

COLLECTIVE AGREEMENT

BETWEEN

**ARROW BULK CARRIERS LTD.
(KAMLOOPS CHIP DIVISION)**

AND

TEAMSTERS LOCAL UNION No. 213

January 1st, 2003 - June 30th, 2006

DON McGILL
Secretary-Treasurer

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THIS AGREEMENT EFFECTIVE THIS 1ST DAY OF JANUARY, 2003.

**BETWEEN: ARROW BULK CARRIERS LTD.
(KAMLOOPS CHIP DIVISION)**

(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART

AND: TEAMSTERS LOCAL UNION No. 213

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

1:00 INTERPRETATION AND INTENT

1:01 The marginal Section and Article heading shall be used for purposes of reference only and may not be used as an aid in the interpretation of this Agreement.

1:02 In the event that any word, phrase, sentence, Section, or Article of this Agreement is declared invalid by any court of competent jurisdiction, only such word, phrase, sentence, Section or Article shall be affected and this Agreement shall be otherwise unaffected and shall continue in full force and effect.

1:03 The Company and the Union agree to the establishment of a committee which shall meet as required during the term of this Agreement, to deal with any matter regarding the interpretation or application of this Agreement that may be raised by any of the parties signatory hereto.

2:00 UNION SECURITY

Coverage

2:01 The Company recognizes the Union as the sole bargaining agent for the employees and Owner/Operators covered by the certification and working at the classified occupations within the Fossil Fuel and Wood Fibre Ore Concentrates Operations, using equipment listed in Appendix "A" and for such other employees and Owner/Operators as may be assigned to new classifications or commodities coming under the Union's jurisdiction.

2:02

The terms of this agreement shall apply to all sub-contractors or sub-contracts let by the employer.

The employer agrees to engage only those sub-contractors having an agreement with the signatory union, prior to commencing work.

The employer signatory to this agreement shall be responsible for enforcing the wages and conditions of the agreement on the sub-contractor.

Membership

- 2:03 All employees and Owner/Operators covered by the Agreement must be members in good standing of the Union.
- 2:04 Any employee or Owner/Operator who does not remain a member in good standing shall not be retained in the employment of the Company.
- 2:05 Any employee or Owner/Operator who has been laid off for any reason and who does not retain his membership in the Union will not retain his seniority with the Company.

Conflicting Agreements

- 2:06 The Company agrees not to enter into any agreement or contract with employees or Owner/Operators of the Company, members of the Union, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement will be null and void.

Transfer of Company Title or Interest

- 2:07 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire business or any part thereof is sold, leased, transferred or taken over by sale, transfer, lease assignment, receivership or bankruptcy proceedings, such business or any part hereof shall continue to be subject to the terms and conditions of this Agreement for the life thereof. The Company shall notify the Union in writing, not later than the effective date of the fact of any sale, transfer, lease assignment, receivership or bankruptcy proceeding not including the financial arrangements thereof.

Protection of Conditions

- 2:08 It shall be a violation of this Agreement for the Company to require that an employee purchase truck, tractor, and/or tractor and trailer or other vehicular equipment or that any employee purchase or assume any proprietary interest or other obligation in the business as a condition of employment.

3:00 AUTHORIZATION OF DEDUCTIONS

- 3:01 New employees and Owner Operators/Dependent Contractors shall be required to sign authorization cards for deduction of initiation fees, dues and assessments as required by the By-Laws of the Union. Such deductions shall be forwarded to the Union not later than the last business day of the month in which these deductions were made. It is understood that dues are payable

monthly in advance, and that the payment schedule is to be determined by the Union. Dues shall be deducted from the second pay of the month previous to the period for which they are applicable.

4:00 PICKET LINES

4:01 It shall not be a violation of this Agreement, cause for discharge or other disciplinary action if an employee or Owner/Operator refuses to cross a picket line which has not been declared illegal by a Court of Competent Jurisdiction.

5:00 STRIKE AND LOCKOUT

5:01 During the term of this Agreement there shall be no lockout by the Company, and no strike, stoppage of work or slow-down either partial or general, authorized by the Union.

6:00 SHOP STEWARDS

6:01 Shop Stewards shall be recognized by the Company and shall not be discriminated against. The Company shall be notified by the Union of the name or names of such Stewards. Reasonable time shall be given to the Shop Steward to carry out his duties with pay. The Union shall be notified in writing if a Shop Steward is discharged for cause and such cause shall be stated in the reasons. Executive Officers of the Union or Shop Stewards, who are required to attend meetings at the call of the Union, shall be allowed time off by the Company without pay.

6:02 A Shop Steward shall be present, if requested by the employee whenever he or she is being interviewed over a formal disciplinary matter.

7:00 BUSINESS REPRESENTATIVES OF THE UNION

7:01 A Business Representative of the Local Union will request and have access to the Company's premises covered by this Agreement during working hours to investigate working conditions related to this Agreement, and shall in no way interrupt the Company's working schedule.

8:00 SENIORITY

8:01 Seniority shall be maintained in the reduction and restoration of the working force, providing the senior man is capable of performing the remaining job or jobs.

8:02 All new jobs and vacancies are subject to seniority and shall be posted promptly for seven (7) days in a conspicuous place at the terminals, stating starting time, job description and rate of pay. All regular employees shall be entitled to bid on such postings and the Company shall designate, on the original posting, the successful bidder. Any regular employee absent by

reason of accident, sickness or vacation, shall have the opportunity to bid on such job postings or vacancies within five (5) days after he returns to work, provided he is capable.

- 8:03 Provided the employee is capable and is given the opportunity to demonstrate his capability, seniority shall prevail in the appointments to new jobs or vacancies and, except by mutual agreement of the parties hereto, for the purpose of shift preferential on established shifts. Starting times preference shall be given to senior employees on established shifts and operators of mobile equipment will be given preference. Except where a job or shift has been discontinued, there shall be no job or shift bumping privileges. Senior employees shall be given preference to fill vacancies on differential rated equipment if qualified.
- 8:04 In all areas, seniority shall be branch wide and the seniority lists will include all terminals in a particular branch and there may be separate groups or units for seniority purposes:
- Unit #1: Drivers and Owner/Operators
Unit #2: Mechanics
Unit #3: Labourers
- 8:05 When an employee is laid off for lack of work, he will then have the right to fill, if qualified and capable in all respects, any position in one of the other units to which his seniority will entitle him, provided however, the Company will be given a reasonable opportunity to a maximum of three (3) working days to reassign displaced employees.
- 8:06 Within each terminal the Company will post and maintain seniority listings. Such up-to-date listings will be posted as of January 31st, May 31st and September 30th of each year. Copies of current lists will be provided by the Union to the Company, to be filled out and returned on the above dates to Teamsters Local 213, Kelowna Office.
- 8:07 When an employee is terminated by the Company for just cause or he leaves by his own choice, he will automatically be struck from the seniority list.
- 8:08 In the event that the Company purchases a business or any part thereof, the employees of which are covered by a collective agreement with a Local Union of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, the seniority of such employees shall be computed from the date that they respectively first became employees of the business aforesaid.
- 8:09 Any employee who has been on lack of work lay off for twelve (12) months or more shall be removed from the seniority list and the Company shall be under no obligation to such employee.
- 8:10 Any employee receiving an indefinite lay off or written consent from the

Company shall be given the opportunity to transfer, within the Company to the Branch Seniority List of his choice where the probationary period will be waived and his Branch Seniority will be effective from, and dated thirty (30) days prior to his reporting for duty. He will maintain his Company Seniority for the computation of monetary benefits.

8:11 Employees shall be entitled to the following severance procedures and benefits:

- (i) An employee on indefinite lay-off before or during a recall under Article 8, and upon expiry of recall rights, shall receive one (1) full week's straight time pay or notice or combination thereof for each year of service, or portion thereof, since the date of initial employment to a maximum of twelve (12) weeks on each occasion.
- (ii) For the purposes of severance pay, an indefinite lay-off means a lay-off of thirteen (13) weeks or longer. When an indefinite lay-off occurs, the employee may accept severance pay or notice (as the case may be) and maintain recall rights under Article 8. If an employee accepts severance pay or notice and is recalled within the twelve (12) month period of Article 8:09, then any future severance pay or notice will be calculated from the date of recall to work instead of the date of original hire. If an employee elects not to accept severance pay or notice during an indefinite lay-off, then he will be entitled to severance pay from the date of original hire once his recall rights expire or if he is recalled within the twelve (12) months and terminated at a later date.

9:00 DEPENDENT CONTRACTOR

9:01 **Definition**

For the purpose of the Agreement, Dependent Contractor(s) and/or Owner/Operator(s) shall be defined as the owner, purchaser or lessor of a vehicle which shall be operated by the owner, purchaser or lessor. Said vehicle shall not be owned in whole or in part by the Company.

10:00 HOURS OF WORK

Eight (8) Hour Shifts

Shall not be less than the **Employment Standards Act**.

10:01 Except as hereinafter provided, the regular work day for hourly employees shall consist of eight (8) hours of work not including the meal period. All

employees will be scheduled two (2) consecutive days off per week.

- 10:02 Any hourly employee who is called in to work shall be paid not less than eight (8) hours pay.
- 10:03 Any hourly employee who is called in to work on his scheduled day off shall be guaranteed four (4) hours pay.
- 10:04 Student trips will be paid for at the applicable rate where the applicant is proven capable.

- 10:05 In the event of failure to post or give such notice, it shall be presumed that the time of his shift for the following week shall be the same as the current week.
- 10:06 The Company shall pay overtime rates of wages to every employee entitled thereto as follows (Mechanics only):
- All time worked over and above eight (8) hours per day on any shift shall be deemed overtime until a break of eight (8) hours occurs.
- 10:07 For mechanics the first three (3) hours of overtime on any regular day, one and one-half (1½) times his regular rate of wages and for all time worked thereafter, the employee shall be paid double his regular rate of wages.
- 10:08 For the first eight (8) hours worked on General Holidays an employee shall be paid double his regular rate of wages. The rate to be paid for the 9th and 10th hour shall be three (3) times the regular rate. The rate to be paid for all hours beyond the 11th hour shall be four (4) times the regular rate.
- (For Mechanics Only)
- 10:09 For all employees first and second day of rest shall be the 6th and 7th shifts.
- (For Mechanics Only)
- 10:10 Where an hourly employee works on his regularly assigned rest day, he shall be paid at one and one-half (1½) times for working on his first day of rest and double (2X) time for working on his second day of rest, providing he worked on his first day of rest.
- (For Mechanics Only)
- 10:11 Where any hourly employee works on his regularly assigned rest day or days, he shall be paid in accordance with the above.
- 10:12 For the purpose of this Section, the work week shall be from 0001 hours Monday to 2400 hours Sunday.
- With respect to General Holidays, hourly employees will be paid any applicable overtime in addition to eight (8) hours pay for the General Holiday.
- 10:13 Except in case of emergency or where it is unavoidable, no employee shall work weekly overtime (6th or 7th shift) until all regular employees in their unit have worked the full quota of regular hours provided there are capable and qualified regular employees amongst those who have not worked their full

quota of regular hours. Provided the foregoing has been complied with, seniority will prevail in classifications for the allocation of overtime and extra trips.

10:14 Overtime for hourly employees shall be allocated wherever possible to capable senior employees in a voluntary manner, provided however, that upon reaching the bottom of the seniority list, the employee shall be required to work overtime as needed.

11:00 GENERAL HOLIDAYS

11:01 Pay for holidays when not worked shall be as follows:

11:02 Employees shall be paid for time not worked at the regular rate on New Year's Day, Good Friday, Victoria Day, Canada Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day.

11:03 The rate of pay for these General Holidays shall be eight (8) hours pay at the employee's regular rate of pay.

11:04 Employees entitled to these ten (10) paid holidays shall have been on the payroll within thirty (30) calendar days previous to the holiday.

11:05 Employees absent by reason of leave of absence, discharge, quit or suspension shall not be entitled to General Holiday pay.

11:06 The employee who is terminated or discharged for just cause within the thirty (30) calendar day period shall not be entitled to General Holiday pay. Any employee returning to work within thirty (30) calendar days, after the holiday shall be entitled to the paid General Holiday.

11:07 In the event that a General Holiday falls on an employee's regular day off, he shall, upon request and consistent with the efficient operation of the business, be entitled to the day following such General Holiday without pay.

11:08 If customer recognizes different day as statutory holiday, employee to work said day at regular wage and receive alternate day off.

12:00 ANNUAL VACATIONS

12:01 Anniversary Date

The employee's anniversary date for the purpose of calculating annual vacations shall be the employee's starting date.

Employees shall be granted their vacation dates in order of their seniority, consistent with the efficient operation of business. Vacation lists shall be posted on or before January 2nd and remain posted until February 28th of each year.

All employees entitled to more than two (2) weeks vacation may receive them in one continuous period only if they take their vacation in the off season.

Off season defined: September 15th to June 15th inclusive.

12:02 **Two Weeks**

Upon completion of one (1) years service, employees shall receive two (2) consecutive weeks' vacation. Vacation pay will be calculated at four percent (4%) of their gross earnings.

12:03 **Three Weeks**

Upon completion of three (3) years' of continuous service, employees shall be entitled to three (3) weeks' vacation at straight time pay, or six percent (6%) of gross earnings, whichever is the greater.

12:04 **Four Weeks**

Upon completion of nine (9) years' of continuous service, employees shall be entitled to four (4) weeks' vacation at straight time pay, or eight percent (8%) of gross earnings, whichever is the greater.

12:05 **Five Weeks**

Upon completion of fifteen (15) years' of continuous service, employees shall be entitled to five (5) weeks' vacation at straight time pay, or ten percent (10%) of gross earnings, whichever is the greater.

12:06 **Six Weeks**

Upon completion of twenty-one (21) years' of continuous service, employees shall be entitled to six (6) weeks' vacation at straight time pay, or twelve percent (12%) of gross earnings, whichever is the greater.

12:07 **Seven Weeks**

Upon completion of twenty-six (26) years' of continuous service, employees shall be entitled to seven (7) weeks' vacation at straight time pay, or fourteen percent (14%) of gross earnings, whichever is the greater.

12.08 **Banked Overtime as Vacation Time**

All employees will be allowed to take one (1) week per year from their overtime bank as per Article 45:00.

12:09 Fifteen hundred (1500) hours shall constitute a year's service but no employee will be permitted to accumulate more than one (1) year of service, or any additional fraction thereof in any single calendar year. However,

General Holidays shall count as hours worked. Employees who do not qualify under this clause will be paid the appropriate percentage.

12:10 In any year where an employee has not qualified for a full vacation, he will still be credited with a year of service to determine future vacations.

12:11 Once vacation periods are established the time shall not be changed except where mutually agreed between the employee and the Company.

12:12 Vacation period to start on completion of employee's normal work week and end on the first day of his normal work week on the completion of his vacation.

13:00 HIRING

13:01 When employees are required, only Union members having the necessary qualifications and confirmation from the Union shall be hired. When qualified Union members are not available, then the Employer may obtain qualified employees elsewhere. Employees hired elsewhere shall have seven (7) days in which to become a member of the Union, or be replaced by a Union member when available.

14:00 CLASSIFICATIONS

14:01 Rates and Effective Dates

When an employee is required to work on equipment with a higher rate of pay, he will receive the higher rate of pay.

14:02 When an employee is required to work on equipment with a lower rate of pay on a temporary basis he will receive the higher rate of pay until such time as he is permanently reclassified.

14:03 New Classifications

The Company shall notify the Union when any new classification or job coming under the jurisdiction of this Agreement is added, or if there is substantial change in the duties of an existing classification or job. The Union and the Company shall negotiate on the rate to be established and that rate, once established shall be retroactive to the introduction date of the new classification or job.

14:04 Chargehand

A Chargehand when so designated and classified by the Company shall be defined as an employee who shall direct the work of other employees while

performing similar work himself. He shall not have the authority to hire, fire, suspend or discipline employees. He shall be a member of the Union, and shall be entitled to all rights and conditions in accordance with this collective agreement. The designation and classification of Chargehands, while subject to postings, will be determined by the Company.

14:05 **Working Foreman**

A Working Foreman at small and/or remote Company maintained terminals shall be considered as such:

- (a) He shall be an employee of the Company.
- (b) He shall be used by the Company only at small and/or remote locations, where the Company does not employ more than twenty-four (24) employees including the Working Foreman.
- (c) He shall be a member of the Union, and be entitled to all rights and conditions in accordance with this collective agreement.
- (d) His services shall not be utilized to deny other employees of their equitable share of overtime.
- (e) He shall not have the right to fire employees, nor be directly involved in the grievance procedure.
- (f) Notwithstanding paragraph (b) above the Company may, for periods not to exceed ninety (90) days, increase the number of employees in the terminal. This term may be extended as agreed between the parties.

14:06 The Employer agrees to participate with the Union to meet with Chargehands and Working Foremen to discuss functions to be performed.

15:00 DISCHARGE OF EMPLOYEES AND MANAGEMENT RIGHTS

15:01 No employee or Owner/Operator shall be disciplined or discharged without just cause.

15:02 Subject to the terms of this Agreement, all matters concerning the operations of the Company business shall be reserved to the management. The Union recognizes that it is the function of the Company.

15:03 To maintain order, discipline and efficiency.

15:04 To discharge, classify, reprimand, suspend for proper cause, direct or transfer employees from one classification to another, move employees from

one location to another for proper cause.

15:05 To increase and decrease working forces.

15:06 To make or alter from time to time, rules and regulations to be complied with by its employees. These rules and regulations are to be filed with the Union, and shall not conflict with this Agreement.

16:00 WAGES AND WAGE STATEMENT

16:01 Wages

The Company shall pay wages to every employee covered by this Agreement at the hourly rates contained in Appendix "A" for the various classifications listed therein.

16:02 **Statement**

The Company shall provide every employee covered by this Agreement with a separate detachable written or printed itemized statement in respect of all payments made to such employee by the Company. Such statement shall show the regular hours worked, the total overtime hours worked, the rate or rates applicable, the gross amounts of wages, vacation pay and pay for Statutory Holidays and all deductions made therefrom, a total to date from January 1st of the current year of gross pay, income tax, Canada Pension Plan, and Unemployment Insurance. Pay cheque and/or pay stubs shall be distributed to each employee in sealed envelopes.

16:03 Except as otherwise mutually agreed between the parties, all regular employees covered by this Agreement shall be paid not less frequently than on every other Thursday all wages earned by such employees to date, not more than seven (7) days prior to the day of payment. The pay period shall commence each Friday at 0001 hours.

17:00 **GENERAL CONDITIONS**

17:01 **Rest Breaks and Meal Allowances Hourly Rated Employees**

Any employee shall be entitled to one (1) break of fifteen (15) minutes during both the first half and second half of any shift and, where practical, during each two (2) hour period of overtime excepting during that period where a meal period is provided.

17:02 A rest break shall be provided if the overtime worked is to exceed thirty (30) minutes. The commencement of this break may be staggered but not beyond one half (½) hour.

17:03 Meal Periods shall not be in excess of one (1) hour and where possible shall be thirty (30) minutes.

17:04 The commencement of this break may be staggered but not beyond one-half (½) hour.

18:00 **LICENCE TESTS**

18:01 Whenever it becomes necessary for an employee to undertake tests for renewal of licences or tickets, the Company shall, upon request, provide appropriate equipment for this purpose. Time taken off for such purposes shall be paid for at the employee's straight time rate.

18:02 Any driver with two (2) or more years of seniority who is required under the

Motor Vehicle Regulations to undertake a physical examination as a condition of continuing to hold a valid driver's license shall receive a Company contribution to a maximum of fifteen dollars (\$15.00) to the cost of the examination, provided a receipt is submitted to the Company.

19:00 FIRST AID

19:01 The Company when requiring First Aid men who work at other duties in addition to their regular rate shall pay such employees for the ticket required at the following rate:

Thirty cents (30¢) per hour - Class C Ticket.

19:02 A First Aid kit shall be installed in all highway vehicles.

20:00 WORKING ON CONSTRUCTION

20:01 In the event that the Company should require any employee covered by this Agreement to engage in work on construction, in the confines of a construction site and for which more favourable wage rates than those herein contained are paid, such employee shall be entitled to be paid at the more favourable wage rate while he is so engaged.

20:02 It shall not be a violation of this Agreement for an employee to post the Teamsters' Union Label in a conspicuous place on the glass area of the equipment he is operating. The said label to be a size not in excess of three inches (3") by four inches (4") and not to be attached to any area which will impair the vision of the driver.

21:00 E.I. SEPARATION

21:01 Any employee on lay-off, who requests his E.I. separation slip shall not be considered terminated.

22:00 BULLETIN BOARD

22:01 The Company will provide a bulletin board in each Company lunchroom or dispatch area for the posting of this Agreement and for such notices as the Union or Company may from time to time wish to post. The said Union notices shall be posted and signed by an elected or appointed officer or other authorized representative of the Union.

23:00 SUBJECT TO GRIEVANCE PROCEDURE

23:01 Disciplinary Action

Any employee will receive a copy of any written reprimand or warning letter placed on his file with a copy to the Union. Such written reprimand or warning letter shall become a permanent part of the employee's personal work history. However, any reprimand or warning letter in excess of twelve (12)

months will not be used to compound disciplinary action against the employee. Such reprimand or warning letter must be issued forthwith. Any employee shall have the right to view his personnel records upon request in the event of a grievance.

23:02 The Parties hereto recognize that all the clauses and stipulations of this Agreement are subject to grievance procedures.

24:00 TRANSPORTATION AND BOARD

24:01 In the event that any employee is required to work at a place of work which is in excess of fifteen (15) miles from his normal place of business, the Company shall pay all his travelling expenses to and from such place of work, meals, appropriate accommodation when required to stay overnight and shall pay for all travelling time at the appropriate hourly rate.

25:00 COVERALLS AND GLOVES

25:01 Where required the Company shall supply to the employees on an exchange basis, Union made insulated coveralls and gloves. Mechanics will be issued safety boots on an exchange basis. Any safety equipment required will be paid for and supplied by the Company. If safety boots are required by drivers, they will be reimbursed for cost.

25:02 At the discretion of the Company, employees on dirty jobs may be issued more than the normal issue of coveralls.

26:00 ON JOB INJURY

26:01 When an employee meets with a personal accident or injury, while on the job, he shall be paid his full day's wages for the day of the accident, providing the personal accident has been reported to the Supervisor or qualified First Aid man. Immediately following first aid and as soon as practical after medical treatment, the employee will advise his Supervisor as to his status. Appropriate transportation shall be provided to injured employees.

27:00 MEDICAL

27:01 Any Company or Government required physical or medical examinations shall be promptly complied with by all employees provided however, the Company shall pay for all such physical or medical examinations or for any time lost as a result thereof during his working hours.

27:02 Where a regular employee is required by the Company to take a medical outside of his regular hours of work, the Company shall pay, to a maximum of two (2) hours straight time wages for such time spent, excepting in instances where an employee is returning to work or is about to return to work following illness or disability.

27:03 If following a medical examination under (27:02) of this Section, the employee is dissatisfied with the decision of the Company doctor, the employee may seek a decision from his personal doctor. Should the decision of the Company's doctor and the employee's doctor differ, the Company or the Union is entitled to direct that the employee be examined by a medical specialist whose specialty covers the disability. The Company's doctor and the employee's doctor, together, shall then select such a specialist, however, failing agreement within five (5) days, the College of Physicians and Surgeons shall be requested to make such appointment. The decision of the medical specialist shall be final and binding upon the parties involved and the employee shall not suffer loss in wages or Health and Welfare Plan benefits, whichever applies, as a result of such examination(s).

27:04 An employee who has been absent from work, because of illness or accident shall not suffer a reduction in his regular wages only because the Company requires a medical examination prior to the employee resuming work.

28:00 WASHROOMS AND LUNCHROOMS

28:01 Where possible and where required the Company agrees to maintain in its terminals, adequate, clean sanitary washrooms having hot and cold running water, toilet facilities and when new facilities are built, showers and lockers will be installed. In addition, there shall be provided adequate lunchrooms, which shall be kept clean and tidy.

29:00 PAID FOR TIME

29:01 If an error occurs in the payroll computation of an employee's pay cheque and the amount is equal to one day's pay or more, he shall be entitled on request to receive same as soon as practicable but not later than the week following the pay day on which the error was reported. If any employee improperly completes his time card or pay claim, or, does not turn them in immediately on completion of his trip or tour, any pay so affected will be included with the next regular pay period.

29:02 All hourly employees covered by this Agreement shall be paid for all time spent in the service of the Company. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work or registers in; whichever is the later, until he is effectively released from duty.

30:00 DISPATCH RULES

30:01 All drivers and operators of equipment shall be dispatched according to agreed upon and posted Local Dispatch Rules. Failure to agree on such Dispatch Rules, such Rules then shall be referred to the Grievance

Procedure.

31:00 PROBATIONARY PERIOD

31:01 All newly hired employees shall be considered as probationary employees for the first thirty (30) calendar days.

31:02 Upon the conclusion of any thirty (30) calendar day period during which a probationary employee has worked one hundred and twenty (120) hours, the employee's name shall forthwith be placed on the regular employee's seniority list, effective from the first day of employment of the thirty (30) calendar day period, and the employee shall be entitled to all rights and privileges as provided in this Agreement.

31:03 Part-time employees will not be used to deprive any of the regular employees the conditions of this Agreement.

31:04 Should an employee be involved in an accident while on Company time with a Company vehicle, he shall be allowed time off without loss of pay to go to Court or any other agency as may be required. The Company will supply representation for the employee if there is any possibility of the Company being involved in any action because of the accident. The above to apply if required to appear as a witness on behalf of any case or accident as outlined above.

32:00 REGULAR EMPLOYEES

32:01 A regular employee shall be considered as such an employee of the Company when:

32:02 He has completed his probationary period.

32:03 He makes himself available to the Company for full time employment.

32:04 He has no other outside employment except where such employment may be specifically permitted under the provisions of this Agreement.

32:05 It shall not be a cause for discipline or discharge for an employee to seek and/or accept gainful employment while on lay-off provided the employee complies with Articles (32:03) and (32:04) herein.

32:06 He is the holder of valid and subsisting licenses to operate mobile equipment if required by the Company and as required by the statutes and regulations of the Federal and Provincial Governments.

32:07 When the Company tries to contact any regular employee who is either on lay-off in excess of two (2) weeks or has failed to report for duty within twenty-four (24) hours of contact, and cannot be contacted by telephone regarding his availability for employment, the Company will then make final contact by registered mail. Failure to then contact the Company with sufficient justification may then constitute grounds for dismissal.

33:00 PART TIME EMPLOYEES

- 33:01 A part time hourly employee shall:
- 33:02 Be hired on an incidental and temporary basis to provide for additional manpower.
- 33:03 Be carried on a regular part time employee's seniority list in a city.
- 33:04 Be given first opportunity to qualify as a regular employee as openings become available providing he meets all Company qualifications and requirements.

34:00 LEAVE OF ABSENCE

- 34:01 When the requirements of the Company's services will permit, any employee hereunder, upon written application to the Company with a copy of said application to the Union, may if approved by the Company, be granted a leave of absence, in writing (with a copy to the Union) for a period of thirty (30) calendar days. Upon six (6) months prior notification an employee may request every three (3) years and may be granted up to thirty (30) days leave of absence in conjunction with his holidays. Under such leaves the employee will retain and accrue seniority only.
- 34:02 Such leave may be extended for additional periods of thirty (30) calendar days when approved by both the Company and the Union, in writing, and seniority will accrue during such extensions.
- 34:03 Any employee hereunder on leave of absence engaged in gainful employment without prior written permission from both the Company and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an employee of the Company.
- 34:04 In the event the Company grants written leave of absence, with a copy to the Union, to an employee who has suffered the revocation of his drivers' licence, it shall not be a violation of this Agreement for that employee to accept employment elsewhere.
- 34:05 Any employee requesting leave of absence for compassionate reasons shall not be unreasonably denied such request.
- 34:06 If a regular employee for certified health reasons is unable to perform the work in his regular job he will be reclassified according to his seniority and capability to perform work in another classification if it exists within the Company. The employee must provide a valid medical opinion of his physical and/or mental ability to perform the new job in accordance with the provisions of the Agreement as it relates to Company required medical examinations.

34:07 If an employee suffers the revocation of his driver's license he will be reclassified provided he is capable and work is available and that such re-employment will not result in the bumping of a regular employee, or otherwise be given a nine (9) month leave of absence. However, such reclassification may be authorized only once to an employee who suffers such revocation.

34:08 When an employee within the bargaining unit covered by this Agreement receives leave of absence to take a position within the Company which is beyond the sphere of the bargaining unit, he may retain his seniority for a maximum of one hundred and fifty (150) calendar days within the former unit. Notice shall be given to the Union in writing prior to the employee leaving the bargaining unit for any period of time.

34:09 Not later than on the one hundred and fiftieth (150th) calendar day of this period, the employee must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the employee return or be returned to the bargaining unit for any reason, he must remain within the unit for a minimum period of one hundred and twenty (120) calendar days prior to exercising such privilege again.

34:10 **Leave of Absence**

If through accident or illness an employee is required to take courses or accept on-the-job training sponsored by the W.C.B. or the Teamsters' Health and Welfare Plan or any other similar agencies, the said employee shall be granted up to one (1) year's leave of absence.

35:00 BEREAVEMENT LEAVE

35:01 When death occurs to a member of a regular full time employee's immediate family, the employee will be granted, upon request, an appropriate leave of absence, without pay. In addition, he will be excused from and paid for the balance of that working shift.

35:02 A regular employee's immediate family is defined as an employee's spouse, mother, father, sons and step-sons, daughters and step-daughters, brothers and sisters, mother-in-law and father-in-law, grandfathers and grandmothers, which will also include the spouse's grandparents. Step-father or step-mother will be recognized provided such step-father or step-mother had the status of the employee's father or mother. Step or foster parents shall be deemed to mean father and mother.

35:03 Upon giving twenty-four (24) hours notice, an employee shall be granted time off without pay, for the purpose of attending a funeral provided that the granting of such time off shall not be inconsistent with the efficient operation of the business.

36:00 JURY DUTY

36:01 Employees called to jury duty will receive no compensation for the first five (5) working days off, and will receive fifty dollars (\$50.00) per day for each

day on jury duty after the five (5) working days without pay have been met. Employees will suffer no loss of benefits while on jury duty. Any regular full time employee who attends Court in response to subpoena only to give evidence as a witness concerning matters occurring during the regular course of his employment will be paid his regular straight time rate for his regularly scheduled hours.

36:02 Clause (36:01) will have no application for an employee on leave of absence or when receiving benefits under the Health and Welfare Plan, annual vacations, Workers' Compensation or as otherwise covered in this Agreement.

37:00 SAFETY CONDITIONS

37:01 It shall be the duty of the employee to report in writing on the appropriate forms of the Company promptly but not later than the end of the shift, trip or tour all safety and/or mechanical defects on the equipment which they have operated during the shift, trip or tour. All trucks and tractors to be equipped with trouble sheets in triplicate book form and the book with one (1) copy to remain in the vehicle at all times.

37:02 It shall be the obligation of the Company to so inform the employees as to which Supervisor to whom such reports on such equipment will be made in the branch, division or area of operation.

37:03 In the event essential repairs cannot be effected to make the equipment safe, the equipment will be correctly identified and kept out of service until repaired and it shall not be considered a violation of his employment when a Company employee refuses to operate such identified equipment.

37:04 It shall be the obligation of the Company to direct the repairs as necessary to conform with the safe and efficient operation of that equipment.

37:05 It shall be the duty of the maintenance shop employees to perform their duties efficiently and as instructed in such a manner that repairs having been made, do correct the safety and/or mechanical defect.

37:06 In order to provide adequate vision, front and rear, the Company shall install heaters, heated mirrors and heated defrosters on all trucks and tractors, the mirrors to be of a size not less than 6" x 12" except where a smaller size or a different type is more adequate to the safe operation of the vehicle. Also, convex mirrors on the right hand side of the vehicle will be at least 8" and be mounted on a separate bracket.

37:07 Bunks in tractors ordered by the Company after the signing date of this Agreement and which are intended for use as sleeper cab equipment will be not less than twenty-eight inches (28") wide .

37:08 The Company shall not require employees to load or unload trailers at night in an area without proper lighting.

37:09 Drivers will be held responsible to ensure that the proper equipment is used

when towing another vehicle and the Company shall make available such adequate equipment.

37:10 Tractors and trailers shall have installed steps or devices to allow reasonable and safe access to the body.

- 37:11 All tractors operating on the highways shall be equipped with a Company approved monitoring device as supplied and maintained by the Company. Dependent Contractors shall also be bound by this sub-section.
- 37:12 All highway power shall have a compartment for storing tools in a safe location.
- 37:13 In isolated areas where the nature of loading requires additional assistance, the Company shall endeavour to arrange such assistance as may be required.
- 37:14 All Tractors will be equipped with brake retarders.
- 37:15 All highway tractors with air brakes shall be equipped with application gauges.
- 37:16 All tractors used during hours of darkness will be equipped with back up lights.
- 37:17 It is to the mutual advantage of both the Company and the employee that employees shall not operate vehicles which are not in a safe operating condition. Full consideration will be given to safety, health and comfort of the employee in the design of new equipment.

37:18 **Safety Conditions**

If any item of safety becomes contentious it shall be referred to the Committee under Article 1:03.

- 37:19 Drivers will be supplied, upon request, with ear plugs or ear muffs whichever are appropriate and will be responsible for same.

38:00 COVERS ALL EMPLOYEES ENGAGED IN OVER-THE-ROAD OPERATIONS SINGLE MAN IN EXCESS OF 100 MILES FROM HOME DISPATCH

- 38:01 All employees engaged in over-the-road operations, single man, shall be subject to all the terms and conditions provided by this Agreement save as herein expressly provided.

Mileage Rate

In order to allow extended use of Company employees on longer distance hauls, the following will apply to hauls in excess of 100 miles.

Effective January 1st, 2002 Mileage rate of \$0.4500 per mile (included in mileage rate is pre and post trip and one fuelling). All time worked (loading,

unloading, over the road delays, etc.) paid for at straight time.

39:00 TECHNOLOGICAL CHANGE

39:01 Definition - Technological and mechanical changes shall be defined to mean the introduction and utilization of vehicular and other equipment changes which have not previously been used within the bargaining unit by the Company and the use of which results in the termination or the laying off of regular employees.

Recognition by Parties - All Parties to this Agreement recognize that technological and mechanical changes that result in the increased efficiency and productivity must be encouraged and further, that all Parties have a direct responsibility to reduce to a minimum the adverse effects that may result from such changes.

Prior Notification - The Company shall advise the Union as far in advance as possible, and not less than thirty (30) calendar days prior to the introduction of technological or mechanical changes and the matter shall immediately become the topic of general discussion and consultation between the Company and the Union, and particularly in regard to:

39:02 The effect such changes will have on the number of employees with the bargaining unit.

39:03 The probable effect on working conditions.

39:04 Any changes in job classifications.

Dislocated Employees - In the event technological or mechanical changes result in a reduction in the work force or the demotion or promotion of employees, such reductions, demotions or promotions shall be done in accordance with the provisions of Seniority as contained herein.

39:05 Retraining and Upgrading - The Parties jointly and individually will undertake with the assistance of Canada Manpower and through recognized provincial or local adult training programs, if necessary, to retrain and upgrade regular employees to enable them to become qualified and capable of performing new jobs resulting from or created by the technological or mechanical changes.

40:00 MAINTENANCE OF STANDARDS

40:01 The Company agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of signing of this Agreement. Higher rated Union employees shall be subject to all the terms and conditions of this Agreement.

41:00 GRIEVANCE PROCEDURE

41:01 Any violation of the Agreement must be submitted as a grievance within thirty (30) days of the violation or be considered invalid unless, upon evidence of extenuating circumstance, grievance procedure is authorized by the Union and/or the Company.

41:02 Disputes or differences concerning the interpretation, application, operation or violation of this Agreement shall be resolved according to the following procedure:

41:03 The employee and the Shop Steward together with such person or persons as he or the Union may wish, shall take the matter up with the Employer.

41:04 Should a solution not be reached by Step (1) then an officer or officers of the Union, accompanied by the employee, if he or they so wish, shall discuss the matter with the Employer. If a solution is reached, this shall be finalized in writing forthwith.

If the procedures set forth in Steps (1) and (2) above do not result in a solution being reached within seven (7) days of the first discussion between an Officer of the Union and a Representative of the Employer, or within such time as the Employer and the Union agree to in writing, the dispute shall be referred to either a Troubleshooter or an Arbitration Board, as mutually agreed to by the parties. Should no mutual agreement be reached concerning the use of a Troubleshooter, the matter shall be referred to an Arbitration Board.

42:00 TROUBLESHOOTER

42:01 Where a difference arises between the parties relating to the dismissal, discipline, or suspension of an employee, or to the interpretation, application, operation, or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, during the term of the collective agreement, the following:

Vincent L. Ready

or a substitute agreed to by the parties, shall at the request of either party:

- (i) investigate the difference;
- (ii) define the issue in the difference; and
- (iii) make written recommendations to resolve the difference

within five (5) days of the date of receipt of the request; and, for those five (5) days from the date, time does not run in respect of the grievance procedure.

42:02 By mutual agreement between the Company and the Union the Troubleshooter's decision shall be binding upon the parties to the dispute and all others affected, and shall be applied immediately.

42:03 The expenses and remuneration of the Troubleshooter shall be paid as provided in Section 112 of the B.C. Labour Code.

43:00 ARBITRATION PROCEDURE

43:01 The party desiring arbitration shall appoint a member for the Board and shall notify the other party in writing of the name and address of the person so appointed and particulars of the matter in dispute.

43:02 The party receiving the notice shall within five (5) days thereafter appoint a member for the Board and notify the other party of its appointment.

43:03 The two arbitrators so appointed shall confer to select a third person to be chairman and failing for three days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honourable, the Minister of Labour, to appoint such third member.

43:04 The Arbitration Board shall sit, hear the parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the chairman, provided the time may be extended by agreement of the parties.

43:05 The Arbitration Board shall have the power to determine whether a particular issue is arbitrable under this Agreement. However, it shall not be vested with the power to change, modify or alter any of the terms of this Agreement.

43:06 A majority award shall be the award of the Board.

43:07 If the Arbitration Board finds (or if at any earlier stage of the grievance procedure, it is found) that an employee shall be reinstated by the Employer without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place.

43:08 However, if it is shown to the Board that the employee has been in receipt of wages during the period between discharge or suspension and reinstatement, the amount so received shall be deducted from wages payable by the Employer pursuant to this Article less any expenses which the employee has incurred in order to earn the wages so deducted, AND PROVIDED THAT the Arbitration Board, if circumstances are established before it, which, in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have the authority to order the Employer to pay less than the full amount of wages lost.

43:09 If the award of the Arbitration Board is subsequently set aside by a Court of Competent Jurisdiction the question shall, at the request of either party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided in this Article.

43:10 The expenses and remuneration of the Chairman shall be paid by the parties in equal shares.

43:11 Without restricting the specific power heretofore mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board.

44:00 SUBSISTENCE

44:01 While engaged in non scheduled overnight trips, away from the terminal, there will be a subsistence allowance of fifteen dollars and sixty cents (\$15.60) minimum per day for each over night period. However, if this amount does not cover expenses, the Company shall pay such employees any reasonable and additional expenses incurred if properly supported by a voucher or receipt.

45:00 BANKED SHIFTS

45:01 By mutual agreement in writing, between the Company and its employees, arrangements may be made to bank accumulated shifts. The employee may then request his shifts in time off. Upon request by the employee, such time off will be taken at mutually agreeable times, such agreement will not be unreasonably denied by supervision. The minimum unit of banked shifts to be utilized is equivalent to twelve (12) regular hours. It is understood that this time may be taken in multiples of 1 day or shift.

45:02 Where any employee desires to bank his shift, he shall request in writing; employees will be allowed to bank a maximum of ninety-six (96) hours at one time.

Shifts which are banked shall be credited in terms of hours, and when taken as time off, shall be paid out at the same hourly rate as banked. When an employee leaves the Company, all banked shifts shall be paid out in total.

45:03 The Company will keep a record of all banked shifts which will be available for perusal by the employee.

46:00 TERM OF AGREEMENT

46:01 This Agreement shall be in full force and effect from the first (1st) day of

January A.D., 2003 until the thirtieth (30th) day of June, A.D., 2006, and shall remain in full force and effect from year to year thereafter provided that either party may, not less than ninety (90) days and not more than one hundred and twenty (120) days immediately preceding the thirtieth (30th) day of June thereafter, by written notice to the other party:

- 46:02 Require the other party to commence collective bargaining with a view to the conclusion of a renewal or a revision of the collective agreement, or a new collective agreement.
- 46:03 Terminate the agreement on the next succeeding anniversary date thereof and require the other party to commence collective bargaining with the view aforesaid.
- 46:04 Terminate the agreement on the next succeeding anniversary date thereof.
- 46:05 Should either party give written notice to the other party pursuant to sub-section (46:01) hereof, this agreement shall thereafter continue in full force and effect until the Union shall give notice of strike or the Company shall give notice of lockout, or the parties shall conclude a renewal or revision of the agreement or a new collective agreement.
- 46:06 The parties hereto agree to waive the provisions of section 50(2) of the **Labour Relations Code** of British Columbia.

APPENDIX "A"

RATES PER HOUR

CLASSIFICATIONS	EFFECTIVE JAN 1/03	EFFECTIVE JAN 1/04	EFFECTIVE JAN 1/05
Truck Driver	\$17.50	\$17.75	\$18.00
Mechanics with trade card	\$23.48	\$23.78	\$24.08
Serviceman	\$18.50	\$18.80	\$19.10
General Labourer	\$18.50	\$18.80	\$19.10

Chargehand

Chargehand rate of pay shall be fifty cents (50¢) per hour in excess of the highest hourly rated employee under his direction, including his own classification.

Teamster Working Foreman

Teamster Working Foreman rate of pay shall be seventy-five cents (75¢) per hour in excess of the highest rated employee under his direction, including his own classification.

Mechanical Apprentice

Rates of Pay

1 st year	-	60% of the journeyman rate
2 nd year	-	70% of the journeyman rate
3 rd year	-	80% of the journeyman rate
4 th year	-	90% of the journeyman rate

Apprentices must attend and eventually graduate from an accredited vocational or apprenticeship program under Provincial or Federal government jurisdiction in order to qualify for first class journeyman with trade card.

The maximum number of apprentices to be employed will be one (1) apprentice for every three (3) journeyman.

Mechanics Tool Protection

The Company agrees to pay one hundred percent (100%) insurance for all mechanics' tools. All tools lost or broken on the job will be replaced at Company's expense.

The mechanic will be responsible to provide the Company with a complete inventory list of his tools.

APPENDIX "B"
HEALTH AND WELFARE PLAN

The Company shall provide the "Teamsters Local 213 Health and Welfare Plan" to all regular employees and Owner/Operators, members of the Union, and eligible dependents coming under the jurisdiction of this Agreement.

- (a) Any member of the Union who is in the employ of the Company on a regular full-time basis on the effective date of the Health and Welfare Plan shall join the Plan on that date.

The Company shall make contributions to the Health and Welfare Plan on behalf of each regular employee and shall make remittances for Owner/Operators at the rate of three hundred and thirty dollars and seventy-five cents (\$330.75) per month.

The contributions referred to above shall be remitted by the fifteenth (15th) day of each month.

- (b) Any regular employee or Owner/Operator, member of the Union, who is hired by the Company after the effective date of the Health and Welfare Plan, shall join the Plan on the first (1st) day of the month immediately following thirty (30) calendar days from the date of employment with the Company.
- (c) It will be the responsibility of the Company to ensure that all regular employees and Owner/Operators are enrolled in the Health and Welfare Plan and for making premium remittances on their behalf. Failure of the Company to enroll employees, forward completed forms and/or remit premiums on the due date, being the fifteenth (15th) day of each month, to the Trustees will cause the Company to be liable for any claims arising thereof.
- (d) It shall be the responsibility of the Union to provide the Company with the necessary Health and Welfare Plan forms.
- (e) It shall be the responsibility of the Company to provide the employees or Owner/Operators with the necessary Health and Welfare Plan forms.
- (f) It shall be the responsibility of the employee or Owner/Operator to cause such forms to be filled out and completed by his doctor in order that they can be processed in order.
- (g) The Administrator of the Plan shall cause the insurance carrier to remit payments due the employee not less frequently than his normal pay periods.
- (h) The Company shall remit the premiums to the Administrator, as designated by the Trustees of the Health and Welfare Plan. It shall be the Trustees responsibility after

receipt of the premiums to distribute same to the applicable insurance underwriters.

- (i) Medical, surgical and obstetrical coverage in accordance with the standard plan of service provided by M.S.P.
- (j) The cost of the Health Insurance Plan and Provincial Medicare combined shall be borne by the Company, plus any increases for M.S.P. and Dental.

APPENDIX "B" - CONTINUED

- (k) Part-time employees shall not be covered under the provisions of the Health and Welfare Program until the first (1st) day of the month following the date they become regular employees.
- (l) A regular employee, to qualify for Health and Welfare, must have worked a minimum of one (1) day per month.
- (m) When an employee goes off work ill, or on compensation or a grievance is invoked on his discharge, the Company shall continue to pay both his Health and Welfare premiums and Union dues so that the employee shall be protected to the utmost, provided:
 - (i) The employee reimburses the Company for such contributions normally paid by said employee and is at no time more than five months in arrears, and,
 - (ii) The period of such coverage shall exceed twelve (12) months only by mutual agreement of the two Parties.

When an employee returns to work, the Company shall deduct from his earnings any monies the Company has paid out in respect of his contributions.

Owner/Operators may opt to not participate in the Health and Welfare Plan and may only join the Plan upon being hired by the Company. Should any Owner/Operator opt out of the Plan he shall not be eligible to join at a later date.

- (n) The Company agrees to pay and submit contributions for Life Insurance, Accidental Death and Medical Services Plan for one (1) month following the month in which an employee is laid off.

**APPENDIX "C"
PENSION PLAN**

Such contributions shall be submitted by the 15th day of the month following that to which they refer.

A. Regular employees

Effective January 1st, 2003 - one dollar and sixty cents (\$1.60) per hour.

Effective January 1st, 2004 - one dollar and seventy cents (\$1.70) per hour.

Effective January 1st, 2005 - one dollar and eighty cents (\$1.80) per hour.

The Company will contribute contributions per hour for each hour for which wages are payable, to the Teamsters Local Union 213 Pension Plan.

- B. Contributions and remittances referred to in shall be remitted monthly by the fifteenth (15th) day of the month following the month to which they refer, together with a form, supplied to the Company by the Union, which shall provide full instructions.
- C. Timely payment of contributions to the Trust Fund provided for in this Agreement is essential for the protection of the beneficiaries. Delinquency and continued failure to remit contributions to the Trust Fund shall be dealt with as follows:
- D. The Union will advise the Company, in writing, of any delinquency.
- E. If the Company has failed to respond within forty-eight (48) hours of receipt of notification, exclusive of Saturdays, Sundays and Holidays, the Union may then request a meeting with the Company to provide for payment of funds.
- F. In the case of failure of the Company to contribute into the funds on the due date, the Trustees in their joint names may take legal action against the Company for recovery of the amount due.

LETTER OF UNDERSTANDING#1

**BETWEEN: ARROW BULK CARRIERS LTD.
(KAMLOOPS CHIP DIVISION)**

(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART

AND: TEAMSTERS LOCAL UNION No. 213

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

Re: Owner/Operator Working Rules and Regulations and Remuneration

The Company and the Union agree that all terms and conditions of the Contractor/Operator Agreement signed by the Owner/Operators and the Company shall contain all the negotiated changes as agreed by the parties in the Memorandum of Agreement signed and dated on the 17th day of January, 2003.

Further, that any terms and conditions of the Contractor/Operator Agreement shall be subject to the grievance procedure as outlined in this Collective Agreement.

DATED at Vancouver, British Columbia, this day of , 2003.

ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

LETTER OF UNDERSTANDING#2

**BETWEEN: ARROW BULK CARRIERS LTD.
 (KAMLOOPS CHIP DIVISION)**

(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART

**AND: TEAMSTERS LOCAL UNION No. 213
 490 East Broadway
 Vancouver, BC V5T 1X3**

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

Re: Hiring Owner/Operators and/or Owner Operated Trucks

The parties agree to the following terms and priorities regarding the hiring of Owner Operators and/or Owner Operated trucks for the Kamloops Wood Chip Division.

- (1) The first priority when additional trucks are required; the Company will hire in accordance with the Collective Agreement. Owner operator equipment will be operated by the owner.
- (2) Should the Company not be able to hire owner operated trucks then they will solicit from the existing Owner Operators those who wish to hire on one additional truck.

At no time will an Owner Operator have more than two trucks working for Arrow Kamloops Wood Chip Division.

The primary driver of the second truck will accrue seniority from the date the second truck commences work at Arrow. Should the primary driver leave, all seniority related to the second truck will be relinquished. Should the second truck remain at Arrow, seniority will commence with the primary driver from the new date.

The primary driver will be defined as the first driver worked when a second truck is employed.

Should the owner of the truck leave Arrow then all seniority for those drivers working for the Owner Operator will be relinquished.

- (3) Should the Company not be able to hire the required trucks as set out above, the Company may hire trucks from absentee owners. These trucks will not be carried on the seniority list and will be the first laid off.

Should an Owner Operator be hired subsequent to number *three* above and meets the requirements of the Collective Agreement and item *one* above, he shall have preference and seniority over absentee owned trucks.

DATED at Vancouver, British Columbia, this day of , 2003.

ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

LETTER OF UNDERSTANDING#3

BETWEEN: **ARROW BULK CARRIERS LTD.**
 (KAMLOOPS CHIP DIVISION)

(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART

AND: **TEAMSTERS LOCAL UNION No. 213**
 490 East Broadway
 Vancouver, BC V5T 1X3

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

Re: Optional Lease Program

The parties agree to the following terms and priorities regarding the optional lease program.

The Company will continue to offer an optional lease program to existing Company employees, throughout the life of the current Collective Agreement.

Any Company employee who has opted for the Owner Operator program may at his discretion, return to Company employee status upon giving sixty (60) days notice in writing to the Company. This option shall be for the duration of the current Collective Agreement.

DATED at Vancouver, British Columbia, this day of , 2003.

ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

LETTER OF UNDERSTANDING#4

**BETWEEN: ARROW BULK CARRIERS LTD.
 (KAMLOOPS CHIP DIVISION)**

(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART

**AND: TEAMSTERS LOCAL UNION No. 213
 490 East Broadway
 Vancouver, BC V5T 1X3**

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

Re: Reduction of Wages

In consideration of Arrow Transportation Systems Inc. and Teamsters Local Union No. 213, having reached a Letter of Understanding regarding the reduction of wages necessary in order that the Company may secure a contract with Weyerhaeuser Canada Ltd. The Parties agree to the following terms:

- (3) The Company will continue an optional lease program for former Company employees hired before November 11, 2000.
 - (1) The lease program will be optional, should an employee wish to remain a company employee, the Company will continue to employ the employee under the terms of the Collective Agreement and the Letter of Understanding reached by the parties.
 - (2) The Company has negotiated an agreement with G.E. Leasing Equipment and two truck manufacturers that will allow the

contractor to enter the lease program, without any cost to the employee except for those statutory costs established in the Lease Agreement.

- (3) The Company agrees to offer the lease operators oil and fuel and vehicle insurance at cost.
- (4) The Company agrees that the grievance procedure, in the Collective Agreement shall be applied for all lease operators and second drivers in regards to disciplinary matters.

