

AGREEMENT BETWEEN:

COUGAR CRUSHING & SCREENING LTD.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

DURATION: ***APRIL 1, 2005 to MARCH 31, 2010***

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COLLECTIVE AGREEMENT

BY AND BETWEEN:

COUGAR CRUSHING & SCREENING LTD.

(Hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

(Hereinafter referred to as the "Union")

Witnesseth: That the parties hereto agree as follows:

ARTICLE 1: OBJECTS

1.01 The objects of this Agreement are to maintain a harmonious relationship between The Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement; to prevent strikes, lockouts, and work stoppages; to enable the skills of both Employer and Employees to operate to the end that waste and avoidable and unnecessary expense and delays are prevented; to promote good public relations.

1.02 *For the purpose of this Collective Agreement the masculine shall be considered to include the feminine and the singular to include the plural.*

ARTICLE 2: BARGAINING AGENCY

2.01 The Company recognizes and agrees that the Union is the sole bargaining agent for the employees of the Company.

2.02 Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his or her employment with the Company, whichever is shorter. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee at any time cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith.

2.03 The Company shall have all new employees complete the required Union Membership Enrollment Cards, which will be supplied by the Union. The Company shall mail the completed cards to the Union office.

ARTICLE 3: UNION DUES

3.01 All employees covered by this Agreement shall, as a condition of employment, pay the equivalent of dues to the Union. These dues shall be paid monthly at two and one-half (2 1/2) times the hourly rate as set forth in Appendix "A" of this Agreement.

- 3.02 Check-Off: - The Company shall deduct from each new employee an amount equal to the Union dues from the employee's first payroll cheque after completion of six (6) days of work in a calendar month and add that employees name and the said amount to the closest applicable check-off, i.e., if the check-off for that month has not been remitted to the Union, it shall be added to that check-off; if that month's check-off has been remitted, it shall be added to the following month's check-off and shown as the previous month worked.
- 3.03 Amounts Deducted: - Union dues deducted under this provision shall be remitted to the Union no later than the thirtieth of the month following the month in which such check-off applies.

ARTICLE 4: MANAGEMENT RIGHTS

The Union recognizes and agrees that:

- 4.01 The management and operation of the business and the direction of the working forces are vested exclusively in the Company.
- 4.02 The Company has the right to select its employees, to hire, classify, promote, demote or discipline them and to discharge employees for proper causes, provided that a claim of discrimination (as prohibited under the Human Rights Act) against an employee in respect to any of these matters, or a claim of violation of any Section or Article of this Agreement, may be the subject of a grievance and shall be dealt with as hereinafter provided. The Company has the right to request by name any member of the Union. If a suitable member is not available, the Company has the right to hire outside of the hiring hall provided that the employee joins the Unions as per guidelines.
- 4.03 Management reserves the right' to carry out their duties by working on jobs along with any employee as the need may arise.

ARTICLE 5: DEFINITION OF EMPLOYEE

- 5.01 In this Agreement "employee" means a person who is employed by the Company and who is included in a unit of the Company's employees for whom the Union has been certified as the collective bargaining agent by the Labour Relations Board of British Columbia under the Labour Relations Code. "Employee" shall also mean a person employed in a job classification listed in Appendix "A" attached hereto.

ARTICLE 6: HOURS OF WORK AND OVERTIME

- 6.01 The Company has the right to schedule regular work to accommodate business requirements. Normal shift hours are as follows:

Day Shift	8:00 A.M. - 4:30 P.M.
Afternoon Shift	4:30 P.M. - 1:00 A.M.

The above start and finish times may be varied by up to three (3) hours.

- 6.02 Production hours worked in excess of eight (8) hours, Monday through Friday and Saturday hours, shall be paid at one and one-half (1 1/2) times the hourly rate. Hours in

excess of eleven (11) hours will be paid at double (2) times the hourly rate. Where required a schedule may be organized using four (4) ten (10) hour shifts.

- 6.03 Where necessary for an employee to do a pre or post production check-over on start up, upon mutual agreement, a lump sum equal to one half (1/2) or one (1) hour of regular rate will be paid.
- 6.04 In the event that an employee commences work on his shift and the operation closes prior to the completion of two (2) hours work, the employee shall receive four (4) hours pay at the employee's regular rate, except where his work is suspended because of inclement weather or other reasons beyond the control of the employer, then two (2) hours must be paid.
- 6.05 Any employee who is called for work and on reporting finds no work available due to reasons beyond his or her control, shall be entitled to two (2) hours at the usual rate. This shall not apply if weather conditions prevent commencement of work or if the Company gives sufficient notice canceling said call.
- 6.06 ***2nd Shift: It is understood that on some of the Employer's projects, a second shift may be required and if such is the case, then the hourly rate shall be increased by fifteen cents (\$0.15) for that shift only.***

3rd Shift: It is understood that on some of the Employer's projects, a third shift may be required, and if such is the case, then the hourly rate shall be increased by twenty-two cents (\$0.22) for that shift only.

ARTICLE 7: GRIEVANCE PROCEDURE

- 7.01 Should a dispute arise between the Company and an employee or the Union regarding the interpretation, application, operation, or any alleged violation of the Agreement, including any question as to whether any matter is arbitrable, it shall be resolved in the following procedural manner:

STEP A - The employee or the Union, together with the Personnel Manager, shall attempt to resolve the issue within seventy-two (72) hours of the employee becoming aware of the alleged incident or infraction occurring giving rise to the grievance. If a solution is reached at this stage it shall be final and binding upon all parties.

STEP B - Should a solution not be reached by Step (A) then a Business Representative of the Union, accompanied by the employee, if the employee or Business Representative so wish, shall discuss the matter with the Company Personnel Manager within fourteen (14) days of the alleged incident or infraction occurring giving rise to the grievance. If a solution is reached at this stage, it shall be final and binding upon all parties.

- 7.02 **GRIEVANCE - DISCHARGE OR SUSPENSION:** Any discharged or suspended employee may, within seventy-two (72) hours of his discharge or suspension, (exclusive of Saturdays, Sundays and General Holidays) in writing, require the Company to give him the reasons for his discharge or suspension and the Company will give such reasons to him, in writing, with seventy-two (72) hours of such request. In the event of any dispute or difference as to whether or not there was proper cause for the discharge or suspension of such an employee, only the reasons so set forth in writing, may constitute cause.

7.03 SECTION 87: - Grievances pertaining to discharge and suspension will not be processed under Section 87 of the Labour Relations Act of British Columbia unless there is mutual agreement between the parties.

ARTICLE 8: ARBITRATION

8.01 If the procedures set forth in Section 7.01, Step A and Step B and/or Section 7.02 do not result in a solution being reached with seven (7) days of the first discussion between a Business Representative of the Union and a representative of the Company, the dispute shall be referred, within a further seven (7) days, to an Arbitration Board of three (3) persons appointed as follows:

- (a) The Party desiring Arbitration shall appoint a member for the Board and shall notify the other party in writing of the name and address of the person so appointed and particulars of the matter in dispute.
- (b) The Party receiving the notice shall within five (5) days appoint a member for the Board and notify the other party of its appointment.
- (c) The two (2) Arbitrators so appointed shall confer to select a third person to be Chairman and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Minister of Labour of British Columbia to appoint such third member.
- (d) The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award, with ten (10) days from the date of the appointment of the Chairman, provided the parties may extend the time by agreement in writing.

8.02 The Arbitration Board shall have the right to modify any penalty imposed by the Company on an employee.

8.03 If the Award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction, the question shall, at the request of either party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Article.

8.04 The expenses and remuneration of the Chairman shall be paid by the Parties in equal shares subject to pre-approval of estimated cost.

8.05 By mutual agreement between the Parties, a single Arbitrator shall be appointed.

ARTICLE 9: VACATIONS AND GENERAL HOLIDAYS

9.01 Vacation and General Holiday pay shall be accrued at the rate of ten percent (10%) of gross earnings (six percent (6%) for annual vacation and four percent (4%) for General Holidays) and shall be paid to the employee at least monthly or upon termination of employment.

For clarification purposes, it is the intent that holiday pay is paid only on hourly wages.

Employees who have completed twelve (12) months of continuous employment from their date of hire (excluding temporary layoff) upon request shall be entitled to a minimum of three (3) week's vacation. Vacation periods will be arranged by mutual agreement between the employee and the Employer.

The recognized holidays are:

New Years Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Victoria Day
Remembrance Day	Canada Day
Christmas Day	B.C. Day
Boxing Day	

and any day declared a public holiday by the Federal and/or Provincial Governments. No work will be performed on Labour Day. All work performed on General Holidays shall be paid for at double time rates. In the event that any additional day or days are declared public or provincial holidays by the Federal and/or Provincial Governments, then such holidays shall be recognized and the General Holiday pay shall be increased by one-half of one percent (0.5%) for each additional day.

When a General Holiday falls on a Saturday or Sunday, the actual day will be observed. When a General Holiday falls during the week it may, by mutual consent be observed on the preceding Monday or the following Friday.

When Christmas Day and Boxing Day fall on Saturday and/or Sunday, the following Monday and /or Tuesday will be observed.

Work performed on the day upon which it has been agreed that the holiday will be observed, will be paid for at double time rates.

ARTICLE 10: GENERAL PROVISIONS

10.01 Should the employer need to discipline an employee, the employee shall have the option to have a fellow employee present.

10.02 The Company and the Union agree there will be no strike or lockout while this Agreement is in full force.

10.03 PAYMENT OF WAGES

(a) The Company shall, every second Friday, pay to each employee all wages earned by the employee to a day not more than five (5) working days prior to the date of payment provided that, if a General Holiday falls on the regular payday, payment will be made the preceding day.

(b) Payment of wages will be made during working hours.

(c) In the event that an employee is laid off, the Company shall pay such employee, not later than five (5) business days after he ceases to be an employee of the

Company, all wages, holiday pay earned by such employee, excluding authorized deductions. The Company will also issue a Record of Employment.

- (d) Where an employee is not paid as provided above, such employee shall be deemed to be still on the payroll of the Company and shall receive his usual wages until there is compliance with the provisions or other arrangements are made.
- 10.04 REST PERIODS: An employee shall be granted two (2) ten (10) minute breaks during the course of each shift - one (1) in each half of the shift. An employee shall be granted a ten (10) minute break after each two (2) hours of overtime he works in any day. All breaks shall be taken at the scheduling of the supervisor or manager without any loss of pay.
- 10.05 LUNCH PERIOD: Each shift shall have a one-half (1/2) hour lunch period at or near mid-shift.
- 10.06 BEREAVEMENT LEAVE: When a death occurs to a member of a regular employee's immediate family, the employee will be granted an appropriate leave of absence for which he/she shall be compensated at his/her regular straight-time hourly rate of pay, or salary, for a maximum of one (1) day. Members of the employee's immediate family are defined as the employee's spouse, mother, father, brothers, sisters, sons, daughters, mother-in-law, father-in-law, son-in-law, daughter-in-law, step-children, step-parents, grandparents, grandparents-in-law and grandchildren.

ARTICLE 11: BENEFITS AND PENSION PLANS

11.01 BENEFITS AND PENSION

A member of the Union is entitled to benefits as per Appendix "B". Any new employee who is not a member of the Union must wait until he or she becomes a member before being eligible.

11.02 BENEFIT PLAN

Effective the date of ratification, the company shall make contributions to the Operating Engineers Benefits Plan at the rate of one dollar and sixty cents (\$1.60) per hour for each hour wages are payable to employees covered by this agreement.

Effective April 1, 2006 the contribution rate shall increase to one dollar and sixty five cents (\$1.65) per hour.

Effective April 1, 2007 the contribution rate shall increase to one dollar and seventy cents (\$1.70) per hour.

Effective April 1, 2008 the contribution rate shall increase to one dollar and seventy five cents (\$1.75) per hour.

Effective April 1, 2009 the contribution rate shall increase to one dollar and eighty cents (\$1.80) per hour.

The Operating Engineers Benefit Plan shall be controlled by a Board of Trustees composed of (8) representatives from the Union.

Contributions must be forwarded by the Company to the Operating Engineers Benefits Plan by the thirtieth (30th) day of the month following the month which the contributions cover, and shall be in accordance with the prescribed contribution forms supplied by the Benefits Plan.

In the event that the Company fails to remit contributions to this Plan and/or the Pension Plan in conformity with this Section in the Agreement, the Union is free to take any economic action it deems necessary against the Company, and such action shall not be considered a violation of the Agreement.

A Member Representative of the Union may inspect during regular business hours, the Company's records of time worked by employees and contributions made to the Plan.

11.03 PENSION PLAN:

Effective the date of ratification, the Company shall make contributions at the rate of two dollars and fifty five cents (\$2.55) per hour for which wages are payable hereunder to each employee within the scope of this Agreement to the Operating Engineers Pension Plan.

Effective April 1, 2006 the contribution rate shall increase to two dollars and eighty cents (\$2.80) per hour.

Effective April 1, 2007 the contribution rate shall increase to three dollars and five cents (\$3.05) per hour.

Effective April 1, 2008 the contribution rate shall increase to three dollars and twenty five cents (\$3.25) per hour.

Effective April 1, 2009 the contribution rate shall increase to three dollars and forty five cents (\$3.45) per hour.

The company is required to report using the forms provided by the Pension Plan.

Contributions must be forwarded by the Company to the Operating Engineers Pension Plan by the thirtieth (30th) of the month following the month which contributions cover.

The Pension Plan's Auditor may inspect during regular business hours, the Company's record of time worked by employees and contributions made to the Plan.

ARTICLE 12: SAVINGS CLAUSE

12.01 No employee, who prior to the date of this Agreement was receiving more than the rate of wages as set out in the schedule(s) attached hereto or working less hours than stipulated in this Agreement, shall suffer a reduction of wages or increase in hours worked per week because of the adoption of this Agreement.

12.02 Nothing herein contained shall preclude higher wages being paid to employees of special ability.

12.03 If any Article or Section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

ARTICLE 13: ENABLING CLAUSE

13.01 When in the opinion of both parties it is deemed beneficial to the Employer and the Union members, the terms and conditions of the Agreement may be modified, such mutually agreed modifications to this Agreement shall be by Letter of Understanding and may be for one project, for a type of work or for a specific period of time. It is the intent of this Article that the Company remain competitive in all of their markets.

ARTICLE 14: DURATION

14.01 This Agreement shall be in full force and effect from and including ***April 1, 2005 to and including March 31, 2010 and shall continue in full force and effect from year to year thereafter subject to the right of either party to this Agreement within four (4) months immediately preceding the date March 31, 2010 or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision to the Collective Agreement or a new Collective Agreement.***

14.02 Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union goes on strike, or the Company locks out, or the parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

14.03 The operation of Section 50 (2) and (3) of the Labour Relation Code of British Columbia are hereby excluded.

Signed this _____ day of _____, **2006.**

COUGAR CRUSHING & SCREENING LTD.

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

APPENDIX A

Cougar Crushing & Screening Ltd. Wages & Classifications

	<u>April 1/05</u>	<u>Dec.1/05</u>	<u>April 1/06</u>	<u>Dec.1/06</u>	<u>April 1/07</u>	<u>April 1/08</u>	<u>April 1/09</u>
Operator	22.61	22.91	23.66	23.86	24.41	25.16	25.71
Non-Operator	13.16	13.46	14.21	14.41	14.96	15.71	16.26
Driver	20.94	21.24	21.99	22.19	22.74	23.49	24.04

Any new classification that arises, the Company and Union shall negotiate within 21 days.

Note: No more than one apprentice per crusher.

APPENDIX B

	<u>Date of Ratification</u>	<u>April 1/06</u>	<u>April 1/07</u>	<u>April 1/08</u>	<u>April 1/09</u>
Benefits	1.60	1.65	1.70	1.75	1.80
Pension Plan	2.55	2.80	3.05	3.25	3.45
Apprenticeship Plan	0.30	0.30	0.30	0.30	0.30
O.E. Advancement	0.10	0.10	0.10	0.10	0.10

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