



Jacobs Industrial Services Ltd.
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Mr. Stephen Smillie
General Presidents' Maintenance Committee
700 Dorval Drive, Suite 502
Oakville, Ontario
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Dear Sir:

During our recent meeting, we committed to review the Colonsay project regarding the daily allowance policy to help defray transportation costs for

- Local area employees who reside permanently in Saskatoon or less than 100 km from the project.
- Employees who do not reside in Saskatoon or live beyond 100 km from the project.

Considering the location of the project relative to Saskatoon along with the increased transportation expenses, it is deemed appropriate for Jacobs to pay (\$40.00) per day worked to employees who fall within the parameters highlighted in the previous identified paragraph. However, those employees who reside within 30 km of the project will not be entitled to the daily allowance.

We also committed to review the Colonsay living away policy to defray cost for non-local employees. The living away policy will be applied as follows

- Applies only to non-local employees.
- Employees who are residents of Saskatoon or less than 100 km from the project, by the shortest route, are not entitled to the living away expenses.
- The amount of the living away expenses is (\$50.00) per day worked.
- There is an understanding between Jacobs and the Building Trades/GPC that local hires will receive preference of dispatch when manpower orders are placed at the respective local unions.

An employee's residence means an employee's permanent self-contained domestic establishment (a dwelling place, apartment, or similar place of residence where a person generally sleeps and eats) in which he normally resides preceding the date of hire for the project. Original documents (not photocopies) are required for proof of residence. They will be verified by Jacobs, copied and returned. Two (2) of the following are acceptable.

- Income Tax Assessment
- Property Tax Assessment
- Insurance
- Utilities Receipts

Employee(s) who hire on as local hires, and relocate outside the 100 road kilometers from the project will not be entitled the transportation cost of (\$40.00) nor the living away expenses of (\$50.00).

The transportation policy and living away policy will be reviewed on an as required basis and will be adjusted accordingly. Should market and economic condition change the above policies maybe revised to reflect such.

Yours truly,

JACOBS Industrial Services Ltd.

Randy Larson
Project Manager

Cc File