuous service multiplied by 1.15 provided the employee has at least one year of continuous service. Severance pay for a partial year of service will be calculated on a prorated basis. A weeks' pay shall equal 40 hours at the employee's base hourly rate.

In preference to layoff, employees who have at least one year of service may request to accept severance pay and terminate their employment. Employees who remain on layoff for a period of twelve (12) months will receive severance pay and their employment will be terminated.

Temporary Workforce Reduction

In the event of a temporary workforce reduction the Company will retain employees based on:

- a) qualifications;
- b) seniority

When qualifications are equal, the Company will lay off employees in reverse order of their seniority. A similar approach will be used in the event of recall.

Grievance Procedure

X.01. If a difference arises between one or more employees and the Company regarding the interpretation, application, operation or alleged contravention of this collective agreement, the employee(s) shall first seek to settle the difference through discussion with their immediate supervisor. If it is not resolved it may become a grievance and be advanced to Step 1. A grievance which claims that discipline or termination of employment was without just cause shall be submitted directly to Step 2.

Step 1:

The grievance must be submitted in writing by the employee and the Union to the Manager, East Tank Farm Operations within fourteen (14) working days of the

occurrence or the date the employee was aware or reasonably could have been aware of the occurrence. The Manager, East Tank Farm Operations shall convene a grievance meeting and provide a written decision on the difference or dispute within fourteen (14) working days.

Step 2:

If the Union is not satisfied with the decision at Step 1 the Union may, within seven (7) working days of the decision in Step 1, advance the grievance in writing to the Director, East Tank Farm, who will give a decision in writing within fourteen (14) working days.

If the decision of the Director, East Tank Farm is not satisfactory, the Union may submit the dispute to arbitration as provided in Article Y within (30) thirty working days. In all discussions and presentations the employee will be represented by a Union Steward or a representative of the Union. All policy and termination grievances shall be submitted at Step 2.

- X.02 Any grievance instituted by the Company may be referred in writing to the Union within ten (10) working days of the occurrence of the circumstances giving rise to the grievance, and the Union shall meet within seven (7) working days thereafter with the Company to consider the grievance. If final settlement of the grievance is not completed within five (5) working days of such meeting, the grievance may be referred by either party, to a Board of Arbitration or, by mutual agreement between the Union and the Company, a Single Arbitrator as provided in Article Y at any time within thirty (30) working days thereafter.
- X.03 Where the party filing the grievance does not submit a grievance to arbitration within the specified time limits outlined in Article X.01, the grievance will be considered to be abandoned.

ARTICLE Y Arbitration

- Y.01 On the application of the Union or the Company and within the time limits set out in Article X, the matter may be submitted for final settlement to a Board of Arbitration or, by mutual agreement between the Union and the Company, a Single Arbitrator.
- Y.02 The following sets out the procedure for the appointment of a Board of Arbitration or Single Arbitrator.

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- (a) Arbitration Board

The party desiring to submit a matter to arbitration shall notify the other party to this Agreement of its intention in writing and at the same time nominate its representative on the Arbitration Board. Within seven (7) working days thereafter the other party shall nominate its representative. When the representatives have been appointed they shall meet forthwith to choose a Chairperson who with the two representatives shall constitute the Arbitration Board. Should the representatives fail to agree on the Chairperson within seven (7) working days they shall forthwith request the Minister of Labour of the Province of Alberta to appoint a qualified chairperson.

(b) Single Arbitrator

By mutual agreement of the Union and the Company, a Single Arbitrator may be appointed rather than an Arbitration Board. The party desiring to submit a matter to a Single Arbitrator shall notify the other party to this Agreement of its intention in writing and at the same time nominate at least five names of possible arbitrators. Within seven (7) working days thereafter the other party shall choose one of the suggested arbitrators or submit its list of five (5) possible arbitrators. If agreement is not reached by the parties within an additional seven (7) working days either party may request the Minister of Labour of the Province of Alberta to appoint a qualified arbitrator.

- Y.03 Each party shall bear the expense of its nominee. The fees and expenses of the Chairperson shall be shared equally between the parties.
- Y.04 The Single Arbitrator or the Arbitration Board shall not be authorized to make any decision inconsistent with the terms of this Agreement nor to alter or modify any portion of this Agreement.

Vacation (not intended to appear in collective agreement)

Employees are covered by the Company vacation policy.

Recognized Holidays

The following holidays will be granted:

New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day,

Thanksgiving, Remembrance Day, Christmas Day.

KS
Employees will observe holidays on the day on which they fall.

Where a holiday falls on a regular scheduled day of rest and the holiday is not worked, employees will receive holiday pay equivalent to one (1) shift of regular hours worked at straight time.

Where a recognized holiday falls on a regular scheduled workday and the holiday is worked, employees are paid for all hours worked at applicable overtime rates, in addition to holiday pay equal to one (1) shift of regular hours worked at straight time.

Up to 72 hours of holiday hours per year may be banked. Banked hours may be de-banked subject to operational considerations including any resulting overtime.

Leaves of Absence (not intended to appear in the collective agreement)

Employees are covered by the Company Leave of Absence policy.

Temporary Employees

Temporary Full-Time Employees (TFTE) may be employed in the bargaining unit to supplement bargaining unit work.

The need for TFTE and the duration of employment will be driven by activities related to the Company's operations (e.g. projects, maintenance events) as well as the need to fill vacancies created by, but not limited to, maternity/parental and disability leaves that are expected to be at least thirty days in duration. TFTE may be employed indefinitely in the event of overlapping needs or vacancies. Termination of a TFTE will take into consideration legislative requirements.

The Company will pay TFTE the same regular rate and overtime premium as Regular Full-Time Employees (FTE). TFTE will be treated, for pay and eligibility for overtime, the same as FTE.

TFTE will not be eligible for and will not participate in any Company pension and benefit plans.

Vacation, vacation pay, general holidays and holiday pay shall be in accordance with the Alberta Employment Standards Code.

The Company shall deduct and remit Union dues from the wages of TFTE.

TFTE shall not accrue seniority nor have any seniority rights under the Collective Agreement.

Notwithstanding, in the event a TFTE is hired as a FTE, the probationary period outlined in the collective agreement will be waived – assuming the TFTE has been employed for at least 180 days.

Duration

This Agreement shall be effective from (date of ratification) and shall remain in force and effect through 11:59 pm on the 30th of June, 2022 and from year to year thereafter, unless either party gives notice, in writing, to the other party not less than sixty (60) days but not more than one hundred and twenty (120) days prior to the expiry hereof, to terminate this Agreement or to negotiate revisions thereto.

The Company and the Union hereby agree to adjust wages effective February 1, 2019 and annually thereafter by a percentage based on the prevailing Suncor negotiated settlement and for the term of the contract. In the unlikely event a Suncor negotiated settlement is not clearly established, the parties to this agreement will meet to discuss a wage reopener to determine a wage adjustment.

Appendix - Wage Schedule & Progression

Progression is based upon a combination of qualification and experience.

There will be three qualifications - HBT, DCS, ETFD. All Operators must successfully complete and maintain all qualifications of the progression program for which they have been trained.

The Company will ensure that employees will be given an opportunity to train and qualify within the timelines outlined below. Progression to Operator 3 will be done by seniority.

An Operator 2, who requires any qualification in order to achieve Operator 3 status, and is not given the opportunity to train or qualify, will receive the Operator 3 rate no later than:

- For DCS qualification, 18 months after the date the employee gives notice of intent to train, or
- For HBT or ETFD qualification, 18 months after Operator 2 progression level is achieved

This will not apply if the employee is not able to attain the qualification.

Employees will provide written notice of their intent to accept DCS training.

Employees hired with previous experience will be eligible to start off at a higher rate of pay commensurate with qualification and experience.

Progression Level		Effective XXX	Minimum Time in Months
Operator 3	<ul style="list-style-type: none"> • 3 of 3 Qualifications achieved • Pay occurs post 3rd qualification achieved and additional 6 months experience 	\$53.50	30 months
Operator 2	<ul style="list-style-type: none"> • 2 of 3 Qualifications achieved • Pay occurs post qualifications achieved and 6 months experience 	\$46.35	18 months
Operator 1	<ul style="list-style-type: none"> • At 180 days • Pay occurs when employee passes probation and achieves first qualification 	\$39.16	6 months
Entry / Operator Trainee	<ul style="list-style-type: none"> • Starting rate 	\$35.00	

Shift Employees assigned to a day shift will receive a premium of \$1.10/hr

Shift Employees assigned to a night shift will receive a premium of \$3.75/hr

Employees are covered by the Company's Fort McMurray Location Index (FMLI) program

Post Ratification Actions (not to appear in the collective agreement)

Within 30 days of ratification, DCS employees will declare if they want to remain in their current DCS role, or remain in bargaining unit at Operator 3.

Within 30 days of ratification, the company will canvass all employees at Operator 2 or 3 to confirm their intent to pursue the DCS qualification.

Within 30 days of ratification, the parties agree to establish a seniority list.

Lastly, the parties agree to meet to review any unforeseen issues arising from the above.

Operator Progression Post Ratification:

Employee Name	Current Progression Level	Current Rate	Progression Level Post Ratification	Rate Post Ratification	Lump Sum Payme	Comments
Alexander Miller	Operator 2	\$43.68	Operator 2	\$49.56	\$15,000	
Nicholas Rice	Operator 2	\$43.68	Operator 2	\$49.56	\$1,500	
Byron Littleton	Operator 3	\$45.24	Operator 2	\$49.56	\$9,000	
Adam Greenham	Operator 3	\$45.24	Operator 2	\$49.56	\$9,000	
Kyle Urquhart	Operator 3	\$45.24	Operator 2	\$49.56	\$9,000	
Tony Loder	Operator 3	\$45.24	Operator 2	\$49.56	\$9,000	
John Parker	Operator 5	\$51.78	Operator 3	\$51.78		*This rate will only be applied post-ratification should the employee elect to continue with DCS training. Employee will be eligible for retro wage rate adjustment to date of ratification post DCS qualification
Elvin Prakash	Operator 5	\$51.78	Operator 3	\$51.78		*This rate will only be applied post-ratification should the employee elect to continue with DCS training
Travis Riley	Operator 5	\$51.78	Operator 3	\$51.78		*This rate will only be applied post-ratification should the employee elect to continue with DCS training. Employee will be eligible for retro wage rate adjustment to date of ratification post DCS qualification
Scott Swain	Operator 5	\$51.78	Operator 3	\$53.60		
Kera Cardinal	Operator Trainee	\$33.15	Trainee	35.00		
Ryan Chichack	Operator Trainee	\$33.15	Trainee	35.00		
Amanda McKay	Operator Trainee	\$33.15	Trainee	35.00		