

SMDS & KEPSS COLLECTIVE AGREEMENT 2007-2010

CONTENTS

1	PARTIES TO THE AGREEMENT	3
2	PREAMBLE	3
3	TITLE	4
4	DURATION OF AGREEMENT	4
5	CHANGES IMPOSED BY LEGISLATION	4
6	UNION RECOGNITION	5
7	MANAGEMENT FUNCTION	5
8	UNION FUNCTION	5
9	GRIEVANCE PROCEDURE	6
	A.PURPOSE	6
	B.COMPLAINT.....	6
	C.GRIEVANCE DEFINED	6
	D.GRIEVANCE PROCEDURE - INDIVIDUAL	6
	E.GRIEVANCE PROCEDURE - COLLECTIVE.....	7
	F. OTHER GRIEVANCES.....	8
	G. VARIATIONS AND FORFEITURE	8
10	EFFECTIVE DATE OF CHANGES.....	8
11	INTERPRETATION / IMPLEMENTATION	8
12	CHECK OFF	9
13	TIME - OFF FOR UNION BUSINESS	9
14	DEFINITIONS	10
	A.COMPANY DOCTOR.....	10
	B.EMPLOYEES	10
	C.SERVICE	10
	D.NUMBER AND GENDER	10
	E.REST DAY	10
	F.BASIC SALARY	10

SMDS & KEPSS COLLECTIVE AGREEMENT 2007-2010

G. OFFICIAL LANGUAGE 10

15 HOURS OF WORK..... 11

16 PROBATION ON RECRUITMENT..... 12

17 COMPANY HOLIDAYS 12

18 ANNUAL MERIT ADJUSTMENT 13

19 PERFORMANCE BONUS..... 14

20 CONTRACTUAL BONUS..... 14

21 PROMOTIONS 15

22 OVERTIME 16

23 REST PERIOD..... 19

24 ACTING ALLOWANCE 19

25 CALL OUT PAY..... 20

26 PAGER/STANDBY ALLOWANCE..... 20

27 SHIFT ALLOWANCE 20

28 ROSTER ALLOWANCE..... 21

29 IRREGULAR HOURS ALLOWANCE..... 21

30 MEALS AND MEAL REIMBURSEMENTS 22

31 EXTRA JOURNEY TO/FROM WORK 23

32 JOB RELATED BENEFITS..... 23

33 RETRENCHMENT AND RETRENCHMENT BENEFITS..... 23

34 RETIREMENT BENEFITS..... 24

35 OTHER BENEFITS..... 24

36 INDUSTRIAL HEALTH AND SAFETY/THE ENVIRONMENT 24

GRIEVANCE FORM..... 27

SALARY RANGE 29

NOTICE OF ACTING FORM 31

1 PARTIES TO THE AGREEMENT

This Agreement is made this 10th May 2007 between the KESATUAN PEKERJA SHELL MDS (MALAYSIA) SDN. BHD. SARAWAK (SK134), a trade union of employees registered pursuant to the Trade Union Act 1959, having its registered office at No. 59, Lot 1405 Block 31, Kemena Land District, 1st Floor Jalan Tanjung Batu, BDA Shophouse, 97000 Bintulu, Sarawak (hereinafter called “the Union”) of the first part and SHELL MDS (MALAYSIA) SDN. BHD. (152396-W), a company incorporated in Malaysia and having its registered office at Bangunan Shell Malaysia, Changkat Semantan, 50490 Kuala Lumpur (hereinafter called “the Company”) of the second part.

In case either the Company or the Union changes its name or merges with other companies or organisation, to the effect that the Company or Union is wholly or partly absorbed by the other organisation, the articles of this Agreement shall continue to cover the employees to which this Agreement was applicable at the change of name or merger took place, for the remaining period of validity of this Agreement.

2 PREAMBLE

The objectives of this Agreement are: -

- (a) To ensure industrial harmony by providing a mutually beneficial economic and social relationships between the parties concerned in matters affecting the terms and conditions of service for employees represented by the Union during the life span of this Agreement.
- (b) To clarify the rights and responsibilities of the Company and employees.
- (c) To provide an orderly and effective means of conducting and resolving any misunderstanding or grievances during the continuance of this Agreement.

Pursuant to the above objectives, both parties agree that during the life of this Agreement, neither party will take unilateral action or present demands which will diminish the value of this Agreement.

3 TITLE

The title of this Agreement shall be known as SHELL MDS (MALAYSIA) SDN. BHD. (152396-W) and KESATUAN PEKERJA SHELL MDS (MALAYSIA) SDN. BHD. SARAWAK (SK134) Collective Agreement 2007 to 2010.

4 DURATION OF AGREEMENT

This Agreement shall be deemed to commence on 1st April 2007 to 31st March 2010. It shall, however, automatically continue to remain valid thereafter unless either party gives to the other three (3) months written notice of its intention to terminate the Agreement.

During the period of this Agreement neither the Company nor the Union shall seek to alter, modify, amend or add to any of the provisions in any way except by mutual agreement in writing.

Any variation to the terms of this Agreement shall be jointly deposited by both parties with the Industrial Court for its cognizance within one (1) month from the date of the written agreement of both parties to effect such change. After the Court has given cognizance such variation shall be binding on the parties from such date and such period as may be specified in the variation agreement provided that such period shall commence not earlier than the effective date of this Agreement.

Either party may serve on the other not less than two (2) months written notice to negotiate on new terms and conditions of employment but such notice shall not be served earlier than three (3) months before the expiry of this Agreement. This notice shall be accompanied by a proposal for a new Collective Agreement.

5 CHANGES IMPOSED BY LEGISLATION

In the event that any legislation should change any of the provisions of this Agreement, then the relevant provisions of this Agreement shall be amended accordingly. However, if the relevant provisions of this Agreement are more favourable, they will continue to apply, if it is so permitted by law. The effective date of such amendment shall be from the effective date of the new law. Further, all modifications and/or amendment arrived at mutually shall be in writing signed by the Company's and Union's designated representatives and shall be deposited with the Industrial Court for cognizance.

6 UNION RECOGNITION

The Company recognises the Union as the sole collective negotiating body relative to salaries, hours of work and other terms and conditions of employment for employees holding the bargainable positions as shown in Appendix I.

7 MANAGEMENT FUNCTION

It is recognised that except as otherwise specially provided herein, the management of the Company, including initiation of action, the direction and management including determination of the number of the workforce and job content/level, the establishment of rules and regulations on operations and safety, the efficient utilisation of its workforce, tools and equipment, and the determination of the means, methods, processes, material, procedures and schedules of production, including utilising the most efficient means of product delivery is the function of Management.

The Company's exercise of its rights in the management of the business shall not violate any of expressed provisions of this Agreement, nor shall it be used to discriminate against any member of the Union.

The Company will not seek to restrain or hinder any eligible employee from joining the Union.

The Company and the Union feel the need for a continuing dialogue on various matters of mutual interest bearing upon the conditions of employment of the Company's employees. To this end, it is agreed to hold regular meetings on dates to be mutually agreed between representatives of the Union and the Company. It is also agreed that both parties will cooperate to resolve any issues raised by either party without undue delay.

8 UNION FUNCTION

It is recognised that the Union maintains the right, as the bargaining body, to make representation with respect to the Company's actions which are contrary to or tend to diminish the value of the provisions of this Agreement, and to bargain collectively for its members in positions in the recognised bargaining unit relative to terms and conditions of service.

9 GRIEVANCE PROCEDURE

A. PURPOSE

It is the desire of both parties to this Agreement that disputes arising between an employee and the Company or between the Union and the Company be settled as equitably and as quickly as possible. In pursuance of this, it is agreed that disputes should be processed according to the procedures provided thereunder with the aim of reaching settlement at the lowest possible level. Meanwhile the good relations between both parties shall be continuously maintained.

The formal procedures as provided thereunder shall in no way prevent any employee from consulting his immediate Supervisors at any time with regard to any misunderstanding concerning terms and conditions of service or the application of any provisions of this Agreement as it affects the employee.

B. COMPLAINT

- i) When an employee has a complaint concerning his terms and conditions of service or the application of any provision in this Agreement as it affects him, he shall in good faith and within thirty (30) calendar days from the date the matter about which he complains occurred, discuss such complaint with his supervisor, in the presence of a Union Official to assist him in communicating his complaint, if he so wishes.
- ii) Any complaints shall be considered null and void if the employee does not discuss with his immediate Supervisors within thirty (30) calendar days from the date the matter about which he complains occurred.

C. GRIEVANCE DEFINED

If an employee's complaint as described above is not satisfactorily resolved within fourteen (14) calendar days of presentation to his immediate Supervisor, the complaint may then constitute a Grievance and may be processed as provided below.

D. GRIEVANCE PROCEDURE - INDIVIDUAL

STEP 1:

If an employee has a grievance he shall submit his grievance in writing on a Grievance Form as that shown in Appendix 2 to the immediate Supervisor or Section Head within seven (7) calendar days after the complaint becomes a Grievance. The immediate Supervisor or Section Head will endeavour to settle the grievance through discussions with the Union Representatives in the presence of the employee concerned within the next seven (7) calendar days following the submission of the Grievance Form.

STEP 2:

If no settlement is reached within the seven (7) calendar days after submission of the Grievance Form being presented to the Section Head, the employee shall submit the Grievance Form to the Department Head who will arrange for a meeting with the Union Representatives to resolve the Grievance within the next seven (7) calendar days therefrom. The Union Representative shall not be the subordinate to the employee concerned. The employee may be called upon to attend the meeting.

STEP 3:

If no settlement is reached in Step 2 above, the Grievance Form will be presented within seven (7) calendar days to HR Manager, who shall arrange a meeting with the Union Representative to resolve the Grievance within the next fourteen (14) calendar days. The employee may be called upon to attend the meeting.

STEP 4:

If no settlement is reached under the provisions of the abovementioned procedures within fourteen (14) calendar days after having exhausted Step 3, both parties agree to report the Grievance to the Ministry of Human Resources under the provisions of the Industrial Relation Act, 1967 or such other laws as may then be in force.

E. GRIEVANCE PROCEDURE - COLLECTIVE

STEP 1:

Two or more employees with a common grievance

- (i) From the same department may present their Grievance by submitting the Grievance Form directly to the Department Head who will arrange for a meeting with the Union Representatives to resolve the Grievance within twenty one (21) calendar days. The employees may be called upon to attend the meeting.
- (ii) From different department or from the Union to the Company - shall be referred directly to Step 2.

STEP 2:

The Grievance will be presented by submitting the Grievance Form to the HR Manager who shall arrange a meeting with the Union Representative to resolve the Grievance within the next fourteen (14) calendar days. The employees may be called upon to attend the meeting.

STEP 3:

If no settlement is reached under the provisions of the following of the above procedure within fourteen (14) calendar days after having exhausted Step 2, both parties agreed to report the Grievance to the Ministry of Human Resources under the provisions of the Industrial Relation Act, 1967 or such other laws as may then be in force.

F. OTHER GRIEVANCES

- (i) A Grievance involving a dispute between the Union and the Company may be referred by the Union to HR Manager or by the Company to the Union in writing within fourteen (14) calendar days of any alleged grievance arising and/or relating to general matters not arising out of a new grievance, or relating to matters outside the scope of the Agreement, from the date on which the Grievance comes to attention. Any such Grievance shall be discussed between the Company and the Union as quickly as possible before either party takes any action whatsoever.
- (ii) If the dispute cannot be settled satisfactorily, both parties agree to report the dispute to the Ministry of Human Resources under the provisions of the Industrial Relations Act 1967 or such laws as may then be in force.

G. VARIATIONS AND FORFEITURE

- (i) At all stages of the foregoing procedure where a time limit is specified, such time may only be extended by mutual agreement of the Union and the Company.
- (ii) If at any time a Grievance is not referred to the next step by the employee or his representative(s) or if the employee or his representative(s) fails to attend any meetings arranged in connection with the Grievance within the time limit specified in each step, the Grievance will be considered as settled.

Individual employee who report directly to a Supervisor, Section Head or Department Head who have a grievance against the Supervisor, Section Head or Department Head may present their Grievance at the next step to persons higher in authority than their superior.

10 EFFECTIVE DATE OF CHANGES

The Company and the Union agree that should any Grievance result in a change in any terms and conditions of service, the resultant benefits, if any, will commence from the time the Grievance was first raised by either party.

11 INTERPRETATION / IMPLEMENTATION

- (a) In the event of any dispute relating to the interpretation, implementation, variation and/or of non-compliance with this Agreement, and where it is not resolved through the internal Arbitration process, then the dispute shall be referred to the Director General for Industrial Relations for conciliation. If the dispute still remains unresolved after conciliation, then the matter will be referred to the Industrial Court for a decision, as provided for by the Industrial Relations Act 1967.
- (b) If the text of this Agreement is translated into Bahasa Malaysia the English version shall be the official version.

12 CHECK OFF

The Company agrees to deduct from the pay of each employee who executes the "Authorisation for Check Off" (Appendix 3) for the relevant union subscription fee. "Authorisation for Check Off" shall be duly signed off and completed by each individual employee.

13 TIME - OFF FOR UNION BUSINESS

A. The Company shall consider time-off with pay to be granted for Union Officials requiring leave in connection with Union business not related to the Company. Such time off with pay must receive prior permission, which shall not be unreasonably withheld.

B. The Company shall also consider time-off with pay to Union Officials and members to attend union training, educational courses, symposium and seminars subject to the following conditions:-

- (i) Such courses/seminars have been approved by the Ministry of Human Resources/State Labour Office;
- (ii) The Union advises the Company in writing the names of the participants to such courses/seminars well in advance but not less than two (2) weeks prior to departure of the participants; however, should a request of notice is received less than 2 weeks, the approval is subject to Clause 13 B (iv).
- (iii) The number of participants shall be limited to three (3) at any one occasion;
- (iv) The participants can be released from the Company without affecting operations and schedules.

PART II

14 DEFINITIONS

In this Agreement, unless there be something in the subject matter or context inconsistent therewith, the following definitions are made: -

A. COMPANY DOCTOR

Shall mean a registered medical practitioner whose name is contained in the list of Company Approved Medical Practitioners circulated by the Company among the employees from time to time.

B. EMPLOYEES

Shall mean all Malaysian Operative Staff in the permanent employment on the regular Malaysian Terms and Conditions of the Company who are covered by this Agreement in the bargainable positions as listed in Appendix 1.

C. SERVICE

Shall mean service expressed in years and calendar months and days where applicable which is calculated from the date of joining the Company.

D. NUMBER AND GENDER

Where the context so admits, words imparting the singular number shall include the plural number and vice versa and words imparting only the masculine gender shall include the feminine gender.

E. REST DAY

The official Company rest day is defined as follows:

- (i) Day Workers - as Sunday.
- (ii) Shift/Roster Workers - as the second off day.

F. BASIC SALARY

Shall mean the fixed monthly sum payable to employees within the ranges as laid down in Appendix 3 but does not include contractual bonus, performance related bonus, overtime payment, shift allowance, roster allowance and other allowances or any other payments which may be made from time to time.

G. OFFICIAL LANGUAGE

English shall be the official language for the purpose of this Agreement.

15 HOURS OF WORK

The schedules of working hours for starting and finishing work are arranged and may be changed by the Company to meet operational requirements. The normal hours of work for all employees shall be forty (40) hours per week.

A. Day Workers

The basic work week shall consist of forty (40) hours divided into eight (8) hours per day, Monday to Friday, inclusive for all such employees.

B. Shift Workers

These are employees who are required to work on shift schedules. The normal shift is 0600 hours - 1800 hours and 1800 hours - 0600 hours with a continuous cover four (4) shift cycle as laid down in the Departmental Shift Schedule.

The normal 24-hour continuous cover four (4) shift cycles consists of an average of forty (42) hours work per week and employees will be paid eight (8) hours "scheduled" overtime per month to take into account of the normal shift cycle, even if they are on leave for the whole or part of the month. Payment for a part month will be one (1) hour for every four (4) calendar days (i.e. when starting or stopping).

The Company shall discuss with the Union any proposed changes to Departmental Shift Schedule prior to implementation.

C. Roster Workers

For employee i.e. lab technicians who are required to work according to a roster, 0600 hours - 1800 hours and 1000 hours – 2200 hours, the basic work week over a four (4) week period shall consist of an average of forty-two (42) hours per week. Any hours worked in excess of the forty (40) hours per week produced by the roster shall be paid as overtime.

The normal roster is 0600 hours – 1800 hours and 1000 hours – 2200 hours.

D. Time-off Friday prayers

Muslim employees are given time-off to attend Friday prayers. Such time-off is additional to the normal lunch break.

16 PROBATION ON RECRUITMENT

- A.** Normal probation period for new employee is six (6) months.
- B.** The probationary employment is subject to termination stating the reason(s) thereof by either side giving twenty-four (24) hours notice in writing to the other.

17 COMPANY HOLIDAYS

The Company shall recognise all gazetted Public Holidays for the State of Sarawak, and such holidays shall be termed as "Company Holidays". If a Company Holiday falls on an official Company Rest Day as defined in Clause 14 E, the following shall apply:

A. Day Workers

- (i) Where the gazetted Public Holiday falls on a Saturday, the Company will substitute the Public Holiday with the normal working day immediately pre-ceding.
- (ii) A gazetted Public Holiday falling on a Sunday will be compensated for by substituting the next working day off in lieu.

B. Shift and Roster Workers

A gazetted Public Holiday falling on an official Company Rest Day will be compensated for by substituting the next working day off in lieu, and shift /roster employees will be paid accordingly.

18 ANNUAL MERIT ADJUSTMENT

There are three key components to the annual merit adjustment and there are as follows:

- **Salary Structure Change** – The percent adjustment to the salary structure as measured from the 100% position-in-range points.
- **Budget Allocation** – The pool of money allocated for salary increases. This is expressed as a percent of the current payroll.
- **Individual Performance** – Individual performance is subject to the annual performance ranking process in which comparison between employees based on relative job performance are made based on employee's Individual performance against agreed targets, as recorded in the goal and performance appraisal, Demonstrated behaviours in support of the Shell Group Business Principles, core values (Honesty, Integrity, Respect for People) and Enterprise First behaviours (Leadership, Accountability, Teamwork) and Contribution to business goals / priorities.

Pay benchmarking is based on comparing Shell pay with the pay of a variety of comparable jobs in the external market at that same job level. Shell's salary structure as in Appendix 3 ensures competitive pay for employees. By reflecting the variety of pay levels in the external market we ensure that employees can progress their salary as their performance, contribution and experience develops.

Every part of the Salary Group is competitive to reflect the range of pay in the external market.

The salary structure change and budget allocation for annual merit adjustment may be adjusted subject to business conditions and performance, market competitiveness and economic conditions and internal conditions (voluntary resignation, average position in range, demographics e.g. length of service etc)

19 PERFORMANCE BONUS

The performance bonus is earned on a calendar year basis. Any payout is made the following March and is calculated using the following factors:

- Business Performance Factor (BPF),
- Individual Performance Factor (IPF),
- Bonus Percentage, and
- Base Salary.

All bonus payments are linked to the Salary Group, they are paid gross and in one lump sum in March.

The formula for calculating the performance bonus is as follows:

Performance Bonus = BPF x IPF x Bonus Percentage x 14 months x base Salary.

The performance bonus percentage may be adjusted subject to market competitiveness and business performance.

20 CONTRACTUAL BONUS

- A.** For the year 2007 and each subsequent full calendar year thereafter, during the life of this Agreement, the Company shall pay a bonus equivalent to two (2) months last drawn salary to each employee, such bonus to be paid in November of each year.
- B.** A new employee engaged after 1st January shall receive a pro-rated amount (proportional share) of the bonus payable in the year of employment, based upon completed days of service up to 31st December of that year.
- C.** An employee who leaves the service of the Company prior to 31st December of any year for which a bonus is payable, shall receive a proportional share of the bonus based upon the number of days of service prior to leaving the service of the Company but no bonus or any part thereof, shall be paid in accordance with this Clause to any employee who is discharged for proven misconduct or breach of contract of service.
- D.** If any contributions to the Employees Provident Fund and the Social Security Scheme are payable by an employee in respect of any bonus, such contributions shall be deducted by the Company under the provisions of the law currently in force.

21 PROMOTIONS

A. If and when there is a vacant position the Company will endeavour to fill the vacancy by promoting a suitable Malaysian candidate from within the Company.

B. In the event of an employee being promoted to a higher salary group he shall receive fifteen percent (15%) increase or more, if required to take his salary to the minimum of his new salary group.

C. Celebratory cash reward of RM500 will be awarded for each promotion.

22 OVERTIME

- A. For the purpose of this Agreement "overtime" means the number of hours worked in excess of the normal hours of work per day. Any overtime worked each day shall be rounded up to the nearest fifteen (15) minutes.
- B. Overtime will be approved only when such overtime is specifically authorized.
- C. If any employee is required to work in excess of his normal hours of work, he shall not be given time off in lieu of overtime pay.
- D. Employees who work overtime in accordance with this Clause will be paid according to the following:

(I) Hourly Rate

For the purpose of computing payment under this clause, the hourly rate of pay shall be:

Actual Base Pay + Shift or Roster Allowance (where applicable)

173.6

The hourly rate calculation is subject to a maximum of RM30 per hour.

(II) Ordinary Rate of Pay

For the purpose of computing payment under this clause, the ordinary rate of pay shall be:

Actual Base Pay + Shift or Roster Allowance (where applicable)

21.7

(III) Day Workers shall receive: -

a) Planned Overtime

- 1) 1.5 times the hourly rates for each hour worked in excess of their normal hours of work; 2.0 times the hourly rate for work during 2000 to 0715hrs.
- 2) 2.0 times the hourly rate for work during Rest day/Off day (up to a maximum of twelve (12) hours worked); except in the case of an accident, actual or threatened, or in case of an urgent work to be done to machinery, or in case of an interruption of work which it was impossible to foresee.
- 3) 3.0 times the hourly rate for work during Rest day/Off day in excess of 12 hours, in the case of an accident, actual or threatened, or in case of an urgent work to be done to machinery, or in case of an interruption of work which it was impossible to foresee.

SMDS & KEPSS COLLECTIVE AGREEMENT 2007-2010

- 4) 3.5 times the hourly rate for work during Midnight and beyond, for continuous work longer than 24 hours, in the case of an accident, actual or threatened, or in case of an urgent work to be done to machinery, or in case of an interruption of work which it was impossible to foresee.
- 5) An employee who is requested by the Company to work on a gazetted public holiday shall be paid according to the following:
 - I. For work, which does not exceed 8 hours, he will be paid 2 days wages at the ordinary rate of pay.
 - II. For work, which exceeds 8 hours, he will be paid at 3.0 times the hourly rate of pay for every additional hour so worked after the first 8 hours, a part of an hour being calculated as one hour for this purpose.

b) Callout Overtime

- 1) 2.0 times the hourly rates for each hour for work on a call out during 2000 to 2400hrs.
- 2) 2.5 times the hourly rate for work on a call out anytime from 2400 to 0715 hours. No overtime will be paid for the normal hours of work that follows.
- 3) 2.0 times the hourly rate for work on call out during Rest day or Off day during the period other than 2400 to 0715 as stated in (4) below. (up to a maximum of twelve (12) hours worked, for period exceeding 12 hours refer (5) below); except in the case of an accident, actual or threatened, or in case of an urgent work to be done to machinery, or in case of an interruption of work which it was impossible to foresee.
- 4) 2.5 times the hourly rate for work on call out during Rest day/Off day between 2400 to 0715hrs (up to a maximum of twelve (12) hours worked, for period exceeding 12 hours refer (5) below); except in the case of an accident, actual or threatened, or in case of an urgent work to be done to machinery, or in case of an interruption of work which it was impossible to foresee.
- 5) 3.5 times the hourly rate for work on call out during 2400 to 0715, for continuous work longer than or in excess of the first 12 hours overtime. Hence this means for the first 12 hours period, either rate stated in (3) or (4) is applicable and rate stated in (5) is only applicable for overtime hours exceeding the first 12 hours overtime except in the case of an accident, actual or threatened, or in case of an urgent work to be done to machinery, or in case of an interruption of work which it was impossible to foresee.

- NOTE: ONLY ONE (1) RATE IS APPLICABLE AT ANY ONE (1) TIME

Employees required to come in from home to work additional hours during Public Holidays will receive a minimum of eight (8) hours pay at the appropriate rate.

(IV) Shift/Roster Workers shall receive: -

- a) 1.5 times the hourly rates for each hour worked in excess of their normal hours of work (as defined under Clause 15).
- b) 1.5 times the hourly rate for work during an Off Day, and 2.0 times the hourly rates for each hour worked in excess of their shift hours of work.
- c) 2.0 times the hourly rate for work during an Off Day from Midnight to 0600hrs, and 2.5 times the hourly rates for each hour worked in excess of their shift hours of work.
- d) 2.0 times the hourly rate for work on Rest day, and 2.5 times the hourly rate for each hour worked in excess of their shift hours of work.
- e) 2.0 times the hourly rate for work during Public Holiday, and 3.5 times the hourly rate for each hour worked in excess of their normal shift hours of work.
- f) 3.5 times the hourly rate for work during an Off Day that coincides with a Public Holiday, and 4.0 times the hourly rate for each hour worked in excess of their shift hours of work.
- g) 4.0 times the hourly rate for work during Rest Day that coincides with a Public Holiday and for each hour worked in excess of their shift hours of work.
- h) 1.5 times the hourly rate for Rest Day/Off Day, which coincides with a Public Holiday.

* NOTE: ONLY ONE (1) RATE IS APPLICABLE AT ANY ONE (1) TIME

Employees required to come in from home to work additional hours during Public Holidays will receive a minimum of eight (8) hours pay at the appropriate rate.

23 REST PERIOD

Employees should receive a minimum of eight (8) hours rest period between one normal work period and the next. If circumstances arise in which by observing normal time for starting work AFTER CONSIDERABLE EXCESSIVE HOURS WORKED, less than a minimum of eight (8) hours would be available for rest, then the actual starting time should be adjusted so as to afford an eight (8) hour rest period before starting work. 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 compensated in accordance with Clause 22.

24 ACTING ALLOWANCE

When an employee is required to work in a higher Job Group he will receive a substitution pay.

- A. The employee must act in a higher job for at least one full working day or one full shift.
Malaysian Operative Staff acting for a higher Malaysian Operative Staff position:
30% x Ordinary Rate of Pay (as per Clause 22)
Malaysian Operative Staff acting for a Malaysian Senior Staff position:
35% x Ordinary Rate of Pay (as per Clause 22)
- B. The employee must perform the full duties and assume the full responsibilities of the higher post.
- C. Prior authorisation to act shall always be given in writing in accordance with the form shown in Appendix 6.

25 CALL OUT PAY

A. An employee unexpectedly called out from home to work additional hours, during the period outside the normal working hours, will receive overtime at the applicable rate for a minimum of four (4) hours or the actual hours worked, whichever is the greater.

B. Period outside the normal working hours is defined as any period before or after the hours defined in Clause 15, Hours of Work.

26 PAGER/STANDBY ALLOWANCE

An employee required by the Company to be on standby (either provided a pager or not) outside his normal working hours to deal with possible situations requiring immediate action, will be paid an allowance of RM150 per week. An employee receiving this allowance must be within the Bintulu area and reachable by the Company's issued pager. He is expected to urgently respond to such call out.

27 SHIFT ALLOWANCE

Shift Allowance will be paid to employees engaged continuously on shift work. The rates payable are in accordance with the following table. These rates compensate employees for the inconvenience of working on shift in comparison with those employees who are on regular day work.

Job Group	Shift Allowance RM per month
8, 9	500
10 - 14	335

An employee working on shift will continue to receive the appropriate shift allowance while: -

- A.** On temporary off-shift assignment/duties of up to a maximum of three (3) calendar months. Thereafter, the payment of shift allowance shall cease.
- B.** On annual, compassionate, matrimonial, emergency leave;
- C.** On certified sickness of the employee not more than three (3) calendar months.

28 ROSTER ALLOWANCE

Roster Allowance will be paid to employees engaged continuously on roster work. The rates payable are in accordance with the following table.

Job Group	Roster Allowance RM per month
8, 9	325
10 - 14	225

An employee working on roster will continue to receive the appropriate roster allowance while: -

- A.** On temporary off-Roster assignment/duties of up to a maximum of three (3) calendar months. Thereafter, the payment of roster allowance shall cease.
- B.** On annual, compassionate, matrimonial, emergency leave;
- C.** On certified sickness of the employee not more than three (3) calendar months.

29 IRREGULAR HOURS ALLOWANCE

Irregular Hours Allowance will be paid to employees performing regular bulk loading at jetty. The rates payable are in accordance with the following.

Job Group	Irregular Hours Allowance RM per month
8, 9	365
10 - 14	250

The allowance shall be withdrawn if the circumstances under which the allowance has been authorized for the abovementioned job position is materially changed. It shall also be withdrawn without compensation on the job-holder's transfer to another position which does not carry the allowance.

An employee who is in receipt of Irregular Hours Allowance shall not be eligible to receive Shift/Roster Allowance. Callout Pay as in Clause 32 will not be applicable.

30 MEALS AND MEAL REIMBURSEMENTS

- A.** Where employees are provided with free meals the Company will endeavour to ensure that these are of a reasonable standard.
- B.** If free food is not provided, the appropriate Meal Reimbursement will be paid under the following conditions:
 - (i) When an employee is required to work overtime (except learning and development) over the whole of the period specified in the table below, and with prior approval from the respective Supervisor or Duty Engineer/Section/Department Head/Shift Manager
 - (ii) Where a regular day employee is required to work through the normal lunch period, and with prior approval from the respective Supervisor or Duty Engineer/Section/Department Head/Shift Manager

Meals	RM	Period/Timing (For day workers)	Period/Timing (For shift/roster workers)
Breakfast	15	* 0615 hrs – 0715 hrs	* 0500 hrs – 0600 hrs (for day shift) * 0600 hrs – 0700 hrs (for night shift)
Lunch		1200 hrs – 1300 hrs	1200 hrs – 1300 hrs
Dinner		* 1800 hrs – 1900 hrs	* 1700 hrs – 1800 hrs (for night shift) * 1800 hrs – 1900 hrs (for day shift)
Midnight Meal		2400 hrs – 0100 hrs	2400 hrs – 0100 hrs

* The reason for the different timings for breakfast and dinner is that staff will need the time to prepare for the day or shift work, as appropriate for the respective work cycle.

31 EXTRA JOURNEY TO/FROM WORK

Employees who are required to make an additional journey to work, and their Supervisor agrees beforehand that it is not practical to use Shell MDS (M) transport provided, then the employees may claim kilometre reimbursement from home to work or vice versa as follows:-

Mode of Transport	Rate per km
Cars	RM0.80
Motorcycles	RM0.40

In exceptional circumstances, and with the Supervisor's prior approval, the staff may use a taxi and claim against receipts.

32 JOB RELATED BENEFITS

Notwithstanding the benefits provided for in the employee's contract of employment, the Company agrees to provide safety helmets, safety shoes, safety glasses, safety uniforms, working coveralls, eye goggles, rain coats, rain suits, and any other personal protective equipment to those employees who require these for exercising their normal duties.

33 RETRENCHMENT AND RETRENCHMENT BENEFITS

- A.** An employee shall be eligible to receive retrenchment benefits in accordance with prevailing Company policy (PPPM) if his employment is terminated by the Company on the grounds of redundancy resulting from any re-organisation or economic measures within the Company.
- B.** In the event of any impending redundancy, the Company will give at least one (1) month's notice to the employee before the date of termination of employment. The Company may, at its discretion, pay a minimum of one (1) month's salary in lieu of the notice period.
- C.** Should an employee, who has been released on grounds of redundancy, be subsequently re-employed by the Company, he shall be treated as a new employee for all purposes including starting his service period anew.

34 RETIREMENT BENEFITS

The Company will contribute a top up percentage over the employer's statutory contribution to the EPF on base salary and variable bonus (if paid). The top up percentage will be determined annually, after taking due consideration of the competitive position of the total remuneration package.

35 OTHER BENEFITS

A. Existing Benefits

Notwithstanding the provisions of this Agreement, any existing benefits provided by the Company and not superseded by this Agreement shall continue to remain in force. The Company shall be entitled by agreement with the Union to alter, amend, suspend, terminate or improve such existing benefits, as the Company may consider advisable or necessary.

Any benefits not covered by the agreement, will be according to the Malaysian Operative Staff Benefit's booklet.

B. New Benefits

Any new benefits introduced by the Company shall be discussed and agreed with the Union before implementation.

36 INDUSTRIAL HEALTH AND SAFETY/THE ENVIRONMENT

- A.** The Company acknowledges its responsibility to provide a safe working environment and conditions for its employees and will continue to take such measures, as it deems appropriate to safeguard the industrial health and safety of all employees and to safeguard the natural environment.
- B.** To this end, the Company and the Union agree that it is in the best interest of the employees to adhere closely to all industrial health and safety regulations laid down from time to time by the Company or in accordance with the law currently in force. The Company will endeavour, where necessary, to provide the relevant training to employees on matters of health and safety.
- C.** Any suggestions from the Union on matters concerning industrial health and safety will always receive the careful examination and consideration of the Company.

JOB TITLES/GROUPS

Job Group	Job Titles
8	Senior Operation Technician Senior Mechanical/Civil/Rotating/Workshop Technician Senior Electrical Technician Senior Instrument Technician Senior Inspection Technician Senior Project Technician Senior Laboratory Technician Loading Master AP & Hydrocarbon Accounting Assistant Material Coordinator Bintulu Solid Wax Supervisor
9	Operation Technician I Mechanical/Civil/Rotating/Workshop Technician I Electrical Technician I Instrument Technician I Inspection Technician I Project Technician I Laboratory Technician I IT Technical Assistant Mechanical/Civil/Rotating/Workshop Technical Assistant Safety Supervisor
10	Operation Technician II Mechanical/Civil/Rotating/Workshop Technician II Electrical Technician II Instrument Technician II Inspection Technician II Project Technician II Laboratory Technician II Treasury & Finance Services Assistant Senior Storeman AP & AR Assistant Custom and Shipping Administrator
11	Operation Technician III Mechanical/Civil/Rotating/Workshop Technician III Electrical Technician III Instrument Technician III Inspection Technician III Project Technician III Laboratory Technician III Fire Station Supervisor Procurement Assistant
12	Operation Technician IV Mechanical/Civil/Rotating/Workshop Technician IV Electrical Technician IV Instrument Technician IV Inspection Technician IV

SMDS & KEPSS COLLECTIVE AGREEMENT 2007-2010

Project Technician IV
Laboratory Technician IV
Transport Assistant
Storeman

SMDS & KEPSS COLLECTIVE AGREEMENT 2007-2010

FROM:

A. INDIVIDUAL GRIEVANCE		
Name of Employee	Service No.	Signature

A. COLLECTIVE GRIEVANCE		
Name of Employees	Service Nos.	Signatures
1)		
2)		
3)		
4)		
5)		
6)		

(Continue on separate sheet if necessary)

RECEIVED BY:

Name	Ref. Ind.	Signature	Date

NOTES

- (i) In the case of either:
 - (a) an individual grievance,

OR

- (b) a collective grievance involving staff from the same Department, this form must be addressed and submitted directly to the appropriate Manager/Senior Manager. In the case of a collective grievance involving staff from different Departments, this form must be addressed and submitted directly to HR Development & Policy Manager.
- (iii) Where this form is addressed and submitted to the appropriate Manager/Senior Manager, a duplicate copy must be sent to the HR Development & Policy Manager. In addition, if the employee or employees so wish, a copy may be sent to the Secretary, KEPSS.
- (iii) No individual grievance will be accepted unless presented within Fourteen (14) calendar days or in the case of a collective grievance within Twenty-One (21) calendar days after the date of origination or discovery of the facts or events upon which the grievance is based. If the person to whom this form is addressed does not resolve the grievance then it will be progressed in accordance with the stages described in Clause 9 of the SMDS & KEPSS Collective Agreement.

APPENDIX 3

SALARY RANGE

MALAYSIAN OPERATIVE STAFFS SALARY SCALES

SG	Minimum, 67% (RM)	Target, 100% (RM)	Maximum, 120% (RM)
8	2865	4275	5130
9	2370	3535	4245
10	1410	2940	3530
11	1170	2200	2640
12	990	1760	2115
13	825	1420	1705
14	675	1200	1440

NOTICE OF ACTING FORM

**SHELL MDS (MALAYSIA) SDN. BHD.
NOTICE OF SUBSTITUTION**

I. From

Name

Ref. Ind. Date / /

II. To

Name JG

Ref. Ind. Staff #

III. Notice of Substitution

During the absence of the following staff, it is agreed that you will assume the full responsibilities of his/her position in addition to your normal duties.

Name JG

Ref. Ind.

The number of substitution days shall be as follows:-

Month /

Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
*																					

Date	21	22	23	24	25	26	27	28	29	30	31
*											

**Please tick against substitution date*

SMDS & KEPSS COLLECTIVE AGREEMENT 2007-2010

IV. Authorised By

Head of Department/Manager

Account Chargeable

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V. Instructions

1. Separate Form should be used for each month of substitution
2. Original must be sent to GPH/2 for payment
3. Alterations on substitution days must be initialled