

THIS AGREEMENT entered into this first day of April, 2014.

BETWEEN:

DALGLEISH CONSTRUCTION LTD.

1328 McGill Road
Kamloops, British Columbia
V2C 6N6

(hereinafter referred to as the "Employer"
or the "Company")

AND:

**CANADIAN IRON, STEEL AND INDUSTRIAL
WORKERS' UNION, LOCAL 1**

P.O. Box 19674
RPO Centre Point Mall
Vancouver, BC V5T 4E7

(hereinafter referred to as the "Union")

WHEREAS the Employer and the Union desire to establish and maintain conditions which will promote an harmonious relationship between the Employer and the employees covered by this Agreement and to provide methods of fair and amicable adjustments of disputes which may arise between them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and the mutual benefits likely to be obtained by harmonious relations between the Company and the Union, the parties hereto mutually covenant and agree hereto as follows:

**ARTICLE 1
PURPOSE**

1.01 The purpose of this Agreement is to establish and maintain an orderly collective bargaining relationship between the Company and its employees, to set forth all agreements concerning rates of pay, hours of work and working conditions

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to be observed by the parties hereto, and to provide an amicable method of settling any differences that may arise in the interpretation, application, administration or alleged violation of the Agreement.

ARTICLE 2
SCOPE AND RECOGNITION

2.01 The Company recognizes the Union as the sole bargaining agent for all bargaining unit employees, excluding superintendents, project managers, office staff, and Principals of the Company. Principals of the Company shall mean Directors or Officers as listed on the Annual Report.

2.02 Employee or employees wherever used in the Agreement shall mean respectively an employee or employees in the bargaining unit described in Article 2.01.

2.03 The Union, in conjunction with the Employer, may determine on a job by job basis if special dispensation is required to become competitive or the members have specific concerns not addressed herein and should the necessity arise, may by mutual agreement and in writing, add, amend or delete any terms or conditions of the Agreement for the length of the job.

ARTICLE 3
UNION SECURITY

3.01 All employees covered by this Agreement must make application to become members in good standing of the Union and the Union agrees to issue membership.

All new employees covered by this Agreement must apply to become members and must maintain membership in good standing in the Union as a condition of employment.

3.02 Upon written authorization from each employee, the Company agrees to deduct from the first pay of each month, from the earnings of every employee covered by this Agreement, a sum equal to the monthly dues set forth herein and remit same to the Financial Secretary of the Union not later than the fifteenth (15th) of the month in which the deduction is made, with a list, in duplicate, of the names of the employees to whom said monies are to be credited. Should any employee have no earnings due him or her on the first day of any month, such

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deduction shall be made from the next succeeding pay of the employee in question. Upon receipt of such deduction and list, said Financial Secretary shall receipt and sign one copy of the list and promptly return same to the Company. The Union dues are an amount equal to one and one-quarter (1-1/4) hours of pay received by each employee to whom this Agreement is applicable to a maximum per employee of twenty-five dollars (\$25.00) per month (it being understood that any employee who receives forty (40) hours pay or more in any month shall have full dues deducted). Such dues shall not be changed except in accordance with the provisions of the Constitution and By-laws of the Union, and in such event, said Financial Secretary shall notify the Company in writing.

3.03 The Union agrees to indemnify and hold the Company harmless against any claims, lawsuits or charges brought against it by an employee as a result of deduction of dues in accordance with this Article.

3.04 The Union recognizes the right of the Employer to hire its own employees. The Employer shall give the Union the opportunity to refer suitable applicants for employment. The Company shall give preference to former employees. Employees seeking re-employment must maintain a current telephone number and address with the Company.

3.05 All new employees are subject to a forty-five (45) working day probationary period within any six (6) month period. During this probationary period, the Company may determine that an employee does not have the qualifications necessary for the job description originally provided and may ascribe to that employee, on mutual agreement, the job description which the Company determines is appropriate. During any probationary period, the Company may discharge the employee if it considers the individual to be unsuitable, to be not properly qualified, or if the individual's performance is found to be unsatisfactory. The Company's decision must be made in good faith and cannot be wholly arbitrary or wholly discriminatory. The scope of an arbitrator's review in cases involving the dismissal or discipline of a probationary employee shall be limited by this provision.

ARTICLE 4 **MANAGEMENT RIGHTS**

4.01 The Union acknowledges that all management rights and prerogatives are vested exclusively with the Company except as specifically limited by the

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provisions of the Agreement and, without limiting the generality of the foregoing, it is the exclusive function of the Company:

- (a) to hire, transfer, lay off, recall, promote, demote, retire, classify, assign duties, dismiss, suspend or otherwise discipline employees; and
- (b) to determine the method of operation; the amount of supervision; the schedules of work; the rotation of shifts; the hours and days of work and the number of employees required at any time.

The Company reserves any and all of its prior rights which have not been modified, limited, restricted or released by specific wording elsewhere in this Agreement.

ARTICLE 5
UNION REPRESENTATION

5.01 A Shop Steward shall be recognized by the Company, who who shall not be discriminated against with respect to carrying out his lawful duties as a Shop Steward. The Company shall be notified by the Union of the name of the Shop Steward. The Company agrees to provide reasonable time to the Shop Steward to carry out his lawful and reasonable duties.

5.02 The Company agrees to allow Union Representatives reasonable access to the Company's work premises, subject to restrictions of the contractor, provided that the request for such entry has been made to the Company and permission is granted by the Company prior to the entry. That permission shall not be unreasonably withheld. Union Representatives shall not in any way interfere with the normal operations of either the Company or contractor.

5.03 Bulletin Board: The Union will have use of one bulletin board provided by the Company at its offices for the purposes of posting official Union notices which may be of interest to employees of the Company. Such material may be posted only on the authority of the Shop Steward or Union official.

ARTICLE 6
GRIEVANCE PROCEDURE

6.01 A Shop Steward shall be appointed by the Union from among its members employed by the Company.

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6.02 A Shop Steward shall constitute the Shop Committee. In the absence of the Shop Steward, another employee shall constitute the Shop Committee. The Shop Steward shall not be discriminated against for performing duties as hereinafter provided for. The Union shall notify the Company within fifteen (15) days after the signing of this Agreement of the names of its member who is appointed as Shop Steward and shall within fifteen (15) days notify the Company when changes occur. In performance of his duties in connection with adjusting grievances, the Shop Steward, if required to leave his job, must first obtain permission from his foreman.

6.03 Grievance as used in this Agreement is a complaint or unsatisfied request involving any matter relating to wages, hours or working conditions, including questions of interpretation or application of, or compliance with, the provisions of this Agreement.

6.04 The Company, employee or Union must present all grievances within five (5) working days from the date there is evidence of a grievance having occurred. Failure to do so shall mean the grievance is abandoned. The procedure for the adjustment of a grievance shall be as follows:

STEP 1 Any employee who believes that he has a justifiable complaint or unsatisfied request may discuss the matter with his Foreman, with the Steward present. At this stage the employee must clearly state that he is initiating Step 1 of this Grievance Procedure. The Foreman shall give his reply within two (2) working days, or at a time mutually agreed upon.

STEP 2 Should the employee be dissatisfied with the Foreman's disposition of such complaint, the grievance may be referred to the Superintendent. At this step the grievance shall be reduced to writing, giving all particulars including the applicable Article of the Agreement if interpretation or alleged violation of the Agreement is involved. The Superintendent will answer the grievance in writing within five (5) working days, or at a time mutually agreed upon.

STEP 3 If no settlement is reached in Step 2, the grievance may be referred to the Manager of the Company or

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in his absence his representative. The Manager will answer the grievance in writing within five (5) working days or at a time mutually agreed upon.

6.05 Grievances not processed from one Step to another within five (5) working days shall be deemed to be settled on the basis of the last written reply to the Grievor. Failure to reply to the grievance within the agreed time limit shall mean that the grievance is conceded or abandoned and, in no circumstances unless mutually agreed in writing, shall time limits be extended or abridged.

6.06 All settlements arrived at under this Article shall be final and binding upon the Company, the Union and the employee or group of employees concerned.

6.07 The Union or the Company shall have the right to initiate a group grievance or a grievance of a general nature at Step 3, Subsection 6.04.

6.08 Insofar as possible, all grievances and disputes not settled as provided for in Step 1 of this Article shall be taken up on the same one day of each week to be mutually agreed upon. Grievances necessitating immediate action shall be handled during working hours without loss of pay to the Shop Committee.

6.09 The Shop Steward provided for and mentioned in this Article 6 shall have and possess power and authority to act for and bind the Union only in connection with those functions, rights, obligations and matters provided for in this Agreement. He shall not have, or be deemed to have, any other authority to act for or bind the Union.

ARTICLE 7

ARBITRATION

7.01 Any differences or disputes between the Company and the Union, or between the Company and an employee or employees, relating to the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether or not a matter is arbitrable, that has not been satisfactorily settled pursuant to the grievance procedure as set forth in the preceding section of this Agreement shall upon the written request of either party, which request must be made within fifteen (15) calendar days after the dispute in question has been processed pursuant to Step 3 of Section 6.04 of the preceding Article of this Agreement, be submitted to an Arbitrator, to be mutually agreed upon.

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7.02 The Arbitrator shall hear and determine the difference or allegation and shall issue a majority decision in writing, such decision shall be final and binding upon the parties and upon any employee affected by it. The Company, the Union and the employees covered by this Agreement shall do or refrain from doing anything required of them by the decision of the Arbitrator. The expense of the Arbitrator shall be borne equally by the Company and the Union.

7.03 The foregoing provisions for arbitration are not intended and shall not be construed as in any way qualifying or making subject to change, any term or condition of employment specifically covered by this Agreement, nor shall the Arbitrator have any authority to alter or change any of the provisions of this Agreement, or substitute any new provisions in lieu thereof, or make any decision inconsistent with the terms and provisions of this Agreement. It is expressly understood and agreed that the foregoing provisions for arbitration shall not apply to any dispute as to terms or provisions to be incorporated in any proposed new agreement between the parties. Any dispute between the parties as to the interpretation or construction to be placed upon the award made as hereinabove provided for shall be submitted to the Arbitrator who made the award, who may thereupon construe or interpret the award so far as necessary to clarify the same, but without changing the substance thereof, and such interpretation or construction shall be binding upon all parties.

ARTICLE 8
NO STRIKE - NO LOCKOUT

8.01 The Company agrees that it will not cause or direct any lockout of its employees for the duration of this Agreement. The Union agrees that neither it nor its representatives will, during the term of this Agreement, authorize, call, cause, condone, or take part in any strike, picketing, sit-down, stand-in, slow-down or curtailment or restriction of or interference with work in or about the Company's premises, or places of work. The Union further agrees that any employee or employees participating in, taking part in, instigating or assisting in instigating such strike, picketing, sit-down, stand-in, or curtailment or restriction of production or interference with work in or about the Company's premises, or places of work, for the duration of this Agreement, shall be subject to discipline or discharge. The term "slow-down" shall mean a condition of willful restriction or reduction of production by an employee which is within such employee's reasonable control. No employee shall be disciplined for refusing to cross a legal picket line.

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ARTICLE 9
RE-ENGAGEMENT

9.01 The Company will make a reasonable effort to re-engage those employees on layoff who have previously been employed by the Company for more than forty-five (45) consecutive working days by either a telephone call to their last known telephone number or by a registered letter to their last place of residence, on the records of the Company. Where the Company requires employees within seven (7) days, it will not be required to follow the provisions of the previous sentence.

9.02 A right to re-engagement under Article 9.01 shall be automatically terminated if the employee:

- (a) quits; or
- (b) is discharged, and not reinstated in accordance with the provisions of this Agreement; or
- (c) is absent from work for three (3) or more consecutive days without notifying the Company, unless he gives reasons satisfactory to the Company for his failure to so notify; or
- (d) is absent from work due to illness or injury for an extended period without providing the Company with a medical certificate from a qualified medical practitioner upon his return to work, certifying that the employee was incapable of working due to such illness or injury for a specified period of time which coincides with his absence from work; or
- (e) is laid off for a period in excess of three (3) months; or
- (f) fails to return to work within two (2) days after being given notice of recall; or
- (g) works for another employer while absent from his employment with the Company, except while on layoff; or
- (h) uses an authorized leave of absence for a purpose other than that for which the leave was granted; or
- (i) fails to return to work upon the expiration of an authorized leave of absence or vacation unless a reason satisfactory to the Company is given.

ARTICLE 10
LEAVE OF ABSENCE

10.01 The Company may grant a leave of absence to an employee without pay for a period not exceeding thirty (30) days provided:

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- (a) the employee gives notice in writing to his supervisor of his request for a leave of absence at least thirty (30) days prior to the proposed commencement of the leave of absence (except in the case of an emergency); and
- (b) in the judgment of the Company, the proposed leave of absence can be arranged without undue inconvenience to normal operations.

ARTICLE 11
BEREAVEMENT LEAVE

11.01 Bereavement pay of three (3) days only will be paid by the Company for a death in the immediate family: spouse and children. One (1) day will be paid by the Company for the death of: mother, father, brother, sister, mother-in-law, father-in-law. These days will be paid provided the employee attends the funeral on a regular work-day and he would, but for this clause, lose pay for that day.

ARTICLE 12
LEAVE-OF-ABSENCE FOR UNION BUSINESS

12.01 The Company may grant a leave of absence without pay to not more than two (2) employees, for a combined total period not exceeding thirty (30) days in any calendar year, to represent the Union at Union conventions, seminars and education classes provided the Company is given thirty (30) days advance notice in writing by the Union and, in the judgment of the Company, such leave of absence can be arranged without undue inconvenience to normal operations.

12.02 The Company may grant a leave of absence without pay to not more than one (1) member of the Shop Committee for the purpose of preparing for arbitration under Article 7 or other Union business provided the Company is given at least two (2) days advance notice in writing by the Union.

12.03 The Company may grant a leave of absence without pay to members of the Union's negotiating committee for purposes set out in Article 5.02 provided the Company is given at least two (2) days advance notice in writing by the Union.

ARTICLE 13
HOURS OF WORK AND OVERTIME

13.01 The standard hours of work for which each employee shall receive his regular basic hourly rate shall be eight (8) working hours in a day and forty (40)

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working hours in a week. Overtime at time and one-half (1-1/2) shall be paid for all hours worked in excess of eight (8) hours in a day and forty (40) hours in a week.

13.02 A day shall commence at the start of an employee's shift and shall end twenty-four (24) hours later. A standard work week shall commence at 12:01 a.m. Sunday and end at 12:00 midnight on Saturday. All Saturday and Sunday work shall be paid at time and one-half (1-1/2) provided the employee has worked all available hours during the standard work week.

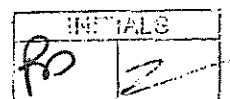
13.03 If the Company decides to work two (2) shifts per day with the second shift commencing in the afternoon, the employees on the shift commencing in the afternoon will be paid one-half (1/2) hour at the regular basic hourly rate upon completion of the full shift.

13.04 An employee who works more than four (4) hours in a day shall be entitled to a thirty (30) minute unpaid meal period and two (2) ten (10) minute coffee breaks at mutually agreeable times during such day. An employee who works four (4) hours in a day shall be entitled to one (1) ten (10) minute coffee break during such day at a mutually agreeable time.

13.05 Time allowed as overtime in any work day shall not again be allowed as overtime in the work week. In no case shall an employee be entitled to more than one and one-half (1-1/2) times his regular basic hourly rate for any overtime worked.

13.06 Should an employee be required to work in excess of ten (10) hours in one shift, the Company, at no cost to the employee, will provide a meal and a reasonable time to consume the meal. Such time shall be paid as part of the additional hours at overtime rate.

13.07 Each employee is expected to work a reasonable amount of overtime if requested to do so by the Company and the employee is available to perform such work. An employee who works overtime shall not be required to take time off one (1) or more of his scheduled days of work to offset the work performed at the overtime rate, except by mutual agreement between the Company and the employee.



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13.08 The Company shall endeavor to distribute overtime equitably among qualified employees except where in the Company's opinion it is not practical to do so.

13.09 An employee may, with Company approval, exchange a shift with another employee provided that the Company is given at least twenty-four (24) hours' notice in writing by both of the employees concerned. In the event that either or both of the employees fail to work the exchanged shifts, both employees shall lose their shift exchange privileges for thirty (30) days.

13.10 The Company does not guarantee hours of work or days of work per week; however, an employee who reports for work as scheduled is entitled to two (2) hours' pay if no work is available and he has not been advised in advance, except in cases beyond the Company's control. An employee who reports for and commences work as scheduled is entitled to a minimum of four (4) hours' pay.

13.11 The Company and the Union agree that each employee covered by the collective agreement may work an additional eight (8) hours per week at straight time rates. All such catch-up hours in addition to the regular forty (40) hour work week shall be done on a voluntary basis.

ARTICLE 14
VACATION AND PAID HOLIDAYS

14.01 Employees shall be entitled to eight per cent (8%) in lieu of vacation pay and paid holidays based on hours worked to be paid on each pay cheque. The following holidays are recognized as paid holidays for the purposes of calculating paid holidays:

- | | |
|----------------|----------------------|
| New Year's Day | British Columbia Day |
| Good Friday | Thanksgiving Day |
| Easter Monday | Remembrance Day |
| Victoria Day | Christmas Day |
| Canada Day | Boxing Day |
| Labour Day | B.C. Family Day |

14.02 The parties may agree to designate a day other than the calendar day for the observance of a paid holiday provided that when an alternative day is so designated the provisions of this Article shall apply to the alternative day and not the calendar day of the holiday, except Remembrance Day and Labour Day must

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be observed on the calendar day. No work is to be performed on these two days except in an emergency.

14.03 An employee who is required by the Company to work on any of the above holidays shall be paid one and one-half (1-1/2) times his regular basic hourly rate for the time worked on such holiday.

ARTICLE 15
SAFETY, HEALTH AND UPGRADING

15.01 The parties hereto recognize the importance of safety provisions on the job for the welfare of the employees and the protection of the Company's property. The Company agrees to make reasonable provisions for the safety and health of its employees during their hours of employment.

15.02 The Company, when practical, encourages employees to enroll in programs such as WHMIS and survival first aid, and upgrading programs including taking refresher courses or renewals. The Company will reimburse participants for actual course costs. Prior arrangements are to be confirmed with management.

15.03 Any employee suffering injury while in the employ of the Company must report immediately to the Company, or as soon thereafter as possible. Employees injured on the job shall be paid for the balance of the work day.

15.04 Employees unable to transport themselves back to their designated local residence or camp shall be provided land transportation by the Company. Injured employees on out of town projects requiring more than three (3) working days for recovery will be transported to and from their permanent residence with the cost of such transportation to be borne by the Company.

ARTICLE 16
TOOL, BOOTS AND CLOTHING ALLOWANCE

16.01 Employees shall provide their own hand tools, safety boots, coveralls and wet weather gear. The Company will pay an allowance of \$0.15 per hour worked in lieu of hand tools, safety boots, coveralls and wet weather gear allowances.

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16.02 The Company recognizes that carpenters must provide substantially more tools and, in addition to the foregoing, agrees to pay carpenters an additional \$0.20 per hour for all hours worked in lieu of tool allowance, loss and insurance.

16.03 The Company will pay for saw filing. The employee shall have additional hand saws until sharpened saws have been returned.

ARTICLE 17
HEALTH AND WELFARE

17.01 The Company and the Union agree that the Health and Welfare plan effective during the term of this Agreement shall be attached hereto as Appendix "B"

ARTICLE 18
WORKING FOREMAN

18.01 The Company will be entitled to use working foremen who shall be members of the Union.

ARTICLE 19
SAVING CLAUSE

19.01 It is assumed by the parties hereto that each provision of this Agreement is in conformity with all applicable laws of Canada and the Province of British Columbia. Should it later be determined that it would be a violation of any legally effective federal or Provincial Order or Statute to comply with any provision or provisions of this Agreement, the parties hereto agree to renegotiate such provision or provisions of this Agreement for the purpose of making them conform to such federal or Provincial Order or Statute, and the other provisions of this Agreement shall not be affected thereby.

ARTICLE 20
WAGES

20.01 The Company and the Union agree that the wage schedule effective during the term of this Agreement shall be attached hereto as Appendix "A".

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20.02 The Company may create new classifications and assign duties for the classification; however, the wages shall be mutually agreed to, in writing, between the Company and the Union prior to implementation.

20.03 Payrolls will be issued every second Friday. Cut off period is twelve (12) o'clock midnight the preceding Saturday. When a statutory holiday falls on pay day, payrolls will be the preceding day.

ARTICLE 21 **CAMP CONDITIONS**

21.01 When the Company requires employees to live in camps, for the duration of the project, room and board shall be provided by the Company. Complaints about room and board shall be promptly brought to the Company's attention by the elected Representative so that the Company can, where practical, immediately address the same.

ARTICLE 22 **TRAVEL ALLOWANCE**

22.01 When the Company establishes camps in remote or isolated locations, the Company and the Union or the elected Representative shall meet and agree to arrangements for travel allowance prior to commencement of the job or project. When this is not possible, the parties shall meet within thirty (30) days to discuss travel allowance for the particular job or project.

22.02 Local Travel. All employees will travel to jobs within a 50 km radius of Kamloops, or in the case of an out-of-town project, within 50 km of his or her home town. Any travel beyond 50 km will be paid on straight time in addition to the regular 8 hour shift. In addition to travel time beyond 50 km, the Company shall supply transportation or a travel allowance or \$0.25 per km if the employee uses his or her own vehicle.

ARTICLE 23 **NOTICES**

23.01 Any notice in writing which either party gives to the other shall be by registered mail, postage prepaid, addressed as noted on the front of this Agreement.

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23.02 Any notice provided in this Agreement to be mailed by registered mail shall be deemed given as of the next day after the date of mailing. The registration receipt shall establish the date of mailing.

23.03 The Company or the Union may change its address for service of notice at any time by notice as set out in this Article.

ARTICLE 24
INTERPRETATION

24.01 Unless otherwise stated, the word "day" or "days" wherever used herein shall be deemed not to include Saturdays, Sundays, and paid holidays observed by the Company.

ARTICLE 25
TERM

25.01 The Agreement shall be in full force and effect for a five (5) year term commencing on April 1, 2014 until the 31st day of March 2019. The Company and the Union agree that there will be a wage re-opener prior to each anniversary year of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement at Kamloops, British Columbia, this 26th day of FEBRUARY, 2014.

DALGLEISH CONSTRUCTION LTD.

CANADIAN IRON, STEEL AND INDUSTRIAL WORKERS' UNION LOCAL #1

Per: [Signature]

Per: [Signature]

Title: PRESIDENT.

Title: PRESIDENT

[Signature]

APPENDIX "A"

WAGE RATES

Effective to April 30, 1998, wages for respective classifications are:

CATEGORY	HOURLY RATE
A. Labourer:	
Level 1	\$14.00
Level 2	15.00
Level 3	16.00
Level 4	17.00
Level 5	18.00
Level 6	19.00
B. Tradesman:	
Level 1	\$20.00
Level 2	21.00
Level 3	22.00
Level 4	23.00
Level 5	24.00
Level 6	25.00
C. Foreman	
Level 1	\$23.00
Level 2	24.00
Level 3	25.00
Level 4	26.00
Level 5	27.00
Level 6	28.00
D. Apprentice:	
1st 6 months	to equal labourer level 4
2nd 6 months	to equal labourer level 4
3rd 6 months	to equal labourer level 4
4th 6 months	70% of level 5 tradesman
5th 6 months	75% of level 5 tradesman
6th 6 months	80% of level 5 tradesman
7th 6 months	85% of level 5 tradesman
8th 6 months	90% of level 5 tradesman

Effective May 1, 1995, the Company agrees to contribute \$0.50 per working hour to an R.R.S.P. program to any employee with 960 hours service -- this can be cumulative --.

Effective April 2008, the Company agrees that employees with 960 hours of service (can be cumulative) are eligible to enroll in the Company Health & Dental program.

Effective April 2014, the Company agrees to an updated wage rate chart.

