

COLLECTIVE AGREEMENT

BETWEEN

JEPSON PETROLEUM LTD.

AND

TEAMSTERS LOCAL UNION No. 213

January 1st, 2002 - December 31st, 2003

**DON McGILL
Secretary-Treasurer**

TABLE OF CONTENTS
JEPSON PETROLEUM LTD.

ARTICLE	PAGE
ARTICLE I - GENERAL	1
ARTICLE II - DEFINITIONS	2
ARTICLE III - BARGAINING AGENCY	2
ARTICLE IV - UNION SECURITY	3
ARTICLE V - HOURS OF WORK, OVERTIME, HOLIDAYS AND VACATIONS	4
ARTICLE VI - WAGES & TRANSFERS	7
ARTICLE VII - PROMOTIONS AND JOB POSTING	8
ARTICLE VIII - NEW CLASSIFICATIONS	9
ARTICLE IX - BENEFITS PLAN	9
ARTICLE X - SENIORITY	9
ARTICLE XI - LEAVE OF ABSENCE	10
ARTICLE XII - DISCHARGE AND DISCIPLINE	11
ARTICLE XIII - GRIEVANCE	12
ARTICLE XIV - SICK LEAVE	13
ARTICLE XV - GENDER	13
ARTICLE XVI - VEHICLE SAFETY	14

ARTICLE XVII - VEHICLE ACCIDENTS	14
ARTICLE XVIII - WORK CLOTHING	14
ARTICLE XIX - EMPLOYEE DUTIES	14
ARTICLE XX - DURATION OF AGREEMENT	14
IN WITNESS	15
APPENDIX "A"	16
APPENDIX "B" EMPLOYEE BENEFITS PROPOSAL	17
LETTER OF UNDERSTANDING No. 1	18
LETTER OF UNDERSTANDING No. 2.....	19

SPECIAL BULK FUEL AGREEMENT

THIS AGREEMENT EFFECTIVE THE 1st DAY OF JANUARY, 2002.

BETWEEN: **JEPSON PETROLEUM LTD.**
1814 Theatre Road
Cranbrook, B. C. V1C 7G1

(hereinafter called the "COMPANY")

AND: **TEAMSTERS LOCAL UNION No. 213,**
affiliated with the International
Brotherhood of Teamsters

(hereinafter called the "UNION")

ARTICLE I - GENERAL

Section 1: Purpose

The general purpose of this Agreement is, in the mutual interest of the Company and employee, to provide for the operation of the Company hereinafter mentioned under methods which will further, to the fullest extent possible, the economy of operation, quality and quantity of work, cleanliness and protection of Company property. It is recognized by this Agreement to be the duty of the Company and the employees to co-operate fully, individually and collectively, for the advancement of said conditions.

Section 2: Severance

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

Section 3: Mutual Responsibilities

It is recognized by this Agreement to be the duty of the Signatory Company to explain fully the terms of this Agreement to all its officers, foremen and others engaged in a supervisory capacity and it is recognized to be the duty of the Signatory Union to explain fully to its members, its and their responsibilities and obligations under this Agreement.

Section 4: No Interruption of Work

It is agreed that there shall be no strikes, slowdowns, sitdowns, walkouts or other interruption of work by employees during the period of this Agreement. It is agreed that there shall be no lockouts by the Signatory Company during the period of this Agreement.

Section 5: Crossing Picket Lines

It shall not be a violation of the Agreement, cause for discharge or other disciplinary action if an employee refuses to cross a picket line which has not been ruled illegal by a court of competent jurisdiction.

Section 6: Re-Assignment

Drivers whose duties are curtailed by Section 5 shall immediately notify management for further advisements as to work reassignment.

Section 7: Management Rights

Nothing in this Agreement shall limit the Company in the exercise of its function of management, under which it will have among other things, the right to hire new employees and to direct the working force, including the promotion and demotion of employees, to discipline, suspend, discharge for cause, transfer, lay off employees because of lack of work; require employees to observe Company rules and regulations, to decide on the products to be handled, the methods and schedules of operation.

The Union recognizes and agrees that it is the exclusive function of the Company to manage its affairs in all respects, to conduct its business efficiently, to fulfill its commitments and responsibilities, to maintain and enhance its reputation.

The Company retains all management rights that are not limited by this Collective Agreement.

ARTICLE II - DEFINITIONS

Section 1: Employees

The word "employees" means all persons on the payroll of the Signatory Company employed in those classified occupations listed in Appendix "A" and coming within the order of certification of the Union, as now existing, or as may be amended from time to time by the Labour Relations Board of British Columbia.

ARTICLE III - BARGAINING AGENCY

Section 1: Recognition

The Company recognizes the Union shown on the title page as certified for a unit of its employees as defined by this Agreement.

Section 2: Bulletin Boards

The Company agrees to grant permission for the use of a bulletin board for posting of Union notices and Union business provided such notices are first submitted to and approved by the local management of the Company. Such permission shall not be unreasonably withheld.

ARTICLE IV - UNION SECURITY

Section 1: Effect of Contracting Out

No employee shall be terminated or laid off by reason of the contracting out of bargaining unit work by the Signatory Company.

Section 2: Attending Union Business

Any employee shall not depart from his assigned duties to attend Union business unless he has secured the permission of Management. Such permission will not be unreasonably withheld.

Section 3: Union Shop

All employees in the employment of the Company, and all new employees, shall within thirty (30) calendar days after the execution of this Agreement, or thirty (30) after entering employment, whichever date last occurs, become members of the Union and maintain membership therein throughout the term of this Agreement, as a condition of continued employment.

Section 4: Union Deductions

New employees shall be required to sign authorization cards for deduction of initiation fees, dues and assessments as required by the By-Laws of the Union. On receipt of such authorization cards the Company shall commence making such deductions. 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. Deductions for Union dues, fees and assessments shall be forwarded to the Union not later than the last business day of the month following the month in which those deductions were made.

Section 5: Shop Stewards

Shop Stewards shall be recognized by the Company. There shall not be more than one Shop Steward at any time during the currency of this Agreement. The Company shall be notified by the Union of the name or names of such Stewards.

Section 6: Conferring

Time spent by employee(s) delegated by the Union or Company, at joint Management/Union meetings shall be considered as time worked should the employee(s) normally be on shift at that time. However, in no case shall overtime rates be paid.

Section 7: Business Representatives

In carrying out of regular duties, Business Representatives of the Local Union shall have access to Company premises covered by the Agreement, after first securing permission from Management. Such permission shall not be unreasonably withheld.

ARTICLE V - HOURS OF WORK, OVERTIME, HOLIDAYS AND VACATIONS

Section 1: Basic Work Week

Except as provided, the regular work week shall consist of eight (8) consecutive hours not including the meal period. The regular work week shall consist of five (5) consecutive eight (8) hour days, Monday to Friday, inclusive.

However, provision is made for the implementation of a work week consisting of four (4) consecutive ten (10) hour days upon written notice to the Union, such ten (10) hour days not to include the meal period.

Section 2: Variable Work Week

It is agreed that if certain operations are necessary on Saturday and Sunday, the Company will notify the Union one (1) week in advance of instituting a work week other than Monday to Friday. A work week in such instances shall be comprised of five (5) consecutive days, or four (4) consecutive ten (10) hour days as provided above.

Section 3: Starting Time

Employees regular starting time shall be between 7:00 a.m. and 9:30 a.m. The Company will notify the Union at least forty-eight (48) hours in advance of any change to the existing starting hours. The Company shall not require the employees to work less than four (4) hours or more than five (5) hours after the start of their shift without a lunch period.

Section 4: Allowance for Reporting

In case any employee reports for his regular scheduled shift, having been ordered to report for such work and then no work is provided, he shall nevertheless receive four (4) hours pay for so reporting. PROVIDED this section is not applicable where the Company has given sufficient advance notice to an employee not to report for work, such notice being not less than one (1) hour prior to the employee's scheduled starting time. EVERY employee shall be required to advise the Company of a telephone number where he can be reached for advance notice as required herein, and where the Company is unable to contact the employee at such number, the Company shall not be obliged to pay for hours in lieu of notice.

Provision is also made for a four (4) hour day in periods of slack time, where the employee is notified within the first four (4) hours of his shift, or earlier.

Section 5: Overtime

Overtime work authorized by the Company shall be paid for hours worked as follows:

- (i) Time and one-half (1½) for the first two (2) hours worked in excess of eight (8) hours in a day.
- (ii) Two (2) times for hours worked in excess of ten (10) hours in a day.
- (iii) One and one-half (1½) times for all overtime worked on an employee's first day of rest, and two times (2x) his normal rate for all subsequent hours.
- (iv) Employees shall receive two times (2x) their normal rate for all hours worked on their second consecutive day of rest.
- (v) One and one-half (1½) times for hours worked on a paid holiday, in addition to the regular pay for the paid holiday.

Section 6: Distribution

The Company will endeavour to keep overtime to a minimum. When overtime work is necessary it shall be distributed as fairly and impartially as possible amongst employees who are qualified to perform such work.

Section 7: Call-Out

Overtime rates shall be paid for all call-out time with a minimum of two (2) hours credit from the time of the call.

Section 8: Banking of Overtime

- (1) By mutual agreement in writing between the Company and its employees, arrangements may be made for the duration of the contract, to bank accumulated overtime. The employee may then request his overtime in time off. However, he must inform the Company as to his request. Upon request by the employee, such time off will be taken at the Company's discretion consistent with the efficient operation of the business. The minimum unit of banked overtime to be utilized is equivalent to eight (8) regular hours.
- (b) Where an employee desires to bank his overtime he shall request in writing indicating this.
- (c) Overtime which is 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 hours shall be paid out in total.
- (d) The Company will keep a record of all banked overtime which will be available for perusal by the employee.
- (5) Examples of banked hours:
1 hour at 1½ - 1½ hours banked.

1 hour at double time - 2 hours banked.

- (f) When the banked time off is requested in writing seven (7) days in advance, employees shall receive written notice of the disposition of their request a minimum of seventy-two (72) hours after the receipt of notice. The payment of overtime shall not be a factor in cancelling approved time off.
- (g) Overtime credits in a banked status on December 1st (or at termination of employment) shall be paid out as earnings on or before December 31st. It is intended that employees will sign up annually for banked overtime. There will be no banking of overtime during the month of December.

Section 9: Paid Holidays

(a) All employees shall receive eleven (11) paid holidays with full pay during the year. The paid holidays will be:

New Year's Day	B.C. Day	Remembrance Day
Good Friday	Canada Day	Christmas
		Day
Victoria Day	Labour Day	Boxing Day
Floater	Thanksgiving Day	

and any other day proclaimed or declared by the Federal, Provincial or Municipal governments as a holiday.

(b) There shall be an eleventh (11th) paid Statutory Holiday known as a Floater. It shall be taken at a mutually agreed time.

Section 10: Paid Holiday(s) Within Annual Vacation

When a paid holiday(s) falls during an employee's annual vacation, he shall receive an extra day(s) vacation.

Section 11: Requirement to Work on Holidays

The Company agrees that only such employees as are, in the opinion of the Company, necessary to perform the business of the Company shall be required to work on holidays.

Section 12: Statutory Holiday Pay Qualifications

An employee, to qualify for Statutory Holiday pay must comply with the following conditions:

- (i) Have been on the payroll thirty (30) calendar days immediately preceding the holiday;
- (ii) Have worked his last scheduled work day before and his first regularly scheduled work day after the holiday, unless his absence is due to illness, compensable occupational injury, accident, or as otherwise authorized by the Company.
- (iii) Employees absent from work by reason of illness, accident and compensation not in the excess of three (3) months shall receive statutory holiday pay as designated herein.

Section 13: Vacations

Pursuant to the Annual and General Holidays Act of British Columbia, the Company agrees to give vacations to employees at

their regular hourly rate of pay in accordance with the following schedule:

- (a) Two (2) weeks vacation after one (1) continuous year of Company service and annually thereafter.
- (b) Three (3) weeks vacation commencing in the calendar year during which the employee completes three (3) years of continuous Company service and annually thereafter.
- (c) Four (4) weeks vacation commencing in the calendar year during the which employee completes ten (10) years of continuous service and annually thereafter.
- (d) Five (5) weeks vacation commencing in the calendar year during which the employee completes fifteen (15) years of continuous service and annually thereafter.

For the purposes of this section, "continuous year" is defined as follows:

- (i) Nineteen hundred (1900) hours shall constitute a continuous year of service, but no employee shall be permitted to accumulate more than one (1) consecutive year of service or fraction thereof in any twelve (12) month period for vacation qualifications.
- (ii) Absence due to sickness or compensable accident shall be counted as hours worked in the intervening years between completion of the employee's first year of continuous service and final year of employment. In any such year the employee will be credited with accumulated sick leave to a maximum of twelve (12) days as set out in Article XIV, Section 1 (on the basis of eight-hour days) for such absence if he has less than 1900 hours of work in that year to qualify for vacation herein stipulated. In the event of accident covered by the Workers' Compensation Act, the employee will be credited with accumulated accident leave to a maximum of 500 hours for such absence if he has less than 1900 hours of work in that year to qualify for the vacation herein stipulated.

Section 14: Vacation Calendar

The Company shall post a vacation calendar for the benefit of the employees. An employee may express his preference for the time of his vacation. Selection of vacation dates shall be mutually agreed on by the Company and the employee concerned. Preference for any vacation period shall be made on the basis of seniority, subject to the Company's operational requirements.

Section 15: Lay-Off and Vacation Entitlement

Except as set out herein, time on lay-off shall not be considered as time worked for the purpose of qualifying for vacation or holiday pay.

ARTICLE VI - WAGES & TRANSFERS

Section 1: Wages

The wage scale for the term of this Agreement is attached as Appendix "A" of this Agreement.

Section 2: Statements

- (a) The Company shall provide every employee covered by this Agreement with its regular itemized statement in respect to payments made to each employee by the Company, and such statement shall show the regular hours worked, the rate or rates applicable, the gross amount of wages and all other deductions made therefrom.
- (2) The Employer shall indicate on the Employee's T-4 slip the total amount of Union Dues.
- (c) Pay periods shall be the 8th and 23rd of each month. If either day falls on Saturday, Sunday or Monday, the employees will be paid the preceding Friday.

Section 3: Temporary Transfer to Lower Rate Job Classifications

Any employee, who for the convenience of the Company, is temporarily transferred to a job classification paying a lower rate shall retain his normal rate should it be greater than the established rate for the job to which he was transferred, for a period not exceeding thirty (30) days.

Section 4: Temporary Transfer to Higher Rate Job Classification

Any employee temporarily assigned to a higher job classification shall receive the rate for that higher paid job while so assigned.

ARTICLE VII - PROMOTIONS AND JOB POSTING

Section 1: Promotions

In selecting employees for promotion within the bargaining unit or transfer to another position covered by this Agreement vacancies will be filled on the basis of seniority provided the employees are qualified and able to perform the work.

- (a) Job Postings - Vacancies in regularly-assigned job classifications will be bulletined and posted for three (3) days and the successful applicant advised within fifteen (15) days of the vacancy occurring. Vacancies in new job classifications of indefinite duration need not be bulletined until the expiration of fifteen (15) days from the date created.
- (b) The bulletin will show a general job description, rate of pay; hours of work and be posted for three (3) days in a place accessible to all employees affected. Copies of all bulletins issued under this rule shall be furnished to the Union.
- (c) Employees desiring such positions shall, within the three (3) day period specified above, forward to the designated officer their application, in which they will clearly set forth their qualifications for the job.

Section 2: Subsequent Postings

No employee may change job positions through the posting procedure more than twice in any twelve (12) month period. Any subsequent postings to be reviewed by the Union and Management.

Section 3: Temporary Postings

The Company shall have the right to fill a position on a temporary basis for a period of up to thirty (30) calendar days without regard to seniority in which case the Shop Steward will be informed. This period may be extended by mutual agreement.

ARTICLE VIII - NEW CLASSIFICATIONS

Section 1: Notification to Union

The Company shall notify the Union when any new classification coming within the jurisdiction of this Agreement is added. The Union and the Company shall negotiate on the rate to be established and that rate, once established, shall be retro-active to the introduction date of the new classification.

Section 2: Failure to Agree of Rate

If the parties fail to agree on the rate for any new classification, then the dispute shall be submitted to Arbitration under Article XIII.

ARTICLE IX - BENEFITS PLAN

Section 1: Plan

It is agreed that the Company's Benefits Plan, Appendix "B" will be maintained for the term of the Contract, at no cost to the employees.

ARTICLE X - SENIORITY

Section 1: Seniority

For the purposes of this Agreement, seniority for employees within the bargaining unit as of the date of signing of this Agreement, shall mean all Company service from the date of last hire.

Section 2: Principles

The Company recognizes the principles of seniority in their application to the promotion, demotion, transfer, layoff and recall of an employee, providing the employee has the qualifications and ability to perform the work properly.

Section 3: Probation

New employees shall be probationary for the first ninety (90) working days of employment and shall have no seniority rights during the period. After ninety (90) working days of employment, a probationary employee's seniority shall be dated from the date of his most recent employment.

It is understood and agreed that the purpose for hiring workers on a probationary basis shall be to allow the Company a reasonable opportunity to determine whether the employee is a suitable candidate for continuing employment as a regular employee. Accordingly, a probationary employee may be discharged or terminated at any time during his probationary period. This is a lesser standard as provided for in Section 93 of the Labour Code of British Columbia.

Section 4: Retention of Seniority

Seniority shall be lost when:

- (a) An employee resigns;
- (2) An employee is discharged for just cause;
- (c) An employee is laid off for a period of one (1) year or longer;
- (d) Any new employee is not employed for a greater period than six (6) months within the twelve (12) month period from his first day of employment;
- (e) It shall be the employee's responsibility to keep the Company informed of his current address during the period of the layoff;
- (f) Failure of the employee to report for work within one (1) week of mailing by the Company by registered mail to his last address reported to and received by the Company shall result in his loss of seniority rights.

Section 5: Lay-off

Should it become necessary to lay off employees, this shall be done on the basis that the employees with least seniority will be laid off first, provided the employees retained are qualified and able to perform the available work.

Section 6: Seniority List

The Company will establish and maintain a current list showing the seniority of each employee. It shall be posted and revised every six (6) months with a copy forwarded to the Union.

Section 7: Recall

Employees on lay off shall be recalled in order of seniority provided they are qualified and able to do the work.

ARTICLE XI - LEAVE OF ABSENCE

Section 1: Public Office

Employees elected or appointed to Federal, Provincial or Municipal office shall be granted as much leave as is necessary during the term of such office.

Section 2: Bereavement Leave

- (a) In the event of a death in the immediate family, and upon his request, an employee will be granted time off up to three (3) working days. This time off will be paid by the Company at the employee's regular rate.
- (b) Immediate family shall be defined to include the employee's father, mother, sister, brother, child, parent-in-law, spouse and common-law spouse.
- (c) If the employee is notified of a death in the immediate family while he is working he shall be excused from, and paid for, the balance of the working day.
- (d) Upon giving twenty-four (24) hours notice, an employee may be given time off without pay to attend a funeral provided that it is not inconsistent with the efficient operation of the business.

Section 3: Temporary Posting to Management Position

When an employee within the bargaining unit covered by this Agreement receives leave of absence in writing with a copy to the Union, 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 ninety (90) calendar days within the former unit. The standing date of such appointment shall be posted on the Company premises. During this leave of absence such employee shall continue to be covered by the Health and Welfare Plan as provided by this Agreement.

Section 4: Other Leave

Granting of leave is a matter between the employees and management and is dependent upon the operational requirements of the Company. The Company will consider length of service and will endeavour to arrange leave of absence to suit the employee's wishes. Employees with ten (10) or more years service will be given special consideration.

Section 5: Time of Application

An application for leave of absence shall be made by the employee as far in advance of the date requested as is reasonably possible under the circumstances.

Section 6: Accumulation of Seniority

Seniority shall accumulate during the period of an employee's leave of absence.

ARTICLE XII - DISCHARGE AND DISCIPLINE

Section 1: Discharge

The Company has the right to discharge any employee for just cause.

Employees shall be notified in writing of the reasons for their dismissal. A copy of the reasons shall be forwarded to the Union.

Section 2: Discipline

The extent of disciplinary action would depend on the seriousness of the situation. Employees shall be discharged for theft or deliberate destruction or removal of Company's or another employee's property.

ARTICLE XIII - GRIEVANCE

The following Article shall be subject to review and negotiation after April 1, 1986, upon one month's notice in writing. Upon such notice the parties shall negotiate this Article, provided that failing agreement within forty-five (45) days after such notice either party may require the matter to be submitted to a single arbitrator whose decision shall be binding. Each party will bear its own costs and the costs of the arbitrators will be shared. Until such decision or a negotiated settlement, the provisions of the Article herein shall remain in effect.

Section 1: Grievance Procedure

Where a difference arises between an employee or the Union and the Company, or between the Company and the Union, related to the dismissal or discipline 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, it shall be finally and conclusively settled, according to the grievance procedure which follows:

(a) Stage 1

The individual employee or a representative of the Union shall take up in writing the grievance with the immediate supervisor or other Company representative within fifteen (15) days of the grievor's knowledge of, or discovery of, the facts giving rise to his grievance.

Stage 2

Failing a satisfactory settlement within three (3) working days after the dispute was submitted under Stage 1, a meeting shall be arranged within seven (7) days consisting of a Company representative and a representative of the Union. If the grievance or dispute is not then settled to the satisfaction of both parties within a period of five (5) days, or within any longer period which may be mutually arranged at the time, then at the request of either party to this Agreement, the grievance shall be referred to arbitration within thirty (30) days of the date of the Company decision.

Stage 3

The arbitration procedure shall be invoked only at the written request of either party hereto. A Board of Arbitration will then be set up consisting of three people, one selected by the Company, one selected by the Union, and a third party agreed upon by both parties. No person may be appointed as an arbitrator who has been involved in any attempt to negotiate or settle the grievance. In the event of failure to agree upon a third person, the Minister of Labour of the Province of British Columbia shall be asked to act as, or at his discretion, appoint a third person to act as Chairman of the Board. The Chairman shall be entitled to vote and the majority vote of the Board as thus constituted shall be final and binding upon the parties hereto. Each of the parties will bear the expense of the Arbitrator appointed by it, and the parties will jointly bear the expense of the Chairman.

- (b) The Arbitration Board shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter or modify or amend any portion of this Agreement.
- (c) Notwithstanding the foregoing, the parties may agree to a single arbitrator who will be bound by the provisions of the Article.

ARTICLE XIV - SICK LEAVE

Section 1: Accumulation of Leave

For all employees with one (1) year's continuous service (as defined in Article V, Section 13), sick leave shall be accumulated at the rate of one (1) day per month to a maximum of twelve (12) days with no unused sick days to be carried over into the next year. A maximum of seven (7) sick days may be taken at any one time with a Doctor's Certificate being produced after the second day if so requested.

Section 2: Drawing Sick Leave

Where any absence, occasioned by sickness or accident, is not covered for payment by either sick benefit or Workers' Compensation, employees shall draw on time so accumulated in the following manner:

1 st day of absence	-	one full day's pay;
2 nd day of absence	-	one full day's pay;
3 rd day of absence	-	one full day's pay.

Any sick days not used (12 sick days per year) one-half ($\frac{1}{2}$) day off with pay for each sick day not used will be taken as days off. Days off to be taken in the months of March, April or May.

Section 3: Certificate

After two (2) days absence, the Company may request the employee to provide a Doctor's Certificate verifying the reason for the absence. The Company shall not be required to pay for any such Doctor's Certificate. Any employee abusing this privilege may be subject to discipline, including discharge.

Section 4: Payment in Substitution

Under no circumstances shall cash be paid in substitution for unused sick leave.

ARTICLE XV - GENDER

Section 1: Gender

Wherever the use of the male gender is used herein, it shall also apply to the female gender where applicable.

ARTICLE XVI - VEHICLE SAFETY

Section 1: Reporting of all Safety or Mechanical Defects

The employee will report in writing to the Supervisor promptly but not later than the end of his shift all safety or mechanical defects on the equipment which he has operated during that shift.

Section 2: Determination of Serviceability

The Company will determine the serviceability of the equipment and direct such repairs as are necessary to conform with the safe and efficient operation of that equipment. The Company will not insist on any employee operating equipment where the employee honestly and justifiably believes it to be unsafe.

ARTICLE XVII - VEHICLE ACCIDENTS

Section 1: Attendance at Court on Behalf of Company or its Insurer

The Company agrees to pay an employee his basic hourly rate (exclusive of any premium) for all time necessarily spent on authorized business of the Company including attendance at Court on behalf of the Company or its Insurer.

ARTICLE XVIII - WORK CLOTHING

Section 1: Footwear

Employees shall provide for their own footwear, subject to Workers' Compensation Board Regulations.

Section 2: Gloves

All employees shall be supplied with suitable gloves on an exchange basis.

ARTICLE XIX - EMPLOYEE DUTIES

Section 1: Provincial Licences

Each employee will obtain and keep in good standing, during the term of the Agreement, all provincial licences required to operate each Company vehicle assigned to him.

ARTICLE XX - DURATION OF AGREEMENT

Section 1: Term of Agreement

This Agreement shall be in effect from January 1st, 2002 to December 31st, 2003, and thereafter from year to year subject to the

conditions as set out in Section 2 hereunder, and shall remain in full force and effect after the expiration date from year to year unless written notice of contrary intention is given by either party within four months of the day immediately preceding the date of expiry. Notice shall be deemed to have been given three (3) days after the posting of such notice to the Union, care of Teamsters Local Union No. 213, 185 Froelich Rd., Kelowna, B. C. and the Company at 1814 Theatre Road, Cranbrook, B. C.

Section 2:

If no Agreement is reached after the expiry date, until either party gives the other formal notice of discontinuance of negotiations, the Agreement shall remain in force until the giving of such notice.

IN WITNESS WHEREOF, we, the undersigned, have hereunto set our
signatures this day of
, 2002.

ON BEHALF OF THE COMPANY

ON BEHALF OF THE UNION

APPENDIX "A"

JOB CATEGORIES AND WAGE RATES

It is agreed that the schedule of job rates listed below will be considered as part of this Agreement and that all men hired, transferred or promoted to any jobs will receive the job rate for such jobs on the dates so specified.

RETROACTIVE & EFFECTIVE

CLASSIFICATIONS	EFFECTIVE JAN. 1/02	EFFECTIVE JAN. 1/03
Driver	\$ 21.40	\$22.26
Warehouseman	\$ 19.17	\$19.94

HIGHWAY DRIVERS

Calgary trip based on a 12 hour return trip (average) at \$225.84 per trip. In addition they will receive \$25.00 for each delivery other than a delivery to a Cardlock or Bulk plant.

NEW HIRE RATES

- Driver - 10% less than full rate for first year of employment.
- Warehouseman - 20% less than full rate for first year of employment.
- 10% less than full rate for second year of employment.

APPENDIX "B"

EMPLOYEE BENEFITS PROPOSAL

JEPSON PETROLEUM LTD.

ALL EMPLOYEES SHALL PARTICIPATE IN THE COMPANY BENEFIT PLAN.

Life Insurance	1 x Annual Salary Rounded to the next higher \$1,000.00
Accidental Death & Dismemberment	1 x Annual Salary Rounded to the next higher \$1,000.00
Dependent Life	\$5,000.00 Spouse \$2,500.00 Children
Weekly Indemnity	Provides an income in the event an employee is unable to work because of accident or illness. Payable from 1 st day accident, 8 th day of sickness for 26 weeks. 2/3 of income to max. \$276.00/wk.
Extended Health Benefits	This plan is designed to supplement benefits provided through government Health Care Plans. Coverage includes prescription drugs and supplies, professional services, out of province/country hospital and medical services, semi-private hospital.
Dental Plan 1	Basic Plan includes routine check ups, x-rays, fillings, root canal therapy, denture repairs. Reimbursed 100% after deductible of 5.00/single, \$50.00/family. Maximum benefit \$1,000.00/year per person.

LETTER OF UNDERSTANDING No. 1

BETWEEN: **JEPSON PETROLEUM LTD.**
S.S. #1, Site 18, Comp. 8
Cranbrook, B. C. V1C 4H4

(hereinafter called the "COMPANY")

AND: **TEAMSTERS LOCAL UNION No. 213,**
affiliated with the International
Brotherhood of Teamsters

(hereinafter called the "UNION")

The Union will recognize past historical practices whereby Chris Jepson, President of the Signatory Company, has performed some bargaining unit work during peak demand.

This Agreement shall apply to Chris Jepson, his heir, successor, transferee or assign provided that the recognition shall be restricted to no more than one person to whom Mr. Jepson assigns or transfers his interest, or who inherits his interest. This exemption is for the efficient operation of the business and is in no way intended to eliminate existing full or part-time employees.

Signed at _____, British Columbia, this _____ day of _____, 2003.

ON BEHALF OF THE COMPANY

ON BEHALF OF THE UNION

LETTER OF UNDERSTANDING No. 2

BETWEEN: **JEPSON PETROLEUM LTD.**
S.S. #1, Site 18, Comp. 8
Cranbrook, B. C. V1C 4H4

(hereinafter called the "COMPANY")

AND: **TEAMSTERS LOCAL UNION No. 213,**
affiliated with the International
Brotherhood of Teamsters

(hereinafter called the "UNION")

Seniority will only apply to each separate location, except when a location is closed down or job termination then employees will be able to exercise their seniority in other locations.

Signed at _____, British Columbia, this _____ day of _____, 2003.

ON BEHALF OF THE COMPANY

ON BEHALF OF THE UNION
