

Letter of Understanding

BETWEEN:

Construction Workers Union CLAC, Local No. 63, ("CLAC")
Hereinafter referred to as the "UNION"

-and-

HORIZON CONSTRUCTION MANAGEMENT LTD.
("HCML")

RECITALS

- A. WHEREAS the Union and HCML did enter into an agreement titled Project Terms for the Horizon Oil Sands Project dated November 1, 2015 (the "Principal Agreement");
- B. AND WHEREAS during recent negotiations concluded for the Principal Agreement, the parties agreed to amend the terms of the Principal Agreement;
- C. AND WHEREAS the parties wish to amend the Principal Agreement in accordance with the terms herein;

NOW THEREFORE the parties hereinto agree that:

1. Part 2.8 "Travel and Transportation" of the Principal Agreement is hereby amended to remove the entitlement to any and all transportation allowances in Sections 2.8.9, 2.8.10, 2.8.11 and 2.8.12 of the Principal Agreement.
2. Part 3.10 "Vacation & Vacation Pay" of the Principal Agreement, Article 3.10.1, is hereby deleted and replaced with:

"All CLAC Employees will receive an amount equal to 6% of their base wage rate for all regular hours worked as Vacation Pay. There will be no Vacation Pay received for any overtime hours worked, including overtime hours worked in the shift cycle and any overtime hours worked outside of the shift cycle."

3. Part 3.11 "Holiday & Holiday Pay" of the Principal Agreement, Article 3.11.1, is hereby deleted and replaced with:

"All CLAC Employees will receive an amount equal to 4% of their base wage rate for all regular hours worked as Statutory Holiday Pay. There will be no Statutory Holiday Pay received for any overtime hours worked, including overtime hours worked in the shift cycle and any overtime hours worked outside of the shift cycle."

4. Part 3.11 "Holidays & Holiday Pay" of the Principal Agreement, Article 3.11.2 is hereby deleted and replaced with:

"Employees required to work on one of the above holidays will receive overtime pay for all hours worked in addition to the holiday pay outlined in Article 3.11.1. If the holiday falls on the CLAC Employee's scheduled day off in the shift cycle, there shall not be any entitlement to overtime pay on their first scheduled day back."

5. Part 3.15 "Retirement Plans" of the Principal Agreement is hereby amended to reduce both the Pension and RSP contribution amounts by 1% to 3% (Pension) and 3% (RSP) respectively.
6. Appendix 2 "Wages and Notes" of the Principal Agreement is hereby amended to reduce current base wage rates payable to employees working under the Principal Agreement by 2.6 %. The parties will issue new rate sheets showing the adjusted wage rates as soon as reasonably possible. The revised rate sheets shall be effective June 12, 2016.
7. The amendments set forth above shall commence and be effective for all work performed by employees pursuant to the Principal Agreement on and after June 12, 2016, except that for the wage rates adjusted pursuant to paragraph 4 above, the effective period for such revised rates are as set forth therein.
8. The parties acknowledge that additional amendments to the Principal Agreement may be under consideration at the next wage review scheduled for March, 2017.
9. This Letter of Understanding may be executed by facsimile and in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

PROJECT TERMS FOR THE HORIZON OIL SANDS PROJECT

Execution Page

IN WITNESS WHEREOF this Agreement has been executed by the following party on the day and year indicated below.

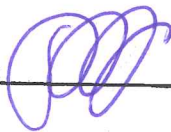
DATED this 19th day of May, 2016

HORIZON CONSTRUCTION MANAGEMENT LTD.

Per: 

Réal Doucet
Senior Vice President

CONSTRUCTION WORKERS UNION CLAC, LOCAL NO. 63,

Per: 

Jay Bueckert

Print Name and Title

Regional Director
