

PROJECT AGREEMENT

FOR

A MAINTENANCE SERVICE CONTRACT

FOR

THE HUSKY LLOYDMINSTER UPGRADER

LLOYDMINSTER, SASKATCHEWAN

BETWEEN

LML INDUSTRIAL CONTRACTORS LTD.

AND

THE SASKATCHEWAN AND NORTHWEST

TERRITORIES

ALLIED COUNCIL

September 1, 2011 to August 31, 2014

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PROJECT AGREEMENT FOR A MAINTENANCE SERVICE CONTRACT

This Agreement is entered into this 31st day of August, 2011 by and between LML Industrial Contractors Ltd., (*hereinafter referred to as the "Company"*), and those INTERNATIONAL UNIONS OF THE AFL-CIO who are affiliated to the Saskatchewan and Northwest Territories Allied Council (*hereinafter referred to as the "Council"*), for the purpose of maintenance, repair and renovation work for the Husky Lloydminster Upgrader, located at Lloydminster, Saskatchewan.

The Saskatchewan and Northwest Territories Allied Council is composed of the following International Unions of the AFL-CIO:

Local Union 555 of the Int'l
Brotherhood of Boilermakers
Iron Ship Builders, Blacksmiths
Forgers & Helpers

Local Union 1 Saskatchewan of the
International Union of Bricklayers
& Allied Craftworkers

Local Union 1985 of the
United Brotherhood of Carpenters
& Joiners of America

Local Union 442 of the Operative
Plasterers Cement Masons
Int'l Association

Local Union 529 of the International
Brotherhood of Electrical Workers

Local Union 119 of the Int'l
Association of Heat & Frost
Insulator & Asbestos Workers

Local Union 771 of the Int'l
Association of Bridge, Structural,
Ornamental & Reinforcing Ironworkers

Local Union 395 of the Int'l
Brotherhood of Teamsters,
Chauffeurs, Warehousemen &
Helpers of America

Local Union 890 of the Construction
& General Workers' Union
(Laborers' Int'l Union of North
America)

Local Union 1021 of the United
Brotherhood of Carpenters &
Joiners of America – Millwrights

Local Union 870 of the
Int'l Union of Operating Engineers
Hoisting, Portable & Stationary

Local Union 739 of the International
Union of Painters & Allied Trades

Local Union 179 of the United Association
of Journeymen & Apprentices of
the Plumbing & Pipefitting Industry
of the United States & Canada

Local Union 296 of the
Sheet Metal Workers' Int'l
Association, Saskatchewan

DEFINITIONS

APPROPRIATE LOCAL UNION

Means the office of the Saskatchewan Local Union having territorial jurisdiction over the project.

REGULAR EMPLOYEE

Means an employee hired for employment of ninety (90) or more calendar days duration excluding shutdown/turnaround.

ADDITIONAL EMPLOYEE

Means an employee hired for employment of less than ninety (90) calendar days duration, or an employee specifically hired for shutdowns or turnarounds.

COMPANY

Means LML Industrial Contractors Ltd.

COUNCIL

Means the Saskatchewan and Northwest Territories Allied Council.

PLANT

Means the entire area falling within the fence line as set forth in Drawing Number 70AA001.

LABOUR MANAGEMENT COMMITTEE

Means the Committee established pursuant to Article 23:00.

CRAFT TRADESMEN

Means employees as detailed in the appendices attached to this Agreement.

OPERATOR

Means Husky Oil Operations Ltd.

UNION

Means the Trade Union affiliated with the Council and signatory to this Agreement.

ARTICLE 1:00 – SCOPE

1:01

The terms of this Agreement and no other agreement shall cover all work assigned by the Operator to the Company to be performed at the Plant by the employees of the Company listed in the Appendices A (A1) to Z (Z1). The Parties agree that the Project Owner is not bound by the terms of this Agreement, unless otherwise agreed to in a separate agreement.

1:02

The scope of this Agreement shall cover work, assigned by the Operator to the Company, of a maintenance, repair, renovation, shutdown and/or turnaround nature.

1:03

The scope of this Agreement does not cover work performed by the Company of a new construction nature which is work required to erect new facilities and/or equipment in which event the work shall be done in accordance with prevailing Building and Construction agreements.

1:04

Maintenance shall be work performed for the repair, renovation, revamp and upkeep of property, machinery and equipment within the limits of the plant property.

1:05

All work performed by the Company on existing equipment and machinery, including all associated work in a given plant, shall be maintenance. This shall include replacement of existing individual items of machinery and equipment with new units, including all associated work.

1:06

Addition of spare machinery or equipment shall be maintenance provided it is for debottlenecking purposes.

1:07

Changes to existing units for reasons of feed stock changes or fuel changes shall be maintenance.

1:08

Repair used within the terms of this Agreement in connection with maintenance is work required to restore by replacement or revamp parts of existing facilities to efficient operating conditions.

1:09

Renovation used within the terms of this Agreement in connection with maintenance is work required to change parts of existing facilities to efficient operating conditions by replacement or by revamp.

1:10

Fire restoration work will be classified as follows:

- (a) The restoration of a plant completely destroyed by fire is construction work.
- (b) The restoration of a major part of a plant including several sections which have been destroyed or damaged by fire shall be classified as follows:
 - (i) The removal of damaged equipment and the preparation of the damaged area to make it suitable for new equipment is maintenance.
 - (ii) The installation and erection of the new equipment is construction.
- (c) When fire damage is localized to a given operating unit, such as a heater, distillation tower, compressor or pumphouse and the like, then the restoration is maintenance.

1:11

The replacement of an entire process system installation in a plant in order to increase production is construction.

ARTICLE 2:00 – UNION SECURITY AND DUES COLLECTION

2:01

Every employee who is now or hereafter becomes a member of the Union shall maintain his membership in the Union as a condition of his employment, and every new employee whose employment commences hereafter shall, within thirty (30) days after the commencement in his employment, apply for and maintain membership in the Union, and maintain membership in the Union as a condition of his employment, provided that any employee in the appropriate bargaining unit who is not required to maintain his

membership or apply for and maintain his membership in the Union shall, as a condition of his employment, tender to the Union the periodic dues uniformly required to be paid by the members of the Union.

2:02

The Company will co-operate with the signatory Unions in providing employment to their members and the Unions agree to assist the Company by all means in their power to secure necessary skilled and competent tradesmen.

2:03

The Company shall hire all employees through the appropriate Local Union office for the performance of all work within the scope of this Agreement. Only the appropriate Local Unions are vested with the authority to act in matters relating to employee representation, dispatching, administration and interpretation of the Agreement, however, the foregoing does not take away from the traditional rights of management.

2:04

The Union agrees to furnish qualified employees on request. In the event a Union is unable to fill a requisition for employees within a forty eight (48) hour period (*Saturdays, Sundays and recognized holidays excluded*), the Company shall have the right to employ qualified employees from other available sources. All employees shall obtain a clearance and/or referral slip from the appropriate union office before starting a job. At the request of the Company referral slips will be transmitted electronically to the project (*telephone, facsimile or email*).

2:05

The Company and the Council agree that the participation of qualified local and native residents in the work force is most desirable and will be strongly promoted.

2:06

The Company agrees to deduct and remit union dues and other deductions in accordance with the following:

- (a) Upon receipt of authorization from the employee, the Company shall deduct from all employees coming within the scope of this Agreement, from the first pay period of each month, monthly union dues, initiation fees or other assessments in the amount prescribed by the Local Union.
- (b) From each pay period, union field dues in the amount calculated and/or prescribed by the Local Union.

2:07

Union dues and other deductions shall be remitted to the Local Union promptly by the 15th of the following month. Each remittance shall be accompanied by a list showing the name and social insurance number (*provided the number is supplied by the Union on its referral form*) of the employees on whose behalf the deduction was made; and showing opposite each name the amount of the deduction. For the field dues deducted the list shall show the hours on which the deduction was based.

2:08

In the case of delinquent remittances the Union may utilize the grievance procedure beginning with Step III to recover the amount owing and all associated costs and interest on the outstanding amount.

ARTICLE 3:00 – MANAGEMENT RIGHTS

3:01

The Company retains full and exclusive authority for the management of its operation. The Company shall direct his working forces at his sole prerogative including, but not limited to hiring, promoting, demoting, transferring to work directly related to the project, suspending, laying off, disciplining, and discharging for just cause. No rules, customs or practices shall be permitted or observed which limit or restrict production or limit or restrict the working effort of employees. The Company shall have the right to utilize the most efficient methods or techniques of maintenance, tools or labour saving devices. There shall be no limitations upon the choice of materials or design. The Company shall schedule work and shall determine when overtime will be worked. Nothing contained herein shall be exercised in a manner inconsistent with the provisions of this Agreement.

Subject to the provisions of this Agreement, the foregoing enumeration of management rights shall not be deemed to exclude other functions not specifically set forth. The Company retains all legal and traditional rights not specifically covered by this Agreement.

3:02

The Company shall have the right to name hire all supervision, including General Foreman, Foreman, and every fourth (4th) employee from the applicable Union Out-of-Work List.

ARTICLE 4:00 – HIRING

4:01

Local residents may be given priority of employment provided such resident meets the following criteria:

- (i) A local resident is defined as a local union member who has resided within eighty (80) radius kilometers from the project for at least six (6) months immediately preceding date of hire. An employee's residence is the place where he permanently maintains a self contained domestic establishment (a dwelling place, apartment, or similar place of residence where a person generally sleeps and eats) in which he resides and for which he can show proof acceptable to the company and the Union.
- (ii) If the Local Union is unable to supply union members for long term maintenance work, Article 4:01 (i) can be utilized if members of other Local Unions of the same union are available.
- (iii) Local residents who become employed with the Company are deemed a name hire.

ARTICLE 5:00 – TERMINATION OF EMPLOYMENT

5:01

Should it be necessary to reduce the working forces, the Company shall lay off their employees in the following sequence bearing in mind that at no time shall there be more than twenty five percent (25%) name hires on the job in any one trade at any given time.

- (i) the non-member
- (ii) travel card members from other Local Unions
- (iii) members

5:02

Employees who are laid off, terminated or quit::

- (i) Shall receive a Company termination slip which shall show either his net pay and deductions, or the basic factors from which his pay will be calculated including: total pay hours, transportation allowances, subsistence, etc.
- (ii) And the Company shall mail, all the employee's monies owing and the Unemployment Insurance Contribution Certificate within three (3) days exclusive of Saturday, Sunday and Recognized Holidays.

- (iii) Should the Company fail to comply with this provision, the employee shall receive an additional sum equivalent to two (2) hours pay at straight time rates for each day he is kept waiting.

5:03

Except in cases beyond the Company's control, the Company shall advise the Job Steward in writing of the names of the employees who are being terminated, at least two (2) hours in advance.

ARTICLE 6:00 – NO STRIKE/LOCKOUT

6:01

The Company agrees that it will not cause or direct any lock-out of employees.

6:02

No employee bound by this Agreement shall strike during the term of this Agreement. No person, employee or trade union shall declare, authorize or participate in a strike or other collective action which will stop or interfere with production or counsel a strike or collective action to be effective during its term. Violations of this Article will be cause for immediate termination without the right to grievance or rehire at the plant.

ARTICLE 7:00 – GRIEVANCE PROCEDURE & ARBITRATION

7:01

It is the mutual desire of the Parties hereto, that complaints of employees shall be adjusted as quickly as possible. The Foreman or Supervisor shall be given the opportunity to adjust a complaint. When a complaint is reduced to writing it shall be termed a grievance. Jurisdictional disputes shall not be settled by this grievance procedure but rather as provided for in Article 8:00.

7:02

A grievance shall mean any difference or dispute concerning the interpretation, application, administration or alleged violation of the Agreement and shall be handled in the following manner:

Step I: The aggrieved party shall discuss his complaint with his Steward and the Foreman or immediate Supervisor, who shall endeavor to settle the complaint.

- Step II:** If the complaint is not settled within three (3) working days excluding Saturday, Sunday and recognized holidays, from the date there is evidence of a grievance having occurred, it shall be reduced to writing and referred to the Local Union's Business Representative and the Company.
- Step III:** If the grievance is not settled within thirteen (13) working days, excluding Saturday, Sunday and recognized holidays, from the date of the occurrence giving rise to the grievance the grievance shall proceed to arbitration at the request of either party.
- Step IV:** It is understood and agreed that any of the time limits herein may be extended by mutual agreement in writing.
- Step V:** Any grievance between the Company or the Union concerning the interpretation, application, administration or alleged violation of the Agreement shall be dealt with commencing with Step II.

Arbitration:

- Step VI:** A single Arbitrator shall be selected from the list of Arbitrators in Appendix "Q" to hear any grievance which has been referred to arbitration pursuant to this Agreement. Selection shall be in rotation beginning with the first listed arbitrator and will continue sequentially subject to availability of those individual arbitrators.
- Step VII:** Both Parties to the dispute shall share equally the expenses and fees of the Arbitrator.
- Step VIII:** A request to proceed to arbitration shall be made within five (5) working days excluding Saturday, Sunday and recognized holidays immediately following the time limits set forth in Step III.
- Step IX:** When a Union or the Company requests that a grievance be submitted to arbitration, it shall make such a request in writing (*registered mail and by fax*) addressed to the other Party with copies to the Council. Within ten (10) working days after receipt of the notice to proceed to arbitration the Council will advise the Company and the Union of the Arbitrator and the time and place of arbitration.
- Step X:** The Arbitrator shall not be authorized to make any decisions inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement. The Arbitrator shall have the authority to vary or eliminate any disciplinary action or penalty imposed on an employee when, in the opinion of the Arbitrator, an injustice has been done. The Arbitrator shall render his decision no later than ten (10) calendar days from the hearing date.

Step XI: The decision of the Arbitrator shall be final and binding upon both Parties.

ARTICLE 8:00 – JURISDICTION

8:01

The Company recognizes the jurisdictional claims of the Unions as provided for in the Charter Grants issued by the American Federation of Labour to the Affiliated Unions, it being understood that the claims are subject to trade agreements and final decisions of the AFL-CIO as well as the decisions rendered by the Impartial Jurisdictional Disputes Board or its successor.

8:02

The assignment to be made by the Company shall be according to the following basis:

- (a) Where a Decision of Record applies to the disputed work, or where an Agreement of Record between the disputing trades applies to the disputed work, the Company shall assign the work in accordance with such Agreement or Decision of Record.
- (b) Where a national agreement between the disputing trades applies that has been filed with the Board and attested by the Chairman, even though not an Agreement of Record, the Company shall assign the work in accordance with such agreement.
- (c) Where there is no Decision or Agreement of Record the Company shall assign the disputed work in accordance with prevailing industry practice.

8:03

Project maintenance conditions do not always justify adherence to craft lines which, in itself, does not establish precedent or change the appropriate jurisdiction of the crafts involved. Composite crews may be formed where conditions warrant, but this is not to be construed under regular operating conditions as the Company's prerogative to assign employees out of their usual skill classification.

8:04

The Company may, if it desires, maintain a variety of skills within its group of employees to be prepared to have the necessary skills and/or supervision available for any type of work that may arise.

8:05

It is understood that all employees will work together harmoniously as a group and as directed by the Company.

8:06

In the event that any jurisdictional disputes shall arise between two or more unions represented by this Agreement, an immediate assignment of the work in question shall be made by the Company based on Article 8:02 (a), (b), (c) and other information available. The work is then to continue and, if any of the Unions involved are not satisfied with the assignment, the matter shall be referred to the International Office of the Unions involved for further handling.

8:07

The Company and the Unions agree that such assignment of work involved in a jurisdictional dispute is imperative to the satisfactory operation of this Agreement and the continued operation of the Owner's plant.

8:08

It is understood and agreed that jurisdictional disputes shall not be the subject of a grievance under this Agreement, but shall be dealt with in keeping with the Adjudication of Jurisdictional Disputes Procedure set forth in Appendix "O" and made part of this Agreement.

ARTICLE 9:00 – STEWARDS

9:01

Each Union signatory to this Agreement may appoint or select one (1) working steward from among the Company employees to act as a representative of the Union in connection with Union business. The steward will be allowed reasonable time to perform his duties and shall be one (1) of the last two (2) employees within his appendix to be laid off, provided there is work available for which he is qualified, otherwise, the Union Business Manager will be notified in writing in a timely fashion in order to appoint or select a successor(s). The Steward(s) shall not be discriminated against and shall receive his fair share of overtime for which he is qualified.

9:02

Where circumstances and conditions warrant, each Union may appoint or select an acting Assistant Steward for the afternoon or midnight shifts.

9:03

Steward designations must be confirmed in writing to the Company.

9:04

Under no circumstances shall the Steward make any arrangements with the Supervisor or Management that will change or conflict with any section or terms of this Agreement.

ARTICLE 10:00 – ACCESS TO JOB

10:01

Subject to plant security regulations, an accredited Union Representative shall have the right to visit the plant after making his presence known to the Company and the Operators' security. The Union Representative shall not deliberately cause employees to neglect their work.

ARTICLE 11:00 – HOURS OF WORK

11:01

- (i) Eight (8) hours per day shall constitute a standard work day between the hours of 7:00 a.m. and 5:30 p.m. Forty (40) hours per week shall constitute a week's work (*Monday to Friday inclusive*).
- (ii) The foregoing starting and quitting times may be changed to suit job requirements or conditions by mutual agreement between the Council and the Company. In the event the foregoing starting or quitting times are changed without mutual agreement, applicable overtime rates shall be paid for any time worked before or after the above hours as a result of the change of times.

11:02

The mid shift unpaid lunch period will be one-half (1/2) hour and may be staggered up to one (1) hour either way to accommodate production schedules and emergencies.

11:03

An employee who is requested to work through his scheduled mid shift lunch period and the lunch period provided falls beyond the staggered one (1) hour allowance, will be paid an additional one-half (1/2) hour at the straight time rate.

11:04

Two (2) ten (10) minute paid rest breaks shall be scheduled by the Company on each eight (8) hour shift.

Two (2) fifteen (15) minute paid rest breaks shall be scheduled by the Company on each ten (10) hour shift.

Reasonable variances on meal and/or rest breaks may be accommodated on a project by project basis upon mutual consent of the Council and the Company.

11:05

The hours of work set forth in this Agreement do not constitute a guarantee of hours of work per day or hours of work per week.

11:06

The work week, for payroll purposes, shall end on Saturday at midnight and employees shall be paid on the Friday of the following week prior to the end of the shift for all work performed during the previous week.

11:07

For purposes of establishing a four (4) day work week, the work days may be altered (*between Monday to Friday inclusive*) by mutual agreement between the Company and the Council. Excluding provisions for a rotating compressed work week contained in Article 12:08, a minimum of forty (40) hours is required to implement the four (4) day work week.

ARTICLE 12:00 – SHIFT WORK

12:01

The Company may establish multiple shifts. Shifts must remain in effect for a minimum of three (3) consecutive shifts, otherwise the employee shall come under the terms of the regular work day or work week.

12:02

Eight (8) hours shall constitute a standard work shift. The second (2nd) shift shall be the afternoon shift and shall follow the first (1st) shift. The third (3rd) shift shall be the night shift and shall follow the second (2nd) shift. For regular employees, the Company may establish short shifts when it is intended to operate the shift for less than sixty (60) calendar days to provide seven (7) day coverage of the plant. Employees assigned to

such short shifts shall have two (2) consecutive days off per week in lieu of Saturday and Sunday.

- (i) Work performed on the established days off shall be computed at the applicable Saturday/Sunday overtime rate of pay.
- (ii) When a recognized holiday falls on the established days off, alternate days off and overtime pay shall be calculated in the same way that recognized holidays are governed in Article 15:01 (b).

12:03

Employees assigned from one shift to another shall receive at least twenty four (24) hours notice prior to such reassignment. In no case shall an employee suffer loss of regular weekly earnings due to a shift change. If an employee is assigned from one shift to another and did not receive the twenty four (24) hour notice and an eight (8) hour rest break did not occur, all work performed shall be paid for at the applicable overtime rate of pay until an eight (8) hour rest break occurs.

12:04

- (i) Regular and additional employees working the second (2nd) or third (3rd) shift shall receive a shift differential of \$2.50 for all hours worked.
- (ii) There shall be no pyramiding of differential pay.

12:05

It is understood that under no circumstances can it be construed that employees working on a day shift that runs into extended overtime, will earn an entitlement for shift premium pay.

12:06 – Rotating Compressed Work Week

The Council and the Company understand that there may be occasions when in order to satisfy the Operator's shift requirements, a rotating compressed work week may be established. The Council and the Company will establish a mutually agreed format for these shifts.

ARTICLE 13:00 – OVERTIME

13:01

All employees shall receive one and one-half (1-1/2) times their regular rate of pay for the first two (2) hours of overtime Monday through Friday inclusive. All additional

overtime shall be paid at double time (2X) including all work performed on Saturday, Sunday and recognized holidays.

13:02

- (i) When working the four (4) day compressed work week, employees shall receive double (2X) the regular hourly rate for all hours worked outside the regular scheduled hours (Monday through Thursday or Tuesday through Friday) including shutdown and turnarounds.
- (ii) If the compressed work week is scheduled Tuesday through Friday and Monday is worked the first ten (10) hours shall be paid at time and one half (1 ½) the regular hourly rate and double (2X) thereafter including double time (2X) for all hours worked on recognized holidays.
- (iii) If the compressed work week is scheduled Monday through Thursday and Friday is worked the first ten (10) hours shall be paid at time and one half (1 ½) the regular hourly rate and double (2X) thereafter including double (2X) for all hours worked on recognized holidays.

13:03

When an employee works more than ten (10) hours (ten and one half (10 ½) for Foremen) the employee shall be provided with a hot meal and beverage immediately after the conclusion of the ten hours and at each four (4) hour interval thereafter. The employee will be allowed a thirty (30) minute meal break at straight time pay in which to eat the meal. A ten (10) minute paid rest break at the applicable rate of pay will be provided at the conclusion of the regular shift before overtime commences and every two (2) hours thereafter except for meal breaks.

13:04

When an employee works overtime and a continuous eight (8) hour break does not occur between the end of his last regular shift and the beginning of his next regular shift, all hours worked thereafter shall be worked at the applicable overtime rate until an eight (8) hour rest break occurs.

However, the employee may be required to take the eight hour rest break, and if the rest break extends beyond the regular starting time, such employee shall be paid for the regular time lost at the applicable rate of pay and shall be offered work for the balance of the regular shift.

ARTICLE 14:00 – SHOW-UP TIME/CALL OUT

14:01

When an employee reports for work but is not placed to work or is unable to continue to work because of inclement weather or any other reason beyond the control of the Company the following shall apply:

- (a) If an employee is not placed to work, he shall be entitled to a minimum of two (2) hours pay at the applicable rate of pay or the actual waiting time, whichever is greater.
- (b) The decision and instructions to start or cease waiting or working shall be made by the Company after consultation with the Steward. Any employee failing to comply with such decision or instruction shall not be entitled to the foregoing minimum.

14:02 – Call out

Employees who have completed the day's scheduled hours of work and who respond to a request to return to work additional time, shall be compensated as follows:

- (a) Employees shall receive a minimum of two (2) hours pay at two (2) times their rate of pay or for actual hours worked whichever is greater.
- (b) If the employee works more than four (4) hours, the employee shall be provided with a hot meal and beverage immediately after the first four (4) hours and each four (4) hours thereafter. The employee shall be allowed a thirty (30) minute meal break at straight time pay in which to eat the meal. A ten (10) minute paid rest break at the applicable overtime rate of pay shall be provided at two (2) hour intervals except for meal breaks.

ARTICLE 15:00 – RECOGNIZED HOLIDAYS & VACATIONS

15:01

- (a) The recognized holidays shall be as follows:

- New Year's Day
- Good Friday
- Victoria Day
- Canada Day
- Saskatchewan Day
- Labour Day
- Thanksgiving Day
- Remembrance Day

- Christmas Day
- Boxing Day
- Family Day

Any other holiday that may be proclaimed during the life of this Agreement.

- (b) Under no circumstances shall any work be performed on Labour Day except in cases of emergency involving life or property. When a recognized holiday falls on a Saturday or Sunday or on Friday in the case of working 4-10's, the next following work day shall be taken as an alternate day off. When two (2) recognized holidays fall on a succeeding Saturday and Sunday, the following Monday and Tuesday shall be taken off as alternate days.

However, should the Operator determine another day(s) be recognized for his operating personnel this day(s) will be recognized for the Company's personnel. Employees who are required to work on a recognized holiday shall receive the applicable overtime rate of pay. Holiday pay shall be as set out in the appendices attached.

15:02

Vacation pay shall be as set out in the appendices attached hereto.

ARTICLE 16:00 – WAGE SCALES AND FRINGE BENEFITS

16:01

- (i) All workers covered by this Agreement shall be classified and paid in accordance with the classification and wage scales attached as Appendices "A" through "N" and forming part of this Agreement.
- (ii) The maintenance wage rate shall be one dollar and twenty five cents (\$1.25) below the prevailing Saskatchewan construction collective bargaining agreement wage rates.
- (iii) Regular employees assigned to work pre-shutdown/shutdown/turnaround work with another Contractor shall be paid the prevailing Saskatchewan Construction collective bargaining agreement wage rates.
- (iv) Additional employees shall be paid the prevailing Saskatchewan Construction Collective Bargaining Agreement wage rates for major shutdown/turnaround work and pre-shutdown work related to the major shutdown/turnaround.

16:02

The Company shall pay the prescribed contribution amounts into all Funds set forth in the prevailing Saskatchewan Construction Collective Bargaining Agreements and hereby adopts and agrees to be bound by the written terms of legally established trust agreement specifying the detailed basis on which payments are to be made into, and benefits paid out of such trust funds. The Company authorizes the Parties to such trust agreements to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Company. Nothing contained in this paragraph is intended to require the Company to become a member of any contractor group or association as a condition for making such contributions.

ARTICLE 17:00 – GENERAL WORKING CONDITIONS

17:01

The Company may make and alter from time to time reasonable rules and regulations to be observed by employees which shall be not inconsistent with the terms of this Agreement.

17:02

Lunch and change rooms, fire and theft insurance, block heater power outlets and comfort stations are covered by the onsite facilities Letter of Understanding Appendix “P” and made part of this Agreement.

17:03

Coveralls shall be issued to all employees on an exchange basis (*maximum 2 pair per week*). Cleaning of the coveralls will be the responsibility of the Company. All coveralls will be worn during on the job activity and will remain Contractor property. Rules and regulations governing the issue and return of such clothing will be published and posted at a conspicuous location at the plant.

17:04

The Company shall issue all employees with appropriate working gloves and rain gear on an exchange basis.

17:05

The Company and the Unions agree that it shall be the Operator’s prerogative to maintain a general centrally located tool room and warehouse. The Unions agree that the manpower required for the operation of the centrally located tool room and warehouse may, at the Operator’s option, be employed directly by them.

17:06

If it is the intention of the Company to establish area tool rooms and warehouses as required for efficient service in the plant, these area tool rooms and warehouses will be manned under the terms of this Agreement.

17:07

It is further agreed between the parties that the various applicable Codes of Conduct and Standards of Excellence programs will be recognized and adhered to by the parties.

ARTICLE 18:00 – SAFETY

18:01

It is agreed that the Company and employees shall maintain and abide by all site safety regulations as established by the plant, and all applicable provincial and/or federal safety legislation.

18:02

The Parties to this Agreement recognize the mutual value of improving, by all proper and reasonable means, the safety of the individual workman and shall participate in and promote such safety programs including WHMIS training.

18:03

It is understood and agreed that the Company and employees shall at all times comply with the Accident Prevention Regulations made pursuant to the current Occupational Health Act, and any refusal on the part of the worker to work or to continue to work in contravention of such regulation shall not be deemed to be a breach of this Agreement.

18:04

An employee who is injured while working for the Company and who is sent home because of such injury shall receive pay up to the end of the shift in which he was injured. The Job Steward will be allowed time to gather the injured worker's personal belongings as soon as possible after the accident and if the case warrants it, the Company shall designate someone to accompany the injured worker to the doctor or hospital without loss of pay for the regular shift.

18:05

First Aid – The Company or the Owner will provide first aid services in accordance with applicable provincial or federal legislation and regulations.

18:06

- (a) All employees shall be certified in the CODC Interactive Rights & Responsibilities course and the Vicom Safe-T-Disc CSTS course or equivalent. It is understood that in sourcing out of province personnel during peak periods that this may not be achievable.
- (b) All REGULAR EMPLOYEES shall be certified in H2S Alive. It is understood that when sourcing ADDITIONAL EMPLOYEES during peak periods everyone may not have had opportunity for this training.

ARTICLE 19:00 – TRAVEL EXPENSES

19:01

The following will apply to additional employees:

- (a) For an employee to qualify for travel allowance, the employee must remain ten (10) working days on the work assignment or until lay off, job completion or if he has been granted permission by the Company to leave before completion for initial travel allowance; and until lay off, job completion, or if he has been granted permission by the Company to leave before completion, whichever comes first, to receive return travel allowance.
- (b) Employees referred from Local Union offices located in Regina shall be paid a lump sum of \$250.00 for initial travel and a further \$250.00 for return travel.
- (c) Employees referred from Local Union offices located in Saskatoon shall be paid a lump sum of \$130.00 for initial travel and a further \$130.00 for return travel.
- (d) The foregoing travel allowances shall be payable upon the completion of the qualifying days as set forth in (a) above.
- (e) Employees whose permanent residence is less than eighty (80) radius kilometers from the plant shall not be eligible for the initial and return travel allowances.
- (f) There is no wraparound for additional employees.

ARTICLE 20:00 – SUBSISTENCE ALLOWANCE

20:01

The following shall apply to all additional employees who are employed for ninety (90) calendar days or less and for all additional employees hired for shutdown/turnaround.

20:02

- (i) An allowance equal to the per day rate set forth in the prevailing Saskatchewan construction collective bargaining agreements, for days worked or reported for, subject to Articles 20:03 and 20:04.
- (ii) Subject to Article 20:03 and 20:04 when an employee is working the four (4) day compressed work week he shall be entitled to five (5) days subsistence providing the employee has worked the four (4) days of that work week. If the four (4) day work week is shortened to three (3) days as a result of a statutory holiday the employee shall be entitled to four (4) days subsistence providing he/she has worked the three (3) days of that work week.
- (iii) The employer retains the option of providing regular employees suitable commercial accommodation at a hotel or motel plus meals at no cost to the employee. Should there be an issue as to the suitability of the accommodations the parties shall meet to resolve the issue.

20:03

Subject to Article 20:04 if an employee is absent on a working day or leaves the job before the end of the regular scheduled shift, he shall forfeit subsistence allowance for that day.

An employee shall receive subsistence allowance for bad weather days that fall on a work day if he reports for work or is advised by the Company not to report for work because of forecast bad weather.

An employee shall receive subsistence allowance for recognized holidays which fall on a work day.

When an employee is absent on the working day immediately preceding or following such bad weather days or recognized holidays, he shall forfeit subsistence allowance for such absenteeism and for such bad weather days or holidays.

20:04

The above forfeiture of subsistence allowance shall be waived when the employee's absenteeism on any working day is due to a bona fide illness or absence due to compassionate grounds satisfactory to the Company and the Union.

Forfeiture of subsistence allowance may also be waived in other cases if the reason for absenteeism is acceptable to the Company.

20:05

Employees whose permanent residences are less than eighty (80) radius kilometers from the plant are not eligible for subsistence.

20:06

New Hires (*non-local residents*) shall be paid subsistence allowance for the day previous to the employee's first day of work providing the employee reports for work on his first (1st) day of work at the commencement of his shift.

ARTICLE 21:00 – WELDING TESTS

21:01

A welder who is required to take a test of any type shall take the test at a location pre-designated by the Company. All costs associated with testing shall be paid for in accordance with the trade specific prevailing Saskatchewan Construction Collective Bargaining Agreement.

ARTICLE 22:00 – APPRENTICES

22:01

Apprentices shall be employed on work covered by this Agreement as per the appendices attached hereto. The Parties realize however that the utilization of higher apprentice ratios in certain specific areas of work may be desirable in which case the Company and the respective Union will endeavor to reach a mutually acceptable agreement.

**ARTICLE 23:00 – PERIODIC CONFERENCES AND LABOUR
MANAGEMENT COMMITTEE**

23:01

Periodic conferences may be held by the Parties from time to time as conditions warrant for the purpose of discussing matters of mutual interest. A minimum of two (2) such meetings shall be held annually.

23:02

A Labour Management Committee with appointees from the Council and the Company shall meet from time to time as conditions warrant to discuss mutual problems and matters of interest with a view to providing the Operator with a harmonious, productive and cost effective service.

ARTICLE 24:00 – SAVINGS CLAUSE

24:01

If any provision of this Agreement is in conflict with the laws or regulations of Canada or Saskatchewan, such provision shall be superseded by such law or regulation. Unless prohibited from doing so by such law or regulation, or by a ruling of any Court or Board of competent jurisdiction which has declared any provision of this Agreement invalid or inoperable, the Parties shall within thirty (30) days notice of either upon the other, commence negotiations, the sole and restricted purpose of which shall be to provide adequate legal replacement of such provision. In the event that such negotiations do not result in agreement upon a legal replacement for such provision within fourteen (14) days of commencement of negotiations, or such longer period as may be mutually agreed upon between the Parties, the matter shall be resolved in accordance with Article 7:00.

ARTICLE 25:00 – ALLIED COUNCIL ADMINISTRATION FUND

25:01

- (a) Except for shutdown/turnaround work the Company shall contribute an amount of five cents (\$0.05) per hour for every hour worked by its employees covered under this Agreement, to the Council to help defray costs involved and incurred in the negotiation and administration of the agreement and matters related thereto.
- (b) During shutdown/turnaround work the Company shall contribute an amount of twenty five cents (\$0.25) per hour for every hour worked by its employees covered under this agreement, to the Council.

- (c) Contributions outlined in Article 25:01 (a) and (b) shall be forwarded to the Secretary-Treasurer of the Council not later than the fifteenth (15th) day of each month with a list showing the name and social insurance number of each employee and showing opposite each name the actual hours worked including overtime.

**ARTICLE 26:00 – CONTRACT ADMINISTRATION AND
INDUSTRY DEVELOPMENT FEES**

26:01

Contract Administration and Industry Development Fees have been committed to develop and maintain collective bargaining agreements and to create, support and promote programs to continually enhance the unionized construction product.

The CODC Construction Opportunities Development Council Inc. (CODC) has been incorporated to administer funds contributed on behalf of both the Saskatchewan Provincial Building and Construction Trades Council (SPB & CTC) and CLR Construction Labour Relations Association of Saskatchewan Inc. (CLR). CODC will allocate the contributions to the respective organizations as provided for in this Article.

26:02

Each Employer subject to this Agreement shall contribute the following for all hours worked by each employee (except for those employees covered in Article 26:06).

(a)	SPB & CTC	\$0.05/hour	(GST n/a)
	CODC Fund	\$0.03/hour	(plus GST)
(b)	CLR	\$0.10/hour	(plus GST)
	CODC Fund	\$0.03/hour	(plus GST)
	TOTAL	<u>\$0.21/hour</u>	

26:03

Each Employer shall remit the total contributions in this Article no later than the fifteenth (15th) day of the month following, together with the Report Form provided for this purpose to CODC Construction Opportunities Development Council Inc., P.O. Box 4019, Regina, SK, S4P 3R9.

26:04

The Union shall provide a summary of the total hours worked by Employees for each Employer on a monthly basis and shall submit the list to CODC by the fifteenth (15th) day of the month following.

26:05

In the event of a failure on the part of any Employer to contribute the funds as required in this Article, the SPB & CTC or CLR may collect the dues as a debt payable by application to the Labour Relations Board and/or by other civil action, or may collect the dues by way of a grievance filed, notwithstanding any other provision in this Collective agreement, by either the SPB & CTC or CLR in its own name against the subject Employer. Such a grievance may be referred by the SPB & CTC or CLR to arbitration without being processed through any intervening steps other than written notice of the grievance and the reference of the grievance to arbitration. The parties to the grievance for the purposes of appointment of the Arbitrator shall be the SPB & CTC or CLR and the subject Employer. The unsuccessful party shall pay the costs of the Arbitrator. The SPB & CTC or CLR may not, however, simultaneously pursue a violation of this Article through application to the Labour Relations Board and/or other civil action and through the grievance procedure.

26:06

Employer contributions to the SPB & CTC for Boilermaker hours are included in the Boilermaker wage and benefit appendix as are BCA administration fees. The Employer shall contribute six cents (\$0.06) per hour for all hours worked by Boilermakers to CODC. CLR fees do not apply to Boilermaker hours.

ARTICLE 27:00 – GENDER CLAUSE

27:01

Where the masculine gender is used in this Agreement it shall be considered to include the feminine gender.

ARTICLE 28:00 – APPENDICES

28:01

The Parties shall be bound by the appendices attached hereto and hereby made part of this Agreement.

ARTICLE 29:00 – ENABLING CLAUSE

29:01

Where a particular Article or Articles of this Collective Agreement is or are found to work a hardship for this Project that could result in a loss of regular employee or additional employee jobs, the terms and conditions of this Agreement may be modified by the mutual consent of the Allied Council and LML Industrial Contractors Ltd., when they deem it prudent. It is understood and agreed that where mutual agreement for such change cannot be achieved, the request shall not be subject to either grievances or arbitration.

ARTICLE 30:00 – DURATION OF AGREEMENT

30:01

This Agreement shall be in full force and effect from September 1, 2011 until midnight, August 31, 2014 and thereafter from year to year provided that at any time not more than sixty (60) days and not less than thirty (30) days before August 31, 2014 or any extended term thereof, either Party may give to the other Party written notice to negotiate a revision thereof and should such notice be given, the Parties shall, in accordance with the Saskatchewan Trade Union Act, bargain collectively with a view to renewal or revision of this Agreement or the conclusion of a new Agreement.

SIGNED IN THE PROVINCE OF SASKATCHEWAN ON THE _____ DAY OF JULY, 2011

FOR THE COMPANY

FOR THE COUNCIL

DALE MILNE
General Manager

ROB KINSEY
President

ARLENE CHRISTIE
Payroll/Contract Manager

GARRY KOT
Secretary Treasurer