

CONSUMERS' CO-OPERATIVE REFINERIES LIMITED
Regina, Saskatchewan

Letter No.	58
Issued	1968
Revised	Feb. 1, 2004
Replaces	Feb. 1, 1998

LETTER OF UNDERSTANDING

- A. SUBJECT** Contract Work
- B. GENERAL** The purpose of this letter is to provide clarification in regard to contract work as described in Article 2, Section 3 of the Main Contract.

C. CLARIFICATION

1. Scope:

All classes of building and Refinery construction projects, and maintenance work, including equipment rentals and operating personnel.

2. Scheduling:

A monthly report will be prepared identifying currently scheduled contract work, indicating classification of work, number of persons, and the equipment involved. This report will distinguish between Union and non-Union contractors as defined in the Trade Union Act. Unscheduled and emergency contract work occurring during a month will be included in the next monthly report. A semi-annual meeting will be held between the Company and the Union to discuss contract work.

3. Limitation:

Currently employed permanent Refinery Maintenance personnel directly related to the contract work activity will be maintained before undertaking such contract work.

4. Adherence to Safety Regulations:

Contractors performing construction work are responsible for ensuring that their employees comply with the health and safety regulations and policies applicable to the work being performed. When the contractor's employees are performing maintenance and repair work, which is of a nature normally performed by employees in the bargaining unit, the contractors and their employees shall adhere to the established health and safety regulations and policies in force at the Refinery site. Management commits to deal promptly with any violations brought to its attention by the Joint Health and Safety Committee.

This shall not prevent contractors from following their own work procedures, providing that they, as a minimum, comply with OH&S Regulations.

5. Employment Security - Refinery Maintenance:

The Company and the Union recognize the current situation relative to contract construction and maintenance in the refinery environment for the purpose of turnarounds, capital projects, special projects, emergency situations, environmental or legislative compliance and the variable component of continuous maintenance. These functions have been performed by contractors at the Refinery in the past. In response to the concern that the continuous nature of maintaining the day-to-day operations of the Refinery with Company employees has been eroded, the Company is prepared to give the Union the assurance that the complement of Company Maintenance employees will be kept at a level substantially comparable to the work force in existence on expiry of the current Collective Agreement (January 31, 1998). This assurance is subject to the following:

- a) The mix of trades personnel may change within the overall complement;
- b) Business circumstances may dictate the closure of the Refinery, which would negate the commitment or partial closure of the Refinery, which could alter the commitment;
- c) Productivity in the Company work force must compare favourably to that of the contract work force;
- d) Technological change may dictate reduction in trades employment.

In all of the above circumstances, the Company shall discuss with the Union the reasons for any reduction in the trades work force. In such circumstances, the Company agrees to present to the Union, all facts which lead to the Company's decision. The Union will be given a minimum of three (3) months to respond before any action is taken. This letter should not be construed as restricting the Company from operating an efficient and productive refinery when measured against competitors in the same business.

Complement of Maintenance personnel as of January 31, 2004, is one hundred and forty-one (141), including Stores, Fire and Safety, and Inspection.

Consumers' Co-operative Refineries Limited

Communications, Energy & Paperworkers
Union of Canada, Local 594

Date