

COLLECTIVE AGREEMENT

BETWEEN

INTERROUTE CONSTRUCTION LTD.

(doing business as)

CASTLEGAR READY MIX/NELSON READY MIX/TRAIL READY MIX

AND

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

June 28, 2011 to June 27, 2014

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THIS AGREEMENT entered into this _____ day of _____, 200____.

BETWEEN:

INTERROUTE CONSTRUCTION LTD.

Doing business as

CASTLEGAR READY MIX/NELSON READY MIX/TRAIL READY MIX

(Hereinafter called the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(Hereinafter called the "Union")

WITNESSETH: that the parties hereto agree as follows:

PURPOSE: It is the intention and purpose of the Company and the Union to promote, maintain and foster harmonious relationship between the Company and its' employees. Working in cooperation, we will provide an amicable method of settling differences and misunderstandings that might arise, to the fullest extent possible, health, safety and personal well being of employees; economy of the operation; quality of work done; protection of property; and to elevate the Company to the highest possible standards.

It is recognized that it is the joint duty of the Company and the Union to cooperate fully for the advancement of the above stated conditions.

For the purposes of this Agreement, the masculine shall be considered to include the feminine and the singular to include the plural.

THEREFORE, the parties agree as follows:

ARTICLE 1: INTERPRETATIONS AND EXTENT

Interpretation:

- 1.01 Each Section or Article of this Agreement shall be interpreted separately from the others.
- 1.02 In the event that any word, phrase, sentence, Section, or Article of this Agreement is declared invalid by any Court of competent jurisdiction, only such word, phrase, sentence, Section, or Article shall be affected and this Agreement shall be otherwise unaffected and shall continue in full force and effect.
- 1.03 The Company and the Union agree to the establishment of a Joint Consultation Committee which shall meet as required during the term of this Agreement to deal with any matter regarding the interpretation or application of this Agreement that may be raised by any of the parties signatory hereto.

ARTICLE 2: UNION SECURITY

Coverage:

- 2.01 The Company recognizes the Union as the sole bargaining agent for the employees as set out by the certification and working at the classified occupations listed in Appendix 'A' and for such other employees as may be assigned to new classifications coming under the Union's jurisdiction.

Membership:

- 2.02 All employees covered by this Agreement must be members in good standing of the Union.
- 2.03 Any employee who does not remain a member in good standing shall not be retained in the employment of the Company. The Union will advise the Company in writing of the names of any employees who are not members in good standing.
- 2.04 Any employee who has been laid off for any reason and who does not retain his membership in the Union will not retain his seniority with the Company.

Authorization of Deductions:

- 2.05 New employees shall be required to sign authorization cards for deduction of initiation fees, dues and assessments as required by the By-Laws of the Union. Such deductions shall be forwarded to the Union not later than the last business day of the month in which these deductions were made. It is understood that dues are payable monthly and that the payment schedule is to be determined jointly between the Union and the Company. Dues shall be deducted from the second pay of the month previous to the period for which they are applicable.

Picket Lines:

- 2.06 It shall not be a violation of this Agreement, cause for discharge or other disciplinary action if an employee refuses to cross a picket line which has not been declared illegal by a Court of competent jurisdiction.

Unfair Jobs:

- 2.07 It shall not be considered a violation of this Agreement or reason for discharge or other disciplinary action if an employee refuses to deliver to a job or project which has been considered unfair by the British Columbia and Yukon Territory Building and Construction Trades Council or any of its affiliated area Building Trades Councils or by the International Union of Operating Engineers, Local 115. Whenever the Union has information concerning any such unfair job or project, it shall immediately notify the Company.

Strike and Lockout:

- 2.08 During the term of this Agreement there shall be no lockout by the Company, and no strike, stoppage of work, or slow-down, either partial or general, authorized by the Union.

Shop Stewards:

- 2.09 Shop Stewards shall be recognized by the Company and shall not be discriminated against. The Company shall be notified by the Union of the name or names of such Stewards. Reasonable time shall be given to the Shop Steward, during his/her shift to carry out his/her duties. The Union shall be notified in writing if a Shop Steward is discharged for cause and such cause shall be stated in the reasons. Executive Officers of the Union or Shop Stewards, who are required to attend meetings at the call of the Union, shall be allowed time off by the Company. The Shop Steward shall be permitted to discuss issues during working hours as long as this does not interfere with customer service delivery.
- 2.10 Shop Stewards shall be present, whenever an employee is being interviewed over a formal disciplinary matter. Shop Stewards shall be informed prior to a disciplinary review. The Company reserves the right to have another Company representative attend disciplinary review meetings.

Business Representatives of the Union:

- 2.11 In the carrying out of regular duties Business Representatives of the Local Union shall have access to Company premises covered by this Agreement.

ARTICLE 3: HIRING

- 3.01 When employees are required, only Union members having the necessary qualifications and confirmation from the Union shall be hired. When qualified Union members are unavailable, then the Employer may obtain qualified employees elsewhere. Employees hired elsewhere shall have fourteen (14) days in which to become a member of the Union, or be replaced by a Union member when available.

Contract and Hired Trucking:

- 3.02 The Company agrees that cartage work presently performed by members of the bargaining unit will not be let out to contract or carried out by hired equipment if appropriate Company equipment is available for this work and members of the bargaining unit normally performing this work would be laid off or not returned to the active payroll as a result.
- 3.03 Should it become impossible for the Company to hire outside equipment locally from:
- (a) Companies or Owner Operators with employees under agreement to this Local Union, or
 - (b) Members of this Local Union,
- then the Company shall be free to hire outside equipment from companies with employees under agreement to another Union Local.
- 3.04 In every instance the Company will give preference for operation of such equipment to the International Union of Operating Engineers, Local 115, then by permit. Where there

is a major construction, project the Company will guarantee that such equipment will be operated by members of the Union of Operating Engineers.

Rental Equipment:

- 3.05 Where the equipment is operated by employees of Castlegar Ready Mix and/or Nelson Ready Mix and/or Trail Ready Mix, the Company will guarantee that it is operated by Union members. Local 115 will provide a list of members who operate equipment. Where the Company receives business as a result of referral by the Union, the Company will guarantee its employees the same wages as those of the Company that is purchasing the products/services of Castlegar Ready Mix and/or Nelson Ready Mix and/or Trail Ready Mix.

Contract Work:

- 3.06 The contracting out of work shall not affect either the number of Union members on the active payroll, or the return to the active payroll of members on layoff. Where a Union member on layoff has been called to work and refuses or is unavailable, the work may be contracted out to a non-union member in order to meet customer demands. If a contractor is hired and a union member of Castlegar Ready Mix and/or Nelson Ready Mix and/or Trail Ready Mix, becomes available, the above-mentioned contractor/employee shall be bumped.

ARTICLE 4: NEW CLASSIFICATIONS

Rates and Effective Dates:

- 4.01 The Company shall notify the Union within thirty (30) days when any new classification or job coming under the jurisdiction of this Agreement is added, or if there is substantial change in the duties of an existing classification or job. The Union and the Company shall negotiate on the rate to be established and that rate, once established, shall be effective from the date an individual is appointed into the new classification or job.

Every effort will be made to negotiate the new rate within thirty (30) days after notification.

ARTICLE 5: DISCIPLINE

Discipline:

- 5.01 The Company has the right to release, discipline, or suspend any employee for just cause. Employees shall be notified in writing with reasons with a copy to the Union. The Release from Employment letter shall be given with their final cheque.
- 5.02 When members of the bargaining unit are disciplined in writing or verbally and it is recorded in their employee personnel file for future reference, the employee's file shall not be referred to if the last warning was dated earlier than the employee's last two (2) working years. All employees in the bargaining unit will have a clean record if there was no cause for discipline in the last two (2) working years.

ARTICLE 6: MANAGEMENT RIGHTS

Management:

- 6.01 The management and operation of and the direction and promotion of its working forces is the exclusive responsibility of the Company, subject to the terms and conditions of this Agreement, to conduct its business in all respects according to its obligations and responsibilities inclusive of the right to manage the jobs, relocate, extend curtail or cease operations; to perform or contract work, to establish types and amounts of equipment to be used; establish schedules and to judge the qualifications of employees, not in conflict with Articles of this Collective Agreement; and to maintain discipline and efficiency.
- 6.02 The Union agrees that is the exclusive right of the Company to hire, release, classify, transfer, promote, demote, lay-off, suspend or otherwise discipline an employee. However, this clause shall not deprive the employee of the right to exercise a grievance procedure as outlined in this Agreement.
- 6.03 The Union agrees that it is the exclusive right of the Company to make and later, from time to time, and enforce rules of conduct and procedure to be observed by the employees subject to the Grievance and Arbitration Procedure described in this Collective Agreement.

ARTICLE 7: WAGES AND WAGE STATEMENT

Wages:

- 7.01 The Company shall pay wages to every employee covered by this Agreement at the hourly rates contained in Appendix "A" for the various classifications listed therein. These rates are the minimum rates. Appendix "A" shall be deemed to be contained in and form part of this Agreement.

Statement:

- 7.02 The Company shall provide every employee covered by this Agreement with a separate detachable written or printed itemized statement in respect of all payments made to such employee by the Company for the duration of this Agreement. Such statement shall show the regular hours worked, the total overtime hours worked, the rate or rates applicable, the gross amounts of wages, vacation pay and pay for Statutory Holidays, and all deductions made from the employee's pay.
- 7.03 - ***Vacation pay shall be banked by the Company and calculated on each pay day. Each Pay Settlement shall show the amount of Vacation Pay earned during the Pay Period and it shall also show Year to Date totals of Vacation Pay.***

Employees shall have the option of requesting the full amount of vacation pay or portion thereof with a minimum equivalent to a rate of 40 (forty) hours per week. Vacation pay shall be paid on the next payday with their regular pay. The vacation pay or portion thereof shall be taxed as per the required tax rate. Annual vacation pay shall be requested by the employee at least two (2) weeks prior to the date they require it.

- 7.04 If an employee is released from employment by the Company, he shall be paid all monies due in three (3) working days, payable at the Plant or by Registered Mail.
- 7.05 If an employee resigns on his own accord, he shall be paid by the next regularly scheduled pay day.
- 7.06 Employees shall be paid by Direct Deposit every second (2nd) Friday.
- 7.07 The Company shall record on each employee's T-4 slip, the total Union dues deducted and submitted on behalf of that employee.

ARTICLE 8: HOURS OF WORK AND OVERTIME

Hours of Work:

- 8.01 The normal work week for all employees covered by this Agreement shall consist of five eight (8) hour days commencing on Monday and ending on Friday. Due to customer demand, employees may be required to work on Saturdays or Sundays; should this occur they will be paid one and one half times their regular rate for up to eight (8) hours and double time thereafter for Saturday and double time for all hours on Sunday.
- 8.02 The normal workday shall normally commence at 7.00 a.m. and end at 4.00 p.m.; and allow employees to commence work in increments of fifteen [15] minutes. Where there is a customer demand, the work day may start earlier than 07.00 a.m. The regular workweek will be based on a schedule of forty [40] hours per week.
- 8.03 The workday shall normally be a eight (8) hour period, excluding a one-half (1/2) hour unpaid break for a meal, mid-shift. It shall be the employees choice as to whether he/she takes said break or works through the break as per article 12.01.

Guarantee:

- 8.04 Any employee who is called out to work shall be paid not less than four [4] hours' wages at straight time or the applicable overtime rate.

If the Company sends an Employee home prior to the completion of four (4) hours worked, said employee shall be paid the full four (4) hours.

If the Employee of his own choosing leaves prior to the completion of the four (4) hours worked, said employee shall only be paid for time worked.

- 8.05 Overtime will be paid at time and one-half (1 1/2) after working eight hours in a day or more than 40 hours in a week and double time (2X) for all hours after 10 in a day and 48 hours in a week.
- 8.06 Employees shall generally be notified by 4:30 pm the day before of their schedule for the following day.

Late Start:

- 8.07 Employees called in after their regular starting time shall receive pay from the time they start work.

Break Between Shifts:

- 8.08 Eight (8) hours shall be the minimum break between an employee's finishing time and his following starting time, otherwise overtime rates shall prevail for the entire shift. This clause shall not apply when an employee is bumping to the opposite shift.
- 8.09 Overtime, if authorized, shall be divided as evenly as possible within each quarter as applicable to each job classification or work area. Every attempt will be made by the Company to distribute overtime on an equitable basis. Seniority shall be considered.

Normal Days Off:

- 8.10 Saturday and Sunday are the only regular days off.
- 8.11 ***Banked Overtime – Each Employee shall provide in writing to the Company by April 1st of each year or upon their rehire, whichever is later, whether they wish to have their Overtime Pay for the upcoming season paid on each pay period or banked in a Overtime Bank.***

Each Pay Settlement shall show the amount of Banked Overtime Pay earned during the Pay Period and it shall also show Year to Date totals of Banked Overtime Pay.

Banked Overtime shall be used to provide a more constant means of earnings during the winter months.

Banked Overtime shall be drawn down at a rate of forty (40) hours per week until all monies are paid out.

All unused Banked Overtime shall be completely paid out to the Employees on the first pay after rehire each year.

ARTICLE 9: SENIORITY

Probationary Period:

- 9.01 All new employees shall have a probationary period of sixty (60) days.

Seniority List and Classifications:

- 9.02 The Company will provide to the Union a seniority list as at the date of certification of the Bargaining Unit.

Layoff and Re-hire:

- 9.03 The Company, when laying employees off, shall lay them off in reverse order of seniority, with consideration to qualifications and company requirements.
- 9.04 (a) Any employee subject to a layoff through a reduction of the work force shall have the right to exercise his seniority to continue to work in a position held by a less senior man. When filling a position through this procedure, the employee must be reasonably competent to perform the duties of the position into which he bumps.

Any employee obtaining a classification as outlined above must return to his regular classification when required.

- (b) It shall be the responsibility of the Company to notify a laid off employee, where junior employees to him/her are working. When a laid off employee has been properly notified, he then has no right to claim wages for time periods that he did not choose to work in at that specific job.
- (c) If no work is available for their classification employees shall be entitled to work at another classification where it has been determined jointly between the Company and the Union that they are reasonably competent to perform the work in that other classification.

9.05 When vacancies occur, the Company shall re-hire laid off employees with consideration to qualifications and company requirements according to their seniority with the Company, beginning with the most senior employee and proceeding in turn thereafter. Each recalled employee shall be given three (3) weeks of recall prior to their first shift.

Job Posting:

9.06 The Company shall post and keep posted for not less than seven (7) working days (Monday to Saturday) on a suitable notice board, notice of vacant positions, new positions and promotions. Any employee of the Company covered by this Agreement may apply for any such vacant or new positions. The Company has the right to fill these positions with the applicant who is best qualified for the job. Where all is equal, then seniority will prevail. All employees may post into classifications or areas consistent with their seniority

9.07 Any employee, however, who previously worked at the classification as a posted employee and is capable of performing the job or a trained employee who posted for a training position may be given preference.

9.08 (a) The successful applicant shall be on probation in his new job for thirty (30) working and/or training days during which time he may be returned to his former job if he does not make satisfactory progress or if he applies to the Company to be returned. The Union shall receive copies of all postings and the assignments of such postings.

(b) Employees engaged in training shall receive their previous rate of pay until the training period is complete. Thereafter, such rate applies only while performing the job trained for.

Loss of Seniority:

9.09 All employees who are laid off or terminated for lack of work shall retain their seniority for a period of nine (9) months from the date of layoff.

9.10 Should a properly notified employee, however, not report for work then his name would be removed from the seniority list. Those employees affected by a layoff shall keep the Company advised of their current address and available telephone number.

ARTICLE 10: STATUTORY HOLIDAY

Entitlement:

- 10.01 Every employee covered by this Agreement who has completed his probationary period shall receive a day's pay for:

New Year's Day, **Family Day (Effective 2013)**, Good Friday, Easter Monday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and any other holiday proclaimed by the Provincial Government provided however, that the employee has worked his "scheduled" work day prior to such holiday and his "scheduled" work day after such holiday, unless express permission to be absent has been obtained from the Management. Any employee required to work on any of the above holidays shall receive time and one half for all hours worked plus one paid shift off.

Qualify:

- 10.02 Employees who have qualified under 10.01 shall also qualify for Statutory Holiday Pay if they have been on the payroll for at least 30 days.

Employees will not qualify if on W.C.B. or Sick Pay.

- 10.03 If a Statutory Holiday falls on Sunday, the following Monday shall be observed as the holiday. If two (2) consecutive Statutory Holidays fall on Saturday and Sunday, the following Monday and Tuesday shall be observed as the holidays.

ARTICLE 11: ANNUAL VACATION

One Week

- 11.01 Each employee who has completed one (1) year's continuous service in the employ of the Company and has worked a minimum of one thousand (1,000) hours for the Company during the preceding twelve (12) months shall be entitled to one (1) weeks' vacation without pay.

Each employee who has completed two (2) or more years' continuous service in the employ of the Company and has worked a minimum of one thousand (1,000) hours for the Company during the preceding twelve (12) months shall be entitled to two (2) weeks' vacation without pay.

- 11.02 Vacation Allowance

<u>Years of Service</u>	<u>Payment (paid on each paycheque)</u>
Date of hire to 2 years less a day	4% annual gross earnings
2 years up to 5 years less a day	6% annual gross earnings
6 years up to 10 years less a day	8% annual gross earnings

10 years and more

10% annual gross earnings

11.03 Employees shall be entitled to take their vacation in one (1) continuous period. Vacations shall be taken during the year in which they are applicable. Vacation pay at the appropriate rates will be paid out as per Article 7.03 **or on the last cheque before the period of temporary layoff each year.**

11.04 If employees are called in during their vacation time, they will be paid time and one half for all time worked. The employee shall have the option to refuse to come in during their vacation period.

Choosing Vacations:

11.05 The Company shall post a vacation calendar for the benefit of the employees. Employees are to submit their vacation requests to Management by May 15 of each year. Seniority shall be the governing factor in holiday selection.

ARTICLE 12: GENERAL WORKING CONDITIONS AND RULES

Meal and Work Breaks:

12.01 Employees of their own choice shall have the option of a thirty (30) minute meal period shall commence no earlier than the fourth (4th) hour and no later than the fifth (5th) hour in a normal work day or to work through their meal break.

Coffee Break:

12.02 Two coffee breaks per shift shall be allowed for each Company employee. Employees are expected to use good judgment so as not to interfere with customer service. Time allowed for coffee breaks shall be fifteen (15) minutes each.

Joint Consultation Committee:

12.03 The Company shall establish or continue during the term of this Agreement a Joint Consultation Committee that shall meet during working hours at least once each month. A senior representative of management or his delegate shall attend these meetings.

Occupational Health and Safety Meetings:

12.04 The Company shall appoint a Health & Safety Representative in consultation with the Union. This Representative may meet in conjunction with the Joint Consultation Committee and shall operate as required by the Workers Compensation Board Regulations.

Safety Equipment:

12.05 Whenever the Company or the Workers' Compensation Act Regulations require equipment to be used on the job, such equipment shall be provided by the Company at no cost to the employee.

Vehicle Safety:

12.06 Drivers or operators shall not be required to operate any vehicle, which, in the operator's opinion, violates safety requirements. Such vehicle shall be tagged "OUT OF SERVICE" until properly repaired. All drivers of Company vehicles must provide the Company with a Driver's Abstract.

First Aid:

12.07 The Company, when requiring first aid attendants who work at other duties, in addition to their regular rate, shall pay such employees for the class of Ticket required at the following rates:

Level 1	50 Cents
Level 2	75 Cents
Level 3	100 Cents

The above applies to the person(s) who has been appointed to the First Aid attendant on site and not every single employee who has First Aid qualifications.

On Job Injury:

12.08 When an employee meets with a personal accident or injury while on the job, he shall be paid his full day's wages for the day of the accident at his or her applicable hourly rate, providing the personal accident has been reported to the Supervisor or qualified First Aid person immediately following first aid and as soon as practical after medical treatment, the employee will advise his Supervisor as to his status.

Time Off Re Accidents:

12.09 Should an employee be involved in an accident, through no fault of his own, while on Company time, or with a Company vehicle, he shall be allowed time off without loss of pay to go to Court or any other agency as may be required. The Company will supply representation for the employee if there is any possibility of the Company being involved in any action because of the accident. The above will apply if required to appear as a witness on behalf of any case or accident as outlined above.

If the employee is found to be at fault, time off to attend legal proceedings will be without pay. The Company will not provide legal representation under these circumstances. If the employee is charged and convicted of a criminal offence, disciplinary action will be taken in the form of either a suspensions without pay or possibly even dismissal depending on the severity of the offence. The Company will consult with the Union under these circumstances.

Jury Duty and Crown Witness:

12.10 The Company shall excuse from duty any employee whose absence on any scheduled work day is due to serving on Jury Duty or who has been subpoenaed as a witness for the Crown in any Court of Law. This absence will be without pay. The employee will be entitled to receive any payments that may be provided by the Court System for Jury Duty. It is agreed that employees must make themselves available for work when not required to be in attendance as Crown Witnesses or Jurors.

If the employee is eligible for earned vacation pay, he may make a special request to Management in writing if he wishes to receive his vacation pay or take vacation rather than the per diem provided by the Court System. In this case, the per diem from the Court System would be paid to the Company. Under no circumstances will the employee receive both the per diem and his vacation pay.

Bereavement Leave:

12.11 In the event of a death in his immediate family and upon the request of a regular employee, the Company will provide the employee with three (3) paid days off in order to attend the funeral of an immediate family member.

Immediate family shall be defined to include a spouse, child, parents-in-law, sibling, grandparents, step-parents, step-grandparents and step-siblings. In addition, if the employee is notified of the death while he is working, he will be excused from, and paid for the balance of that working shift. Granting of bereavement leave for relatives or dependents other than those described above shall be at the discretion of the Company and shall not be unduly withheld.

Leave of Absence:

12.12 Leaves of absence may be granted at the discretion of the Company and will require the consent of the Union. All applications for leaves of absence must be made in writing. All applications will be replied to in writing and a copy of such will be remitted to 'the Union. Employees' seniority protection shall be in accordance with the Union regulations.

Any employee hereunder on leave of absence engaged in gainful employment without prior written permission from both the Company and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an employee of the Company.

Medical Examinations:

12.13 The Company shall pay current employees who are requested by the Company to take a physical examination. The examination shall be during working hours.

The Company may require potential new employees to take a medical examination as a condition of employment. In this case the Company will not pay for the medical examination. The new employee will be required to produce evidence of a successful medical check-up prior to working his/her first shift.

12.14 If, following a Company requested medical examination, any employee is deemed to be physically incapable of carrying out his regularly assigned duties, the following procedure shall be applied:

- (a) The Company shall assign the employee to other duties if possible. In the event it is claimed that the employee is totally incapacitated, the Company shall notify the Union of the medical findings in respect of the employee. Should the Union or the employee disagree with the said findings, the employee, at his own expense, shall have the right to be examined by his personal physician.

- (b) If there is no agreement between the two physicians on the condition of the employee the two physicians shall select a medical consultant to examine the employee with respect to the dispute.
- (c) The findings of the consultant shall be final and binding.
- (d) The remuneration of the consultant shall be borne by the Company and the Union on an equal basis.
- (e) Should the consultant deem the employee to be capable to return to work but not to his assigned duties, the employee shall be retrained and reassigned to an existing job within his capabilities and seniority as per Clause 17: 02. This shall also apply to employees returning from a Workers' Compensation Board compensable injury.
- (f) Should the consultant deem the employee to be capable of carrying out his regularly assigned duties, then the employee shall not suffer any loss of earnings caused by his having been removed from or temporarily suspended from his regularly assigned duties.

12.15 Should an Insurance Company refuse to insure any employee, every consideration will be given to the employee so that he will not lose his employment.

Working on Construction:

12.16 In the event that the Company should require any employee covered by this Agreement to engage in work on new construction, in the confines of a construction site or the Company premises and for which more favourable wage rates than those herein contained are paid, the Company will charge out at a higher rate and pay the employees the equivalent rate to others who are working on the construction site. This would be done through a special project agreement in conjunction with the Union. This will apply on Special Project Arrangements where the work has come via the Union. This provision will apply to heavy construction projects only and will not affect day-to-day customer service operations.

Higher Classification:

12.17 If an employee starts the day's work, s/ he shall not be paid less than the regular posted rate for the day. If work is to be made available at a lower classification he shall be notified the day previous.

12.18 If an employee works at a classification of a higher rate for less than two (2) hours, he shall be paid a minimum of two [2] hours at the higher rate and if he works at a classification of a higher rate for more than two (2) hours, he shall be paid the higher rate for actual time worked in the higher classification.

Washrooms and Lunchrooms:

12.19 The Company agrees to maintain in its premises, adequate clean, sanitary washrooms having hot and cold running water and toilet facilities. In addition, there shall be provided adequate lunchrooms, which shall be kept clean and tidy. These facilities shall be large

enough to accommodate the work force as per Occupational Health and Safety Regulations.

Time Cards:

12.20 Employees shall be notified prior to payday or sooner if possible, of changes to their time cards. The exact change shall also be explained. Employees who cheat on their time cards will be considered to be stealing from the Company [time theft] and subject to disciplinary action.

Tools:

12.21 The Company shall replace with the same quality, any tool that is broken or worn or lost in the performance of an employee's duties.

12.22 Gloves and other consumables shall be supplied on a one for one basis.

12.23 ***Safety Boots - Employees shall receive up to two hundred dollars (\$200.00) as a Safety Boot Allowance for repairs or replacement as required. Each employee shall provide an itemized receipt for the purchase of boots by July 15th of each year payable July 28th of each year on a separate non-taxable cheque. The parties agree that said employee wears boots in good condition to work.***

12.24 Sick Days – Each employee shall be entitled to a maximum of three (3) sick days per year for legitimate sickness. The Company may require an employee to provide a Doctor's note.

ARTICLE 13: TRANSPORTATION AND BOARD

Travelling:

13.01 In the event that any employee is required to work at a place of work which is in excess of sixty (60) kilometres from his normal place of work, the Company shall pay:

- (a) All his travelling expenses including meals within reasonable limits. The time it takes the employee to travel to and from work will be considered commuting time and will be unpaid.
- (b) Travel expenses must be approved by the Company prior to the employee making the trip.

Board:

13.02 All his expenses for reasonable living accommodation and meals where he is required to live away from his normal living accommodation.

Work Opportunity Other Depots:

13.03 When work is not available for employees at their regular starting place or depot and work is available at another plant or depot, employees laid off from their regular depot will be given the opportunity to work at the other plant or depot. Seniority shall be the governing factor.

ARTICLE 14: GRIEVANCE PROCEDURE

Qualifying Period:

- 14.01 (a) If, during the term of this Agreement, there should arise any difference between the Parties bound by this Agreement concerning its interpretation, application, operation, or any violations thereof, an endeavour shall be made to settle the difference by negotiations between representatives of the Company and the Union.

It is agreed by both Parties to make every reasonable effort to resolve grievances in an expedited manner without delay. Emphasis will be given to resolving these grievances within the first two (2) steps of the Grievance Procedure.

- (b) Prior to filing a grievance, an attempt must be made to resolve the difference by a meeting between the Shop Steward and the local management. The Joint Consultation Committee may be consulted by mutual agreement between the Shop Steward and the Company.

- (c) The Steps of the Grievance Procedure shall be as follows:

STEP 1: The affected employee discusses the matter with a Shop Steward. If they decide the complaint is worth pursuing, the Shop Steward will contact the Company Manager within fifteen (15) days of the incident (in the case of payroll error, thirty (30) days), and make arrangements for a meeting of the Supervisor, Shop Steward and the employee.

If the matter is not resolved to the mutual satisfaction of the employee and the Company, then;

Within five (5) days, the Shop Steward will notify, in writing, the Company Manager of the intent to proceed to Step 2.

STEP 2: The Shop Steward will meet with Company Manager to present the employee's case for consideration.

If the matter is not resolved to the mutual satisfaction of the employee and the Company, the issue will be referred to the Joint Consultation Committee. If the issue still cannot be resolved, then;

The Shop Steward will confer with the Union Business Agent. If the Union decides to pursue the case, then;

Within ten (10) days of the completion of Step 2, the Business Agent will contact the appropriate Operations Manager and/or manager of Human Resources, giving notice, in writing, of intent to proceed to Step 3.

STEP 3: The Union's Business Agent and the Company Manager and/or another representative designated by the Company Manager, will arrange to meet. Each will determine who will attend the meeting from their side.

If the matter is not resolved to the satisfaction of the Union or the Company, then;

STEP 4: ARBITRATION

Either side may file for an Arbitration hearing.

Article 14.02 of the Collective Agreement allows seven (7) days after submission to reach a satisfactory settlement or it shall be referred to an Arbitration Board.

By laying out Steps 1-3, it is hoped that disputes may be resolved by the various levels having a chance to address the issue. So, for this purpose, Article 14.02 would come into play at the end of Step 3.

Time to Resolve Dispute:

14.02 In the event that the said representatives fail to reach a satisfactory settlement within seven (7) days after the difference was submitted to them, or within such longer time as the Parties agree to, then it shall be referred to an Arbitration Board of three (3) persons as follows:

Arbitration:

14.03 The Party desiring Arbitration shall appoint a Member for the Board and shall notify the other Party in writing of its appointment, and particulars of the matter in dispute.

14.04 The Party receiving the notice shall within five (5) days thereafter, appoint a Member for the Board and notify the other Party of its appointment.

14.05 The two Arbitrators so appointed shall confer to select a third person to be Chairperson 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 Honourable, the Minister of Labour, to appoint such third member.

14.06 The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairperson, provided the time may be extended by agreement of the Parties.

Suspension or Discharge:

14.07 If the Arbitration Board finds (or if at an earlier stage of the Grievance Procedure, it is found) that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not

taken place AND PROVIDED THAT the Arbitration Board, if circumstances are established before it, which in the opinion of the Arbitration Board makes it just and equitable to do so, shall have the authority to order the Company to pay less than the full amount of wages lost.

14.08 The Arbitration Board shall have the power to substitute a suspension in lieu of a discharge.

14.09 The award of the Arbitration Board shall be binding upon both parties.

Cost of Chairperson:

14.10 The expenses and remuneration of the Chairperson shall be paid by the Parties in equal shares.

Powers of the Board:

14.11 Without restricting the specific powers hereinbefore mentioned, the Arbitration Board shall have all the general powers of an Arbitration board under the Labour Relations Code of British Columbia.

ARTICLE 15: HEALTH AND WELFARE

15.01 Employees shall be covered by the company supplied Benefits Plan through Sun Life.

This Plan shall include but is not limited to Medical Services Plan of BC coverage, extended medical, dental, Weekly Indemnity, Long Term Disability, Accidental Death and Dismemberment, Life Insurance, etc.

Effective July 1, 2008 the employees shall be enrolled in the Operating Engineers Benefit Plan.

The Company shall remit 250 hours of contributions to the Operating Engineers Benefit Plan by no later than June 15, 2008 for each employee to ensure a seamless transition from the Company Plan to the Union Plan.

The Employer shall make contributions for each hour earned in respect to each employee covered by this Agreement to the Operating Engineers' Pension Plan.

For clarification, "hours earned" means one and one-half or two times the contribution rate for overtime hours.

The Operating Engineers' Benefits and Pension Plan shall be controlled by a Board of Trustees composed of eight (8) representatives from the Union.

The Union in consultation with the administrator, board of trustees, actuary, and consultants of the Operating Engineers Benefits and Pension Plans (the "Plans") may in the best interest of the Plan participants and beneficiaries reappropriate those contributions received as provided for in the Schedule of Employer/Employee Contributions.

The Employer agrees to be bound by the terms of the Trust Agreements.

The Employer is required to report on the forms provided by the Benefits and Pension Plans.

Contributions must be mailed or delivered by the Employer to the Administrator of the Operating Engineers' Benefits and Pension Plans at his office located in Suite 402 at 4333 Ledger Avenue, Burnaby, B.C. no later than the fifteenth (15th) day of the month following that which contributions cover.

In the event the Employer fails to remit contributions to these Plans in accordance with this section of this Agreement:

- (a) The Union is free to take the following economic action:
 - (i) demand payment of the two percent (2%) per month delinquency charge as provided for in Article 23 in this Agreement; and/or
 - (ii) demand the posting of a bond or an Irrevocable Letter of Credit as provided for elsewhere in this Agreement; and

where the Employer has failed to comply with (i) and (ii) above, then

- (iii) forty-eight (48) hours after the Union has delivered the demand for bond or the Irrevocable Letter of Credit, take any other economic action it deems necessary against such Employer, until such time as the bond has been posted or the Irrevocable Letter has been furnished and such other action shall not be considered a violation of this Agreement.

Such economic action as it applies to this Article only may include the withholding and the withdrawal of dispatches to the Employer.

- (b) The Employer agrees that he shall
 - (i) pay the delinquency charges referred to in (a) (i) of this section and
 - (ii) post a bond or irrevocable letter of credit referred to in (a) (ii) of this section whenever they are demanded in accordance with the provisions as set out in this Agreement.

The Members' Representative of Local 115 may inspect during regular business hours an Employer's record of time worked by employees and contributions made to the Plans.

The Benefits or Pension Plans' Auditor shall be permitted to inspect and audit the Employer's record of time worked by employees and contributions made to the Plans and shall be allowed the time necessary to complete the audit.

The Auditor shall notify the Employer of his intentions to audit and to make the necessary arrangements for the time and place.

Payments to the Benefits and Pension Plans shall be made by cheque, payable at par at the Municipality of Burnaby, Province of British Columbia, to the Operating Engineers' Benefits and Pension Plans.

Benefits which will be provided under these Plans are as follows:

- (a) Medical surgical benefits;
- (b) Weekly indemnity benefits for non-occupational sickness and accident;
- (c) Pension Plan;
- (d) Such additional benefits as the Trustees of the Plans shall periodically determine.

Other personnel of the Employer's party to this Agreement may become Associate Members of the Operating Engineers Benefits Plan as provided for in the Trust Agreement and will be subject to the regulations as provided by the Trustees from time to time.

ARTICLE 16: EMPLOYEE RETIREMENT

Employee Retirement:

16.01 Normal retirement for all employees shall occur at the end of the month in which the employee reaches pensionable age under the Canada Pension Plan. Any employee, however, may at his option retire before reaching that age or by mutual agreement between the Company and the Union, and provided that the employee is in satisfactory health, his retirement may be postponed after his pensionable age.

16.02 RRSP Plan - The Company shall contribute to a Group RRSP at the rate set out below for hours worked.

The contribution rate shall be made to the Operating Engineers Pension Plan at the rate of \$2.70 per hours worked.

The Operating Engineers' Benefits and Pension Plan shall be controlled by a Board of Trustees composed of eight (8) representatives from the Union.

The Union in consultation with the administrator, board of trustees, actuary, and consultants of the Operating Engineers Benefits and Pension Plans (the "Plans") may in the best interest of the Plan participants and beneficiaries reapportion those contributions received as provided for in the Schedule of Employer/Employee Contributions.

The Employer agrees to be bound by the terms of the Trust Agreements.

The Employer is required to report on the forms provided by the Benefits and Pension Plans.

Contributions must be mailed or delivered by the Employer to the Administrator of the Operating Engineers' Benefits and Pension Plans at his office located in Suite 402 at

4333 Ledger Avenue, Burnaby, B.C. no later than the fifteenth (15th) day of the month following that which contributions cover.

In the event the Employer fails to remit contributions to these Plans in accordance with this section of this Agreement:

- (a) The Union is free to take the following economic action:
 - (i) demand payment of the two percent (2%) per month delinquency charge as provided for in Article 23 in this Agreement; and/or
 - (ii) demand the posting of a bond or an Irrevocable Letter of Credit as provided for elsewhere in this Agreement; and

where the Employer has failed to comply with (i) and (ii) above, then

- (iii) forty-eight (48) hours after the Union has delivered the demand for bond or the Irrevocable Letter of Credit, take any other economic action it deems necessary against such Employer, until such time as the bond has been posted or the Irrevocable Letter has been furnished and such other action shall not be considered a violation of this Agreement.

Such economic action as it applies to this Article only may include the withholding and the withdrawal of dispatches to the Employer.

- (b) The Employer agrees that he shall
 - (i) pay the delinquency charges referred to in (a) (i) of this section and
 - (ii) post a bond or irrevocable letter of credit referred to in (a) (ii) of this sectionwhenever they are demanded in accordance with the provisions as set out in this Agreement.

The Members' Representative of Local 115 may inspect during regular business hours an Employer's record of time worked by employees and contributions made to the Plans.

ARTICLE 17: TECHNOLOGICAL CHANGE

17.01 Notwithstanding the provisions of Article 4, the Company shall notify the Union at least one (1) month in advance of any technological change which would affect the terms and conditions or security of employment of a significant number of the employees to whom this collective agreement applies.

17.02 Should automation or technological change cause jobs to disappear, the employee shall have the opportunity to work (providing he has the seniority) at another classification. Should training be required the employee shall be allowed up to twenty-one (21) days without any loss of pay.

Severance Pay or Notice:

- 17.03 The Company shall pay to each employee severance pay in the amount of one (1) week's pay for each year of service up to a maximum of twelve (12) weeks when his employment is permanently discontinued due to automation or technological change. Payment will be made after recall rights have expired.
- 17.04 Severance pay or notice in lieu of as outlined in 17.03 shall be paid or given to each employee whose employment is permanently discontinued as a result of the sale, lease or transfer, either in whole or part, of the Company's assets.

ARTICLE 18: SAVINGS CLAUSE

- 18.01 No employee, who prior to the date of this Agreement, was receiving more than the rate of wages of this schedule, working fewer hours than stipulated in this Agreement, shall suffer a reduction in wages, conditions, or increase in hours because of the adoption of this Agreement.

ARTICLE 19: TERM OF AGREEMENT

- 19.01 This Agreement shall be in effect from **June 28, 2011** to and including **June 27, 2014** and shall continue in effect from year to year thereafter, subject to the right of either party to this Agreement within four (4) months immediately preceding the expiry date, 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 of the collective agreement or a new collective agreement. 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 shall give notice of strike and such strike has been implemented, or the Company shall give notice of lockout and such lockout has been implemented, or the parties shall conclude a renewal or revision of the Agreement or a new collective agreement.
- 19.02 The operation of Section 50 (2) and (3) of the British Columbia Labour Relations Code is hereby excluded.

DATED AT _____, B.C. THIS _____ DAY OF _____, 200____.

INTERROUTE CONSTRUCTION LTD.
Doing business as CASTLEGAR READY MIX/
NELSON READY MIX/TRAIL READY MIX

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

APPENDIX "A"

	<i>June 28, 2011</i>	<i>June 28, 2012</i>	<i>June 28, 2013</i>
Classification			
Batch man	\$ 32.19	\$ 32.19	\$ 32.19
Pump truck, Conveyor Truck, Boom Truck, 5 Axle opr.	\$ 29.99	\$ 30.74	\$ 31.51
Driver/Operator Class1	\$ 29.25	\$ 29.98	\$ 30.73
Driver/Operator Class 3	\$ 26.88	\$ 27.55	\$ 28.24
Precast	\$ 22.41	\$ 22.97	\$ 23.54

Employees shall not receive less than their primary work classification when working in a lower rated classification.

Batchmen shall be provided a lump sum compensation that will be equivalent to the annual increases given the hours of work by the employee and will be paid quarterly (September 27, December 27, March 27 & June 27)

LETTER OF UNDERSTANDING #1

BETWEEN:

INTERROUTE CONSTRUCTION Ltd.
Doing business as
CASTLEGAR READY MIX/NELSON READY MIX/TRAIL READY MIX

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: Subcontracting to Interoute Construction Ltd. Companies

The undersigned parties agree that article 12.16 shall apply and the employee(s) shall receive the higher rate of pay when subcontracting to another Interoute Construction Ltd. company.

Signed this _____ day of _____, 20__.

INTERROUTE CONSTRUCTION LTD.
Doing business as CASTLEGAR READY MIX/
NELSON READY MIX/TRAIL READY MIX

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

Shawn Rokosh, General Manager

Brian Lefebvre, Members Representative

Tony Maida, Operations Manager

LETTER OF UNDERSTANDING #2

BETWEEN:

INTERROUTE CONSTRUCTION Ltd.
Doing business as
CASTLEGAR READY MIX/NELSON READY MIX/TRAIL READY MIX

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: Job Descriptions

The Company and Union shall create Job Descriptions for each classification. These descriptions shall form part of the Collective Agreement.

Signed this _____ day of _____, 20____.

INTERROUTE CONSTRUCTION LTD.
Doing business as CASTLEGAR READY MIX/
NELSON READY MIX/TRAIL READY MIX

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

Shawn Rokosh, General Manager

Brian Lefebvre, Members Representative

Tony Maida, Operations Manager

LETTER OF UNDERSTANDING #3

BETWEEN:

INTERROUTE CONSTRUCTION Ltd.
Doing business as
CASTLEGAR READY MIX/NELSON READY MIX/TRAIL READY MIX

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: Winter Work

- Employees that want to work elsewhere for the winter shall be laid off.
- If they are available for work with Castlegar Ready Mix/Nelson Ready Mix/Trail Ready Mix during their Lay Off, they must commit or pass on work and notify Castlegar Ready Mix/Nelson Ready Mix/Trail Ready Mix by 3:30 p.m. the day prior. If they do not come in for the shift they committed to they will be dealt with as any other AWOL employee.
- Employees on lay off shall be put on the winter schedule by seniority after employees not on layoff are scheduled.

Signed this _____ day of _____, 20__.

INTERROUTE CONSTRUCTION LTD.
Doing business as CASTLEGAR READY MIX/
NELSON READY MIX/TRAIL READY MIX

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

Shawn Rokosh, General Manager

Brian Lefebvre, Members Representative

Tony Maida, Operations Manager

LETTER OF UNDERSTANDING #4

Between

**INTERROUTE CONSTRUCTION Ltd.
Doing business as
CASTLEGAR READY MIX/ NELSON READY MIX/ TRAIL READY MIX**

Hereinafter called the "Company"

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

Hereinafter called the "Union"

RE: Call Out procedures for Waneta Project site operations, CRM, NRM and TRM

The undersigned parties agree to the following:

The employees who have applied and are currently posted and post in the future to the Waneta project site are confirmed as the Waneta regular group of employees.

It is expected that the above mentioned employees will remain posted to the Waneta Plant for the duration of the Company's project work requirements and accordingly their 1st call out is the Waneta operations.

For the duration of the project there shall be no bumping between Waneta regular employees and CRM, NRM, TRM regular employees.

Call Out Between Operating Sites:

In the event that a temporary layoff would impact the posted Waneta employees for more than 3 consecutive days, they would have the right to work at CRM, NRM or TRM operations in consideration of work availability. These employees shall work in positions available other than those occupied already by the regular employees assigned to these plants.

It is also agreed that CRM, NRM or TRM posted employees would have the same rights as described in the previous paragraph. Thereof they would join Waneta operations, in consideration of work availability, in the same fashion as above described (ref: into position other than those already occupied by Waneta regular group of employees).

(Employees shall be put on the schedule by seniority after posted employees are scheduled at their posted plant(s).)

Daily Travel

For the duration of the project the Company will provide to employees working at the Waneta project daily travel allocation on the following basis:

<u>ROAD KILOMETERS</u> <i>(Distance from Residence to Site)</i>	<u>DAILY AMOUNT</u>
21 up to 35 km	\$10.00
36 up to 50 km	\$15.00
51 up to 65 km	\$20.00
66 up to 80 km	\$25.00
81 up to 100 km	\$30.00

These amounts are to be paid for each day worked and paid with the regular payroll deposit.

Daily travel reimbursement shall be paid for call out days, partial days worked and days when Call Out pay is paid but shall only be paid once per day.

The undersigned parties agree that this Letter of Understanding shall expire upon completion of the Waneta Expansion Project and all Employees shall return to the Main Seniority list by order of Date of Hire with the Company.

Signed this _____ day of _____, 2012.

**INTERROUTE CONSTRUCTION Ltd.
Doing business as CASTLEGAR READY MIX/
NELSON READY MIX/ TRAIL READY MIX**

**INTERNATIONAL UNION OF
OPERATING
ENGINEERS, LOCAL 115**

**Shawn Rokosh, Area Manager
Representative**

Brian Lefebvre, Business

Tony Maida, Operations Manager