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1. INTRODUCTION

1.1 Organization Description

1.1.1 Services Provided

You will find more information about our Company by visiting our website at www.zachrycanada.com.

1.1.2 Head Office Location

Zachry Canada Inc.
Suite 250, 700 – Sixth Avenue, SW
Calgary, Alberta, Canada T2P 0T8
Phone: 403.705.6797 Fax: 403.537.1976

1.1.3 History of Zachry Canada Inc. (“Zachry”)

Zachry was established in 1988 in Calgary, Alberta and initially engaged in engineering design and analysis for the oil and gas and mining industries. Over the decades, Zachry has developed into a multi-faceted group of companies to serve the oil, mining and forestry industries. In recent years the company has expanded into the booming oil sands industry in engineering, fabrication, construction and management. Zachry Canada also developed and maintains a pool of qualified skilled labour through its international cooperation to fill the needs and market shortage. The Zachry Group of companies including Zachry T&E Canada has also ventured into industry-related material sourcing, manufacturing and fabrication in China and Korea. For more detail information visit our website.

We welcome you to join the Zachry Canada Inc. I wish you every success here professionally and personally.

Our Company’s philosophy is that each employee contributes directly to the growth and success of our business, and we hope you will take pride in being a member of our team.

This Employee Handbook is intended to help you understand our expectations towards our team members and to outline the important policies and benefits available to our eligible employees.

We believe that professional relationships are easier when all of us are aware of the culture and values of our organization.

I hope that your experience here will be challenging, enjoyable, rewarding and long lasting.

Again, welcome.

Luke K. Chan
Managing Director
Zachry Canada Inc.

1.1.4 Management Philosophy & Goals

Zachry's management philosophy is based on responsibility, result and respect. We have created an environment that encourages creativity, achievement and equality. Zachry aims to become a leader in providing quality, competitive and specialized services in the mining and oil sands industries in Canada.

To achieve this objective, Zachry seeks to attract highly motivated individuals to work in a team that shares commitment, responsibility, risks and discipline. Zachry will also assist employees to apply their skills and connections acquired from previous careers and to continually gain new experience through practice and professional development.

1.2 Introductory Statement

This Handbook is designed to acquaint the employee with Zachry and provide information about working conditions, employee benefits, and some policies affecting employment. Please read, understand and respectfully comply with all provisions of the Handbook. It describes many of the responsibilities as an employee and outlines the programs developed by Zachry to benefit employees.

As Zachry continues to grow with its employees, the need to amend the policies in this handbook may arise to meet changing requirements. Zachry reserves the right to revise, supplement, or rescind any policies or portion of this handbook from time to time as it deem appropriate in its sole discretion.

2. EMPLOYMENT

2.1 Nature of Employment

Employment with Zachry is voluntarily entered into, and the employee is free to resign at any time, with or without cause. Similarly, Zachry may terminate the employment relationship at will at any time with or without notice or cause, so long as the procedures are in compliance to the provincial and federal labour codes and regulations.

2.2 Employee Relations

Zachry believes that the work conditions, wages, and benefits it offers to its employees given their work experience and training are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to discuss directly with their supervisors. The Senior Management of Zachry strongly believes in open dialogue with employees to maintain an amicable working environment for all.



2.3 Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Zachry will be based on merit, qualifications, and abilities. Zachry does not discriminate in employment opportunities based on race, sex, religion, age or national origin. This policy governs all aspects of employment, compensation, discipline, termination, and access to benefits and training.

Any employees with questions or concerns in this area are encouraged to bring these issues to their immediate supervisor or administration manager.

2.4 Business Ethics and Conduct

The successful business operation and reputation of Zachry is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations and the highest regards of conduct and personal integrity.

In general the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. When in doubt please discuss openly with your immediate supervisor or bring the matter to the attention of the administration manager.

Compliance with this policy of business ethics and conduct is the responsibility of every Zachry employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

2.5 Conflicts of Interest



Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Zachry. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, special fringe benefits, unusual

price breaks, and other windfalls designed to ultimately benefit the employee. Employees are responsible to seek clarification with administration manager on issues related to the subject when in doubt.

2.6 Outside Employment

Employees may hold outside jobs as long as they meet the performance standards of their job with Zachry. All employees will be judged by the same performance standards and will be subject to Zachry's scheduling demands, regardless of any existing outside work requirements.

If Zachry determines that an employee's outside work interferes with performance or ability to meet the requirements of Zachry as they are modified from time to time, the employee may be asked to terminate the outside employment if the employee wishes to remain with Zachry.

Outside employment that constitutes a conflict of interest to the business and moral standards of Zachry is prohibited.

2.7 Non-Disclosure

The protection of confidential business information and trade secrets is vital to the interests and success of Zachry. Such confidential information includes, but not limited to the following examples:

- Client Lists
- Compensation data
- Computer programs and codes
- Documents and drawings related to projects and proposals
- Financial information
- Marketing statistics

All employees are required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose Zachry trade secrets or confidential business information in any manner will be subject to disciplinary action, up to and including immediate termination of employment and legal action if deemed necessary by Zachry Management.

3. EMPLOYMENT STATUS AND RECORDS

3.1 Employment Category

It is the intent of Zachry to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and provincial wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and provincial laws. EXEMPT employees (engineers, information systems professionals, supervisors and managers) are excluded from such provisions. This classification may be changed only upon written notification by administration manager.

In addition to the above categories, each employee will also belong to one of the following employment categories:

- **REGULAR FULL TIME** employees are those who are not in a temporary or probation status and who are regularly scheduled to work Zachry's full-time schedule. Generally, they are eligible for Zachry benefit package subject to the terms and conditions of each benefit program.
- **PROBATION** is those whose performance is

being evaluated to determine whether further employment in a specific position with Zachry is appropriate. Employees who satisfactorily complete the probation period will be notified of their employment classification.

- **CONTRACTUAL** employees are those who are hired as interim replacements, to temporarily supplement the workforce, or to assist in the completion of a specific project. Employment in this category is of a limited duration. Employment beyond any initial stated period does not change in employment status. Temporary employees retain that status unless and until notified of a change in writing. While temporary employees receive all legally mandated benefits i.e. employment insurance and Canada Pension Plan, they are ineligible for all of Zachry other benefit programs.
- **CASUAL** employees are those who are assigned to work on an intermittent and/or unpredictable basis. While they receive all legally mandated benefits same as Contractual employees they are also ineligible for all of Zachry benefit programs.



3.2 Personal Data Change

It is the responsibility of each employee to promptly notify Zachry of any changes in personal data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to contact in the event of emergency, educational, professional and community accomplishments, and other such status reports should be accurate and current at all times. If any personnel data has changed, please notify our administration manager.

3.3 Probation Period

The probation period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the position meets their expectations. Zachry uses this period to evaluate employee capabilities, work habits, and overall performance.

All new employees are hired on a probationary basis for the first 90 calendar days. Any significant absence will automatically extend the probation period by the length of absence. If Zachry determines that the designated probation period does not allow sufficient time to thoroughly evaluate the employee's performance, the probation period may be extended for a specified period.

Upon satisfactory completion of the probation period, employee enters the "regular full time" employment classification.

3.4 Performance Evaluation

After the employee has completed his/her probation period of 3 months, the immediate supervisor evaluates the performance of the employee and makes necessary adjustments.

The annual salary review of all employees is based on performance and is evaluated at the end of the anniversary month of employment.



3.5 Job Descriptions

Zachry makes every effort to create and maintain accurate job descriptions for all positions within the organization. Each description includes job information, essential duties and responsibilities. Each job requires academic qualifications and some jobs also require professional qualifications and certificates.

Job descriptions may be reviewed and rewritten periodically to reflect changes in the position's duties and responsibilities. Employees should remember that job descriptions do not necessarily cover every task or duty that might be assigned, and that additional and reasonable responsibilities may be appointed from time to time as needed.

3.6 Salary Administration

Zachry pay policy is to achieve consistent pay practices, comply with federal and provincial laws, and offers competitive salaries within our labour market. Zachry believes in paying its employees fair and equitable wages that reflect the requirements and responsibilities of their positions.

Zachry periodically reviews its salary administration program and offers merit-based pay adjustments to award individual employees' outstanding performances. Incentive bonuses may be given depending on the overall profitability of Zachry and based on each employee's individual contributions to the organization.



4 EMPLOYEE BENEFIT PROGRAM

4.1 Employee Benefits

Eligible employees at Zachry are provided with a range

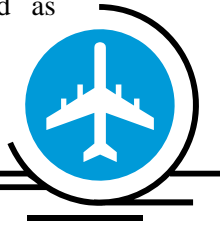
of benefits including mandatory ones such as Employment Insurance and Canada Pension Plan and extended benefits in Medical, Dental and Life Insurance.

Benefits eligibility is dependent upon employee classification. Details of these benefits can be obtained from our administration manager.

4.2 Vacation Benefits

Paid annual vacation is available to provide employees' opportunities to rest, get energized, and fulfill personal pursuits. Employees are eligible to earn and use vacation time described as follows:

The amount of paid vacation time employees receive each year increases with the length of their employment.



Paid vacation time can be used in minimum increments of one day. To take vacation, employees should request advance approval from their immediate supervisors. Request will be reviewed based on business needs and staffing requirements.

In the event that available vacation is not used by the end of the reference period, the balance of unused vacation can be carried forward to end of March of the next calendar year. By the end of March of the next calendar year, unused vacation is deemed to be voluntarily renounced by the employee. If unused vacation cannot be deemed by employee's anniversary date due to workload as required by Zachry, unused vacation will be further deferred for another three months from employee's anniversary date.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last working day of work.

4.3 Statutory Holidays Benefits

Eligible employees who have worked a minimum of thirty (30) days prior to the statutory holiday will be granted paid time off as listed below which calendar dates may vary year by year:

- New Year's Day
- Alberta Family Day
- Good Friday
- Victoria Day
- Canada Day
- Heritage Day
- Labour Day
- Thanksgiving Day
- Remembrance Day
- Christmas Day
- Boxing Day

4.4 Health Insurance Benefits

The Company's prevailing health insurance plan will be extended to eligible full time employees after probationary period on voluntary basis. Details and conditions of the health insurance plan can be obtained from our administrative manager. Dental and medical paid leaves are allowed, but such appointments are recommended to be arranged towards beginning or end of business day to minimize work interruption.

4.5 Sick Leave

The Company provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illness or injuries. Employees who are unable to report to work due to above reasons should notify their

direct supervisor before the scheduled start of their working day. The direct supervisor must also be



contacted on each additional day of absence. If an employee is absent for three (3) or more consecutive days due to above reasons, a physician's statement must be provided

verifying the disability and the beginning and expected ending dates. Such verification will be required as a condition to receiving sick leave benefits.

4.6 Special Leave

Employee can apply for special leave to tend to personal matters. This leave can be offset by banked hours if applicable or annual vacation leave.

4.7 Bereavement Leave

Employees who require taking time off due to the death of an immediate family member should notify their supervisor immediately. A maximum of five (5) working days will be granted.

4.8 Marriage and Maternity Leave

One (1) paid working day off is allowed for marriage of an eligible employee.

Fifteen (15) weeks of unpaid maternity leave starting at any time during the twelve (12) weeks before the estimated date of delivery is allowed for eligible employees who have completed one (1) year of employment.

5 TIME KEEPING AND PAYROLL

5.1 Time Keeping

Accurately recording time worked is the responsibility of every employee particularly for NONEXEMPT employees. Federal and provincial laws required Zachry to keep an accurate record of time worked in order to calculate employee pay and benefits. Time work is all the time actually spent on the job performing assigned duties. Time records of the previous work week must be submitted to the designated administration staff on the first day of the next work week.

Altering, falsifying, tampering with time records may result in disciplinary action, up to and including termination of employment. If corrections or modifications are made to the time record, both the employee and his/her immediate supervisor must verify the accuracy of the changes by signing on the changed items.

5.2 Paydays



All employees are paid on the last calendar day of each month. Each paycheque will include earnings for all work performed through the end of the previous payroll record after mandatory Employment Insurance and Canada Pension Plan deductions and applicable income taxes withholding. In the event that a regular scheduled payday falls on a weekend or holiday, employees will receive pay on the last day of work before the regular scheduled payday.

5.3 Employment Termination

Termination of employment is an inevitable part of personnel activity within any organization, and many of

the reasons for termination are routine. The following are the common circumstances under which employment is terminated:

- **Resignation**
This is a voluntary termination by an employee. Based on the provincial employment standards:
 1. One (1) week written notice of termination is required for employees having been employed for over three (3) months but less than two (2) years.
 2. Two (2) weeks written notice is required if employment is over two (2) years or more.
- **Discharge**
This is an involuntary employment termination initiated by the organization based on causes of misconduct or continuous unsatisfactory performance by an employee. Immediate termination notice will be given.
- **Layoff**
This is an involuntary employment termination initiated by the organization for non-disciplinary reasons. Based on the provincial employment standards:
 1. One (1) week written notice of termination is required for employees having been employed for over three (3) months but less than two (2) years.
 2. Two (2) weeks written notice is required if employment is over two (2) years but less than four (4) years.
 3. Four (4) weeks written notice is required if employment is over four (4) years but less than six (6) years.
 4. Five (5) weeks written notice is required if employment is over six (6) years but less than eight (8) years.

5. Six (6) weeks written notice is required if employment is over eight years but less than ten (10) years.
6. Eight (8) weeks written notice is required if employment is over ten (10) years or more.

6 WORKING CONDITIONS AND HOURS

6.1 Work Schedule

The normal work schedule for all employees working at home or branch office is eight (8) hours a day, Monday to Friday. Supervisors will advise employees of the times their schedules will normally begin and end. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total work hours.

Employees working on construction sites or site offices normally work on a ten (10) hours day schedule.

6.2 Late for scheduled start time

In the rare instances when employees cannot avoid being late for work or are unable to work as scheduled, they should notify their superiors as soon as possible in advance of the anticipated tardiness or absence.

6.3 Meal Period

All employees are provided with one meal period of 60 minutes in length for each full working you're your supervisor will schedule meal periods to accommodate operating requirements.

6.4 Overtime

When operating requirements or other needs cannot be met during regular working hours, employees will be given the opportunity to volunteer for overtime work assignments. All overtime work must receive the

supervisor's and senior management's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.



Overtime compensation is either paid or by time-in-lieu to all non-exempt employees in accordance with federal and provincial wage and hour restrictions. Same condition applies as stipulated in paragraph 4.2 to redeem time-in-lieu leave.

Overtime pay is based on actual hours worked. Failure to work scheduled overtime or overtime worked without prior authorization from supervisor may result in disciplinary action.

Overtime exempt employees are supervisors, managers and APEGGA designed P. Eng's or E.I.T's. Overtime earned by exempt employees will receive banked hours accordingly to actual overtime hours worked. Time off for the banked hours earned by exempt employees can be claimed in the same manner as the earned vacation.

Non-exempt employees working on construction sites or site offices will receive overtime pay at rates in accordance with the federal and provincial laws. All scheduled overtime must be authorized in advance by site project managers or home office senior management in writing.

7 EMPLOYEE CONDUCT

7.1 Personal Appearance

Dress, grooming, and personal cleanliness standards contribute to employee self-esteem and team morale and affect the business image of the Company. During business hours, employees are expected to present a

neat and tasteful appearance and dressed appropriately according to the requirements of their positions and accepted social standards. Jeans, shorts and sweat shirts are not allowed throughout the working days except during the annual Stampede week.

7.2 Computer and Email Usage

Computers, installed software, computer files, the email and internet systems furnished to employees are the Company property intended for business use only. Employees should not use a password, access a file, retrieve or copy any stored communication or program without authorization. Employee should not load personal software programs to Company furnished computer without prior written permission.

The Company strives to maintain a workplace free of harassment and sensitive to the diversity of its employees.

Therefore, the Company prohibits the use of computers, the email and internet systems in ways that are disruptive, offensive to others, or harmful to morale.



7.3 Return of Property

Employees are responsible for all the Company property, materials, or written information issued to them or in their possession. Employees must return all the Company's property immediately upon request or upon termination of employment. All email correspondences with clients, suppliers and associates are deemed property of the Company which should be

Zachry Canada Inc.
EMPLOYEE HANDBOOK

kept intact with the returned computer. All documents, drawings, reports and other work generated by the employee during the period of employment for the purpose of Zachry's business or related interest is deemed proprietary and the property of the Company and must be returned upon termination of employment.

Where permitted by applicable laws, the Company may withhold from the employee's paycheque the cost of any items that are not returned when required.

- 7.5 All employees have both professional and legal requirements to protect the privacy and confidentiality of all practice-related information that comes into his/her possession. Confidential information includes all clients' records, written information about clients in engagement files, the company's plans, marketing strategies and materials, client lists, policy or other company manuals, computerized document templates, consulting methodologies and other engagement tools and materials. It also includes conversations between clients and partners/staff, between partners and partners, between staff and staff or between staff and partners.**

If you have any questions or suggestions regarding the content of the above, please direct them to our Administrative Manager.

Wishing you a long and rewarding career with Zachry Canada Inc.