

COLLECTIVE AGREEMENT

BETWEEN

NORTH AMERICAN CONSTRUCTION LTD.

AND

**THE INTERNATIONAL UNION OF
OPERATING ENGINEERS,
LOCAL 955**

May 1st, 2000- October 31, 2004

TABLE OF CONTENTS

ARTICLE 1:00 - PURPOSE	Page 1
ARTICLE 2:00 - SCOPE.....	Page 1
ARTICLE 3:00 - MANAGEMENT RIGHTS	Page 2
ARTICLE 4:00 - UNION RIGHTS	Page 2
ARTICLE 5:00 - SUB-CONTRACTING	Page 3
ARTICLE 6:00 - GRIEVANCE PROCEDURE	Page 4
ARTICLE 7:00 - RATES OF PAY & CLASSIFICATIONS.....	Page 5
ARTICLE 8:00 - NAMED HOLIDAYS & VACATION PAY... ..	Page 8
ARTICLE 9:00 - HOURS OF WORK.....	Page 9
ARTICLE 10:00 - REPORTING AND CALL-OUT PAY.....	Page 10
ARTICLE 11 :00 - PAY DAYS.....	Page 11
ARTICLE 12:00 - TRANSPORTATION	Page 11
ARTICLE 13:00 - ROOM AND BOARD	Page 11
ARTICLE 14:00 - WORKING CONDITIONS.....	Page 12
ARTICLE 15:00 - ABSENCE FROM WORK.....	Page 13
ARTICLE 16:00 - BEREAVEMENT LEAVE.....	Page 13
ARTICLE 17:00 - APPRENTICESHIP	Page 13
ARTICLE 18:00 - ACCIDENT PREVENTION & SAFETY..	Page 14
ARTICLE 19:00 - SPECIAL PROVISIONS	Page 14
ARTICLE 20:00 - EMPLOYER CONTRIBUTIONS.....	Page 14
ARTICLE 21:00 - DURATION OF AGREEMENT.....	Page 15
LETTER OF UNDERSTANDING	Page 17
LETTER OF UNDERSTANDING	Page 18
SERVICEMEN & WELDERS REQUIRED TOOL LIST.....	Page 19

**OVERBURDEN/MINE SUPPORT SERVICES
COLLECTIVE AGREEMENT**

Between

NORTH AMERICAN CONSTRUCTION LTD.
(hereinafter referred to as the Employer)

and

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

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 rates of pay, hours of work and other working conditions.

This Agreement shall cover all employees of the Employer engaged in overburden removal performed for Tarsands mining and shall cover all employees engaged in reclamation, stockpiling of reclamation material, erosion protection; Construction of roads, streets, parking lots, sidewalks, curbs and gutters, drainage ditches or structures; Moving mine conveyors; Excavation for installation and recovery of piezometers and slope indicators; Loading, hauling and disposal of by-products; Excavation for and installation of sewer and water lines; Processing of aggregates and gravel pit stripping; Construction of filter drains; Construction of dams and containment berms; Grading of constriction areas; Utility work and any other work in the Tarsands industry except office, clerical and purchasing.

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 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 have the right to name-hire IUOE Local 955 Members who have worked for the Employer in the previous eighteen (18) months from the date of hire.
- 3:03 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 Employer.

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. For the purposes of this clause, local residents shall be defined as residing in the regional municipality of Wood Buffalo, and shall be given preference of employment with the employer. 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, apply to become members of the Union within four hundred (400) hours worked after 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 together 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. The Employer and the Union will endeavour to ensure that there is a Job Steward on each crew of six (6) or more members when available, provided that the Job Steward is a qualified steward and is qualified to perform the work required.

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 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 the Agreement.

4:08 On projects where circumstances have necessitated the hiring of Local 955 permit holders and layoffs take place, the following procedures and sequence for layoff shall be followed:

- (1) permit holders first;
- (2) good standing members last.

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. Such notification shall be in the form of written notice to the Job Steward on shift, or the Union Office.

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 fourteen (14) 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 or shall be replaced by a qualified Union member.

- (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.
- (b) **Definition of Manned Rented Equipment:** Manned rented equipment is equipment such as that described in "(a) Definition 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 Manufacturers service work is excluded from the terms and conditions of this Agreement. The parties agree that training opportunities for Local 955 trades and service personnel shall be utilized on such work whenever possible.
- (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 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) 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 that 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 the 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 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 Crane Over 15 Ton Capacity, Mechanic, Welder, Electrical Mechanic, Machinist
- Group 2 Service truck; Lubricator; Tire serviceman; Dragline, Shovel, Frontend Loader, over 10 cu.yd. capacity; Backhoe over 3 cu.yd. capacity. The operators on loading equipment with bucket capacities over 15 m³, Tireman shall be paid an additional one dollar (\$1.00) per hour over the contract group rate; Survey Instrument Persons
- Group 3 Dragline, Shovel, Clam up to and including 10 cu.yd. capacity; Motor Scraper; Frontend Loader, 1 cu.yd. and up to 10 cu.yd. capacity; A-Frame; Lowboy; Grader; Off highway vehicle, 60 ton capacity and over; Crawler Tractor with attachments such as Dozer, Scraper, larger than D-4 or equivalent; Crane up to 15 ton; Backhoe up to and including 3 cu.yd. capacity; Partsman; Bus or Van Driver
- Group 4 Crawler Tractor with attachments such as Dozer, Scraper, up to and including D-4 or equivalent; Frontend Loader, up to 1 cu.yd. capacity; Dump Truck; Compaction equipment with attachments such as dozer blade; Off highway vehicle, under 60 ton capacity; Apprentice Survey Instrument Person; Rod and Chainperson; Steamcleaner
- 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

7:03 HOURLY WAGE RATES

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

May 1 st , 2000	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate	\$26.78	\$25.44	\$24.21	\$21.01	\$17.10
Pension	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Health & Welfare	\$1.27	\$1.27	\$1.27	\$1.27	\$1.27
Training Fund	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
** Vacation Pay	\$1.61	\$1.53	\$1.45	\$1.26	\$1.03
*** Holiday Pay	\$1.07	\$1.02	\$0.97	\$0.84	\$0.68
Gross Rate	\$33.77	\$32.30	\$30.94	\$27.42	\$23.12

May 1st, 2001	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate	\$27.58	\$26.20	\$24.93	\$21.64	\$17.61
Pension	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Health & Welfare	\$1.31	\$1.31	\$1.31	\$1.31	\$1.31
Training Fund	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
** Vacation Pay	\$1.66	\$1.57	\$1.50	\$1.30	\$1.06
*** Holiday Pay	\$1.10	\$1.05	\$1.00	\$0.87	\$0.70
Gross Rate	\$35.20	\$33.68	\$32.29	\$28.67	\$24.23
May 1st, 2002.	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate	\$28.41	\$26.99	\$25.68	\$22.29	\$18.14
Pension	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Health & Welfare	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35
Training Fund	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
** Vacation Pay	\$1.70	\$1.62	\$1.54	\$1.34	\$1.09
*** Holiday Pay	\$1.14	\$1.08	\$1.03	\$0.89	\$0.73
Gross Rate	\$36.66	\$35.10	\$33.66	\$29.93	\$25.37
May 1st, 2003	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate	\$29.26	\$27.80	\$26.45	\$22.96	\$18.68
Pension	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Health & Welfare	\$1.39	\$1.39	\$1.39	\$1.39	\$1.39
Training Fund	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
** Vacation Pay	\$1.76	\$1.67	\$1.59	\$1.38	\$1.12
*** Holiday Pay	\$1.17	\$1.11	\$1.06	\$0.92	\$0.75
Gross Rate	\$37.64	\$36.03	\$34.55	\$30.71	\$26.00
May 1st, 2004	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate	\$30.14	\$28.63	\$27.24	\$23.65	\$19.24
Pension	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Health & Welfare	\$1.43	\$1.43	\$1.43	\$1.43	\$1.43
Training Fund	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
** Vacation Pay	\$1.81	\$1.72	\$1.63	\$1.42	\$1.15
*** Holiday Pay	\$1.21	\$1.15	\$1.09	\$0.95	\$0.77
Gross Rate	\$38.65	\$36.99	\$35.45	\$31.51	\$26.65

6% of straight time rate for all hours worked

4% of straight time rate for all hours worked

On May 1st of each of years 2001, 2002, 2003 and 2004, the base rate will increase by at least three percent (3%), as identified in the tables above. If the average increase of the Oilsands Mining Industry settlements within the Fort McMurray area of each year exceeds the 3% increase herein, all the base rate shall increase accordingly.

In the event that the Employer and the Union are not able to agree as to the benchmark base rate increases or their weighting, either party may refer the issue to arbitration through Article 6:01 Grievance Procedure. In this case the arbitrator will be restricted to addressing base rates only.

The Health and Welfare contributions shall increase at the same rate as base rates.

7:04 Tool Allowance:

a) Effective May 1st 1997 all employees who are employed as Journeyman Mechanics shall receive a tool allowance of one (\$1.00) dollar per hour on a straight time basis for all hours worked. All Apprentice Mechanics shall receive a tool allowance of fifty (\$0.50) cents per hour on a straight time basis for all hours worked. All Journeymen Welders shall receive a tool allowance of fifty (\$0.50) cents per hour on a straight time basis for all hours worked. All Servicemen shall receive a tool allowance of fifty (\$0.50) cents per hour on a straight time basis for all hours worked.

All employees employed as Mechanics, Welders, Apprentice Mechanics and Welders, Tire Serviceman, Service Truck and Lubricators Persons, will receive a boot allowance of ten cents (\$0.10) per hour for all hours worked, to a maximum of two hundred dollars (\$200.00) per year.

7:05 Employees required to work scheduled shifts which start between 4:00 P.M. and 5:00 A.M. shall receive a premium of one dollar and fifteen (\$1.15) cents per hour 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 - NAMED HOLIDAYS AND VACATION PAY

8:01 Named 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	

Expect for FOM work, the employer shall provide at least two (2) weeks notice of the Christmas work schedule for the period of December 20th to January 5th. Failure to provide such notice shall result in the Employer paying any employees affected at applicable overtime rates for the first day worked where notice is not provided.

8:02 The Employer may require employees to work on Named Holidays in which event all time worked on a Named Holiday as specified in clause 8:01 of this Article shall be paid at one and one-half (1 1/2) times regular rate of pay. In addition, but except for FOM work, the Employer shall pay a premium of eight (8) hours regular pay for work performed on Labour Day, Christmas Day, and New Year's Day.

8:03 Named Holiday pay shall be credited to the employee and shall be calculated at four (4.0%) 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 Named 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.

- a) Effective May 1st, 1997 eight (8) hours shall constitute a days work and forty (40) hours shall constitute a weeks work in each of six (6) days, Monday through Saturday inclusive. All hours worked in excess of eight (8) hours per day or forty (40) hours per week in each of six (6) days, Monday through Saturday, inclusive, shall be paid at one and one-half (1 1/2) times the employee's basic hourly rate. All overtime will be paid at one and one-half (1 1/2) times the regular rate of pay.

With respect to fully operated and maintained (FOM) contract hourly work only, work performed on Saturday and Sunday will be paid for at one and one-half (1 1/2) times the regular rate of pay.

- b) Upon mutual agreement between the Union and the Employer, continuous work weeks 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) hours in a day and forty (40) hours in a week or seven day period.

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

Where the Employer changes an employee's shift schedule, resulting in the schedule having fewer days off than originally scheduled, then the originally scheduled days off shall be at overtime rates, in addition to any overtime that would ordinarily be paid on the new

shift schedule. This would apply only for the transition period from one shift schedule to another.

Every employee working on a continuous work week schedule will be assigned a shift schedule with regularly scheduled days off. Shift schedules shall be posted.

- c) For continuous Overburden and Oilsands Mining Contracts based on owner's scope of work at time of tender, of one year or longer or 5 million m³ or greater, except on Syncrude Projects where the amount shall be 3 million m³, the hours of work shall be based on a maximum of twelve (12) regularly scheduled hours per day, with overtime paid after eight (8) hours in a day, forty (40) hours in a week or a six (6) day period. The seventh scheduled shift in any shift schedule shall be paid at overtime rates. Overtime shall be paid at one and one-half (1 1/2) times the regular rate of pay.

9:02 The employee's time shall commence when they reach their work station and shall end when they leave the client/owner's leased or owned property.

9:03 No employee shall work more than one (1) 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.

9:04 The current eleven and one-half (11 1/2) 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. Employees shall have the right to refuse overtime when an employee is called out or requested to work on a scheduled day off.

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 a) The Employer shall pay each employee on a weekly basis, with not more than seven (7) calendar days held back.
- b) The Employer shall direct deposit the employee's cheque to the employee's account in a financial institution of the employee's choice. The financial institution shall be a recognized institution insured under the Canada Deposit Insurance Corporation.
- c) The employee shall be provided with a detailed pay stub in a sealed envelope showing the hours worked, rate of pay, deductions, etc. as well as the account number and the code of the institution to which the direct deposit has been made.
- 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.
- 11:03 The Employer and the Union shall establish a Group RRSP that employees may contribute to in their own account by payroll deduction, in an amount specified by the employee. The institution, plan and governing regulations will be mutually agreed upon by the Union and the Employer.

ARTICLE 12:00 -TRANSPORTATION

12:01 The Employer shall supply daily transportation from Fort McMurray to the Syncrude Mildred Lake 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-five (\$0.35) cents per kilometre (Syncrude Mildred Lake jobsite 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 North American buses.

The Employer shall pay employees working at the Albion Sands or Aurora sites a transportation allowance corresponding to the Syncrude Canada transportation allowance to the Aurora site, but in any case, no less than twenty-two dollars (\$22.00) per day worked.

At the end of Shift, 8:10 o'clock, Syncrude bus is utilized for return from site to Fort McMurray, due to continuous (hot change) or twelve hour shift length, an inconvenience allowance of eight dollars (\$8.00) per day worked will be paid, on May 1st, 2000; nine dollars (\$9.00) per day worked will be paid on May 1st, 2001, and ten dollars (\$10.00) per day worked will be paid on May 1st, 2002; for the duration of the agreement as per Article 21:01.

12:02 Suitable covered transportation daily from the camp to the work area and return, shall be provided.

ARTICLE 13:00 -ROOM AND BOARD

13:01 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. Any accommodation shall be provided in an Alberta Building Trades approved camp. When camp is not provided, the Employer shall provide suitable accommodations and daily meal allowance. Local hire employees shall be defined as employees who reside within 70 kms radius of the Fort McMurray Main Post Office.

ARTICLE 14:00 -WORKING CONDITIONS

14:01 The Employer shall provide suitable sanitary facilities, (washrooms to be upgraded - hot water should be available at least in the shops area), propane-type toilets with hand cleaning supplies, including wet towels; a heated lunch room which shall not be used for storage of tools or equipment: and a lock-fast place for storage of employee's tools.

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

It is understood and agreed by the Employer and the Union there will be unusual circumstances where it is not practical to provide a lunchroom and sanitary facilities such as a minimal number of employees working in an area removed from the normal work area. In such cases, a pickup truck or similar vehicle will be provided for the employee to eat his lunch if he does not have a heated cab, however where practicable, these facilities will be provided.

The Employer shall make every effort to ensure that all mobile equipment has fully enclosed cabs with operating air conditioning and heating systems where conditions warrant.

14:02 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.

14:03 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.

14:04 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. The Employer shall be responsible for the repair of tools damaged on the job or replace them with tools of equal value. The Employer responsibility for the previous sentence shall apply only in the case of employees who have been employed for a period of one year or longer.

14:05 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.

14:06 Fresh drinking water in approved sanitary containers, and paper cups will be provided and placed in convenient locations on all jobs.

14:07 The Employer shall supply a clothes locker, gloves, regular and quilted winter 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 Mechanic's and Servicemen's helpers.

Operators will be supplied gloves and coveralls when work conditions dictate.

14:08 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 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, brother, sister, spouse, children, mother-in-law, father-in-law, grandchildren and grandparents. The employee must return to work to qualify for payment and the Employer reserves the right to request satisfactory evidence of attendance at the funeral or involvement in making the funeral arrangements.

ARTICLE 17:00 - APPRENTICESHIP

17:01 Apprentices shall be paid in accordance with the appropriate regulations of the Alberta Apprenticeship Act, but in any case at a rate that is no lower than that of a labourer covered in this Collective Agreement.

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 as stipulated by the North American Standard Practice for Health, Safety and Environment, the Owner's Safety and Health Program and the Occupational Health and Safety Act. It is also agreed that any refusal on the part of a workman to perform his duties or to continue to perform his duties in contravention of the above Health and Safety Regulations shall not be deemed a violation of this Agreement.

No employee may be terminated for an accident except in cases of carelessness or negligence. However, a violation of the safety regulations or unsafe working practices shall be considered as just 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 apply to become members of the Union within 400 hours worked after commencement of employment.

19:02 Foremen shall be paid not less than two (\$2.00) dollars 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 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 and/or subcontracting programs as appropriate. Any case of implementation of this clause shall be subject to agreement of the Employer and the Union.

19:05 On maintenance and service crews on night shift, a lead hand shall be designated on a crew of four or more employees where there is no other supervision. The lead hand shall be paid a premium of one dollar (\$1.00) per hour at straight time rates.

ARTICLE 20:00 -EMPLOYER CONTRIBUTIONS

20:01 **Health and Welfare** - Effective May 1st, 2000 and in each successive year of this Agreement, the employer shall pay the hourly rate provided for in Article 7.03 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 (15th) 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 May 1st, 2000 and in each successive year of this Agreement, the Employer shall pay the hourly rate provided for in Article 7:03 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 - Effective May 1st, 2000 and in each successive year of this Agreement, the Employer shall pay the hourly rate provided for in Article 7:03 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, 2000 in effect until October 31, 2004 and from year to year thereafter except as hereinafter provided.

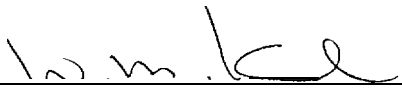
21:02 The Union or the Employer may, not less than thirty (30) days and not more than one hundred and twenty (120) days immediately prior to the expiry date of the Agreement, request the other party to the Agreement to commence collective bargaining. Such notice shall be given by registered mail.

21:03 It being the intent of the parties to this Agreement that negotiations be concluded and a new Agreement signed prior to October 31, 2004. The parties agree that if no Agreement is reached by September 30, 2004, both parties shall apply for the services of a mediator immediately as provided for in the Labour Relations Code. 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.

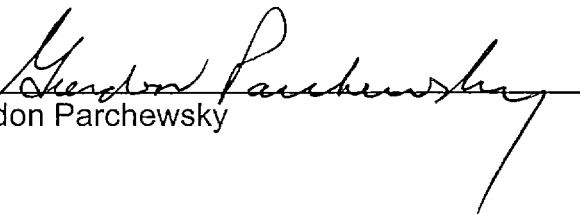
21:04 If notice has been given by the Union or the Employer this Agreement shall remain in full force and effect during any period of negotiations even though such negotiations may extend beyond the said expiry date, until the procedures in the Labour Relations Code have been exhausted. The parties to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

SIGNED this ____ day of _____, 2000 on behalf of:

NORTH AMERICAN CONSTRUCTION LTD.

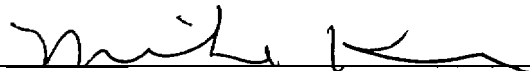


Bill Koehn




Gordon Parchewsky

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 955



Mike King



Bruce Moffatt

Letter of Understanding

Between

NORTH AMERICAN CONSTRUCTION LTD.

(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 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.

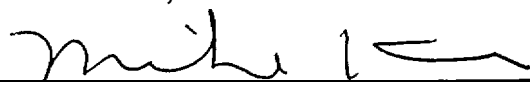
SIGNED this _____ day of _____, 2000 on behalf of:

NORTH AMERICAN CONSTRUCTION LTD.


INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 955



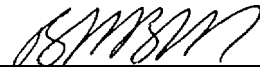
Bill Koehn



Mike King



Gordon Parchewsky



Bruce Moffatt

Letter of Understanding

Between

NORTH AMERICAN CONSTRUCTION LTD.

(hereinafter referred to as the Employer)

and

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955

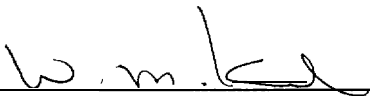
(hereinafter referred to as the Union)

If during the term of this Agreement the Employer is contracted to perform work described in the scope of work that is tendered as of April 25, 2000, known as the Albian Sands starter dike, the parties agree that the hours of work shall be in accordance with clause 9.01 a), and that all other provisions of the Collective Agreement shall apply.

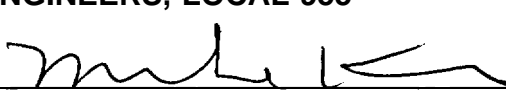
SIGNED this 0 day f , 2000 on behalf of:

NORTH AMERICAN CONSTRUCTION LTD.

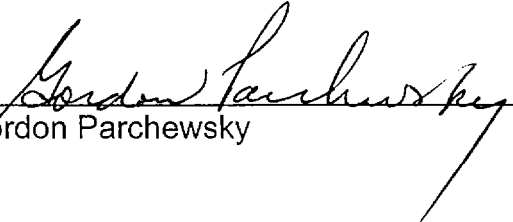
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 955



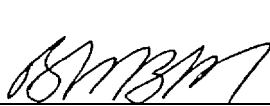
Bill Koehn



Mike King



Gordon Parchewsky



Bruce Moffatt

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 1/2" to 1 1/8" inclusive
- 1Set of 1/2" drive sockets from 3/8" to 1" inclusive
together with ratchet & flex handle
- 1 Tool box with lock
- 1 Standard 3/4" Drive Set
- 1 Filter Wrench (Auto) Serviceman
- 1 Filter Wrench (Cat) Serviceman
- 1 Chipping Hammer - Welder
- 1 Measuring Tape - Welder



INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955, 955B, 955C

HEAD OFFICE: 10350 - 172 Street, Edmonton, Alberta T5S 1G9
Phone: (780) 483-0955 Fax: (780) 483-1998

Website: www.iuoe955.com

May 23, 2000

Human Resources Development Canada
Bureau of Labour Information
Collective Agreements
140 Pr. Du Portage
Hull, Quebec K1A 9Z9

Attention: Lucie Lalonde

Dear Ms. Lalonde:

Enclosed please find a signed and sealed copy of the following Collective Agreements:

- Between The Board of the Evergreens Foundation, Edson, Alberta and the International Union of Operating Engineers, Local 9.55 for the period January 1st, 2000 to February 31st, 2001
- Between North American Construction Ltd. and The International Union of Operating Engineers, Local 955 for the period May 1st, 2000 to October 31st, 2004.
- Between North American Mining Inc. and The International Union of Operating Engineers, Local 955 for the period May 1st, 2000 to October 31st, 2004.

Yours truly

Mike King
Business Manager, CEO

District #2 Office

#201, 1212 - 31 Avenue. N.E.
Calgary, AB T2E 7S8
Phone: (403) 250-3840
Fax: (403) 250-3916

Mining Office

Box 6004
#28, 4924 1st Avenue
Edson, AB T7E 1T6
Phone: (780) 723-5955

Mining Office

#201, 122 Brewster Drive
Hinton, AB T7V 1B4
Phone: (780) 865-5184
Fax: (780) 865-1413

Northern Office

#205, 10020 Franklin Avenue
Ft. McMurray, AB T9H 2K6
Phone: (780) 790-1713
Fax: (780) 743-2582

