

**Amendments to the
SPECIAL PROJECT NEEDS AGREEMENT**

for the

**INTER PIPELINE LTD.
HEARTLAND PETROCHEMICAL COMPLEX
PROJECTS**

SPECIAL PROJECT NEEDS AGREEMENT

ENTERED INTO THIS 5th DAY OF APRIL, 2019

BETWEEN:

**THE COORDINATING COMMITTEE OF REGISTERED EMPLOYERS'
ORGANIZATIONS**

(hereinafter referred to as "the Coordinating Committee")

On Behalf of the Registered Employers' Organizations ("REOs") in Schedules A through __, and such additional REOs that agree with their counterpart Trade Unions to be bound by this Agreement
and

THE BUILDING TRADES OF ALBERTA

(hereinafter referred to as "the Council")

On Behalf of the Trade Unions in Schedules A through __ and such additional Trade Unions that agree with their counterpart REOs to be bound by this Agreement

(individually, a "Party" and collectively, "the Parties")

WHEREAS Inter Pipeline Ltd. (the "Owner") intends undertake capital works, including a central utilities block and extruder facility on lands owned by it near Fort Saskatchewan ("Project Site");

AND WHEREAS this Special Project Needs Agreement (the "Agreement") will provide a forum through which key stakeholders, including contractors, unionized labour, and the Owner, may address issues of mutual concern;

AND WHEREAS this Agreement is beneficial to all of the stakeholders in terms of establishing methods of communication and working relationships;

AND WHEREAS it is the expressed intention of the Parties that the execution of this Agreement neither detracts from the bargaining authority of any REOs or any group of Trade Unions pursuant to a Registration Certificate (as defined in section 175 of the Labour Relations Code) or otherwise, nor does it in any way act as a surrender of any bargaining authority that any such group may hold.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the REOs and the groups of Trade Unions agree to the following terms and conditions of employment:

Scope and Definition

1. This Agreement shall be attached to and form part of the Provincial Construction Collective Agreements between the respective REOs and groups of Trade Unions. This Agreement shall only apply in respect of employers and employees engaged in the general sector of the construction industry.
2. This Agreement is intended to cover Capital Works as set out in Appendix 1 of this Agreement, which shall be amended and updated from time to time in consultation with the Owner.

Duration and Application of Subsequent Provincial Construction Collective Agreements

3. The provisions of this Agreement shall continue until the Owner confirms the conclusion of the Capital Works on the Project Site, notwithstanding that such event may take place after the expiry date of the existing Provincial Construction Collective Agreements. The Parties agree that the work to which this Agreement applies shall continue without interruption by strike, lock-out, work slowdowns, or any other action designed to limit output.
4. As collective bargaining, pursuant to a Registration Certificate or otherwise, may take place in the construction industry which will affect terms and conditions of employment, save and except where the same are provided for in this Agreement, such variations in the resulting Provincial Construction Collective Agreement shall apply to the Project. Any applicable changes will be effective for the purposes of this Agreement as and when such changes become effective pursuant to the resulting Provincial Construction Collective Agreement.
5. In the event that a referenced Provincial Construction Collective Agreement ceases to be in effect, then the applicable provisions of the most recent Provincial Construction Collective Agreement shall apply until such time as a new Provincial Construction Collective Agreement is entered into by the REOs and the groups of Trade Unions or the successors of either.
6. Each REO and each counterpart group of Trade Unions undertake to propose to the other and to agree with the other that this Agreement will be attached to and form part of the Provincial Construction Collective Agreement that will be concluded pursuant to any round of construction collective bargaining entered into or initiated while this Agreement is in effect.
7. Each REO and each group of Trade Unions understand that representatives of the Coordinating Committee and of the Council together may negotiate changes to this Agreement. The said changes shall, after approval by the Owner and after ratification by both the Coordinating Committee and the Council, apply to this Agreement. Such ratification shall be through whatever ratification process the Coordinating Committee and the Council determine.

8. Following the conclusion of the 2019 round of collective bargaining, the Parties shall examine the outcomes of the round of bargaining and incorporate into this Agreement any collective agreement changes that will enhance project performance and/or reduce cost.

Part 3, Division 8 of the Alberta Labour Relations Code

9. In the event that the Owner, in its sole discretion, applies pursuant to Part 3, Division 8 of the Alberta Labour Relations Code to have the Project, or any part thereof, designated pursuant to Section 196 of the Labour Relations Code, and provided that, under such designation the then existing Provincial Construction Collective Agreements between the Trade Unions and the REOs are designated as the Provincial Construction Collective Agreement between the Owner and the affected Trade Unions, then the Parties and the Trade Unions and REOs bound by this Agreement will support such designation application and the Parties and Trade Unions and REOs bound by this Agreement, agree that the terms of such Provincial Construction Collective Agreement or Agreements will, insofar as they apply to the affected Trade Unions and REOs, consist of the then existing or most recent Provincial Construction Collective Agreement or Agreements as modified by this Agreement.

No Bargaining Relationship for Owner

10. It is understood by the Parties and the Trade Unions and REOs bound by this Agreement that no bargaining relationship is created by the Owner with the Trade Unions, the Building Trades of Alberta, or any affiliate of the Building Trades of Alberta, by voluntary recognition or by action of law pursuant to Division 5 or 6 of Part 2, or sections 176 or 178 of the Alberta Labour Relations Code. Similarly, where the Owner has participated in any way in the processes and administrative matters contemplated in this Agreement, it is only for the purposes of this Agreement and the enhancement of the Project and in no way can be construed to be creating a bargaining relationship, extending a voluntary recognition or taking actions which, by action of law, would bind the Owner to any Collective Agreement with the Trade Unions, the Building Trades of Alberta, or any affiliate of the Building Trades of Alberta.

Effective Date

11. This Agreement shall become effective for the REOs and the Trade Unions referenced on Schedules A through ___ on April 5, 2019, and for such other REOs and Trade Unions that agree to be bound by this Agreement on the dates on which they reach such agreement.

Review of Project Terms

12. This Agreement shall be reviewed by the Parties from time to time in consultation with the Owner. Any modifications to this Agreement shall require the Owner's approval in writing.

Liaison Committee

13. A Liaison Committee shall be established and shall meet on an informal basis at the request of either of the Parties or the REOs or Trade Unions bound by this Agreement, or at least quarterly, to discuss matters of mutual interest pertaining to the Project and/or this Agreement, with the objectives of promoting and maintaining beneficial relations and cooperation between the Parties, and ensuring the achievement of the purposes of this Agreement.
14. The Liaison Committee shall consist of representatives of the REOs, each of which shall be designated by the Coordinating Committee, and representatives of the Trade Unions that are represented by the Council, each of which shall be designated by the Council. Irrespective of the number of representatives designated by the respective parties or of the number which participate in any meeting of the Liaison Committee, the Liaison Committee members designated by the Council and those designated by the Coordinating Committee shall have an equal number of votes. The Parties and the REOs and the Trade Unions bound by this Agreement agree that the Owner and/or its designee are entitled to participate in the affairs of the Liaison Committee. Persons appointed to the Liaison Committee by the Owner will be entitled to participate fully in the proceedings of the Liaison Committee, but will not be entitled to vote.
15. The responsibilities of the Liaison Committee shall include:
 - (i) Establishing terms of reference for the Liaison Committee giving due recognition to the language and intent and purposes of this Agreement.
 - (ii) Establishing rules of procedure for the Liaison Committee to carry out its responsibilities.
 - (iii) Establishing processes to ensure that decisions of the Liaison Committee that affect this Agreement are recommended to the Parties for incorporation into this Agreement.
 - (iv) Establishing methods of resolving issues that the Parties to and the Trade Unions and REOs bound by this Agreement are unable to quickly resolve.
 - (v) Assisting in the development, implementation and administration of initiatives to enhance safety, quality, cost, productivity, schedule, and community relations.
 - (vi) Addressing disputes that may arise between any of the parties engaged on the Project respecting whether certain work is or is not "construction".
 - (vii) Dealing with such matters as are referred to it by this Agreement.
 - (viii) Establishing and implementing programs and measures to accelerate the training and mentoring of supervisors, and candidates for supervisory positions.
16. It is the intention of the Parties that the Liaison Committee shall provide for joint stewardship of key performance measures by labour, contractors and owner groups including, without restricting the generality of the foregoing, safety, quality, cost, productivity and schedule. It

is also the intention of the Parties that the Liaison Committee will be respectful of the collective bargaining, collective agreement administration and other bargaining agency roles and responsibilities of the REOs and of the Trade Unions.

Notice

17. In the absence of an express provision in this Agreement to the contrary, the delivery of any notice, statement or document to a Party shall be sufficient if delivered in person or by courier, if mailed by postage prepaid registered first class mail to the last known address, or by facsimile if a facsimile copy is transmitted by telecommunication device to the last known facsimile transmitter number. In the case of hand delivery or delivery by courier, delivery shall be effective upon receipt. In the case of delivery by mail, delivery shall be deemed to be effective on the 7th day after being mailed. In the case of delivery by facsimile, delivery shall be effective upon the date of confirmed transmission. Delivery of a notice, statement or document by email is not permitted. Each Party shall keep the other Party informed as to a change of address and facsimile number.

Harmony Provisions

18. The Parties agree that in order to achieve appropriate working relationships amongst the various REOs and Trade Unions working on any Capital Works to which this Agreement applies, the following conditions shall apply and if any conflict exists between these conditions and the terms of the Registered Construction Collective Agreement between the REO (or where there is no REO respecting a trade jurisdiction, the employer or employers) and the Trade Union, this Agreement shall prevail.

Daily Travel

19. Travel to and from the Project Site, for all tradespeople and labour, will be by bus. There will be very limited provision for on site for private vehicle parking, which will be accessible on a day to day permit basis. There is no compensation for daily travel.

Hours of Work

20. (a) **Excusable Absence**
 - (i) The absence occurs, despite all good faith efforts of the employee to attend work and is due to circumstances beyond their control.
 - (ii) The employee shall inform the employer of the likelihood they will be unable to attend work, or attend at the scheduled time, at their earliest opportunity.
 - (iii) The employee must provide the employer the reasons for absence, and at their earliest opportunity, documentary or other evidence supporting their claim for an excused absence.
- (b) **Request for Pre-Authorized Absence**

Where an employee is seeking a pre-authorized absence and who has not been absent, including late arrivals or early quits, or granted leave in the previous

calendar 30 days, and who gives the Employer at least three working days' notice of a request for leave of up to one day, will be granted the requested leave. Requests for time off that meet the above conditions will not be unreasonably denied subject to operational requirements.

(c) **Absence Due To Illness**

For absences due to illness in accordance with section 53.982 of the *Employment Standards Code* (except that the qualifying period will be waived), the employee must give the employer as much notice as is reasonable and practicable in the circumstances.

For absences of one or two days, no medical confirmation of the illness will be required. However where there appears to be repetitive absences or patterns of absences, explanations will be required and the employer and employee involved will discuss the reasons for the absences and any measures to be taken to reduce them in the future.

(d) **Calculation of Overtime in any Pay Period When Any Time is Missed**

Notwithstanding any provision of this Collective Agreement, the formula for calculation of overtime in a pay period shall be:

$$\text{Overtime payable is } D = (C + A) - B$$

A = straight time hours missed as a result of excused or authorized absence

B = straight time hours scheduled for the pay period

C = all hours worked in the pay period

D = overtime hours earned

21. Subject to 20 above, when the 5 days on (Monday through Friday) and 2 days off shift cycle is utilized and when 10 hours per day are worked, time-and-one-half will apply to the 1st and 10th hours.
22. Subject to 20 above, when 10 hour shifts are worked, in lieu of the work breaks and lunch breaks provided for in the applicable Registered Construction Collective Agreements, the employer shall have the option of scheduling 2 breaks of ½ hour each, approximately equally spaced in the 10 hour shift. The first break shall be unpaid. The second break shall be paid at applicable rates. Where necessary, a break may be moved to accommodate operational needs. In the event that an employee is not able to take a break, the employee shall be paid an extra 30 minutes at time-and-one-half for each missed break. This option shall not be applicable to compressed work weeks for which work days are regularly scheduled in excess of 10 hours. A change in scheduling of the breaks will normally be communicated to the affected employees prior to the end of the work cycle before the change.

Shift Work

23. Shifts for which the start times are between 12:00 noon and 4:00 a.m. may be scheduled. To be classified as shift work rather than as overtime, such shifts must be scheduled for at least 1 regular work week. Subject to 20 above, for a 10 hour second shift, time-and-one-half will apply to the 1st and 10th hours, and the shift differentials to be applied to each of the 10 hours and to any overtime after the 10th hour shall be in accordance with the

provisions of the Registered Construction Collective Agreement. In no event shall the hourly rate be greater than the applicable overtime rate plus shift differential.

24. Although the work week of 5x10 hour days is expected to be the primary work week, other work schedules may be used by agreement, in consultation with the Owner.

Overtime

25.

- (i) Subject to 20 above, overtime at time-and-one-half shall apply to each hour worked in a week in excess of 10 hours per day during the Monday through Friday period, and on Saturdays, Sundays and general holidays.
- (ii) Work on a general holiday or on a Sunday shall be voluntary. When work is required to be completed on a general holiday or a Sunday, the Employer shall establish a process through which workers who are asked to perform such work will declare, at least two working days in advance of such work, whether they will perform such work.

Reporting for Work

26. The Parties are committed to delivering value for paid time. Accordingly,
- (i) unless some other reporting location is designated by the employer, employees shall be in attendance at their work station and prepared to commence work at the scheduled starting time for their respective shifts; and shall remain engaged at their work station or other location designated by the employer until such time as is designated by the employer for them to leave.
 - (ii) employees shall be diligent in respecting start times, shift completion times, lunch periods and rest break periods.

Variances

27. The Parties hereto and the REOs and Trade Unions bound by this Agreement recognize that variations in the scheduling of the work week, reporting for work or returning from work, rest breaks, meal breaks and start and finish times may be appropriate from time to time, and that it may be appropriate that such variations affect all or only a portion of the Project. Any variations that are not permitted by the foregoing provisions may be established by resolution adopted by the Liaison Committee and approved by the Owner.

Pre-Job Conferences

28. There shall be a pre-job conference and mark-up in respect of each contract awarded. An employer who is engaged in the capacity of a principal contractor shall notify the Council of all contracts awarded which come within the scope of this Agreement. Mark-ups will be provided by the employer to the Council.

Apprentice Ratio

29. The Parties agree to cooperate in attaining the optimal training and deployment of apprentices on the Project and will accept persons qualified to become apprentices to fill the journeyman/apprentice ratio where there is a shortage of registered apprentices. The employment of apprentices (within regulatory requirements and limitations), will be promoted throughout the duration of the Project, and shall provide for a spectrum of apprentices from the first year through to fourth year (as appropriate to the respective trade). The Owner may establish target apprentice workforce composition and the Trade Unions and Employers will work towards those targets.

Hiring Preferences:

Qualified Local Residents, Qualified Female Workers & Qualified Local Aboriginals

30. The early and continued participation of qualified local residents, qualified female workers, and qualified local aboriginal communities is desirable; accordingly, the Parties and the REOs and Trade Unions bound by this Agreement agree to optimize employment and training opportunities for such qualified local residents, qualified female workers, and qualified local aboriginals under this Agreement.

Geographical Priority of Workers

31. The Parties are committed to working co-operatively to identify, recruit and employ workers in the following geographical order of priority for work on the Project: 1. Local; 2. Alberta; 3. Canada; 4. North America; 5. beyond North America.

Hiring

32. In addition to the hiring procedures that are set out in the Registered Construction Collective Agreement, the Trade Unions shall also use their best endeavours to ensure that those engaged on the Project do not have to travel in order to pick up their dispatch or referral slips. The Trade Union shall make every effort to use facsimile transmission, courier service, e-mail, or some other efficient means to avoid unnecessary travel, transportation and delay.
33. A process to facilitate the training, development and effective utilization of supervision, including site foremen, will be developed in accordance with Appendix 2.

Project Enhancements

34. Policies designed to enhance project performance, in terms of employee skills, supervisory skills, health and safety (including measures to address substance use and abuse), worker satisfaction, worker retention, productivity, effective training and employment of apprentices, mentoring, attendance, and other value-adding initiatives, shall be developed by the Parties and implemented on the Project, subject to the Owner's approval.

Codes of Excellence/Conduct

35. The Parties, with the concurrence of the Owner, support the application and administration of the respective Trade Unions' "Codes of Excellence/Conduct".
36. The Parties agree that they shall deal with the below listed matters on the basis that they will consider each of the items and agree on programs, implementation and administration. Those matters are health and safety, site closures, pre-job markups, training and maximization of the practical use of apprentices, and where appropriate, trainees.
37. The Parties agree that they will provide for the implementation of and administration of the program to minimize absenteeism and maximize retention, the commitments to increase productivity, the program of job steward/supervisor leadership, the program for delivery of training and skills upgrading, and to assist in recruitment.
38. The Parties agree to discuss matters of mutual interest pertaining to the construction project with the objective of promoting and maintaining beneficial relations and co-operation between the Parties, and to discuss and implement ways to make the construction project successful.
39. The Parties agree to support and participate in value-added programs such as behavioral based safety, semi-automatic and automatic welding technologies, and productivity enhancement programs.

General Holiday Observance

40. Each general holiday shall be observed on the calendar date on which it occurs, or in accordance with a holiday observance schedule agreed by the Parties. The occurrence of a general holiday on an individual's scheduled day off shall not affect the start date of the individual's return to work, or the rate of pay for that day.

Site Closures

41. In consultation with the Liaison Committee, the Owner may designate certain periods in the year during which construction activity on the Project Site may be suspended or significantly reduced in order to accommodate holiday periods such as the Christmas to New Year's period or other circumstances. The Owner may also require that the employer maintain its services during such periods in order to meet Project needs.

Site Access

42. The Trade Unions hereby agree not to use their access to the Project Site as a means to attempt to organize employees not already represented by them. Accordingly, no representative of the Trade Unions allowed on the Project Site will, directly or indirectly, solicit employees working on the Project Site to become members of any of the Trade

Unions, or to otherwise support any of the Trade Unions in an application for certification of their employer.

Site Stability

43. The Parties acknowledge that this Agreement is designed to achieve labour relations stability on the Project. It is a violation of this Agreement for the Parties and the REOs and Trade Unions bound by this Agreement, the employers or the employees to do anything to harm, delay, or otherwise impede construction of the Project. Any person engaging in such conduct will be subject to immediate removal from the Project site.
44. The Owner will establish policies relating to health, safety, environmental, and other matters relating to management of the Project Site, which may apply to all employees and employers, but will not form a part of this Agreement. To the extent of any conflict, these policies will prevail over provisions relating to the same or similar subject matter in any Registered Construction Collective Agreement. The provisions of this Article do not take away any rights the Trade Unions or an individual would ordinarily have to challenge such a policy.
45. The Parties and the REOs and Trade Unions bound by this Agreement recognize that because there will be employees represented by various unions working on the Project there is a possibility of conflict between employees represented by rival unions, or between union employees and non-unionized employees. The Parties hereto and the REOs and Trade Unions bound by this Agreement will not tolerate any form of violence, harassment, intimidation, bullying, or any other disparaging or demeaning conduct directed by employees, trade union representatives, or other persons, against other employees, trade union representatives, or other persons based on trade union affiliation, or lack of trade union affiliation. This prohibition includes all verbal communications, written materials, logos, stickers, symbols, and gestures. The Owner has the right to remove any employee, trade union representative, or other person from the Project Site should they engage in any such activities.
46. No employee will refuse, or threaten to refuse to perform work for their employer for reason that other work was or will be performed, or was not or will not be performed by any persons who were or were not or are or are not members of a particular trade union. Any provision in a Registered Construction Collective Agreement which conflicts with this Article is not incorporated into this Agreement.

Turnover

47. The Parties are committed to reduction of avoidable cost and disruption caused by turnover, and to ensuring the effectiveness of corrective discipline. Accordingly, the Parties and the Trade Unions and REOs that they represent agree that any worker that has been terminated for cause, and any worker that resigns their position on the Project before their assignment on the Project is complete, will be denied access to the Project Site for a period of at least 28 calendar days from the date of the termination or the resignation, respectively.

Successor Organizations

48. This Agreement assigns rights, roles and responsibilities to the Coordinating Committee and/or to the Council. In the event that the Coordinating Committee ceases to exist or to represent the REOs listed in the Schedules attached hereto or the successors to any of them, the rights, roles and responsibilities assigned herein to the Coordinating Committee shall be carried out by the signatory REOs, or the successors to any of them, collectively. In the event that the Council ceases to exist or to represent the Trade Unions listed in the Schedules attached hereto or the successors to any of them, the rights, roles and responsibilities assigned herein to the Council shall be carried out by the signatory Trade Unions, or the successors to any of them, collectively.

Jurisdiction

49. This Agreement shall be governed by the laws of Alberta and the applicable laws of Canada. The Parties agree to attorn to the Courts of the Province of Alberta for the resolution of any dispute that may arise under or in connection with this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first written above.

For the Building Trades of Alberta, for and on behalf of the Trade Unions set forth on Schedules A through __, and such additional Trade Unions that agree to be bound by this Agreement

Per: _____

Per: _____

For the Coordinating Committee of Registered Employers' Organizations, for and on behalf of the Registered Employers' Organizations set forth on Schedules A through __, and such additional Registered Employer Organizations that agree to be bound by this Agreement.

Per:  _____

Per: _____

Appendix 1

CAPITAL WORKS are defined as the Construction, as that term is defined in the *Alberta Labour Relations Code*, of that portion of the Project, situated within the limits of the Project Site, awarded under a contract for construction, including:

- A Central Utilities Block
- A Propane Dehydrogenation Plant
- A Polypropylene Plant and Extruder facility

Capital Works shall specifically exclude the following:

- (i) construction work in respect to any contracts awarded to non-Building Trades affiliated contractors, or prior to the date of this Agreement unless specifically included by the Owner.
- (ii) work performed by the Owner's own forces, contractors and their subcontractors on activities associated with Plant operations and maintenance.

“Capital Works” pursuant to this Agreement will be deemed to be completed when the Owner has assumed possession of such work or component portion. If a contractor performs construction work in respect of an aspect of the project after it is assumed by the Owner, then the Owner may choose to declare that this Agreement also applies to that work.

The Owner may amend this Appendix in its discretion.

Appendix 2: Other Issues

- 1. Supervision:** It is in the interests of the Parties and REOs and Trade Unions bound by this Agreement to promote the training and development of foremen and other supervisors to manage the extensive amount of work contemplated for Alberta. Training and mentoring of supervisors will be facilitated and encouraged on the Project Site within the scope of this Agreement. Workers showing leadership potential will be encouraged to accept the roles of foremen as needed on the Project Site and will be provided with the training and mentoring to make them successful. Where it is not feasible to meet the needs for supervision on the Project Site from within the ranks of Alberta tradesmen, or in those situations where there are special language situations that need to be considered, the Parties and the REOs and Trade Unions bound by this Agreement will establish a protocol for insuring that supervisory needs are met having due regard for the need to maintain safety, productivity, quality, and a working environment that will promote the attraction and retention of workers.

Further work on the protocol for meeting supervisory needs may be carried on through the Liaison Committee(s) established for the Project or such other sub-committee as the Parties may agree to utilize.