

COLLECTIVE AGREEMENT

BETWEEN

NCG BULK SYSTEMS LTD.

AND

**UNITED STEELWORKERS OF AMERICA
(ON BEHALF OF LOCAL UNION 1976)**

JANUARY 1, 2001 – DECEMBER 31, 2004

Errors & Omissions Excepted
opeiu-343

K:\TCU Agreements\NCG Bulk Systems Agt 2001-2004.doc

INDEX

<u>ARTICLE</u>	<u>SUBJECT</u>	<u>PAGE NO.</u>
1	Union Recognition	2
2	No Strikes or Lockouts	3
3	Management Rights	3
4	Safety	4
5	Seniority	4
6	Reductions and Increases in Staff	5
7	Rates of Pay	7
8	Special Working Conditions	7
9	Investigation and Discipline	7
10	Grievance and Arbitration	9
11	Payroll Deductions of Union Dues	10
12	Meal Period	12
13	Leave of Absence	12
14	General Provisions	13
15	Labour Management Committee	13
16	Duration of Agreement	14
	Letter of Understanding	15
	Letter re Pension and Benefits Plan	16
	Appendix A	17
A4	Safety	17
A5	Seniority	18
A6	Reductions and Increases in Staff	18
A7	Rates of Pay – General	18
A12	Meal Period	22
A17	Bereavement Leave	22
A18	Annual Vacations	23
A19	Employee Benefits	26
A20	General Holidays	26
A21	Assigned Rest Days	28
A22	Overtime	29
A23	Attending Court, Investigations and Medical Examinations	30
A24	Hours of Work	30
	Appendix B	32
B1	Union Recognition	32
B3	Management Rights	32
B4	Safety	32
B5	Seniority	33
B7	Rates of Pay – General	33
B14	General Provisions	35
B17	Bereavement Leave	37
B18	Annual Vacations	38
B19	Dependent Contractor Benefits	38

THIS AGREEMENT, COVERING RATES OF PAY, HOURS OF WORK AND WORKING CONDITIONS FOR EMPLOYEES AND DEPENDENT CONTRACTORS OF NCG BULK SYSTEMS LTD. REPRESENTED BY THE UNITED STEELWORKERS OF AMERICA LOCAL 1976, IS THE SOLE AND COMPLETE AGREEMENT BETWEEN THE PARTIES.

ARTICLE 1. **UNION RECOGNITION**

It is agreed by and between NCG Bulk Systems Ltd. (hereinafter called the Company), and the United Steelworkers of America Local 1976 (hereinafter called the Union) as follows

- 1.1 The Company agrees to recognize the Union as the sole and exclusive bargaining agent for all the Company's employees and/or dependent contractors covered by this Agreement and hereby consents and agrees to negotiate with the Union or its appointed representatives in any negotiable matter affecting the relationship between the Company and its employees and/or dependent contractors.
- 1.2 It is the purpose of the Agreement to promote harmonious relations between the Company and its employees and/or dependent contractors and to provide an amicable method for the settlement of differences.
- 1.3 Employees and/or dependent contractors will not be discriminated against for being a member of the Union, nor for serving on Committees representing employees and/or dependent contractors. After receiving permission (permission not to be unreasonably denied) and when the legitimate business of a union representative requires him to attend to a grievance or a Q & A session.
- 1.4 Word imparting the masculine gender shall include the feminine and vice-versa.
- 1.5 The following positions are covered by this Agreement:

Employee: - Covers the following positions -

- Certified Mechanic
- Non-Certified Mechanic
- Tireman
- Shop Labour
- Company Driver (to include hourly driver, driver refueller, trip-rated driver, mileage-rated driver, tractor driver and lead driver)

Dependent Contractor – Contractor that has a business Agreement.

1.6 The Union will provide the Company with Application for Membership forms, which must be signed by each new employee and/or dependent contractor. It will be the responsibility of the Company to ensure that all completed applications for Membership forms are returned to the Union.

Union Application Forms will be part of each employee's and/or dependent contractors documentation/hiring kit.

1.7 The term Dependent Contractor does include trucks or tractors leased or rented by the company with a driver from equipment suppliers or leasing companies. Union dues for first and subsequent operators will be remitted to the union.

1.8 The Company agrees to notify the Union at its business office in the event the Company becomes involved in any controversy with any other Union affecting the jurisdiction of the Union.

1.10 Authorized agents of the Union will, upon prior notification to the Company, be granted access to the Company's establishments during working hours for the purpose of investigating conditions related to the Union Agreement, but shall in no way interrupt the Company's working schedule.

1.11 The Company shall allow time off without pay to any member who is serving on a Union Committee or as a delegate, providing all requests for time off are reasonable and do not interfere with the proper operation of the business.

ARTICLE 2. **NO STRIKES OR LOCKOUTS**

2.1 The Company shall not cause or direct any lockout of employees and neither the Union nor any representative of the Union shall cause or direct any strike of employees during the life of this Agreement. The terms "strike" and "lockout" shall be as defined in the applicable labour acts as at January 1, 2002.

2.2 It shall not be a violation of the Agreement or cause for discipline of any employee in the performance of his duties to refuse to cross a legal picket recognized by the Union.

ARTICLE 3. **MANAGEMENT RIGHTS**

3.1 The Union understands, agrees and recognizes that the Company has the right to manage and operate its business. This right includes but is not limited to: the hiring and directing of the work force, the right to promote, demote, transfer, discipline, lay-off, suspend and discharge employees for just cause; the assignment of work and the determination of the qualifications of an employee to perform work; the assignment of shifts; the assignment of

equipment; the making, publication and enforcement of rules for the promotion of safety, efficiency and discipline and for the protection of the employees and the Company's equipment and operations.

3.2 The exercise of the foregoing rights shall not alter or be inconsistent with any provisions of this Collective Agreement.

3.3 The Company agrees that all rules and regulation will be applied in a fair and consistent manner with out discrimination.

ARTICLE 4. **SAFETY**

4.1 Vehicles will have equipment necessary to comply with regulations prescribed by law.

4.2 Maintenance logbooks shall be retained in all highway vehicles, and all defects shall be entered therein by the driver at the end of his tour of duty.

4.3 In the event of a serious accident or incident, the Company may require a detailed written statement of the facts to be taken at the accident site. Both parties agree that the information gathered is for insurance purposes only. It is further agreed that the employee's participation is without prejudice to him or any other bargaining unit member.

4.4 The Company will provide facilities and equipment in conformance with the applicable laws. The Company and the Union shall cooperate in fostering safe working conditions.

4.5 Semi annual, driver safety meetings will be held at each branch. The Company will pay a minimum of three (3) hours or actual time, if more, at straight time rate of pay for those attending such meetings.

ARTICLE 5. **SENIORITY**

5.1 (a) The parties recognize that job opportunity and security shall increase in proportion to length of service. It is therefore agreed that in all case of vacancy, promotion, transfer between jobs, training opportunities, decrease in the work force and re-call after layoff senior qualified employees will be entitled to preference.

(b) There shall be two (2) types of seniority; namely company and Branch

(i) Company seniority means the length of time of his service with the company since his last hiring by the Company.

- (ii) Branch seniority shall mean the length of time of his service at the Branch.
 - (c) Seniority will be allocated on the date first dispatched for Company Drivers and Dependent Contractors and their first power unit. All hourly employees will have their seniority date established at their date and time of hire. The second driver on the dependent contractors power unit shall use the Dependent Contractors seniority for the purpose of dispatch.
- 5.2 A seniority list of all employees and dependent contractors covered by the collective agreement shall be posted when updated. The list will, Identify the most recent seniority date, branch location, unit number and the position the member holds in the bargaining unit. Lists shall be open for correction for a period of ninety (90) calendar days on presentation of proof of error by an employee or his representative. The Unit Chairperson, and Chief Shop Steward in each location will be supplied with a copy of the seniority lists when updated.
- 5.3 Unless by mutual agreement between the Unit Chairperson and/or Chief Shop Steward and appropriate Company representative, seniority standing shall not be changed after becoming established after being posted for ninety (90) calendar days.
- 5.4 A new employee shall be regarded as permanently employed after he has accumulated thirty (30) days worked and, if retained shall then rank on the seniority list from the date first hired to a position covered by this Agreement. In the meantime, unless removed for just cause which, in the opinion of the Company, renders him undesirable for its service, the employee shall be regarded as coming within the terms of the Agreement.
- 5.5 Employees accepting management positions or other excepted positions shall have their names removed from the seniority list six (6) months after date of promotion. At any time during this six-month period, the employee may elect to revert, or be reverted by the Company, without loss of seniority.
- 5.6 Seniority and qualifications shall govern work assignments. In consultation with management, each Branch shall develop a process to allow employees to change regular work assignments not more than once per year.

ARTICLE 6. **REDUCTIONS AND INCREASES IN STAFF**

- 6.1 (a) All second drivers of the dependent contractors will be laid off prior to the laying off of members of the bargaining unit.

- (b) Members of the bargaining unit will be laid off in order of branch seniority subject to qualifications.
- 6.2
- (a) Where an employee / dependent contractor is laid off or whose position is abolished must displace, within three (3) working days, a full-time junior employee/dependent contractor within the Branch for whose position he is qualified. Failure to comply with said time limit shall result in the employee being laid-off out of line of seniority unless a satisfactory reason is given to the employer.
 - (b) Where there is equipment failure and there is no replacement equipment to provide to an employee, at the request of the affected employee he will be entitled to exercise his seniority to displace the junior employee. When the employee's equipment is returned to service they will return to their original equipment and run.
- 6.3
- When forces are increased, employees / dependent contractors shall be returned to service in order of seniority. Employees/dependent contractors shall be recalled based on their length of service and qualifications. Qualifications being sufficient to perform the required duties.. Employees who wish to continue service must file their names, addresses, and telephone numbers with the employer. Employees/dependent contractors failing to report on recall or to give satisfactory reasons for not doing so within seven (7) calendar days from date of notification shall have their names removed from the seniority list.
- 6.4
- Not less than forty-eight (48) hours advance notice shall be given when regularly assigned positions are not required, except in the event of a work stoppage or picketing at a customer's premises, in which case a shorter notice may be given.
- 6.5
- An employee rendered redundant by the exercise of seniority by another employee, following the non-requirement of a position or layoff, will be considered to have been notified in advance by notice under 6.4 above.
- 6.6
- Laid off employees/dependent contractors shall retain their seniority and recall rights for a period up to twelve (12) months.
- 6.7
- An employee with greater than three (3) years of seniority, who is permanently laid off due to the loss of work in his branch, may exercise his seniority to bump a junior employee in another branch of the Company, with the following conditions. The employee in question must be fully qualified and capable of performing the work in question. There must be no cost to the Company.

Article 7

RATES OF PAY

7.1 Upon the expiry of any contract, between the Company and one of its customers necessitating that the Company to re-tender on the contract or in the event that the Company wishes to submit a tender on a new contract or with a new customer, the Company will advise the Union of its intention to bid as far in advance as possible. Where possible the Union will be given at least three (3) weeks notice prior to submitting the bid. A Union committee comprised of the Vice-President, Local Chairperson along with a Staff Representative of the Union shall meet with the Company within ten (10) days after receipt of such notice to negotiate all wage rates applicable for the duration of such contract.

At any such meeting the Company will provide to the Union committee all pertinent financial data available to assist them in such negotiations. It is understood that the Union committee will treat such data on a confidential basis. The Union shall respond in a timely fashion to enable the bid to go forward.

The Company notice to the Union pursuant to this Agreement shall be by fax to the attention of the Vice-President and the Staff Representative at their office of record.

The Company agrees to utilize this clause prior to any consideration of using outside contractors and before using outside contractors to notify the Union of its intent to do so.

Article 8

Special Working Conditions

8.1 When a employee/dependent contractor is required or requested by the Company to lay-over away from his home terminal, the Company shall furnish such driver with suitable sleeping and toilet facilities for the duration of such layover with no cost to the driver. A meal allowance of eighteen dollars (\$18.00) per day will be paid by the Company for employees/dependent contractors required to lay-over away from home.

When a driver is away from his home terminal for more than fourteen (14) days, the Company will provide single accommodation for each driver two (2) days of every seven (7) days.

ARTICLE 9.

INVESTIGATION AND DISCIPLINE

- 9.1 (a) Discipline will be based on the following progressive discipline system. Employees with twenty-four (24) months clear of discipline will have all discipline removed from their employment record.
- (b) (i) The Company has the right to discipline and discharge for just cause. The company recognizes the value of a good

working relationship and that discipline should be instructive and corrective.

- (ii) All disciplinary action shall be fully documented laying out the offense that resulted in the discipline, the discipline issues and the consequences of further offenses. The employee must acknowledge, by his signature, that he is aware he has received discipline.
- (iii) A shop steward shall be present when discipline is issued.
- (iv) All discipline shall be placed in the employee's file, with a copy given to the employee and the shop steward.
- (v) Only written warnings, written reprimands and letters of suspension shall be considered discipline. Verbal warnings shall not be considered discipline.
- (vi) The severity of discipline will be determined by the employee's length of service, the employee's work record, previous disciplined offenses of a similar nature, other previous disciplined offenses, the length of time since a previous disciplined offense, and the seriousness of the offense itself. A serious offense may result in discharge on the first offense.
- (vii) All disciplinary action shall be subject to the grievance and arbitration procedures.

9.2 Whenever an employee is to be interviewed by the Company with respect to his work or his conduct, a Union representative will be in attendance. Such interview must be held within seven (7) calendar days from the date the incident became known to the Company, unless otherwise mutually agreed. In the event a Union representative is not reasonably available, a fellow employee, selected by the employee to be interviewed, may be in attendance.

9.3 When an interview is to be held, each employee whose presence is desired will be notified of the time, place, and subject matter of the interview. The employee and the Company shall mutually agree to the time and place of the interview provided that the interview is held as expeditiously as possible. An employee and his representative is entitled to be present during the examination of any witness whose testimony may have a bearing or relation on the employee's actions or, to read the evidence of such witness, and offer rebuttal thereto. A copy of the written interview or any other material will be supplied to both the employee and the Union.

9.4 Failure to comply with Article 9.2 shall render any conclusion null and void and any statements at such interview inadmissible at any subsequent proceedings.

9.5 An employee may be held out of service for a period of not more than five (5) working days for infractions only of a serious nature. If no cause for discipline or discharge exists, the employee shall be reimbursed for loss of pay.

9.6 Any discipline or dismissal of an employee must be communicated in writing within fourteen (14) calendar days of the interview, giving full particulars of the reason(s) for the action taken. A copy will also be supplied to the Union.

9.7 A grievance with respect to a dismissal shall commence at Step 3 of the grievance procedure within twenty-one (21) calendar days of the notice of dismissal.

ARTICLE 10. **GRIEVANCE AND ARBITRATION**

10.1 Should a dispute arise between the Company and an employee regarding the application, operation, interpretation or alleged violation of this agreement, an earnest effort will be made to settle the dispute in the following manner.

Employees are encouraged to try and settle their complaints with their supervisor as soon after they originate.

The Company shall meet any of its employees and/or their representatives, for the purpose of discussing grievances or complaints with the objective of reaching a satisfactory solution.

Step 1

The aggrieved employee and/or the Unit Chairperson and /or shop steward shall meet with the Branch Manager and present the grievance in writing within fourteen (14) calendar days following the cause of the grievance. The Branch Manager will render a decision in writing stating clearly the reasons for the decision within fourteen (14) calendar days following the receipt of the written grievance.

Step 2

If the grievance is not settled at Step 1, the Unit Chairperson and/or Staff Representative and/or their designate may appeal the decision in writing, giving his reasons for the appeal to the person designated by the Company to handle grievances, within fourteen (14) days following receipt of the Union of the decision in Step 1. The Company will render a decision in writing stating clearly the reason for the decision, within fourteen (14) calendar days following receipt of the Step two (2) grievance.

Step 3

Following Step 2, where a grievance remains unsettled, or there exists a question as to whether the matter is arbitrable either party may notify the other party, in writing, of its' intention or desire to submit the grievance to an arbitrator.

10.2 **Arbitration Procedure**

Either party must within thirty (30) calendar days upon the completion of step two (2) of the grievance procedure outlined in this article notify the other in writing of it's desire to submit to arbitration an unsettled grievance relating to the application, operation, interpretation or alleged violation of this agreement including any question as to whether the matter is arbitrable.

The matter will be referred to a single arbitrator to hear and determine the dispute. If the parties cannot mutually agree on an arbitrator, either party can apply to the Director of Settlements to have one appointed to the dispute.

The arbitrator shall hear and determine the grievance and shall issue a decision. This decision will be final and binding upon the parties. The arbitrator shall not have any power to alter, change or amend any of the provisions of the agreement, nor substitute any new provisions thereof, and in reaching his decision, he shall be bound by the provisions of the agreement.

The arbitrator may substitute such other penalty for the discharge or discipline as he deems just and reasonable given the circumstances.

The parties will equally bear the expenses of the arbitrator selected and any other necessary expenses, such as clerical staff deemed germane to the arbitration process.

10.3 **Time Limits**

When a grievance based on a claim for unpaid wages is not progressed by the Union within the prescribed time limits, it shall be considered as dropped. When the appropriate officer of the Company fails to render a decision with respect to such a claim for unpaid wages within the prescribed time limits, the claim will be paid. The application of this article shall not constitute an interpretation of the collective agreement.

ARTICLE 11. PAYROLL DEDUCTIONS OF UNION DUES

11.1 On receipt by the Company of notice in writing from the Union of the amount of regular monthly dues to be deducted, the Company shall deduct on the payroll for the last pay period of each month from wages due and payable to each employee whose position is fully covered by this Agreement, an amount equivalent to the uniform monthly union dues of the Union. Subject to the conditions and exceptions set forth in Clause 11.2 to 11.10 inclusive.

- 11.2 The amount to be deducted shall be equivalent to the uniform, regular dues payment of the Union and shall not include initiation fees or special assessments. The amount to be deducted shall not be changed during the term of this Agreement, except to conform with a change in the amount of regular dues of the Union in accordance with its constitutional provisions.
- 11.3 Membership in the Union shall be available to any employee eligible under the Constitution of the Union on payment of the initiation or reinstatement fees uniformly required of all applicants for membership. Membership shall not be denied for reasons of race, national origin, colour, or religion.
- 11.4 Union dues deductions for the new employees shall commence on the first pay period which contains the 24th day of the month.
- 11.5 If the wages of an employee payable on the payroll for the last pay period of any month are insufficient to permit the deduction of the full amount of dues, no such deduction shall be made from the wages of such employee by the Company in such month. The Company shall not, because the employee did not have sufficient wages payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.
- 11.6 Only payroll deductions now and hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions for health and welfare and provident funds shall be made from wages prior to the deduction of dues.
- 11.7 The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Company to the officer or officers of the Union as they may be mutually agreed not later than forty (40) calendar days following the pay period in which the deductions are made.
- 11.8 The Company shall not be responsible financially or otherwise, either to the Union or to any employee, for any failure to make deductions or remittances. However, in any instance in which an error occurs in the amount of any deductions of dues from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company shall adjust the amount in subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amount payable to the designated officer or officers of the Union.
- 11.9 The question of what, if any, compensation shall be paid the Company by the Union in recognition of services performed under

this Agreement shall be left in abeyance subject to reconsideration at the request of either party on fifteen (15) days' notice in writing.

- 11.10 In the event of any action at law against the parties hereto resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to Clause 11.1 of this Agreement, all parties shall co-operate fully in the defence of such action. Each party shall bear its own cost of such defence, except that if at the request of the Union counsel fees are incurred these shall be borne by the Union. Save as aforesaid, the Union shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by it as a result of any such deduction or deductions from payrolls.

ARTICLE 12. **MEAL PERIOD**

- 12.1 Except as otherwise provided or mutually agreed, the meal period shall not be less than thirty (30) minutes nor more than one (1) hour.
- 12.2 When a meal period is allowed, it shall commence after the fourth (4th) hour and be completed by the end of the sixth (6th) hour after starting work unless otherwise mutually agreed upon between the Company's officers and a Union representative.

ARTICLE 13. **LEAVE OF ABSENCE**

- 13.1 When the requirements of the operation permit, employees / dependent contractors, on request, will be granted leave of absence to a maximum of three (3) months. Extension of leave of absence beyond a period of three (3) months may be granted, subject to mutual agreement between the Company and Unit Chairperson. Leave of absence shall not be granted for the purpose of engaging in work outside the Company, except in cases involving sickness or other exceptional circumstance, when made the subject of mutual agreement between the appropriate officer of the Company and the Union.
- 13.2 Employees / dependent contractors who have been elected or appointed by the Union to attend union conventions or to do other or similar work will be granted a leave of absence without pay for this purpose. Normally not more than two (2) employees at any one time.

The union agrees to give the Company one (1) weeks notice in writing confirming such leave.

ARTICLE 14. **General Provisions**

- 14.1 Wherever the words “mutually agreed” appear without any further qualification and also wherever the words “representative employees” “the parties” appear, they shall to mean agreements between Union Representatives and Company Officials.

- 14.2 The operating speed for Employees/Dependent Contractors is the posted speed and not to exceed one hundred (100) kilometers per hour.

ARTICLE 15. **LABOUR MANAGEMENT COMMITTEE**

- 15.1 The parties agree that it is to their mutual benefit to promote and maintain positive Labour relations and effective communication.

- 15.2 To pursue this objective, a Labour Management Committee composed of up to four (4) members selected by the Union and up to four (4) representatives of the Company shall be formed. In addition to the Unit Chairperson there will be one member from each Location

- 15.3 The Committee shall meet no less often than once every six (6) months to discuss business prospects and means for improving communication, safety, efficiency, cost control and productivity with special attention to unresolved issues and/or grievances. This committee is not empowered to amend the Collective Agreement. Each party shall cover their own costs.

- 15.4 Minutes will be distributed by the Company to all participants following each meeting. The minutes will show clearly what subjects were raised and by whom, the type of discussion that ensued, and any subsequent position(s) or decision(s) taken.

Letter of Understanding

Between

**NCG Bulk Systems Ltd.
(Hereinafter called "the Company")**

and

**The United Steelworkers of America Local 1976
(hereinafter called "the Union")**

The company and the Union agree to the following in the event the Company establishes a new terminal.

1. The Company will post a notice of work opportunities available in the new terminal.
2. Employees and Dependent Contractors will apply in writing to the new Branch Manager or the Operations Manager.
3. Positions will be awarded on the basis of qualifications, and, where qualifications are equal, seniority.
4. No financial support will be provided to employees or dependent contractors for moving.

Signed this 31st day of March, 1998 at Burnaby, BC.

For the Company

For the Union

March 6, 2002

Mr. K. Turcotte
Staff Representative
United Steelworkers of America
215 - 14925 - 111 Avenue
Edmonton AB
T5M 2P6

Dear Mr. Turcotte:

It is the Company's intention to maintain a pension and benefits plan providing the same level of benefits currently in place.

This will be for the duration of this labour agreement.

Yours truly,

Barry Urbani
Manager Employee Relations
Trimac

APPENDIX A

THIS APPENDIX COVERS RATES OF PAY, HOURS OF WORK AND WORKING CONDITIONS FOR EMPLOYEES OF NCG BULK SYSTEMS LTD.

ARTICLE A4. SAFETY

A4.1 The Company will provide at its own expense to all employees who require them the following safety equipment.

- Safety Goggles
- Hard Hats
- Ear Plugs
- Respirators
- Coveralls for re-fuellers (2 sets) and mechanics
- Fall Protection Belts and Lanyards
- Hard Hat Winter Liners
- Flashlights
- Work gloves upon return of old gloves
- Hi Viz Vest

The Company will regularly replace the above items if found to be broken or worn out on the return of said safety equipment.

A4.2 All full-time employees of NCG Bulk Systems Ltd. are entitled to participate in a safe working program effective January 1, 2002, as follows:

- (a) Four quarterly periods (January 1 to March 31, April 1 to June 30, July 1 to September 30 and October 1 to December 31) will be formed. Every effort will be made to expedite the payment.
- (b) Employees who have no preventable accidents or WCB claims in each period will be entitled to a payment of:
 - (i) Mileage – one-half cent (0.5 cent) per mile for all miles driven (not for work time).
 - (ii) City (hourly) drivers – fifteen cents (\$0.15) per hour for all hours actually worked.
 - (iii) Shop employees – fifteen cents (\$0.15) per hour for all hours actually worked in each period.
 - (iv) Trip Rated Drivers - one percent (1%) of gross earnings per period

Such payments will be made in April, July, October and January or each year.

NOTE: A chargeable accident or WCB claim is defined as one which, after proper investigation, has been determined to be the fault of the individual involved.

ARTICLE A5. SENIORITY

A5.1 Employees not available for full-time employment shall not establish seniority. In order to establish seniority, an employee not previously available for full-time employment must notify the Company in writing, with a copy to the Local Union representative, that he is available for full-time employment. Seniority will be effective from the date of written notice.

ARTICLE A6. REDUCTIONS AND INCREASES IN STAFF

A6.1 **Branch Closure/Technological Change**

An employee with at least one (1) year continuous service, who is permanently laid off due to a complete branch closure shall be eligible for a severance allowance, of one (1) week's pay for each year of service with a minimum of two (2) week's pay and a maximum of ten (10) weeks pay.

A weeks' pay means forty (40) hours at the employees' regular and permanent rate of pay prior to layoff or for employees paid by mileage or trip rates, means average weekly wages for the eight (8) weeks prior to layoff, excluding overtime earnings.

ARTICLE A7. RATES OF PAY – GENERAL

A7.1 **Basic Driver Rates of Pay:**

Golden

January 1, 2002	\$18.68
January 1, 2003	\$18.87
January 1, 2004	\$19.06

Note: Serviceman work done by Driver (refueler) at Golden, at the direction of the Branch Manager will be paid an additional fifty (50) cents per hour for the period of work that serviceman work is performed.

BC Hourly

Jan. 1, 2002	\$17.76
July 1, 2002	\$17.94
July 1, 2003	\$18.12
July 1, 2004	\$18.30

A7.2 Official point-to-point mileage's will be determined by the Company (on all runs) with the use of the on-board computer (CADEC). Similarly, any changes or alterations in mileages will be established with the on-board computer.

Trip Rates:

A7.3 Trip rates shall be jointly established by the Branch Manager and Local Union Representative subject to review by the President of the Company and the Executive Vice-President of the Union, or their representatives.

Dependent on the requirement of business, the Company has the right to implement trip rates subject to review and agreement by the President of the Company and the Executive Vice-President of the Union, or their representatives.

Any work performed under unusual circumstances not contemplated in the computation of the trip rate will be addressed on an individual basis, subject to redress through Article 10 should mutual resolution not be attained.

A7.4 (a) Trip rates will be determined using the following formula.

Travel time plus 1/2 loading time and 1/2 hour unloading time will be included in the trip rate. (Pre and Post trip inspection and paperwork to be included in the calculation of the trip rate. When it is known that load or unload time will exceed 1/2 hour, time will be included in the trip rate)

Wait time after (1) one hour loading or (1) hour unloading will be paid for on an actual minute basis to the closest 15 minute interval.

(b) Trip rate increases will be based on the number of hours multiplied by the applicable hourly increases.

(c) Trip Rate sheets shall include the following Origin, Destination, Product, Equipment, Hours, Rate of Pay

Trip rates for all branches shall be posted in the Branch and copy sent to the officer designated by the Union

(d) The company will endeavour to maintain starting times of each position except in cases of relief, to be the same on all days of the week.

A7.5 A trip-rated driver who has reported for duty shall be paid not less than four (4) hours pay at the work time rate and, if held on duty in

Special Rates of Pay

- A7.10 The rate of pay for lead driver is the basic rate of pay plus fifty (50) cents per hour.
- A7.11 The rate of pay for lead mechanic is the basic rate of pay plus fifty (50) cents per hour.
- A7.12 A schedule driver who perform “on the job” training of new or transferred driving employee will receive, in addition to his regular wages for the day, the sum of twenty dollars (\$20.00) as a training allowance, and is paid with regular pay for that day.
- A7.13 New employees commencing employment with the Company will receive ninety percent (90%) of the scheduled rate of pay for the position worked. This rate will remain in effect until completion of the probation period as per Article 5.4.

Note: Employees who terminate employment and are rehired within one (1) calendar year are exempt from this Article.

A7.14 **Boot Allowance - Driver (Refueller)**

A boot allowance of one hundred and fifty dollars (\$150.00) per year will be provided to all drivers (Refuellers). Such allowance will be paid, with appropriate receipts, for the purchase or repair of boots for Company work only

A7.15 **Tool Allowance:**

Shop employees will be afforded a non-cumulative tool allowance in the amount of three hundred dollars (\$300.00) per calendar year. Reimbursement for tools purchased or for payment of insurance of tools by the shop employees and required for work will be on the basis of submitted receipts, with the Company paying seventy-five percent (75%) of the cost of such tools, to a maximum of three hundred dollars (\$300.00) per calendar year.

A7.16 **Clothing Allowance:**

A clothing allowance to a maximum of one hundred and seventy five dollars (\$175.00) per year will be provided to each employee at Company expense, with appropriate receipts.

A7.17 **Use of Personal Vehicle:**

Employees will be compensated thirty seven cents (\$0.37) per kilometer for the use of their personal vehicle when specifically requested to use it by the Company.

A7.18 **Shift Differentials:**

Employees whose regularly assigned shift starts between 14:00 hours and 21:59 hours shall receive their basic rate of pay plus forty cents (\$0.40) per hour except that all hours worked between the hours of 22:00 and 5:59 will be paid at the basic rate plus fifty cents (\$0.50) per hour. Overtime shall not be calculated on this increment nor shall the increment be paid for any absence from duty.

A7.19 Employees attending any meeting at the request of the Company will be paid the hourly rate of pay with a minimum of three (3) hours pay.

A7.20 **Union Education Fund:**

The Company will pay five cents (\$0.05) per hour per employee for a Union education fund. The fund will be held in trust by the union.

The purpose of the fund will be to assist the Local Union in providing Union Education and safety training courses including programs such as Decision Driving to it's members.

The Union will provide an accounting of expenditures annually.

The union requests a current financial statement on the education fund.

A7.21 The Company will provide direct deposit payroll; all employees must participate.

ARTICLE A12. MEAL PERIOD

A12.1 If the meal period is not provided within the allowed or agreed time limit and is worked, the meal period shall be paid for at the straight-time rate of pay and twenty (20) minutes with pay in which to eat shall be provided at first opportunity.

ARTICLE A17. BEREAVEMENT LEAVE

A17.1 Upon the death of an employee's spouse (including common-law), child, parent, step-child, brother, sister, step-parent, father-in-law, mother-in-law, grandchild or grandparent, the employee shall be entitled to three (3) consecutive working days' bereavement leave without loss of pay, provided he has not less than six (6) months' service.

Notwithstanding the above, in the event of the death of an employee's spouse and/or dependent children, the employee will be entitled to five (5) days bereavement leave without loss of pay.

The term “common-law spouse” will be interpreted to follow the definition as defined by revenue Canada.

It is the intent of the article to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for the period, to the employee to whom leave is granted.

A17.2 A mileage and trip-rated driver, after being on bereavement leave, will compute and claim wages for trips not worked as follows:

“Total wages paid in the last complete payroll period previous to the bereavement leave, divided by the number of days worked, to arrive at an “all inclusive” daily rate of pay for bereavement leave purposes only.”

A17.3 The Company will make every effort to expedite the employee back to his home branch when working away from his branch.

ARTICLE A18. ANNUAL VACATIONS

A18.1 Vacation entitlement will be based on completed years of service as at the employee’s anniversary date. Vacation pay will be based on a percentage of gross earnings during the previous calendar year.

A18.2 An employee who has completed less than one (1) year of continuous employment with the Company will be entitled to one (1) day of vacation for each completed month of employment to a maximum of ten (10) days vacation with vacation pay of 4% of the employees gross earnings during the previous year.

A18.3 Upon completion of continuous employment with the Company for the number of years hereinafter listed, vacation will be granted and vacation pay shall be paid on the basis of 17.1 as follows:

- (a) after the completion of one (1) year: two (2) weeks at 4%;
- (b) after the completion of four (4) years: three (3) weeks at 6%;
- (c) after the completion of ten (10) years: four (4) weeks at 8%;
- (d) after the completion of nineteen (19) years: five (5) weeks at 10%
- (e) after the completion of twenty-seven (27) years: six (6) weeks at 12%

A18.4 An employee who, while on annual vacation, becomes ill or is injured and qualifies for short term disability, shall have the right to re-schedule his vacation and be placed on weekly indemnity. An employee who is again fit for duty shall immediately, inform the Company and will continue his vacation, if within his scheduled dates.

If the remaining vacation falls outside the employee's scheduled dates, such vacation will be rescheduled as may be mutually agreed between the proper officer of the Company and the authorized Local Union representative. An employee who, due to sickness or injury, is unable to take or complete his annual vacation in that year shall, at the option of that employee, have the right to have such vacation carried to the following year.

A18.5 An employee who is entitled to vacation shall take same at the time scheduled. If however, it becomes necessary for the Company to reschedule an employee's scheduled vacation dates, he shall be given at least fifteen (15) days' advance notice of such rescheduling and will be paid at the rate of time and one-half (1 ½) his regular rate of wages for all work performed during the scheduled vacation period. The rescheduled vacation with pay, to which he is entitled, will be granted at a mutually agreed upon later date. This Clause does not apply where rescheduling is a result of an employee exercising his seniority to a position covered by another vacation schedule.

NOTE: Under this Clause, mileage-rated or trip-rated drivers will be paid at a rate of one and one-half (1 ½) times the mileage rate for payments made on that basis, at one and one-half (1 ½) times the straight time hourly rate for payments made on that basis, and one and one-half (1 ½) times the trip rate for payments made on that basis.

A18.6 Provided an employee renders compensated working service in any calendar year, time-off duty due to bona fide illness, or injury, authorized maternity leave, leave to attend committee meetings, call to court as a witness, or for uncompensated jury duty, not exceeding a total of one hundred (100) days in any calendar year, shall be included in the computation of service in that year for vacation purposes.

A18.7 Employees desiring an advance vacation payment must make their application for same not later than five (5) weeks prior to commencing their vacation. The advance vacation payment shall be four percent (4%) of the employee's previous year's earnings, less the appropriate amount (approximately thirty percent (30%) to cover standard deductions

- A18.8 An employee who is entitled to a vacation with pay shall be granted such vacation with a twelve (12) month period immediately following the completion of the calendar year of employment in respect of which the employee became entitled to the vacation.
- A18.9 Employee shall be required to submit their vacation request to the Company before January 31st of each year. Following the company will post an approved vacation schedule no later than February 27th of each year.
- Preference for vacation entitlement will be determined by seniority of those employees whose applications are received by January 31st in each year. Vacation request received after January 31st of each year will be allocated based on the dates they are received, on first received first scheduled basis.
- A18.10 Unless otherwise mutually agreed, employees who do not apply for vacation prior to June 1st shall be required to take their vacation at a time to be prescribed by the Company.
- A18.11 An employee terminating his employment for any reason at a time when an unused period of vacation with pay stands to his credit shall be allowed vacation calculated to the date of his leaving the service, as provided for in A18.2 or A18.3, and, if not granted, shall be allowed pay in lieu thereof.
- A18.12 An employee who is laid off, may on agreement, be paid for any vacation due him at the beginning of the current calendar year and not previously taken and, if not subsequently recalled to service during such year shall, upon application, be allowed pay in lieu of any vacation due him at the beginning of the following calendar year.
- A18.13 If a vacation period is vacated as a result of an employee terminating, the vacated period may be given to the senior employee who applies in writing, to change his annual vacation to that period, providing there are sufficient employees available to meet the Company's requirements. Where vacation relief duties are required, employees shall apply in writing and assignments will be made on the basis of qualification and seniority.
- A18.14 An employee who qualifies for one (1) or more weeks' annual vacation shall not be granted less than one (1) week's vacation at any one time.

ARTICLE A19. **EMPLOYEE BENEFITS**

A19.1 Any change in the Company's policy on driver's benefits shall not constitute a reopening of this agreement, provided, however, no changes shall be made without prior discussion with the Local Union.

A19.2 Present employee benefits include:

- British Columbia Medical
- Extended Health Care
- Dental
- Life Insurance
- Accidental Death and Dismemberment
- Short Term Disability
- Long Term Disability

A19.3 Benefits for spare-board employees:

For those spare-board employees working full time for a period of a minimum of three (3) months, the Company benefit package will be made available upon application, and those employees will be entitled to benefits for the period of full time employment. If these employees wish to continue on the benefit package during periods of layoff, they will be required to pay both the employees' and employers' cost each month.

ARTICLE 20. **GENERAL HOLIDAYS**

A20.1 An employee who qualifies in accordance with Section A20.2 below shall be granted a holiday with pay on each of the following general holidays. When a general holiday falls on an employee's rest day such holiday shall be moved to the normal working day immediately following the employee's rest day.

- | | |
|----------------|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Victoria Day | Remembrance Day |
| Canada Day | December 24 |
| BC Day | Christmas Day |
| | Boxing Day |

When any of the above holidays are observed by a major customer on a different day than the Government observation, the day observed by our customer will also be observed by our employees.

Note: For employees working at Golden, Easter Monday will be substituted for the December 24th general holiday.

- A20.2 In order to qualify for pay for any one of the holidays specified in Section A20.1 of this Article an employee:
- (a) must have been in the service of the Company and available for duty at least thirty (30) calendar days. This Clause (a) does not apply to an employee who is required to work on the holiday;
 - (b) must be available for duty on such holiday if it occurs on a normal work day excluding vacation days except that this does not apply in respect of an employee who is laid off or suffering from a bona fide injury, or who is hospitalized on the holiday, or who is in receipt of, or who subsequently qualifies for weekly sickness benefits because of illness on such holiday; a regularly assigned employee who is required to work on such general holiday shall be given an advance notice of four calendar days, except for unforeseen exigencies of the service, in which case he will be notified not later than the completion of his shift or tour of duty immediately preceding such holiday that his services will be required.
 - (c) must be entitled to wages for at least ten (10) shifts or tours of duty during the thirty (30) calendar days immediately proceeding the general holiday. This clause (c) does not apply to an employee who is required to work on the holiday.

NOTE: Provided that an employee is available for work on the general holiday, absences from schedule shifts or tours of duty because of bona fide illness, injury or hospitalization for which the employee qualified for weekly sickness benefits and Authorized maternity leave will be included in determining the ten (10) shifts or hours of duty referred to in Clause (c).

A20.3 A qualified employee whose vacation period coincides with any of the general holidays specified in Section A20.1 of this Article shall receive an extra day's vacation with pay to which the employee is entitled for that general holiday. The employee concerned will notify the Company in writing the date of selection of the extra day, which will be subject to mutual Agreement between the employee and the employer.

A20.4 (1) An employee qualified under Section A20.2 of this Article and who is not required to work on a general holiday shall be paid eight (8) hours' pay at the straight time rate of his regular assignment.

Employees on a compressed workweek shall be paid the regular number of hours they would have worked for the general holiday.

For Prince George drivers, the general holiday pay will be ten(10) hours' pay at the Prince George hourly rate of pay.

NOTE: Mileage-rated drivers who qualify for general holiday pay in accordance with Clause A20.2 will be compensated on the basis on three hundred and fifty (350) miles at the driver's applicable mileage rates. Trip-rated drivers will be compensated on the basis of the local trip rte Agreement.

A20.4 (2) An employee who is required to work on a general holiday shall be paid in addition to the pay provided in Section A20.4(1) of this Article, at a rate equal to one and one-half (1 ½) times his regular rate of wages for the actual hours worked by him on that holiday with a minimum of three (3) hours for which three (3) hour's service may be required.

NOTE: Mileage-rated and trip-rated drivers who are required to work on a general holiday will be paid at straight time the rates of pay only in addition to the holiday pay.

A20.5 Shifts or tours of duty commencing between 12:00 midnight on the eve of the general holiday and 11:59 PM on the night of the general holiday, both times inclusive, shall be considered as work on that holiday.

ARTICLE 21. **ASSIGNED REST DAYS**

A21.1 Employees shall be assigned two (2) rest days in each seven (7). The rest days shall be consecutive as far as possible consistent with the establishment of regular relief assignments and the avoidance of working an employee on an assigned rest day. Preference shall be given to Saturday and Sunday and then to Sunday and Monday. Workweeks may be staggered in accordance with the Company's operational requirements.

A21.2 In the event that a situation arises which makes it impractical to assign consecutive rest days to all employees at a particular location. Other suitable or practical plans which may be proposed by either of the parties shall be considered and every possible effort will be made to arrive at a satisfactory agreement.

A21.3 Employees (excluding mileage-rated and trip-rated employees) if required to work regularly assigned rest days shall be paid on the actual minute basis at the rate of one and one-half (1 ½) times the employees basic rate of pay with a minimum of three (3) hours for which three (3) hours service may be required.

A21.4 Where work is required by the Company to be performed on a day which is not part of any assignment, it may be performed by an available laid-off employee, who will not otherwise have forty (40) hours of work that week. In all other cases work shall be performed by the regular employee.

ARTICLE A22. **OVERTIME**

(Excluding mileage-rated and trip-rated employees)

- A22.1 Except as otherwise provided, time worked which is Authorized by the employer on any day in excess of eight (8) hours, exclusive of meal period, shall be considered overtime. Overtime will be paid for on the actual minute basis at the rate of one and one-half (1 ½) times the employee's regular rate of pay.

- A22.2 Work in excess of forty (40) straight-time hours in any workweek shall be considered overtime and paid at the rate of one and one-half (1 ½) times the employees regular rate of pay.

- A22.3 Overtime shall not be paid twice for the same hours worked.

- A22.4 Employees shall not be required to suspend work during regular hours to absorb overtime.

- A22.5 Employees shall be required to work overtime only when absolutely necessary. Owing to the necessities of the business and in the interest of the shipping public. It is understood that overtime may be necessary and when necessary will be Authorized and performed. It is understood that when employees are held for overtime duty they will be given reasonable opportunity to procure necessary meals. Such overtime shall be allocated on the basis of seniority whenever possible, in a voluntary manner, within the work classification and shift, provided the employee is capable of performing the duties; however upon reaching the bottom of the seniority list, in that classification and shift, the junior employee(s) will be required, in reverse order, to work overtime, only in the event casual labour is not available to perform such overtime.

- A22.6 Overtime payment for employees on a compressed work week as outlined in Clause A24.5 shall apply only after the hours for the normal work day or normal work week for the position have been exceeded.

ARTICLE A23. **ATTENDING COURT, INVESTIGATIONS AND MEDICAL EXAMINATIONS**

A23.1 Employees required by the Company to attend Court or other public investigations shall be paid schedule rates for time lost as a result of attending such Court or investigation and shall be reimbursed actual reasonable expenses when away from home. In such cases, the witness fees shall go to the Company.

A23.2 An employee who is summoned for jury duty and is required to lose time from his assignment as a result thereof, shall be paid for actual time lost with a maximum of one (1) basic day's pay at straight time rate of his position for each day lost, less the amount allowed him for jury duty for each such day excluding allowances paid by the Court for meals, lodging, or transportation, subject to the following requirements and limitations:

- (a) An employee must furnish the Company with a statement from the Court of jury allowance paid and the days on which jury duty was performed.
- (b) The number of working days for which jury duty pay shall be paid limited to a maximum of sixty (60) days in any calendar year.
- (c) No jury duty pay will be allowed for any day for which the employee is entitled to vacation or General Holiday pay. An employee who has been allotted his vacation dates will be required to change vacation because he is called for jury duty. He may, however, at his option, reschedule his vacation dates to a later date that is mutually satisfactory to the Company and the employee.

A23.3 A driver who is required by the Company to take a periodic medical examination during his off-duty hours shall be allowed payment of three (3) hours at his applicable straight time rate of pay.

ARTICLE A24. **HOURS OF WORK**

(Excluding mileage-rated and trip-rated employees)

A24.1 Except as otherwise provided, eight consecutive hours of work exclusive of meal period shall constitute a day's work.

A24.2 Hours of work shall be established at the various points as traffic conditions may require.

- A24.3 Hours of work of regularly assigned positions shall not be changed without thirty-six (36) hours, written notice and every effort will first be made to discuss any change with a union representative.
- A24.4 The starting time of each position except in cases of relief, shall as far as possible, be the same on all days of the week.
- A24.5 The “compressed” workweek for various shifts or classes of employees shall be arranged by mutual Agreement between the Company and the Union.
- A24.6 Laid-off employees who are required or notified to report for duty shall be paid a minimum of three (3) hours' pay at the straight time rate and, if required to perform work during any period outside the initial three (3) hour period through no fault of their own and are released before a full work day is performed, shall be paid on the minute basis for work in excess of three (3) hours.
- A24.7 A driver who has reported for duty and his assignment is cancelled, shall be paid not less than four (4) hours' pay at the hourly rate and, if held on duty in excess of five (5) hours, shall be paid not less than eight (8) hours' pay at the terminal delay rate

APPENDIX B

THIS APPENDIX COVERS RATES OF PAY, HOURS OF WORK AND WORKING CONDITIONS FOR DEPENDENT CONTRACTORS OF NCG BULK SYSTEMS LTD.

ARTICLE B1. UNION RECOGNITION

B1.1 Posting of the Union insignia in the cab of Contractor trucks or tractors shall be permitted with the consent of the contractor.

ARTICLE B3. MANAGEMENT RIGHTS

B3.1 The parties agree that in addition to this agreement, that the Company and each Contractor will sign a business contract covering Company/contractor arrangements. Rates are to be specifically covered in this agreement. Such business contract will not conflict with this Collective Agreement, but is supplemental to it.

A copy of each business contract along with a copy of the insurance policy will be provided to the Contract Operator and the Union.

ARTICLE B4. SAFETY

B4.1 The Company will provide at its own expense to all employees who require them the following safety equipment.

- Safety Goggles
- Hard Hats
- Respirators
- Fall Protection Belts and Lanyards
- Hi Viz Vests

The Company will regularly replace the above items if found to be broken or worn out on the return of said safety equipment.

B4.2 It is to the mutual advantage of both the Company and the Contractor that equipment that is not in a safe operating condition not be used until it is repaired. It shall be the duty of the Contractor to report promptly all defects in Company equipment. The Contractor will maintain his tractor or truck in a safe operating condition and maintain maintenance logs, which would be made available to the Company in a reasonable time.

B4.3 The Company will implement a Safety Incentive Program for the purpose of adding financial incentive for Contractors who practice safe and efficient driving habits, including accident prevention and protection of equipment, cargo and property.

B4.4 Each full time Contractor, member of the Union, with a unit painted to Company specifications, who has not had any preventable accidents in an incentive period, will be paid a safety bonus. The bonus will be calculated for all miles driven in an incentive period. Payment will be made and calculated on a quarterly basis within thirty (30) days from the incentive period cutoff. The incentive periods will be from January 1 to March 31, April 1 to June 30, July 1 to September 30 and October 1 to December 31. The first year will be calculated at 0.75% of gross earnings. The second year will be calculated at 1.13% of gross earnings, with an increase to 1.5% of gross earnings for each additional year to a maximum of 1.5% of gross earnings.

B4.5 The parties agree that to comply with Hours of Service regulations in the applicable jurisdiction. Contractors shall maintain such related records as may be required by law or by Company policy for that purpose.

ARTICLE B5. SENIORITY

B5.1 (a) A dependent contractor who has one or more power units on the seniority list for the purpose of dispatch and layoff will be an active dependent contractor and Bulk Systems will be the primary employer. Unless other wise agreed to maintain seniority for the purpose of dispatch and layoff, active will be defined as, actually operating a designated power unit for a period of fifty (50) hours in any one month and be active in the operation of their power units.

(b) Should the Seniority of a dependent contractor be affected in (a) above the power unit will be placed on the seniority list per the date first dispatch of the designated driver.

(c) Should a dependent contractor put on second or subsequent units (to a maximum of three power units) will be assigned a unit number, which will for the purpose of dispatch and layoff is treated as seniority. The unit number will be placed on the seniority list as of the date first dispatched.

Notwithstanding the above, the parties agree that in the event of a serious issue, and after discussion with the Local Union a fourth power unit may be added. The fourth power unit will be reduced through attrition returning to three power units.

ARTICLE B7. RATES OF PAY – GENERAL

(Effective April 1, 2002)

(Note: All rates of pay are subject to the quarterly fuel review)

B7.1 (a) **B-Train Rate:**

- (i) On hauls of 0-100 miles (round trip miles) to be calculated at the current rate of \$45.00 per hour.
- (ii) On hauls of 101 – 249 miles (round trip miles) to be calculated at the current rate of \$ 49.00 per hour.
- (iii) On hauls of 250 miles or more (round trip miles) to be calculated at the current rate of \$1.26 per mile.

(b) **Live Floor Rate:**

- (i) On hauls of 1-239 miles (round trip miles) to be calculated at the rate of \$46.75 per hour.
- (ii) On hauls of 240 miles or more (round trip miles) to be calculated at the rate of \$1.14 per mile.

B7.2 (a) **Rate Increases:**

April 1, 2002 – 1.5% increase on Green Tonne Rate

July 1, 2003 - .75% increase on Green Tonne Rate

July 1, 2004 - .75% increase on Green Tonne Rate

***Note:**

January 1, 2002 – Current mileage rate of \$1.26 per mile is based on fuel price of January 2002.

The base rate is structured as follows:
70% labour and other costs, and 30% fuel.

(b) **Green Tonne Formula**

Mileage x Rate/mile divided by Green Tonne Payload = Green Tonne Rate

Minimum = 95% of Green Tonne Rate x Payload

Example:

454 miles x \$1.26 per mile = 572.04

572.04 divided by 42 Green Tonne Payload = \$13.62 per Green Tonne

B7.3 A Contractor when requested by the Company to deadhead or bobtail, will be compensated at the following rates:

Bobtail:	\$0.984 per mile
Deadhead with Live Floor:	\$1.034 per mile
Deadhead with B-Train:	\$1.084 per mile

(Subject to quarterly fuel adjustment.)

B7.4 **Backhaul Rate**

- \$20.00 for loading
- \$20.00 for unloading
- \$.15 cents per mile for each loaded mile on the backhaul.

B7.5 **New Hauls**

When a new haul is established a two (2) week trial period will be established, using a base rate, to establish a rate based on average work time. Completed by more than one driver.

B7.6 **Out of Town Work:**

When a Dependent Contractor is required to work out of town, the Company will cover reasonable accommodation costs. The Company will pay eighteen dollars (\$18.00) per day per person when required to work out of town.

When a Dependent Contractor is required to use their private automobile, the Company will pay thirty-seven cents (\$0.37) per kilometer.

ARTICLE B14. General Provisions

B14.1 **Painting of Contractor Unit**

The Company will provide one thousand dollars (\$1,000.00) towards the cost of painting or repainting the Dependent Contractors unit to Company specifications. This compensation will not be paid more than once every three (3) years.

Effective April 1, 2002, all new hires or replaced units must have their unit painted to Company Specifications within ninety (90) days.

Effective January 1 2004, all existing units must be painted to company specifications by April 1, 2004.

B14.2 **Security**

The Company may require a hold back of up to two thousand dollars (\$2,000.00) per unit for all new Dependent Contractors. Bank interest to be paid on all holdbacks calculated at the current bank rate payable on December 1st of each year.

If a Dependent Contractor has two units working for Bulk Systems the hold back will be as follows:
\$2,000.00 for the first unit.
\$1,000.00 for the 2nd unit

The Company reserves the right to review this program should write-off's be experienced.

B14.3 **Mileage Calculation**

New trip mileage will be calculated on total miles driven by use of CADEC onboard computer system.

NOTE: The Company and Union agree to review mileages on present hauls.

B14.4 **CADEC Rebate**

Contractors will be required to have installed by the Company CADEC onboard computers. Upon the Dependent Contractor leaving the Company, the CADEC unit must be returned in good working condition to the Branch Manager.

B14.5 *Intentionally left blank*

B14.6 **Power Unit Weight:**

Weight restriction of 18,000 lbs. (fuel, chains, no driver) to apply. Conventional cabs with double stacks and sleepers are allowed subject to above weight restriction.

The Company will provide detailed truck specification.

B14.7 **Purchase Plan:**

The Company agrees to make available to all Dependent Contractors the ability to purchase through the Company, tires, fluids and other maintenance repair items.

Schedule of Deductions:

<u>Receivable</u>	<u>Deduction Period</u>
Up to \$500	One time
\$501 - \$1000	4 weeks
\$1001 - \$2500	8 weeks
\$2501 - \$5000	12 weeks

Freightliner Rebates:

After best deal is negotiated with dealer, apply through Trimac for rebate.

Rebate \$2000.00 upon receipt plus \$650.00 parts credit

After 1st year rebate \$1500.00

After 2nd year rebate \$1500.00

Cummins:

\$500.00 US Dollars rebate

ARTICLE B17.

BEREAVEMENT LEAVE

B17.1

Upon the death of an employee's spouse (including common-law), child, parent, step-child, brother, sister, step-parent, father-in-law, mother-in-law, grandchild or grandparent, the dependent contractor shall be entitled to three (3) consecutive working days' bereavement leave without pay, provided he has not less than six (6) months' service.

Notwithstanding the above, in the event of the death of an employee's spouse and/or dependent children, the dependent contractor will be entitled to five (5) days bereavement leave without - pay.

The term "common-law spouse" will be interpreted to follow the definition as defined by revenue Canada.

It is the intent of the article to provide for the granting of leave from work on the occasion of a death as aforesaid, to the dependent contractor to whom leave is granted.

B17.2

The Company will make every effort to expedite the dependent contractor back to his home branch when working away from his branch.

ARTICLE B18. **ANNUAL VACATIONS**

B18.1 Dependent contractors desirous of vacation time will mutually arrange with the Branch Manager for time off, up to two (2) week maximum limit for vacation purposes, during which time he may park his unit. The provisions contained in this article may be forfeited if, in the opinion of the Company, it becomes abused.

ARTICLE B19. **DEPENDENT CONTRACTOR BENEFITS**

B19.1 The Company and the Union agree that the Dependent Contractor Group Benefit Plan is a worthwhile program and encourage each Dependent Contractor to voluntarily become a participant.

B19.2 The full cost of the Group Benefit Plan will be paid by the Dependent Contractor who selects it through payroll deduction.

B19.3 Present benefits include:

- British Columbia Medical
- Extended Health Care
- Dental
- Life Insurance
- Accidental Death and Dismemberment
- Long Term Disability