

COLLECTIVE AGREEMENT

Between

KLEMKE MINING CORPORATION
(hereinafter referred to as the Employer)

and

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955
(hereinafter referred to as the Union)

SOURCE	Union		
EFF.	97	05	01
TERM.	2000	04	30
NO. OF EMPLOYEES	130		
NOMBRE D'EMPLOYÉS	JPC		

ARTICLE 1:00 - PURPOSE

1:01 The purpose of this Agreement shall be to record the agreement of the parties arrived at through negotiations as to terms and conditions of employment relating to rates of pay, hours of work and other working conditions of employees, to provide a method of settlement of disputes and grievances, and to maintain a harmonious relationship between the Employer and its employees.

ARTICLE 2:00 - SCOPE

2:01 The Employer recognizes the Union as the sole and exclusive bargaining agent for employees covered under this Agreement with respect to rate of pay, hours of work and other working conditions.

The Agreement shall cover all employees of the Employer except office, clerical and purchasing engaged in overburden removal performed for tar sands mining.

2:02 If any provision of this Agreement is in conflict with the laws or regulations of Canada or Alberta, such provision shall be superseded by such law or regulation. Unless prohibited from doing so by such law or regulations, or by a ruling of any Court or Board of competent jurisdiction which has declared any provision of the Agreement invalid or inoperable, the Employer and the Union, within fifteen (15) days of notice of either upon the other, shall 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 legal replacement for such provision within seven (7) days of commencement of negotiations or such longer period as may be mutually agreed between the parties, the matter shall be resolved in accordance with Article 6:00.

ARTICLE 3:00 - MANAGEMENT RIGHTS

3:01 Subject to the terms of this Agreement, the Union recognizes the right of the Employer to the management of its operations and direction of the working forces including the right to hire and select workmen, promote or discharge any employee for just cause, and further recognizes the right of the Employer to operate and manage its business in accordance with its commitments and responsibilities including methods, processes and means of production or handling.

3:02 The Employer shall be given preference in the supplying of Union employees.

- 3** In the event that a project's conditions place the contractor in an uncompetitive position with non-Union bidders, or with the owners forces, this Agreement may be altered accordingly by mutual agreement of the Union and the Employers negotiating committee.

The Union warrants that this Agreement will not come into competition with any other International Union of Operating Engineers Local 955 Agreement for the same work.

ARTICLE 4:00 - UNION RIGHTS

- 4:01** When the Employer is in need of employees, qualified members in good standing from the Union will be employed. Such members from the Fort McMurray area shall be given preference. Employees shall be requested from the Union and the employees will be issued a referral slip in due course. If the Union is unable to supply qualified persons within twenty-four (24) hours, the Employer may hire wherever possible. On Saturdays, Sundays, and Holidays the Employer shall have the right to hire employees directly with preference to qualified members of the Union and the job steward shall be advised when they commence work. The Employer shall advise the Union on the first working day following of anyone so employed on a Saturday, Sunday, or Holiday. If any such employee is not an eligible member in good standing with the Union, the Union shall have the right to have him replaced forthwith with a qualified member in good standing with the Union.

The right to employ people on Saturdays, Sundays, and Holidays, shall not be abused by the Employer.

- 4:02** All persons employed as Operating Engineers shall, as a condition of employment, become members of the Union within thirty (30) days of commencement of employment or be replaced by a competent Union workman when available.
- 4:03** All employees shall be required to pay an amount equal to Union dues during their term of employment. The Employer shall deduct this amount from the employee's wages by the first payday after commencement of employment and thereafter on the first payday of each month. All dues so collected shall be remitted to the Union, together with a list of employees concerned, not later than the 15th day of the month following such deduction.
- 4:04** The Employer agrees to deduct all Union dues in excess of the normal monthly Union dues, fees and assessments as evidenced by a signed authorization from an employee covered by this Agreement, and forward such monies once each month to the Union with a list showing the amount deducted for each person, said monies to be remitted not later than the 15th day of the month following such deduction.
- 4:05** Job stewards shall be recognized by the Employer and shall be treated fairly and impartially. Stewards shall be allowed time during working hours to perform the work of the Union but shall not abuse that privilege. The Union may appoint one of its members who is a qualified workman in his classification as job steward for each shift. The Union will notify the Employer in writing the names of the job stewards appointed. The job steward(s) will be one of the last two (2) employees laid off in his classification.
- 4:06** The Business Agent is to have access to all jobs covered by this Agreement after first notifying the Superintendent or person in charge, having due regard to project rules and safety regulations. The Business Agent shall not interfere with the progress of the work.

The Union shall have the right to post notices at the designated places on the job. All such notices must be signed by the proper officer of the Local Union and submitted to the management of the Employer for approval.

4:07 A copy of this Agreement shall be provided by the Union to all employees covered by this Agreement.

ARTICLE 5:00 - SUB-CONTRACTING

5:01 Definition of Sub-Contractor: A Sub-Contractor is a person or contractor who performs work at the jobsite that, if done by the Employer, would have come under the terms of this Agreement.

5:02 It is recognized by the Union that circumstances may require the use of sub-contractors on work covered under the terms of this Agreement. The Employer agrees that if such circumstances arise, they shall notify the Union prior to the letting of any sub-contracts.

5:03 Employees of sub-contractors, as referred to in **5:02**, shall be employed under and in accordance with all of the terms and conditions of this Agreement.

5:04 Owner-operated and manned rented equipment shall in no way be used to circumvent the intentions and provisions of this Agreement. Where owner-operated or manned rented equipment is utilized and performs work beyond six (6) consecutive working days, the operator shall thereafter become an employee and be entitled and subject to all of the terms and conditions of this Agreement.

(a) Definition of Owner-Operator: Owner-operator shall include the owner of equipment who physically operates equipment such as bulldozers, scrapers, backhoes, trucks and similar types of equipment covered under the classifications contained in this Agreement and shall also include mechanics and welders who own and operate with their own vehicles.

(b) Definition of Manned Rented Equipment: Manned rented equipment is equipment such as that described in "(a) The Definitions of Owner-Operator", but is physically operated and/or manned by other than the owner of said equipment.

(c) It is agreed that Warranty and Manufacturer's service work is excluded from the terms and conditions of this Agreement.

(d) Survey work will be excluded from the sub-contracting clause.

The Union will be notified prior to any person performing Warranty or Survey work as above whenever possible and in all cases as soon as possible.

ARTICLE 6:00 - GRIEVANCE PROCEDURE

6:01 All differences between the Employer and the Union concerning the interpretation, application, operation, or an alleged violation of this Agreement shall be settled without stoppage of work or lockout and the dispute shall be submitted in writing within ten (10) days and then referred to paragraph (d) below.

In the event of any dispute arising out of this Agreement between the Employer and an employee, the following procedure will be followed:

- (a) An aggrieved party shall within ten (10) days of the alleged violation submit his complaint in writing to the steward who shall endeavour to settle the complaint between the employee and his immediate supervisor.
- (b) If the complaint is not settled within two (2) days (excluding Saturdays, Sundays, and Holidays) it may be referred to the Project Superintendent and an official representative of the Union.
- (c) If the complaint is not then settled within three (3) days (excluding Saturdays, Sundays, and Holidays) it shall be referred to the Management of the Employer involved and the Business Agent of the Union.
- (d) If the complaint is not settled within seven (7) days (excluding Saturdays, Sundays, and Holidays) it shall be referred to an Arbitration Board. By mutual consent of the parties this time limit may be extended. The Arbitration Board shall be comprised of one (1) member appointed by the Employer, one (1) member appointed by the Union and a neutral Chairman appointed by the members. Each party shall bear the expense of their appointee and the expense of the Chairman shall be shared equally by the parties.
- (e) If a grievance is not submitted or advanced from one step to another within the time limits the grievance shall be deemed to be abandoned and all rights of recourse to the grievance procedure shall be at an end, except the Union and the Employer may mutually agree to extend the time limits.
- (f) If either party fails to appoint a member or if the appointed members cannot agree on a neutral Chairman, such appointments shall be made in accordance with the Labour Relations Code.
- (g) The Arbitration Board shall be vested with the authority to decide whether any matter referred to it is arbitrable. It shall make its decision within fourteen (14) days of the appointment of the Chairman. By mutual consent of the parties the time limits may be extended.

It shall not alter, amend or change the terms of this Agreement. The majority decision of the Arbitration Board shall be final and binding upon both parties but if there is no majority award, the decision of the Chairman shall be the award.

6:02 As an alternative procedure to that outlined, commencing with 6:01 (d) the following procedure shall be used if mutually agreed in writing between the Employer and the Union.

- (a) The steps prescribed in 6:01 (a), (b), and (c) shall apply.
- (b) If the matter of complaint is not then settled within seven (7) days (excluding Saturdays, Sundays, and Holidays), it shall be referred to a single Arbitrator who shall be selected and agreed upon by the Employer and the Union.

- (c) Should the Employer and the Union fail to agree on the appointment of a single Arbitrator, the appointment shall be made by the Minister of Labour.
- (d) The single Arbitrator shall have the same authority as an Arbitration Board and shall make his decision within fourteen (14) days of his appointment. By mutual consent of the parties the time limits may be extended.
- (e) The costs of and in connection with the single Arbitrator shall be borne equally by the Employer and the Union.

The single Arbitrator shall not alter, amend or change the terms of this Agreement. The decision of the Arbitrator shall be final and binding on both parties.

ARTICLE 7:00 - RATES OF PAY AND CLASSIFICATIONS

7:01 New Classifications: When the Employer utilizes employees not covered by existing classifications, the Employer will establish a rate for such classification and notify the Union in writing within two (2) days of employment. If the Union disagrees with the rate, the proper Union representatives will advise the Employer in writing within fifteen (15) days from the date of the notification requesting negotiation. In the event that such negotiations do not result in agreement upon the classification within seven (7) days of commencement of negotiations or such longer period as may be mutually agreed between the parties, the matter shall be resolved by an Arbitration Board as provided in the grievance procedure. The wage rate established shall become effective on the date upon which notice is given to commence negotiations.

7:02 Classifications:

- Group 1 Journeyman Mechanic, Welder, Electrical Mechanic, Machinist
- Group 2 Crane, over 15 ton capacity; Service truck; Lubricator; Tire serviceman; dragline, shovel, Front-end Loader, over 7.5 m³ capacity; Backhoe over 2.3 m³ capacity; MMD Sizer. The operators on loading equipment with bucket capacities over 15 m³ shall be paid an additional 25¢ per hour over the contract group rate.
- Group 3 Dragline, Shovel, Clam up to and including 7.5 m³ capacity; Motor Scraper; Frontend Loader, .75 m³ and up to 7.5 m³ capacity; A-Frame; Lowboy; Grader; Off Highway vehicle, 50 ton capacity and over; Crawler tractor with attachments such as dozer, scraper, larger than D4 or equivalent; Survey Instrument; Partsman; Crane up to 15 ton; Backhoe up to and including 2.3 m³ capacity
- Group 4 Crawler tractor with attachments such as dozer, scraper, up to and including D4 or equivalent; Frontend Loader, up to .75 m³ capacity; Dump truck; Compaction equipment with attachments such as dozer blade; Off-Highway vehicle, under 50 ton capacity
- Group 5 Oiler; Assistant operator; Water Pump; Compressor; Mechanical heater; Tow tractor without attachments, Mechanic's helper; Partsman's helper; Compaction equipment without attachments, Forklift; Flagperson; Labourer; Steam Cleaner; Rod and Chainperson

Note: When the Partsman's position includes the purchasing function, the Partsman's position shall be outside the scope of this Agreement.

Note: Employees utilized as bus drivers shall be paid in accordance with Group 5 for the time spent in that activity.

7:03 HOURLY WAGE RATES:

The following wage rates shall be effective for the duration of this Agreement:

May 1 st , 1997	Group 1	Group 2	Group 3	Group 4	Group 5
Current Rate	\$22.56	\$22.29	\$21.15	\$19.50	\$15.90
Increase in Base Rate	\$1.44	\$1.01	\$1.00	\$0.40	\$0.30
New Rate	\$24.00	\$23.30	\$22.15	\$19.90	\$16.20
Pension	\$1.22	\$1.22	\$1.22	\$1.22	\$1.22
Health & Welfare	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Training Fund	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
** Vacation Pay	\$1.44	\$1.40	\$1.33	\$1.19	\$0.97
*** Holiday Pay	\$0.96	\$0.93	\$0.89	\$0.80	\$0.65
Gross Rate	\$28.80	\$28.03	\$26.77	\$24.29	\$20.22

May 1 st , 1998	Group 1	Group 2	Group 3	Group 4	Group 5
New Rate	\$25.00	\$24.00	\$22.80	\$20.10	\$16.40
Increase in Base Rate	\$1.00	\$0.70	\$0.65	\$0.20	\$0.20
Pension	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26
Health & Welfare	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19
Training Fund	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
** Vacation Pay	\$1.50	\$1.44	\$1.37	\$1.21	\$0.98
*** Holiday Pay	\$1.00	\$0.96	\$0.91	\$0.80	\$0.66
Gross Rate	\$29.98	\$28.88	\$27.56	\$24.59	\$20.52

May 1 st , 1999****	Group 1	Group 2	Group 3	Group 4	Group 5
New Rate	\$26.00	\$24.70	\$23.50	\$20.40	\$16.60
Increase in Base Rate	\$1.00	\$0.70	\$0.70	\$0.30	\$0.20
Pension	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30
Health & Welfare	\$1.23	\$1.23	\$1.23	\$1.23	\$1.23
Training Fund	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
** Vacation Pay	\$1.56	\$1.48	\$1.41	\$1.22	\$1.00
*** Holiday Pay	\$1.04	\$0.99	\$0.94	\$0.82	\$0.66
Gross Rate	\$31.16	\$29.73	\$28.41	\$25.00	\$20.82

** 6% of straight time rate for all hours worked

*** 4% of straight time rate for all hours worked

**** If the average of the Mining and Construction Industries as reported by Alberta Labour in the March 1999 "Bargaining Update" exceeds the 3% Group 3 Base Rate (1999) increase herein, all the Base Rates shall increase proportionately. Special consideration will be given to mining industry settlements within the Fort McMurray Area. The Pension and Health & Welfare Fund contributions shall increase at the same rate as Group 3 Base Rate.

7:04 Tool Allowance: All employees employed as Journeyman mechanics shall receive a tool allowance of one (\$1.00) dollar per hour worked on a straight time basis for all hours worked.

All employees employed as Apprentice Mechanics shall be paid at least the equivalent of the Alberta Apprenticeship Board Wage Schedule plus a tool allowance of thirty-five (35¢) cents per hour worked on a straight time basis for all hours worked.

All employees employed other than as Mechanics "ie: Serviceman, Welders" which are required by the Company to use their own tools shall receive a tool allowance of thirty-five (35¢) cents per hour worked on a straight time basis for all hours worked. (See attached list.)

The tool allowance shall be paid at least monthly.

7:05 Employees required to work scheduled shifts which start between 4:00 p.m. and 5:00 a.m. shall receive an hourly shift premium of one dollar and fifteen (\$1.15) cents on a straight time basis for all hours worked on such scheduled shifts.

7:06 Operators training on unfamiliar types of categories of equipment (i.e. scraper, dozer, grader, truck, loader, excavator, shovel, etc.) will be paid one (1) classification below the applicable classification for said equipment for a period of not more than four hundred (400) hours operating time. This procedure will be administered in a fair manner.

ARTICLE 8:00 - STATUTORY HOLIDAYS AND VACATION PAY

8:01 Statutory Holidays will be observed as follows:

New Year's Day	Labour Day
Family Day	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
August Civic Holiday	

8:02 The Employer may require employees to work on Statutory Holidays in which event all time worked on a Statutory Holiday as specified in clause 8:01 of this Article shall be paid at one point five (**1.5**) times regular rate of pay.

8:03 Statutory Holiday pay shall be credited to the employee and shall be calculated at three point six (**3.6%**) percent of the straight time rate for all hours worked.

Effective August 1, 1995 - Statutory Holiday Pay shall be credited to **the** employee and shall be calculated at four (**4%**) percent of the straight time rate for all hours worked.

8:04 Vacation pay shall be credited to the employee at the rate of six (6%) percent of the straight time rate for all hours worked.

8:05 Statutory Holiday and Vacation Pay shall be paid on each payday and upon termination.

ARTICLE 9:00 - HOURS OF WORK

9:01 In recognizing that our industry serves the needs of operating mines, it is understood that shift schedules and hours of work may vary to suit the requirements of the job.

9:02 All overtime will be paid at one and one half (1.5) times the regular rate of pay,

Any employee who was available for work or worked on all of their regularly scheduled days of work, and who works on any of their regularly scheduled day(s) off following their regular scheduled days of work, will be paid overtime for that time.

Every employee will be assigned a shift schedule with regularly scheduled days off. Shift schedules shall be posted.

In the case of new hires it may be necessary to move an employee from one shift to another during their site orientation period to allow a thorough assessment of their skills. Such period shall not exceed fifteen (15) days.

9:03 Continuous and/or compressed work weeks may be required to provide a competitive and acceptable service to the mines.

(a) Continuous non-compressed schedules may be scheduled on the basis of a maximum of twelve (12) regularly scheduled hours per day. Overtime will be paid for hours worked over eight (8) in a day, forty (40) in a week or seven (7) day period.

(b) Upon mutual agreement between the Union and the Employer compressed work week schedules may be instituted.

9:04 No employee shall work more than one straight time shift in each consecutive twenty-four (24) hour period. An employee shall continue to receive the overtime rate after each shift until a break of eight (8) consecutive hours occurs.

9:05 The current eleven and one-half (**11.5**) hour shift and hot change will be replaced with a twelve (**12**) hour shift consisting of eight (8) hours of straight time and four (4) hours of overtime. The current shift length will remain the same.

ARTICLE 10:00 - REPORTING AND CALL-OUT PAY

10:01 An employee who reports for work as scheduled without having been notified not to report and for whom no work is available, will be allowed three (3) hours pay at the rate of the job for which he was scheduled to report.

An employee who reports for and commences work, shall be paid at the applicable rate for a minimum of four (**4**) hours or hours worked, whichever is greater.

These payments shall apply only in cases where an employee discontinues work at the request of the Employer.

10:02 When an employee is called out to work on his regularly assigned period of rest, he will be paid for a minimum of three (3) hours at the applicable rate. The Employer may require an employee to perform work within his jurisdiction for the three (3) hour call-out.

10:03 If circumstances arise that there is no work available, two (**2**) hours notice shall be given the employees. If such notice is not given, the Employer shall pay reporting time as set out in Article **10:01**.

Employees shall be provided notice through a telephone message service which they may call or other means mutually agreed upon between the Employer and the Union.

ARTICLE 11:00 - PAY DAYS

11:01 The Employer shall pay employees every two (**2**) weeks and not more than seven (7) calendar days shall be held back. All wages, overtime pay, and entitlement owing to an employee may be paid by direct deposit to an account of the employees choice in a Bank, Treasury Branch, Credit Union, Trust Company, or other corporation insured under the Canada Deposit Insurance Corporation Act (Canada).

11:02 Employees shall be paid wages in full at the time of layoff or discharge or arrangements made whereby a cheque will be mailed not later than the following working day. When an employee quits, he shall be paid on the next regular payday.

ARTICLE 12:00 - TRANSPORTATION

12:01 The Employer shall supply daily transportation from Fort McMurray to the jobsite and return. Employees shall report to the designated pickup point(s) within Fort McMurray in time to reach the project at the regular starting time of their designated shifts. If an employee uses his own vehicle at the request of the Employer, he shall be compensated at the rate of thirty-three (33¢) cents per kilometre (Syncrude to be calculated at 80 kms). The paid length of the shift will not differ as a result of utilization of Syncrude's transportation system as opposed to Klemke buses.

The above mentioned transportation shall be of a quality no less than presently supplied. Any changes to current quality must be agreed to by the Union.

ARTICLE 13:00 - WORKING CONDITIONS

13:01 The Employer shall provide suitable sanitary facilities, propane-type toilets with hand cleaning supplies, including wet towels and a lock-fast place for storage of employee's tools.

The Employer shall provide flush toilets in the area of his main shop.

13:02 The Employer shall provide reasonable protection from severe weather elements for all employees. When an employee is required to work in the rain, rainwear shall be supplied by the Employer. Such rainwear shall remain the property of the Employer and must be returned upon request by the Employer or upon termination of employment. Failing such return, the Employer is authorized to deduct the cost of the rainwear from the employee's pay.

13:03 All employees covered by this Agreement shall be permitted ten (10) minutes in the first half and ten (10) minutes in the second half of a shift for a coffee break on the job during regular working hours.

13:04 When a mechanic as a condition of employment, is required to carry a full complement of tools, he shall before starting work for the Employer, submit an inventory of tools which will be checked by the management. Upon acceptance, the Employer shall insure those tools and toolbox at the agreed value against fire and/or theft of the complete unit of tools while on the Employer's premises.

13:05 When an employee works in a higher hourly wage classification he shall be paid the higher rate for the entire half of the shift in which he works the higher classification.

13:06 Fresh drinking water in approved sanitary containers, and paper cups will be provided and placed in convenient locations on all jobs.

13:07 The Employer shall supply a clothes locker, gloves, coveralls and quilted coveralls, and laundering of same to those employees employed in the servicing and repair of equipment. The gloves shall remain the property of the Employer and will be replaced without charge when worn out gloves are presented for exchange. This provision shall apply only to the following classifications:

Mechanics, Electrical Mechanics, Machinists, Welders, Bodymen, Servicemen, Fuel truck drivers, Steam cleaner operators, Tire servicemen and Mechanics and Servicemen's helpers.

Operators will be issued coveralls and gloves for use when required.

Employees employed in the welding trade will be supplied leathers on a "sign-out" basis.

13:08 At no time will an employee be required to work in a lesser wage classification than that for which he was hired unless the employee agrees to the lesser wage classification in writing.

ARTICLE 14:00 - ROOM AND BOARD

14:01 Room and Board shall be provided to those employees, who are non-residents of Fort McMurray, on those contracts when Room and Board is provided by the Mine Owner under the terms and conditions of the Prime Contractor's contract with the Owner of the Project.

ARTICLE 15:00 - ABSENCE FROM WORK

15:01 An employee who may be absent from work or late for work for any reason, shall notify his supervisor at least four (4) hours prior to the beginning of his shift, with the exception of day shift when the notification shall be one (1) hour. It is understood that in emergency circumstances, employees may not be able to provide the required notification.

15:02 The parties recognize that attendance at work by employees is important to the efficient operation of the Company's business. Any undue or habitual absenteeism shall be cause for discipline of the employee including discharge.

ARTICLE 16:00 - BEREAVEMENT LEAVE

16:01 Bereavement leave with pay will be granted to a maximum of twenty-four (24) regularly scheduled hours at straight time rates in case of death in an employee's immediate family, provided that the employee is directly involved in making funeral arrangements or attending the funeral. Immediate family shall include the employee's mother, father, grandmother, grandfather, brother, sister, spouse, children, mother-in-law, and father-in-law. The employee must return to work and provide documentation indicating attendance at the funeral or involvement in funeral arrangements to qualify for payment.

ARTICLE 17:00 - APPRENTICESHIP

17:01 Apprentices shall be paid in accordance with the appropriate regulations of the Apprenticeship and Industry Training Act.

17:02 All Apprentices shall acquire and maintain basic hand tools required to carry out his apprenticeship training.

ARTICLE 18:00 - ACCIDENT PREVENTION AND SAFETY EQUIPMENT

18:01 It is understood and agreed that the parties to this Agreement shall at all times comply with the accident prevention regulations of the Occupational Health and Safety Act and any refusal on the part of the workman to perform his duties or to continue to perform his duties in contravention of the Occupational Health and Safety Act shall not be deemed to be in violation of this Agreement. A violation of any regulation of the Occupational Health and Safety Act or any unsafe working practice shall be cause for dismissal. The Employer shall notify the job steward at the time of any such occurrences.

ARTICLE 19:00 - SPECIAL PROVISIONS

19:01 The selection and appointment of foremen shall be the sole responsibility of the Employer. The designation and determination of the number of foremen, should any be required, is the sole responsibility of the Employer.

When a foreman is required and no qualified candidate is available from the Union hall, a

foreman may be recruited by the Employer. Such recruits shall be permitted into or become members of the Union within thirty (30) days.

- 19:02** Foremen shall be paid not less than one dollar and twenty-five cents (**\$1.25**) per hour above the highest classification supervised.
- 19:03** A Joint Labour-Management Committee consisting of representatives of the Employer and representatives of the Union shall be formed. The Committee will meet periodically to discuss matters of mutual concern with a view to maintaining and improving effective labour-management relations in the Tarsands Overburden Industry. There shall be, during the term of this Agreement, no slowdown, stoppage of work, picketing, strike or walkout for any reason.
- 19:04** The Employer and the Union will cooperate in the implementation of native employment programs as appropriate.

ARTICLE 20:00 - EMPLOYER CONTRIBUTIONS

- 20:01** Health and Welfare - Effective August 1, 1996 the Employer shall pay one dollar and fifteen cents (**\$1.15**) per hour for each hour worked by each employee into the Operating Engineers Local 955 Health and Welfare Trust Fund and agrees to be bound by the current Trust Deed presently in effect or as it may be amended.

Effective May 1st, 1998 the Employer shall pay one dollar and nineteen (**\$1.19**) cents per hour for each hour worked by each employee into the Operating Engineers Local 955 Health and Welfare Trust Fund and agrees to be bound by the current Trust Deed presently in effect or as it may be amended.

Effective May 1st, 1999 the Employer shall pay one dollar and twenty-three (**\$1.23**) cents per hour for each hour worked by each employee into the Operating Engineers Local 955 Health and Welfare Trust Fund and agrees to be bound by the current Trust Deed presently in effect or as it may be amended.

The Employer shall, not later than the fifteenth (15) of each month, mail Health and Welfare Trust Fund contributions for the previous month to the Office of the Trust Fund. Cheques are to be made payable to the Operating Engineers Local 955 Health and Welfare Trust Fund.

- 20:02** Pension - Effective August 1st, 1996 the Employer shall pay one dollar and twenty-two (**\$1.22**) cents per hour for each hour worked by each employee into the Operating Engineers Local 955 Pension Trust Fund and agrees to be bound by the current Trust Deed presently in effect or as it may be amended.

Effective May 1st, 1998 the Employer shall pay one dollar and twenty-six (**\$1.26**) cents per hour for each hour worked by each employee into the Operating Engineers Local 955 Pension Trust Fund and agrees to be bound by the current Trust Deed presently in effect or as it may be amended.

Effective May 1st, 1999 the Employer shall pay one dollar and thirty (**\$1.30**) cents per hour for each hour worked by each employee into the Operating Engineers Local 955 Pension Trust Fund and agrees to be bound by the current Trust Deed presently in effect or as it may be amended.

The Employer shall, not later than the fifteenth (15th) of each month, mail Pension Trust Fund contributions for the previous month to the Office of the Trust Fund. Cheques are to be made payable to the Operating Engineers Local 955 Pension Trust Fund.

20:03 Training - The Employer shall pay three (3¢) cents per hour for each hour worked by each employee into the Operating Engineers Local 955 Training Trust Fund and agrees to be bound by the current Trust Deed presently in effect or as it may be amended.

The Employer shall, not later than the fifteenth (15th) of each month, mail Training Trust Fund contributions for the previous month to the Office of the Trust Fund. Cheques are to be made payable to the Operating Engineers Local 955 Training Trust Fund.

ARTICLE 21:00 - DURATION OF AGREEMENT

21:01 Except as otherwise specified herein, the Agreement shall be in full force and effect as of May ~~1st, 1997 in effect until April 30, 2000~~ and from year to year thereafter except as hereinafter provided.

21:02 The Union or the Employer may, not less than thirty (30) days and not more than one hundred and twenty (120) days immediately prior to the expiry date of the Agreement, request the other party to the Agreement to commence collective bargaining. Such notice shall be given by registered mail.


21:03 It being the intent of the parties to this Agreement that negotiations be concluded and a new Agreement signed prior to April 30, 2000. The parties agree that if no Agreement is reached by March 31, 2000, both parties shall apply for the services of a mediator immediately as provided for in the Labour Relations Act. It is the express intent of this provision to have concluded a new Collective Agreement or to have exhausted all the procedures as set out in the Labour Relations Code prior to the expiry date of the Agreement.

21:04 If notice has been given by the Union and/or the Employer, this Agreement shall remain in full force and effect during any period of negotiations even though such negotiations may extend beyond the said expiry date, until the procedures in the Labour Relations Code have been exhausted. The parties to this Agreement shall make every effort to complete the procedures in the Act and conclude an Agreement prior to the expiry date.


SIGNED this 26th day of May, 1997 on behalf of:

KLEMKE MINING CORPORATION

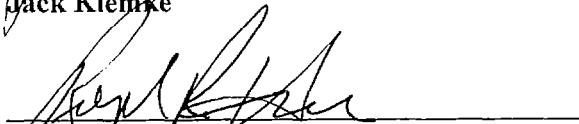
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 955




Jack Klemke



Mike King



Ralph Hope



Murray Webber



Dermot McArdle



Mel Watters

Letter of Understanding

Between

KLEMKE MINING CORPORATION
(hereinafter referred to as the Employer)

and


INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955
(hereinafter referred to as the Union)

If during the term of this Agreement it becomes necessary for the employer to perform work which falls within the Scope of this Agreement on the Aurora or any other site, the parties agree to meet and discuss transportation, travel time, and lodging terms and conditions posed by the implementation of this Collective Agreement at a different geographical site,

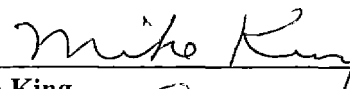
SIGNED this 26th day of May, 1997 on behalf of:

KLEMKE MINING CORPORATION

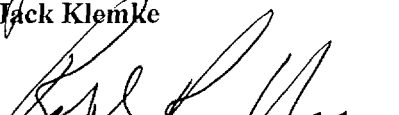
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 955




Jack Klemke



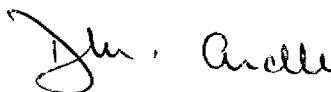
Mike King



Ralph Hope



Murray Webber



Dermot McArdle



Mel Watters

SERVICEMEN & WELDERS REQUIRED TOOL LIST

- 1 2 lb ball peen hammer
- 1 8" crescent wrench
- 1 12" crescent wrench
- 1** Set of screw drivers (six assorted)
- 1 Pair of pliers
- 1 Chisel
- 1** **Punch**
- 1** Set of combination wrenches from ½" to 1½" inclusive
- 1** Set of ½" drive sockets from 7/8" to 1" inclusive
together with ratchet & flex handle
- 1 Tool box with lock
- 1 Standard ¾" Drive Set
- 1** Filter Wrench (Auto) Serviceman
- 1 Filter Wrench (Cat) Serviceman
- 1 Chipping Hammer - Welder
- 1 Measuring Tape - Welder