

FUNDING AGREEMENT

(Saskatchewan Workers' Compensation Board Contract #1419)

THIS AGREEMENT is made in duplicate between:

THE SASKATCHEWAN WORKERS' COMPENSATION BOARD,

Having its mailing address at:
200 – 1881 Scarth Street, Regina, Saskatchewan, S4P 4L1
(the "WCB")

AND

Saskatchewan Construction Safety Association

A membership SAFETY ASSOCIATION incorporated under *The Non-Profit Corporations Act, 1995*, under Certificate of Incorporation No. 290971, and

Having a place of business at:
498 Henderson Drive
Regina, Saskatchewan S4N 6E3
(the "SAFETY ASSOCIATION")

WHEREAS the WCB may through the application of Subsection 146(1) of *The Workers' Compensation Act, 2013* (the "Act") make a grant to a SAFETY ASSOCIATION formed by employers in any of the classes established under this Act for the purpose of injury prevention and safety, from funds charged against the class represented by the SAFETY ASSOCIATION and levied as part of the assessment against that class;

AND WHEREAS the WCB and the SAFETY ASSOCIATION recognize the value of injury prevention and safety education programs, and training;

AND WHEREAS the WCB and the SAFETY ASSOCIATION are committed to injury prevention and safety;

AND WHEREAS the SAFETY ASSOCIATION desires to provide injury prevention and safety education, programs, and training to workers and employers in their class.

THEREFORE the parties agree as follows:

DEFINITIONS

1. In this Agreement:

- a) "SAFETY ASSOCIATION" shall mean an association of employers in any of the classes established under the Act who form themselves into an association for the purpose of injury prevention and safety.
- b) "ASSOCIATE MEMBER" or "NON-VOTING MEMBER" of the SAFETY ASSOCIATION shall mean a non-voting member as defined by *The Non-Profit Corporations Act, 1995* of Saskatchewan
- c) "CLASS" shall mean the rate codes and related sub-codes of employers that have formed themselves into a SAFETY ASSOCIATION for the purposes of injury prevention and safety.
- d) "CHAIRPERSON" shall mean the senior elected officer of the SAFETY ASSOCIATION.
- e) "EMERGENCY RESERVE FUND" shall mean monies set aside for payment of unplanned and unexpected costs to the SAFETY ASSOCIATION. The EMERGENCY RESERVE FUND shall have no more than the lesser of 5% of the total budget or \$100,000.00.
- f) "EMPLOYER" shall mean any person, corporation, firm, association or body from the CLASS, as defined by the Act, which may be subject to amendment at any time by the WCB, represented by the SAFETY ASSOCIATION.
- g) "EMPLOYER REPRESENTATIVE" shall mean a person representing an organization of EMPLOYERS with representation in the CLASS.
- h) "FUND ADMINISTRATOR" shall mean the member of the Executive Committee of the Saskatchewan WCB responsible for prevention or any other person designated by the member of the Executive Committee to be the FUND ADMINISTRATOR.
- i) "INJURY PREVENTION" shall mean both primary and secondary injury prevention. Primary injury prevention refers to the process of identifying and controlling hazards proactively to prevent injuries from occurring in the first place. Secondary injury prevention refers to the process for mitigating and controlling hazards after an injury or incident has already occurred.

- j) "MEMBER" of a SAFETY ASSOCIATION shall mean an EMPLOYER within the CLASS(es) that constitute the "SAFETY ASSOCIATION".
- k) "SAFETY MANAGER" shall mean the chief administrative officer of the SAFETY ASSOCIATION charged with managing and directing the affairs of the SAFETY ASSOCIATION subject to the instructions and authority given by the SAFETY ASSOCIATION Board of Directors.
- l) "WORKER" shall mean any worker who has entered into or works under a contract of service or employment with an EMPLOYER from the CLASS, as defined by the Act, which may be subject to amendment at any time by the WCB, represented by the SAFETY ASSOCIATION.
- m) "WORKER REPRESENTATIVE" shall mean a person representing an organization of WORKERS with representation in the CLASS.

PURPOSE

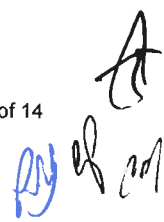
- 2. The purpose of this Agreement is to provide funding for a SAFETY ASSOCIATION to develop and implement effective strategies and resources to help identify and prevent injuries and reduce the associated impact and costs of injuries within the CLASS. The SAFETY ASSOCIATION shall provide injury prevention and safety education, programs, and training for EMPLOYERS and WORKERS, in accordance with the terms and conditions of this Agreement and where applicable the attached Schedule "A", which forms part of this Agreement.

DURATION

- 3. This Agreement shall commence on the 1st day of January 2015, and shall continue in force up to and including the 31st day of December 2017, or may be terminated prior to the 31st day of December, 2017 in accordance with Clause 10 of this Agreement or in accordance with remedial action and termination provisions contained in Clause 8 and Clause 9 of this Agreement.

OBLIGATIONS OF THE WCB

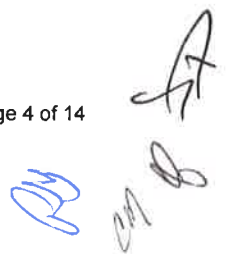
- 4. Under this Agreement, the WCB shall:
 - a) Provide written agreement to the SAFETY ASSOCIATION of the strategic and operational plans, budget and funding request required in Clause 5. f) of this agreement.



- b) Make equal quarterly payments to the SAFETY ASSOCIATION to fund injury prevention and safety education, programs and training for EMPLOYERS and WORKERS, subject to the following terms and conditions that the FUND ADMINISTRATOR considers appropriate, including, without limitation:
 - i) Approval of the budget and funding request are provided as outlined in 4. a) above
 - ii) Adequate and appropriate reporting is provided to the FUND ADMINISTRATOR on a timely basis regarding the SAFETY ASSOCIATION's progress towards achieving its strategic plan, operational plan and actual revenues and expenditures compared to budget;
- c) Ensure that the funding provided is being utilized for the intended purpose.
- d) Support a process to review the performance of the SAFETY ASSOCIATION, where necessary at specified intervals not greater than 5 years.
- e) Ensure a copy of the SAFETY ASSOCIATION data Service Level Agreement is signed by the current SAFETY MANAGER each time the funding agreement is signed.
- f) Apportion the returned funds to the CLASS if the SAFETY ASSOCIATION ceases to operate.

OBLIGATIONS OF THE SAFETY ASSOCIATION

- 5. Under this Agreement the SAFETY ASSOCIATION shall:
 - a) Provide injury prevention and safety education, programs, and training for EMPLOYERS and WORKERS as outlined in the SAFETY ASSOCIATION's strategic and operational plans and as agreed to by the FUND ADMINISTRATOR. Written agreement to the strategic and operational plans as required in 4. a) above may be withheld if the FUND ADMINISTRATOR has reason to believe the SAFETY ASSOCIATION's strategic and operational plans as a whole or in part are not addressing injury prevention and safety education, programs, and/or training applicable and appropriate to the industry. The FUND ADMINISTRATOR may request changes be made to the strategic and operational plans before written agreement to the strategic and operational plans are given;

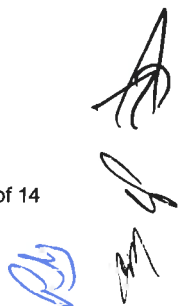


- b) Ensure all obligations of the most current WCB SAFETY ASSOCIATION Funding Policy, which is incorporated into and forms part of this Agreement, are met;
- c) Develop and implement strategic and operational plans with specific, measurable, attainable, realistic and time sensitive goals and objectives with injury reduction as the primary outcome;
- d) Meet the terms and conditions outlined in Schedule "A" of this agreement, where applicable;
- e) Be governed by the SAFETY ASSOCIATION Board of Directors:
 - i) With no less than six (6) directors which are elected by SAFETY ASSOCIATION CLASS MEMBERS at the annual general meeting and is representative of the CLASS MEMBERS funding the SAFETY ASSOCIATION,
 - ii) Which, whenever possible, consists of an equal number of EMPLOYER or EMPLOYER REPRESENTATIVE and WORKER or WORKER REPRESENTATIVE Directors,
 - iii) Whereby voting Directors cannot be salaried employees of the SAFETY ASSOCIATION,
 - iv) Where EMPLOYER REPRESENTATIVES can be elected as EMPLOYER directors but cannot make up more than 49% of the voting EMPLOYER directors, and
 - v) Where WORKER REPRESENTATIVES can be elected as WORKER directors but cannot make up more than 49% of the voting WORKER directors.
 - vi) Where, whenever possible, EMPLOYER and WORKER directors shall not be from the same firm or company.
- f) Submit to the FUND ADMINISTRATOR, no later than September 15 of each year:
 - i) Strategic and operational plans outlining the SAFETY ASSOCIATION's strategic priorities and operational objectives for the next year;
 - ii) A detailed budget and funding request for the upcoming calendar year prepared in accordance with SAFETY ASSOCIATION Budget Guideline – document SA – 001;

- iii) A copy of the board motion approving the strategic and operational plans, budget and funding request;
- iv) Confirmation of continued status as a non-profit corporation;
- v) A copy of the SAFETY ASSOCIATION's most current bylaws. The bylaws shall:
 - 1. Be in compliance with the SAFETY ASSOCIATION Bylaws Guideline – document SA-002 provided by the FUND ADMINISTRATOR.
 - 2. Not include any additional articles that contradict or invalidate any part of this agreement, the bylaws guideline provided by the FUND ADMINISTRATOR, or *The Non-Profit Corporations Act, 1995*.
 - 3. Be passed by a majority vote at a general membership meeting.
 - 4. Be signed by the executive officers of the Board of Directors (CHAIRPERSON, and one of Vice CHAIRPERSON, Treasurer, or Secretary), eligible to hold office and duly elected by the membership as per the bylaw guidelines provided by the FUND ADMINISTRATOR;

and

- vi) A copy of the SAFETY ASSOCIATION's most current polices and procedures.
 - (1) The policies and procedures shall be in compliance with the SAFETY ASSOCIATION Policies and Procedures Guideline – document SA – 003 and shall:
 - 1. Not include any policies and/or procedures that contradict or invalidate any part of this agreement, bylaw guidelines or the Policies and Procedures Guideline - document SA-003 provided by the FUND ADMINISTRATOR.
 - 2. Contain only policies and procedures that have been put into force by a majority vote at a board meeting.
- g) Provide copies of all Board related meeting minutes and related materials including Executive Board meeting minutes and Annual General Meeting minutes;



- h) Consult with and receive approval from the FUND ADMINISTRATOR regarding any proposed changes to the approved strategic and operational plans;
- i) Require all DIRECTORS and SAFETY ASSOCIATION management to complete an orientation according to the SAFETY ASSOCIATION Orientation Guideline - document SA – 005;
- j) Submit three quarterly progress reports based on the approved strategic and operational plans provided to the FUND ADMINISTRATOR as directed by the terms and conditions set out by the FUND ADMINISTRATOR by April 30, July 30 and October 31. Explanations must also be provided for budget to actual variances that are greater than 10% and/or significant in nature. Reporting should be according to the SAFETY ASSOCIATION Reporting Guideline – document SA – 004;
- k) Ensure the SAFETY MANAGER attends quarterly meetings of SAFETY ASSOCIATIONS where information is shared among SAFETY ASSOCIATIONS and the WCB;
- l) Grant the FUND ADMINISTRATOR the status of ASSOCIATE MEMBER;
- m) When requested, share information and resources with other Saskatchewan SAFETY ASSOCIATIONS for the purpose of enhancing the knowledge of all SAFETY ASSOCIATIONS and encouraging efficiencies;
- n) Submit, to the FUND ADMINISTRATOR, an annual report including audited financial statements not later than April 1 for the preceding year. The annual report must include:
 - i) A report against the strategic plan including measurable objectives and analysis as to the degree to which the goals and objectives were met or not met.
 - ii) A report against the operational plan including measurable objectives and analysis as to the degree to which the goals and objectives were met or not met.
- o) Ensure the SAFETY ASSOCIATION Confidentiality Undertaking (Form SA-01204):



- i) Be signed by all staff, contractors and Board of Directors, eligible to hold office and duly elected by the membership of the SAFETY ASSOCIATION.
- ii) Be resigned by all current staff, contractors, and Board of Directors of the SAFETY ASSOCIATION following any changes to Form SA-01204.

and

p) Insofar as they are applicable, abide by the laws and regulations of the Province of Saskatchewan or the laws and regulations of Canada as may be applicable and any subsequent amendments to these laws and regulations. Without limiting the generality of the foregoing this shall include but not be limited to:

- i) *The Workers' Compensation Act, 1979;*
- ii) *The Freedom of Information and Protection of Privacy Act;*
- iii) *The Health Information Protection Act;*
- iv) *The Saskatchewan Employment Act;*
- v) *Canada Corporations Act Part II;*
- vi) *The Non-Profit Corporations Act, 1995.*

6. Under this Agreement the SAFETY ASSOCIATION and any employee or subcontractor of the SAFETY ASSOCIATION shall not:

- a) Act as an advocate for or on behalf of any EMPLOYER or WORKER with regards to individual workers' compensation injury claims; Advocate or lobby on any issues that are not directly related to injury prevention;
- b) Co-mingle funds provided by the WCB with any other funds, including but not limited to funds from an EMPLOYER and/or an industry employer association.

7. The SAFETY ASSOCIATION shall manage funds in accordance with ***The Non-Profit Corporations Act, 1995***, S.S. 1995 C. N-4.2 (as amended) and the terms and conditions as follows:



- a) Funds shall be used only for the general purposes of injury prevention and safety education, programs, and training and for the specific purposes as outlined in the strategic and operational plans and budget submitted to the FUND ADMINISTRATOR. Should the SAFETY ASSOCIATION Board of Directors wish to use funds for a purpose other than outlined in the current strategic and operational plans, prior written approval must be given by the FUND ADMINISTRATOR;
- b) Surplus funds shall be identified and accounted for by allocating them:
 - i) To the SAFETY ASSOCIATION's funding for the next fiscal year;
 - ii) To an EMERGENCY RESERVE FUND; or
 - iii) To an allocated reserve fund that has a specific plan including a specified end date for the plan that has been approved by SAFETY ASSOCIATION Board of Directors.
- c) All SAFETY ASSOCIATION funds and assets shall be returned to the FUND ADMINISTRATOR:
 - i. Upon liquidation and dissolution of the SAFETY ASSOCIATION;
 - ii. If the SAFETY ASSOCIATION ceases to operate; or
 - iii. Upon termination of this agreement.

REMEDIAL ACTION

- 8. The FUND ADMINISTRATOR may take remedial action if the FUND ADMINISTRATOR has reason to believe that:
 - a) The terms and conditions of this Agreement are not being met by the SAFETY ASSOCIATION;
 - b) The SAFETY ASSOCIATION's quarterly financial updates or audited financial statements indicate the risk of insolvency, a deficit, or unusual budget variances;
 - c) There are third party claims against the SAFETY ASSOCIATION or the WCB relating to this Agreement; or



- d) There are reasons to believe that the SAFETY ASSOCIATION's staff, consultants and/or its Board of Directors has breached the confidentiality undertaking they are required to enter into.

9. Remedial action related to Clause 8 of this agreement may:

- a) Require the SAFETY ASSOCIATION to submit a revised strategic plan, action plan or financial management plan for approval to the FUND ADMINISTRATOR.
- b) Include any action the FUND ADMINISTRATOR deems necessary, following consultation with the SAFETY ASSOCIATION. ; or
- c) Include termination of this Agreement upon giving such period of notice that the FUND ADMINISTRATOR deems appropriate if remedial action is not successful.

TERMINATION

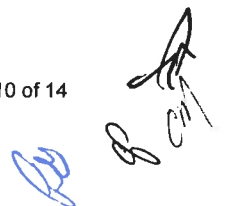
10. Unless terminated as a result of remedial action, termination of this agreement shall require sixty (60) days written notice by either party, indicating the intent and reasons for such termination. If this Agreement is terminated, the FUND ADMINISTRATOR shall make decisions with respect to termination of services. This provision shall survive the termination of this Agreement.

NO AGENCY

11. Nothing in this Agreement shall be construed as creating a partnership, an association, a joint venture, or agency relationship between the WCB and the SAFETY ASSOCIATION.

INDEMNIFICATION

12. Without limiting the meaning of Clause 11 above, and for greater certainty, the SAFETY ASSOCIATION shall indemnify and save harmless the WCB, its officers, employees and agents from and against any and all claims, actions, damages, costs and expenses which may arise from any act or omission of the SAFETY ASSOCIATION, its staff, directors, officers and agents, where bodily injury, death or property damage is caused. This provision shall survive the termination of this Agreement.



INSURANCE

13. The SAFETY ASSOCIATION shall, at its own expense, obtain and at all times maintain during the duration of this Agreement, public liability and property damage insurance against claims for personal injury, death, or damage to property, arising out of the operation of this Agreement, or any of the acts or omissions of the SAFETY ASSOCIATION, or any of its directors, officers, employees or agents. Where such insurance is not obtainable or not in place, the SAFETY ASSOCIATION shall immediately inform the FUND ADMINISTRATOR.

AMENDMENTS

14. Either party will give the other notice of any change in policy, regulations or legislation relating to their respective programs that is likely to affect this Agreement. This Agreement may be amended by mutual written consent of the Board and the Association. Final notice of such amendments will be provided to the SAFETY ASSOCIATION 90 days in advance of the changes coming into effect.

GENERAL CONTRACT PROVISIONS

15. The SAFETY ASSOCIATION shall at all times be registered pursuant to *The Non-profit Corporations Act, 1995*, S.S. 1995 C. N-4.2 (as amended) and shall at all times maintain a registered office in the Province of Saskatchewan.

16. This Agreement shall be interpreted in accordance with the laws in force in the Province of Saskatchewan.

17. This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein and supersedes all previous agreements relating to it, unless they are incorporated by reference into this Agreement.

18. This Agreement shall be binding on the parties and their successors.

19. This Agreement or part thereof is non-transferable.

NOTICE

20. Where in this Agreement, any notice, request, direction, or other communication is required to be given or made by either party, it shall be in writing and is effective if delivered in person, sent by facsimile transmission or mail, addressed to the party for whom it is intended. Any notice, request, direction or other communication shall be deemed to have been given if by registered mail or courier, when receipt is acknowledged by the other party.

Handwritten initials: "AB" and "PM" in the top right, and "of" and "am" in the bottom right.

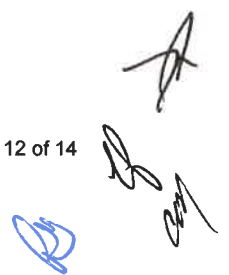
The mailing address of either party may be changed by notice in the manner set out in this provision. All notices to the WCB shall be directed to:

Fund Administrator
Workers' Compensation Board
200 – 1881 Scarth Street
Regina, Saskatchewan S4P 4L1

All notices to the SAFETY ASSOCIATION shall be directed to:

Chairperson
Saskatchewan Construction Safety Association
498 Henderson Drive
Regina, Saskatchewan S4N 6E3

THIS SPACE HAS BEEN LEFT BLANK INTENTIONALLY. THE FOLLOWING PAGE IS THE SIGNATORY PAGE

Handwritten signatures in blue and black ink, including a large blue signature and several smaller black signatures.

IN WITNESS WHEREOF this Agreement has been signed this 13 day of August, 2014 by

SIGNED

The Workers' Compensation Board

Karen Reeve

Phillip Germain

Witness

Fund Administrator

Karen Reeve
Name (Please Print)

Phillip Germain
Name (Please Print)

V.P. Prevention + Employee Services
Title

AND on this 6 day of August, 2014 by

SIGNED

Saskatchewan Construction Safety Association

[Signature]

[Signature]

Witness

Chairperson, Board of Directors

Colin Pellar July 29/14
Printed Name

ERRYL FISHER July 29/14.
Printed Name,

Witness

Executive Member, Board of Directors

Colin Pellar Aug 6/14
Printed Name

Craig McArvey Aug 6/14
Printed Name

[Handwritten mark]

Schedule "A"

Not Applicable

[Faint handwritten notes]

[Faint handwritten notes]