

**COLLECTIVE AGREEMENT  
AS PREPARED BY BRUNEI  
OILFIELD WORKERS'  
UNION [BOWU]**

# COLLECTIVE AGREEMENT 2004 – 2007

*Between*



BRUNEI SHELL PETROLEUM COMPANY  
SENDIRIAN BERHAD

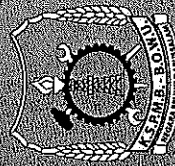


BRUNEI LIQUIFIED NATURAL GAS  
SENDIRIAN BERHAD



AND

BRUNEI OILFIELD WORKERS UNION

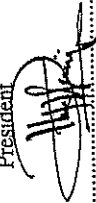


IN WITNESS whereof the parties hereto have hereunder set their collective agreement in signature this the 14<sup>th</sup> day of October 2004

For And On Behalf Of

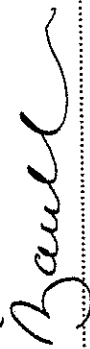
KESATUAN SEKERJA PADANG MINYAK BRUNEI  
THE BRUNEI OILFIELD WORKERS UNION (BOWU)


  
.....  
AWG HAJI SUHAI BIN HAJI YUSOF  
President


  
.....  
AWG HAJI OTHMAN BIN SERUJI  
Deputy President

For And On Behalf Of -


BRUNEI SHELL PETROLEUM COMPANY SDN. BHD. (BSP) /  
BRUNEI LIQUIFIED GAS SDN. BHD. (BLNG)

  
.....  
AWG HAJI ZAINAL ABDIN BIN HAJI MOHD ALI  
Deputy Managing Director, BSP /  
Human Resource & External Affairs Director

  
.....  
AWG HAJI AMIT BIN HAJI ABDUL RAZAK  
Head, Human Relations and Services

  
.....  
HAJJAH HAJJAH BINTI PG. HJ. MATARSAT  
Corporate Affairs Manager, BLNG

In The Presence Of

  
.....  
AWG HAJI OMAR BIN HAJJ ABDUL RAHMAN  
Commissioner of Labour

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## COLLECTIVE AGREEMENT

2004 - 2007

between

BRUNEI SHELL PETROLEUM COMPANY SENDIRIAN BERHAD

BRUNEI LNG SENDIRIAN BERHAD

And

BRUNEI OILFIELD WORKERS UNION

2004

### PARTIES TO THE AGREEMENT

This AGREEMENT is made on 2nd August 2004 between BRUNEI SHELL PETROLEUM COMPANY SENDIRIAN BERHAD and BRUNEI LNG BRUNEI SENDIRIAN BERHAD, both Companies incorporated in Negara Brunei Darussalam (hereinafter jointly referred to as "the Company") of the first part and the BRUNEI OILFIELD WORKERS UNION, a trade union duly registered under the laws of Negara Brunei Darussalam (hereinafter called "the union") of the second party.

WHEREAS the Company recognised the Union under an agreement dated the 4th day of December 1964.

WHEREAS the Company and the Union have met together in free and voluntary association in the interest of good employee relations and to determine and regulate conditions of employment.

NOW THEREFORE the Company and the Union have AGREED as follows:

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## **PART I**

### **1. SCOPE OF AGREEMENT**

This Agreement is applicable to all pensionable employees (BNS) of the Company (BSP & BLNG) who are designated as falling within the SG 9 and below (subsequently referred to as "the employees").

### **2. UNION RECOGNITION**

The Company recognises the Union as the sole collective negotiating body relative to salaries, hours of work, and those other terms and conditions of employment contained in this agreement for the Company's pensionable employees (BNS) who are designated as falling within the SG 9 and below.

### **3. DECLARATION OF PRINCIPLES**

The following principles are understood and agreed as basic in the relationship between the Company and the Union:-

1. The objective of this Agreement is to provide a mutual understanding between the Company and the Union regarding in matters concerning the terms and conditions of service of all employees represented by the Union; to stabilise these conditions of service during the currency of this Agreement and to provide a basis for resolving any grievances or disputes that may rise in the course of implementing this Agreement.
2. The Company and the Union acknowledge that the well-being of the Company and that of its employees depended upon a common intention to work together in a spirit of close co-operation and goodwill and, to its end, the parties affirm their desire to create a sound working relationship based on mutual respect and confidence.
3. The Company and the Union recognised the need to bring about and maintain a high level of productivity and efficiency. Both parties therefore accept the basic concept that every employee will perform as required any work for which, in the opinion of the Company, he has the ability to perform satisfactorily.
4. The Company and the Union felt the need for a continuing dialogue on various matters of mutual interest bearing upon the conditions of employment of the employees. To this end, it is agreed to hold

regular meetings at times to be mutually agreed between Representatives of the Union and the Company.

5. The Union and the Company agreed that during the life of this Agreement there shall be no form of industrial action by either party arising out of the terms and conditions agreed herein or arising out of any other matter what so ever, unless in accordance with the Law in Force.
6. The Company and the Union agreed that there would be no victimisation or intimidation of employees by either party.
7. This Agreement was written in the languages of Bahasa Melayu and English. In the event of a disagreement concerning interpretation, the English version shall prevail.

### **4. UNION FUNCTION**

The Union may make representations regarding any Company action, which is in their opinion contrary to the terms of this Agreement or to the interests of Union members.

### **5. MANAGEMENT FUNCTION**

It is recognised that the Company may employ such people in such numbers as it wishes, and shall make every effort to give priority to the recruitment of Citizens of Negara Brunei Darussalam. The Company shall select Citizen employees who can be developed and progressed and stimulate the same by providing such assistance and training as is considered relevant to the requirements of the Company. The determination of the job content, rules and regulations on operations and safety, work procedures and work schedules is the function of Management. In exercise of this right Management shall not violate any of the expressed provisions of this Agreement.

### **6. INDUSTRIAL HEALTH AND SAFETY**

1. The Company considers it an important function in Management to provide a safe working environment for its employees and will continue to take such measures, as it deems appropriate to safeguard the health and safety all employees.
2. The Company and the Union acknowledge the importance of the individual employee's responsibility for health and safety matters.

3. Accordingly it is agreed by the Company and the Union that it is the best interests of the employees that:-

- a) They should adhere closely to all health and safety regulations laid down from time to time by the Company or by Government legislation.
  - b) That they report to their Supervisor any condition, which in their opinion may have become unsafe or unhealthy in order that the Supervisor concerned can take action if it is necessary.
  - c) All claims for Workmen's Compensation will be referred to the Commissioner of Labour or his nominated deputy.
4. Any suggestions from the Union and matters concerning industrial health and safety will always receive the careful consideration of the Company.

#### **7. FULL SETTLEMENT**

1. This Agreement shall be a full and complete settlement of all claims by the Union as of the date of this Agreement. The terms herein shall remain in force for the duration of the Agreement except as provided for below:-

- a) Should any change in legislation affect matters included in this Agreement, the terms of this Agreement will be changed to conform with such legislation unless the benefits conferred by this Agreement exceed those conferred by such change of legislation. It is understood that under no circumstances will benefits granted under this Agreement be added to similar benefits provided for by such changes of legislation.
- b) Either party may suggest amendments to this Agreement, which they feel, are in the interests of both parties; and the Agreement may be amended accordingly if it is mutually agreed that this is desirable.

2. In the event of any changes in the interpretation of the clauses, it is agreed by both parties that any resultant benefit will be limited in its retro-activity to the time when either party first raised the matter.

#### **8. IMPLEMENTATION AND DURATION OF AGREEMENT**

This Agreement will come into effect on **2nd August 2004** and shall continue in force until **30th September 2007**. Furthermore it is understood and agreed that if another Agreement is not concluded by **30th September 2007** this Agreement will continue to remain in force until such subsequent date on which a new Agreement is signed, or until **30th September 2008** (whichever date occurs first).

Any time after **1st March 2007** either party (the Company or BOWU) may give the other notice in writing of its desire to start negotiations with the object of entering a new Agreement.

Such negotiations shall be conducted diligently by both sides and without delay. The party that gives notice in accordance with this part of this Clause should at the same time submit such revisions of this Agreement as it intends to request.

#### **9. EXISTING BENEFITS**

Existing benefits other than those provided for in this Agreement are set out in the Company's Human Resources Policy and Practice Manual. The Company may alter, amend or terminate any of these existing benefits other than those provided for in this Agreement as it considers necessary or desirable and will consult with the Union prior to finalising and implementing any alteration, amendment or termination of those benefits. Similar consultation will take place before the introduction of new benefits, which are outside this Agreement.

#### **10. GRIEVANCE PROCEDURES**

It is the intention of the Company and the Union that grievances should be resolved as speedily, as efficiently and as effectively as possible. Specific grievances or disputes (either arising internally within the department / units or externally that involves other department / units) should be raised as soon as possible and normally not more than five (5) working days after the event that gives rise to them. Employees are permitted to document the particulars of any grievance or dispute and may forward copies of any such documentation to Representatives of the Union and/or the Company's Representative for Union Affairs.

#### **Individual Grievance Procedure**

#### Stage 1

An employee who has a grievance or dispute will make this known in the first instance to his immediate Supervisor. The Supervisor will attempt to resolve the issue not later than three (3) full working days from the time when the employee raised it with him.

#### Stage 2

If the grievance is not resolved at Stage 1, the employees may take the matter up with his Division/Section Head who will attempt to resolve the matter not later than four (4) full working days from the time that the issue was raised with the Division/Section Head.

#### Stage 3

If the grievance is still unresolved at Stage 2 the employees may raise it with the Department head concerned. The Department Head will attempt to resolve the matter not later than four (4) full working days from the time the issue was raised with the Department Head. A Union Representative may accompany the employee if he so wishes.

#### Stage 4

In the event that the foregoing process fails, the employee himself may present his case in writing to the Company's Representative for Union Affairs, who will endeavour to resolve the matter not later than six (6) full working days from the time that the issue was raised with him. At this stage a Union Representative may accompany the employee.

Where evidence is required from an employee who works offshore, up to seven (7) further days may be taken at each of the above stages.

#### Stage 5

In the event that the foregoing process fails, the employees himself may represent his case in writing to the Company's Managing Director or his delegate or the Corporate Affairs Director whose decision will be final provided that such decision is not considered by the Complainant to be contrary to this Agreement. At this stage a Union Representative may assist the employee.

#### Collective Grievance Procedure

#### Stage 1

A group of employees having a grievance or dispute may take the matter up at the supervisory level immediately below the Department Head concerned. A Union Representative may accompany them if they so wish.

#### Stage 2

If their grievance or dispute is not resolved in Stage 1, the employees may raise it with the Department Head concerned. A Union Representative may accompany the group if they so wish.

#### Stage 3

If their grievance is unresolved at Stage 2, the employees or the Union Representative may take the matter up with the Company Representative for Union Affairs. A Union Representative may accompany the employees if they so wish.

Where evidence is required from an employee who works offshore, up to seven (7) further days may be taken at each of the above stages.

#### Conciliation

In the event of the foregoing processes fails to resolves the grievance(s) or dispute(s), both the Company and the Union will have the right to refer the dispute to the Commissioner of Labour for conciliation.

#### Arbitration

If the grievance or dispute still remains unresolved after conciliation proceedings by the Commissioner of Labour, both parties agree to refer the grievance or dispute for settlement under the provisions of the Trade Dispute Enactment Act No. 6 of 1961.

#### 11. DEFINITIONS

Basic salary means the fixed monthly amount payable to an employee and does not include overtime payments, shift premium, the annual salary supplement or any other allowances or any other payments.

Law means the Law of Negara Brunei Darussalam.

Day means a period of twenty-four (24) consecutive hours from midnight to midnight.



Week means a continuous period of seven (7) days.

Years and months means the year and month according to the Gregorian calendar.

Words imparting the masculine gender only shall include the feminine gender. The word employee may refer to male or female.

## PART II

### 12. HOURS OF WORKS

#### 1. Employees on Normal Day Work

The normal working week shall consist of forty (40) hours Monday to Friday inclusive. Daily starting and finishing times are arranged by the Company to meet operational requirements. Hours in addition to normal will be paid at premium rates (see Clause 13).

#### 2. Employees on Shift/Day Work Roster

These employees work in accordance with the rosters laid down by the Company. Hours worked in excess of forty (40) hours per week averaged over a cycle will be paid at premium rates (see Clause 13).

#### 3. Rest Period

Employees should receive a minimum of eight (8) hours rest period between one normal period and the next. If circumstances arise in which by observing normal time for starting work after required work would cause less than a minimum of eight (8) hours to be available for rest, then the actual starting time should be adjusted so as to afford an eight (8) hours rest period before starting work. However, for the purpose of payment, employees concerned will then be deemed to have started work at the normal starting time. Where for operational reasons such a rest period of eight (8) hours cannot be afforded, any hours worked within the eight (8) hours period shall be paid at premium rates. This does not apply when an employee is called out (see Clause 14).

#### 4. Meal Break

Except in cases of real or threatened emergency, working hours will be arranged so as to provide a meal/rest break of at least H hour after not

more than 6 hours continuous work. Where this break can be scheduled, it will be outside normal working hours and unpaid. However, if for operational reasons due to the continuous or irregular nature of the work, it is not possible to schedule the meal break, it will be arranged at such time as operations permit and will then be considered part of normal working hours.

### 13. PREMIUM RATES FOR HOURS WORKED IN ADDITION TO NORMAL HOURS

#### 1. Definition of Terms

Hours worked in addition to normal are defined as: -

##### a) Normal Overtime:

Time spent by an employee performing authorised work before or after his normal hours of work other than on a recognised Company holiday (defined in Clause 16).

##### b) Holiday Overtime:

Time spent by an employee performing authorised work on a Company holiday (defined in Clause 16).

#### 2. Principles

It is required that employees work overtime when necessary for all operational reasons. It is accepted that excessive working of hours in addition to normal is undesirable.

#### 3. Formula

The formula for calculating the normal hourly rate, i.e. in straight time shall be: -

$$\frac{\text{Basic Salary}}{174 \text{ (average normal hours worked per month)}}$$

#### 4. Normal Overtime

Normal overtime will be paid at the rate of one and a half times (1H) the normal hourly rate of pay.



#### 5. Holiday Overtime

When an employee is required to work on a Company holiday, payments will be made as follows: -

##### a) Employees on Normal Day Work

One and a half (1H) multiply by the normal hourly rate for the first eight (8) hours at whatever time they are worked and thereafter at double time.

##### b) Employees on Shift/Day Work Roster

When a Company holiday falls:-

- a) On a normal working day - the normal hourly rate multiply by one and half (1H) for the number of hours normally rostered at what overtime they worked and thereafter at double time.
- b) On a non-working day according to the roster - the normal hourly rate multiply by one and half (1H) for the hours worked. In addition, the next day on which he is rostered to work will be treated as a Company' sholiday.
- c) On a day registered as annual leave - The next day on which he is rostered to work will be treated as a Company holiday.

#### 14. CALL OUT

A call out occurs when an employee is required for operational reasons to work for a period of time, which falls outside his normal working hours. It does not occur when an employee is required either to continue working immediately after his normal working hours, or to start work before and continue working into his normal working hours. An employee who is called out will be paid the appropriate premium rate for hours additional to normal in accordance with Clause 13 of this Agreement for the period disturbed. However, those who are not receiving either standby or location allowance, will be guaranteed a minimum of four (4) hours straight time pay for each call out. To allow adequate recuperation time, a day worker who is called out and works at any time between 10 p.m. and 6 a.m. will be entitled to report for normal work on the day adjacent to the call out one hour late for each hour worked within the above time limits, without loss of pay.

#### 15. TRAVEL AND WAITING TIME

Travel and waiting time will be compensated at the appropriate premium rate for hours additional to normal in accordance with Clause 13 of this Agreement.

Travel and waiting for employees working onshore and offshore are defined as follows: -

##### 1. Employees Onshore

Time spent outside normal working hours travelling or waiting for Company transport between reporting place and worksite outside the normal Company operating area (Kuala Belait, Seria, Lumut) and vice versa.

##### 2. Employees Offshore

- a) Employees on Normal Day work:  
Time spent outside normal working hours travelling or waiting for Company transport between place on land and offshore work location, and vice versa.
- b) Employees on Shift/Day work roster:  
Time spent outside the normal offshore work/rest period travelling or waiting for Company transport between reporting place on land and offshore work location, and vice versa.

### PART III

#### 16. COMPANY HOLIDAYS

The Company shall observe all Public Holidays gazetted by the Government from time to time. If one of the Company holidays falls on a Saturday or a Sunday, the previous or the next working day respectively will be declared a Company holiday.

When a Company holiday coincides with non-working day of an employee on shift or rostered day work the next rostered working day will be treated as a Company holiday and paid in accordance with Clause 13.5.

The Company reserves the right to call on an employee to work on Company holidays if operations demand it, in which case payment will be

made in accordance with Clause 13.5.

#### 17. ANNUAL LEAVE

##### i. Eligibility

An employee becomes eligible for his annual leave on confirmation to his employment with the Company following probation.

##### ii. Basic Entitlement

- a) For employees serving a full calendar year, is a total of sixteen (16) working days or eleven (11) shift working days for those employees who work on 12 hours shift/day work rosters.
- b) For employees serving less than a full calendar year (joiners and leavers) is appropriate to leave entitlement as described in 2 (a) above.

##### iii. Leave Entitlement for Employee With Long Service

Employees with long service will be entitled to the following leave, which is additional to basic entitlement: -

With 10-19 years of service: five (5) working days/shift or four (4) shift working days (12 hour shifts).

With 20 or more years of service: seven (7) working days/shift or five (5) shift working days (12 hour shifts).

The additional leave is granted in the calendar year in which the employee's service reaches 10 or 20 years respectively.

##### iv. Manner in which Leave May be Taken

It is the employee's responsibility to arrange his leave so as to avoid conflict with operational requirements.

An employee must take a minimum of five (5) consecutive working or eight (8) hour shift working days of his leave entitlement during the course of the calendar year (minimum three (3) shift working days for 12 hour shift/day work roster). This period of leave is called base leave. The remaining days of leave entitlement may be taken either singly or together or may be carried over to the following year

during which they must be taken.

It is the employee's responsibility to ensure that carry over of leave does not exceed the number of days, which is equal to basic entitlement plus long service entitlement less base leave. Any excess will be forfeited unless planned leave has been over-ridden by operational requirements.

##### v. Cash Options

An employee with ten (10) or more years service may opt to forgo his Long Service Entitlement and paid in lieu.

The formula for calculating cash option shall be: -

##### a) Normal Working Hour

$$\frac{\text{Basic Salary} \times 12 \times \text{Number of Leave Days Encashed}}{261}$$

##### b) Shift

$$\frac{\text{Basic salary} \times 12 \times \text{Number of Leave Days Encashed} + \text{Shift Allowance}}{261}$$

*Must encash all or none of their service leave entitlement.*

##### vi. Termination of Service and Leave

Where an employee whose service with the Company is terminated for any reason has already taken leave in excess of proportionate leave entitlements as calculated in accordance with this Clause, the excess will be recovered by deduction from any salary payable at termination.

#### 18. SICK LEAVE

##### a) Occupational Illness/Accident

Subject to the provisions of any Laws obtaining in Negara Brunei Darussalam to the contrary, the Company agrees to pay to an employee who has been excused from work by the Company Medical Officer as a result of an industrial accident or occupational illness the equivalent of the employee's basic salary for the entire period excused from work, on

the understanding that the Company reserves the right to withhold all or part of such salary in the event that the accident or illness is proved to have been caused by the employee's negligence or by his failure to observe the normal precautions or the Company's regulations. Regular shift employees will continue to receive the appropriate shift allowances during their sick leave up to a maximum period of two (2) months per calendar year.

If, in the opinion of the Company Medical Officer, the period during which an employee will be excused from work as a result of an industrial accident or occupational illness is likely to exceed one year or if the period of excuse from work actually does exceed one year, then the Company shall be entitled to treat the accident or illness as one giving rise to permanent disability and the employee shall be discharged from service under medical release provisions from the date when the Company Medical Officer so determines or after the expiry of one year's excuse from work. In the event the Company shall make payments to the employee at the same rates as those provided by Clause 8(b) of the Workmen's Compensation Act 1957 as amended (whether or not the employee concerned is in fact covered by that Act) but without regard to the cash limitations expressed therein.

For those employees covered by the Workmen's Compensation Act the Company agrees to pay the difference between the compensation paid in accordance with the Act and the employee's basic salary during the full period the employee is excused from work as mentioned above.

**b) Non-Occupational Illness or Non-Industrial Accident**

An employee who is absent from work as a result of a non-occupational illness/accident, which has been certified by a Company Medical Officer will be entitled to sick leave with full basic salary for the first three months of such leave.

Thereafter payment will be at the Company discretion. Regular shift employees will continue to receive their shift allowances up to a maximum period of two (2) months during a calendar year. Certification by another doctor shall only be accepted if endorsed by the Chief Medical Officer of the Company.

An employee who fails to comply reasonably with the instructions of the Company Medical Officer shall forfeit the benefits granted under this clause.

In all circumstances the Company will do its best to provide alternative employment within the Company to an employee who suffers partial disability due to an accident or sickness on the basis of job availability and the capabilities of an employee.

**19. MATERNITY LEAVE**

Every female employee shall be entitled to up to ten (10) weeks maternity leave with full basic salary upon presentation of a medical certificate issued by a Company Medical Officer.

This leave shall, as far as possible, be taken in two periods of four (4) weeks before and six (6) weeks after the date of confinement provided that the period after the date of confinement shall never be less than six weeks.

In the event of the miscarriage, time off taken shall be considered as sick leave and not as maternity leave.

**20. COMPASSIONATE LEAVE, PASSAGE AND FUNERAL ASSISTANCE**

**a) Leave**

Employees with base country Negara Brunei Darussalam will be granted compassionate leave with pay in the event of death or serious illness involving the probability of death of the employee's

- a) Registered wife, husband, children, parents, brother or sister for seven (7) calendar days.
- b) Five (5) calendar days for father or mother in-laws.
- c) Two (2) calendar days for grandparents or grand parents in-law
- d) Three (3) calendar days for son or daughter in-laws and grandchildren.
- e) One (1) calendar day for brother or sister in-law.

Application for compassionate leave for any other reason will be given sympathetic consideration and the Company may at its discretion grant leave without pay on the understanding that the employee should first utilise any leave he or she has accumulated at that date, but only in exceptional circumstances.

b) Passages

Employees with base country Negara Brunei Darussalam either studying or assigned overseas, a return passage to Negara Brunei Darussalam will be provided in the event of death or serious illness involving the probability of death as follows: -

- i. For the employee in cases involving the employee's wife/husband.
- ii. For both the employee and his/her spouse in cases involving their children.
- iii. To employee or his/her spouse in the cases involving the employee's parents.
- iv. For the employee or his/her spouse in cases involving the employee's parents in-law but with the further provision that if the employee's spouse is resident in the base country, passage assistance will not be provided by the employee.

c) Funeral Assistance

The Company will extend assistance towards payment of funeral expenses by making cash grant available to:

- i. The employee's spouse or dependant(s) bearing the costs of the funeral, when employee dies.
- ii. The employee, in the event of the death of:
  - a) Employee's legal spouse or dependant child (under the age of 19) provided that the Company recorded the spouse or child.
  - b) Employee's indirect dependants (i.e. father, mother, father-in-law, mother-in-law, child aged 19 or below)

The current levels of funeral assistance grant is B\$1000 for direct dependent (as in (i) and (ii), a above) and B\$700 for indirect dependent (as in (ii), b above). Applications for the assistance should be made to the HR Administration and Services Department Staff or Offices.

21. SPECIAL LEAVE

Under the following circumstances, an employee will be granted paid leave:

- a) Legal marriage of employee - three (3) working days/shifts.
- b) Birth of legal child of employee - two (2) working days/shifts.
- c) Legal marriage of employee's child ? two (2) working days/shifts.
- d) Legal marriage of employee's adopted child ? two (2) days/shifts

The employee must obtain prior permission for such leave of absence.

22. ABSENCE WITHOUT PERMISSION

Absence without permission will result in the following: -

- a) Loss of basic pay, premium payments and allowances during the absence.
- b) Loss of basic pay for any Company holiday falling within or adjacent to the period of absence, and
- c) Proportionate reduction of Annual Salary Supplement for the period of absence.

After proper enquiry and checking the genuines of the explanation given by the employee, it may be necessary to take disciplinary action.

**PART IV**

23. SALARY GROUPS, JOB GROUPS AND JOB TITLES

Employees are paid within a Salary, which depends upon the grading of the job they occupy subject to an employee progressive scheme. A listing of jobs and the related job titles that fall within each Job of Group will be sent to the Union Committee Members upon request. The Company may at any time create new jobs and abolish or change existing jobs.

#### 24. ANNUAL MERIT AWARDS

Depending on an employee's performance, his/her salary may be increased by a merit award each year. The annual merit awards for each job group/individual may vary depending on performance rating and are effective on 1st April.

Staff on full-time In-Service / Vocational Sponsorship / Training Schemes are not eligible for annual merit increase for the period they are Company sponsorship.

#### Levels Of Awards For Normal Progression (for all BNS)

There are two elements in the annual merit award - the merit increment to salary and a once off Individual Performance Bonus (IPB). Both are derived from the individual's annual assessment in the performance ranking exercise.

Performance Level	Award (IPB)	Salary Increase for Relevant Position in Salary Range**		Salary Max
		< 100%	>= 100%	
Quartile 1	1.7 - 1.2	5.95% - 4.2%	4.92% - 3.12%	120%
Quartile 2	1.1 - 1.0	3.85% - 3.5%	2.77% - 2.42%	110%
Quartile 3	0.9 - 0.8	3.15% - 2.80%	0	100%
Quartile 4	0.7 - 0.5	2.45 - 1.75%	0	100%

Note: \*Subject to change based on Management discretion.

\*\*Salary position as % of SG Maximum.

Employees who are on probation at the time increment is due will not be entitled to any increments.

An employee who is downgraded due to poor performance or at his own request has his salary reduced to the maximum salary of his new Salary Group and hence receives no further annual merits awards or his Salary Group appropriate to the new Job Group. An employee who job is downgraded for any other reason will retain his personal Salary Group at the level established prior to downgrading of the job, and will continue to be eligible for merit awards until his/her salary reaches the maximum for that Salary Group.

#### 25. INDIVIDUAL PERFORMANCE BONUS

Individual Performance Bonus (IPB) will be payable to staff on the basis of individual performance for the review year in question. The level of IPB awarded will be based on the individual's annual assessment in the performance ranking and the annual allocated budget. Staff joining the Company service in the course of the review year will be eligible for IPB on a prorated basis and calculated to the nearest calendar month based on the first day on Company's payroll.

Staff on full-time In-Service / Vocational Sponsorship / Training Schemes are not eligible for IPB for the period they are Company sponsorship

?? (Basic salary x 14 x Percentage of performance awarded based on first day payroll)

#### 26. PROMOTIONS

An employee promoted to a higher job group will receive an increase to bring his salary to the minimum of the new salary scale. This increase will not be less than the value of one increment of the new salary scale.

#### 27. ANNUAL SALARY SUPPLEMENT

The amount of Annual Salary supplement due for a twelve (12) months period will be two (2) months basic salary. The Annual Salary Supplement will be paid with the November salary. The amount will be calculated on the basis of the basic salary at the time of payment and it will be proportional to the number of months served since the previous bonus was paid, or since joining the Company in the case of new employees.

The Annual Salary Supplement will be taken into account for the purpose of calculating the employee's retirement benefits.

The effect on Annual Salary Supplement for being absent without permission is set out in Section III Clause 22 (page 61) of this Agreement booklet.

## PART V

In addition to the job retailed allowances described in this Part V, the eligibility and rates of the payment for reimbursable allowances i.e. out of pocket allowance, meal allowance and monitoring allowances are stated in the Human Resources Policy and Practice Manual.

### 28. ACTING ALLOWANCE

Acting allowance is an allowance paid to an employee who temporarily occupies a position as a result of the normal incumbent being on annual or other leave, training courses or absent due to illness, for a period of ten (10) calendar days or more AND WHEN:

Either:

- i. The position temporarily occupied is a higher Job Group than the Job normally held by the employee; OR
- ii. The position temporarily occupied (though unevaluated) is normally held by an employee of a higher Salary Group than that of the employee who stands in, and is of a significantly different nature or greater responsibility than that of the job normally held by the employee standing in; OR
- iii. The position temporarily occupied is a higher Job Group than the Salary Group held by the employee who stands in, and is of a significantly different nature or greater responsibility than that of the job normally held.

The daily rate of payment of acting allowance effecting 1/10/98 is:-

$$\text{MONTHLY SALARY OF ELIGIBLE EMPLOYEE} \times 20 \times \text{ACTING PERIOD} \\ 21.75 \times 100$$

### 29. SHIFT/DAY WORK ROSTER ALLOWANCE

Employees whose normal work pattern are established by shift or day work rosters, and whose working seek consequently differs from that of

normal day worker, will be paid the appropriate premium as follows:-

#### 1. Shift Workers

Standard 2 x 8 hour - \$124.00 per month

Standard 3 x 8 hour - \$218.00 per month

Standard 2 x 12 hour - \$218.00 per month

Employees working a non-standing shift are paid a premium on prorated basis.

Employees assigned to work temporarily on the day shift only of a shift roster will not be eligible for shift premium.

#### 2. Day Workers on a Roster

12 hours/7 days roster - \$138.00 per month.

The appropriate shift premium will continue to be paid during a regular shift employee's annual leave, compassionate leave, special leave or sick leave. It is not payable during absence without permission (see clause 22) nor during maternity leave.

The Shift rundown allowance is payable to employees, who are permanently transferred to a non-shift job as from 1st January 1994, in accordance with the following schedule:

#### Continuous Period in Receipt of Rundown Allowance

#### Run-Down Payment

Less than 6 months	Nil
6 months and less than 18 months	1 month at full allowance. Thereafter nil.
18 months to less than 3 years	2 months at full allowance. 2 months at full allowance. Thereafter nil.
3 years or more	3 months at full allowance. 3 month at half allowance Thereafter nil.

### 30. STANDBY ALLOWANCE

Employees who are required to standby outside normal working hours so as to be immediately available for call out will be paid a standby allowance of \$7.20 per day.

Standby allowance is not paid to those employees who receive location allowance.

### 31. LOCATION ALLOWANCE

Employees who are required to work and live at a location which involves a certain amount of hardship will be paid location allowance regularly as follows:-

- a) When working and living on workboats, or in temporary shacks/tent accommodation at remote exploration sites or offshore before the establishment of permanent facilities - **\$238.00** per month.
- b) When working and living on an offshore drilling and production platforms, crane barges, and similarly established facilities - **\$188.00** per month.

Occasional or irregular stays at qualifying position location will be paid on per night basis in accordance with current published rates, i.e. location A - \$16.60 per night and location B - \$13.10 per night.

In recognition of the fact that Location Allowance constitutes a regular part of remuneration for long-term recipients, a run-down payment will apply to those employees who are permanently transferred to job which no longer attracts Location Allowance on the following basis:

<u>Continuous Period in Receipt Of Location Allowance</u>	<u>Location Allowance Run-down Payment</u>
Less than 18 months	Full allowance for 1 month. Thereafter zero.
18 months or more but less than 3 years	Full allowance for 2 months. 50% allowance for 2 months. Thereafter zero.
3 years or more	Full allowance for 3 months. 50% allowance for 3 months. Thereafter zero.

## PART VI

### 32. SEA-GOING EMPLOYEES

Sea-Going Employees work in accordance with the work schedules laid down in Marine Department.

The schedules will be based on the principle of one day for each two days worked. The normal working month will be established at twenty (20) working days, irrespective of the length of the month. Rest days will vary dependant upon operational requirements.

Sea-Going Employees will work such hours as are necessary to complete their allocated duties. The hours worked per day may therefore vary, and be unevenly distributed over the working day.

#### a) Marine Allowance

As compensation for their particular work regime, for the variable working day and standby hours and their uneven distribution, and for the irregularity of rest days, sea-going employees will receive a Marine Allowance of 60% of basic salary subject to a maximum of \$918 per month. This also includes compensation for alter crew changes and days spent at sea over and above the roster.

#### b) Overtime Payments

Each full day worker in excess of twenty (20) per month will be compensated according to the following formula: -

$$1H \times \frac{\text{Basic Pay}}{20}$$

A sea-going employee who is required to work on Company Holiday will receive premium payment of one and a half time (1H) to his normal pay. If a Company holiday coincides with his rest day, then the following working day is deemed to be a Company holiday and the foregoing arrangements shall apply if that day is worked.

Parts II (pages 50 - 54) and V (pages 65 - 68) of this Agreement do not affect those receiving the Marine Allowance.



## PART VII

### 33. PROBATIONARY PERIOD

All newly recruited employees shall be on probation for a period of six (6) months.

During the probation period, either party may terminate the employment at any time without notice.

The probationary period may be extended for up to further three (3) - six (6) months in circumstances where an employee's performance or suitability falls short but it is judged to be capable of improvement to the required standard. In such circumstances, the employee concerned should be informed of the extension before the end of the initial probationary period.

### 34. NOTICE PERIOD

Three month's notice or 3 month's basic salary in lieu will be given when the Company terminates the service of an employee for any reason other than summary dismissal.

An employee who wishes to terminate his service with the Company will give to the Company three (3) months notice in writing.

### 35. RETIREMENT AGE

Normal retirement age of employee shall be 55 years for men and 50 years for women.

## PART VIII

### 36. EXTENDED HOUSING POLICY (FEMALE EMPLOYEES)

Company housing will be provided to married female employees whose families (Husbands) have no access to housing benefits through their employers or their own resources. Request for Company housing will be reviewed on a case-by-case basis by the Company's Housing Committee, and will be dependent on the following eligibility criteria/guidelines:

- o Accuracy and completeness of information provided is the

applicant's responsibility.

- o Benefits will immediately cease (and the Company may recover benefits already provided) if the information is later found to be false/incomplete
- o This provision is subject to the availability of Company housing. Housing allowance will not be provided in lieu of Company housing.
- o Endorsement by HRS and approval by HD are required.
- o Successful applicants are required to declare any change in status.
- o The Company reserves the flexibility to offer a different grade of housing.

### 37. HOUSING ALLOWANCES AND RENTAL

The Company operates a system of housing allowances and rentals for those employees who are entitled to Company housing.

All employees who are housed in line with their entitlements receive a notional housing allowance that equates exactly to the housing rental they are charged.

In order to assist employees who wish to vacate Company property and make their own accommodation arrangements, the Own Arrangements Housing Allowance has a higher minimum level than for staff that chooses to be in Company housing. This minimum level does not apply to staff in the HOS scheme and the Government housing scheme. Own Arrangements Housing Allowance is only paid to staff that would qualify for Company housing as per that defined in HRPPM Section 8.01.01, but who elect to make own arrangements.

Housing allowances and the balancing rental for staff in Company property is calculated as a percentage of basic salary as follows: -

Married	25% of basic salary
Single (i.e. bachelors, spinsters)	15% of basic salary
Widowed or divorced employees with dependant unmarried children under 22 years old, in full-time education and living with the employee	25% of basic salary

Maximum levels of housing allowance are detailed in HRPPM Section 14 (11).

#### Divorced/Widowed Staff

Where a divorced or widowed employee remains single and has dependent children who are unmarried, under 22 years of age and in full time education and who are resident with him/her for whom he/she has custody, their housing/housing allowance entitlement will continue to be paid on a married basis.

Where a divorced or widowed employee remains single and has no dependant children resident with him/her then housing/housing allowance will be on a single basis.

Where a divorced or widowed female employee remarries the housing/ housing allowance will cease from the date of the marriage.

## APPENDIX A

### SG9 AND BELOW SALARY GROUP

SALARY GROUP	MINIMUM	MAXIMUM
	\$	\$
13	751	1092
12	831	1311
11	990	1573
10	1197	1887
9	1472	2265