

COLLECTIVE AGREEMENT

BETWEEN

**KENROC BUILDING MATERIALS CO. LTD.
(Burnaby)**

AND

TEAMSTERS LOCAL UNION No. 213

January 1, 2004 - December 31, 2007

**DON McGILL
Secretary-Treasurer**

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KENROC BUILDING MATERIALS CO. LTD. (Burnaby)

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THIS AGREEMENT made as of this day of , 2004.

**BETWEEN: KENROC BUILDING MATERIALS CO. LTD.
 (Burnaby)**

#2, 2350 Beta Avenue
Burnaby, B. C. V5C 5M8

(hereinafter called the "COMPANY")

AND: TEAMSTERS LOCAL UNION No. 213,

affiliated with the International
Brotherhood of Teamsters;

(hereinafter called the "UNION")

WHEREAS, it is the intention and purpose of the Company and the Union to promote and foster harmonious industrial relations between the Company and its employees it is agreed as follows:

ARTICLE 1 - INTERPRETATION AND EXTENT

Interpretation:

1:01 The headings of each article of this Agreement may be referred to in the interpretation of the various sections thereunder, and this Agreement shall be interpreted as a whole.

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.

ARTICLE 2 - UNION SECURITY

Coverage:

2:01 The Company recognizes the Union as the sole and exclusive bargaining agency for the employees of the Company as set forth in the Certification granted to the Union by the Labour Relations Board of British Columbia.

Membership:

2:02 All employees covered by this Agreement must be members in good standing of the Union.

2:03 The Union shall have the exclusive right to determine who is a member in good standing.

2:04 Any employee who does not remain a member in good standing shall not be retained in the employment of the Company.

2:05 Any employee 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.

Authorization of Deductions:

2:06 New employees shall be required to sign authorization cards for deduction of amounts 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 quarterly in advance. Dues shall be deducted from the second pay of each month previous to the quarter for which they are applicable, and the seniority list shall be attached as per Article 9:03.

Picket Lines:

2:07 It shall not be a violation of this Agreement or cause for discharge or disciplinary action if an employee refuses to cross a legally constituted picket line.

Unfair Declaration:

2:08 It shall not be a violation of this Collective Agreement or cause for disciplinary action if any employee refuses to handle any materials from or to any Company, where either the materials or the Company have been declared unfair by the B.C. & Yukon Territory Building and Construction Trades Council, by any of its affiliated area Building Trades Councils or by the Teamsters Local Union 213. Whenever the Union has information concerning any unfair declaration, it shall immediately notify the Company.

Strike and Lockout:

2:09 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.

Shop Stewards:

2:10 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 of such Steward. Reasonable time shall be given to the Shop Steward to carry out his duties.

2:11 In the carrying out of regular duties Business Representatives of the Local Union shall have access to Company premises covered by this Agreement, after first discussing with Management.

ARTICLE 3 - HIRING

3:01 When employees are required, only Union members having the necessary qualifications shall be hired. When qualified Union members are not available, then the Employer may obtain qualified employees elsewhere. Employees hired elsewhere shall have thirty (30) calendar days in which to become a member of the Union.

Contract and Hired Trucking:

3:02 The Company agrees that work presently performed by members of the bargaining unit will not be let out to contract or carried out by hired equipment if appropriate Company equipment is available for this work and members of the bargaining unit normally performing this work would be laid off or not returned to the active payroll as a result.

3:03 Should it become impossible for the Company to hire outside equipment locally from:

- (a) Companies or Owners Operators with employees under agreement to this Local Union, or
- (b) Members of this Local Union,

the Company shall be free to hire outside equipment, preferably, from companies with employees under agreement to another Teamsters Local.

ARTICLE 4 - NEW CLASSIFICATIONS

Rates and Effective Dates:

4:01 The Company shall notify the Union when any new classification coming under 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 retroactive to the introduction date of the new classification.

ARTICLE 5 - DISCHARGE OF EMPLOYEES

Discharge:

5:01 The Company shall have the right to discipline or discharge any employee for just cause. Employees shall be notified in writing, the reason for their disciplinary action or dismissal, and a copy of the notice shall be sent to the Union.

5:02 Three Warnings in a one year period shall be just cause for disciplinary action or dismissal. The Company and the Union agree that disciplinary

penalties shall not be imposed unreasonably or unjustly.

ARTICLE 6 - MANAGEMENT RIGHTS

Management:

6:01 The Employer has the right to manage the business and its workforce in all aspects so long as exercising such rights does not violate the other provisions of this Agreement or applicable law.

ARTICLE 7 - WAGES AND WAGE STATEMENT

Wages:

7:01 The Company shall pay wages to every employee covered by this Agreement at the hourly rates contained in the Appendix for the various classifications listed therein. The Appendix shall be deemed to be contained in and form part of this Agreement.

Statement:

7:02 The Company shall provide every employee covered by this Agreement with a printed itemized statement in respect of all payments made by direct deposit 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.

7:03 Vacation pay shall be paid on a separate deposit.

7:04 If an employee is terminated by the Company his cheque shall be prepared and deposited or dispatched within three (3) working days for all monies due.

7:05 If an employee terminated of his own accord he shall be paid on the next scheduled payday.

7:06 Employees shall be paid no later than every second Friday.

7:07 The Employer shall record on each employee's T-4 slip the total Union dues deducted and submitted on behalf of that employee.

ARTICLE 8 - HOURS OF WORK AND OVERTIME

Hours of Work:

8:01 The normal work week for all employees covered by this Agreement shall consist of five (5) eight (8) hour days commencing on Monday and ending on Friday. The workday shall commence at 6:00 A.M. and finish at 5:00 P.M. Start and finish times may change due to business requirements. The employees will be given reasonable notice of changes.

Guarantee:

8:02 (a) All employees who are requested to work shall be paid for the time they worked rounded up to the nearest quarter (1/4) hour with the

following exception.

HOURS WORKED		HOURS PAID
up to 4 hours	=	4 hours

- (b) A more senior employee in any job classification shall not be paid for less regular hours worked than a less senior employee in that job classification. This seniority guarantee provision shall not apply to employees who have not completed their probationary period.

8:03 Any employee called back after having worked that day or his shift shall receive a minimum of four (4) hours' pay at applicable overtime rates. Employees so called shall be allowed up to one-half ($\frac{1}{2}$) hour to report for work, unless reasonable circumstances warrant a longer time to report for work being allowed.

8:04 The Employer will publish the following day's work schedule by 4:00 P.M. each workday. The employee is responsible for checking the schedule to confirm if his service is required the following working day. This may be reviewed from time to time.

Break Between Shifts:

8:05 Ten (10) hours shall be the minimum break between an employee's finishing time and his following starting time, otherwise overtime rates shall prevail for hours worked within the ten (10) hour break period.

Daily Overtime:

8:06 Employees may refuse to work overtime individually except that they may not abandon a delivery job site that is in process and that will take less than one and a half ($1 \frac{1}{2}$) hours to complete, without permission from the Employer. If all employees refuse overtime the Employer may appoint as required by qualification in reverse order of seniority.

8:07 All time worked in excess of eight (8) hours daily shall be at time and one-half for the first two (2) hours and at double time thereafter.

8:08 If overtime is worked it shall be divided as evenly as possible. An employee who refuses to work overtime will have that time credited as time worked for the purpose of distributing overtime.

Normal Days Off:

8:09 Overtime rates shall be paid for all hours worked on an employee's normal day off except, at the employee's option, any work may be performed on Saturdays at straight time by employees out of seniority who have worked less than forty (40) hours in that week, without attracting any penalty payments. Employees required to work in the warehouse on Saturday under this provision shall be guaranteed a minimum of five (5) hours.

ARTICLE 9 - SENIORITY

9:01 Seniority in this contract shall mean length of service with the Company since the employee's last date of hire.

Probationary Employees:

9:02 New employees will be considered to be probationary employees until they have worked 480 hours, exclusive of overtime. At the end of the probationary period, each employee will be entered on the seniority list as of the last date of hire.

Seniority List and Classification:

9:03 The Company shall keep on its premises an up-to-date list of all employees covered by this Agreement, showing the date when each commenced his employment with the Company, classification and Social Insurance number. The Company will forward a copy of this list to the Union at least once every three (3) months, and it shall be attached to the check-off list.

Layoff and Rehire:

9:04 When laying off employees, the Company shall lay them off in reverse order of their seniority of employment within the classification. When vacancies occur, the Company shall hire laid off employees according to their seniority in job classifications for which they are qualified.

Job Posting:

9:05 The Company shall post, and keep posted, for not less than one (1) week's duration, in a conspicuous place, at each place of business maintained by the Company a notice of vacant positions of longer than thirty (30) days duration, new positions and promotions. Any employee of the Company covered by this Agreement may apply for any such vacant or new position and the Company shall fill such position with the applicant employee who has the greatest overall seniority, provided that such employee is reasonably

competent to do the work.

9:06 Any employee, however, who previously worked at the classification as a posted employee and is capable of performing the job or a trained employee who posted for a training position may be given preference.

9:07 The successful applicant shall be on probation in his new job for a period not exceeding twenty-one (21) working days during which time he may be returned to his former job if he does not make satisfactory progress or if he applies to the Company to be returned. The Union shall receive copies of all the postings and the assignments of such postings. Driving postings will be required to pass a driver attitude test prior to the twenty-one (21) day period.

9:08 No employee may change job positions through the job posting procedure more than twice in any twelve (12) month period. Any subsequent postings to be reviewed by Union and Management.

Drivers will lose their posting immediately upon suspension or loss of their driving license. The Company and the Union will attempt to reasonably accommodate that employee's continued employment but if at a lower posted position the employee will be paid at the lower posted position rate.

New Employee Seniority Re-Qualify:

9:09 Any new employee who in the twelve month period from his first day of employment with the Company, does not actually work for a period greater than 960 hours, shall not be credited with seniority for the period worked and if rehired shall be considered a new employee.

Loss of Seniority:

9:10 Seniority will be cancelled if an employee:

- (a) voluntarily quits his job or is discharged for just cause;
- (b) who is on layoff fails to report for work after being properly notified to return to work. Such employee shall no longer be considered to be an employee of the Company. Those employees affected by a layoff shall keep the Company advised of their current address and available telephone number;
- (c) is on layoff for a period in excess of the seniority retention period as set forth below:

LENGTH OF SERVICE SENIORITY RETENTION PERIOD

1 year and over

12 months

- (d) absent for three (3) working days without notifying the Company, in which case the employee shall be considered to have quit voluntarily, unless such failure to notify is due to reasonable cause.
- (5) works without permission for another employer during a leave of absence or while on vacation.

ARTICLE 10 - STATUTORY HOLIDAYS

10:01 Every employee covered by this Agreement shall receive a day's pay for New Year's Day, Good Friday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day and any other holiday proclaimed by the Provincial or Federal Government, provided however, that the employee shall have worked his "scheduled" work day prior to such holiday and his "scheduled" work day after such holiday, unless express permission to be absent shall be obtained from his Manager. Any employee required to work on any of the above holidays shall receive one and one-half (1 ½) times their regular rate of pay; in addition the employee will be given another day off with pay before their annual vacation.

Qualify:

10:02 Employees who have qualified under 10:01 shall also qualify for Statutory Holiday Pay if they have worked at least one (1) day within fifteen (15) days preceding the date of the Holiday.

10:03 If a Statutory Holiday falls on Saturday or Sunday, the following Monday or previous Friday shall be observed as the holiday as determined by industry standard.

ARTICLE 11 - ANNUAL VACATIONS

Two Weeks:

11:01 Each employee who has completed one (1) year's continuous service in the employ of the Company and has worked a minimum of 1,500 hours excluding overtime for the Company during the preceding twelve (12) months shall be entitled to two (2) consecutive weeks vacation with

pay equal to two (2) full weeks straight-time pay at the employee's regular rate, or four percent (4%) of annual gross earnings, whichever is the greater.

Three Weeks:

11:02 Each employee who has completed five (5) years of continuous service and has worked a minimum of 1,500 hours excluding overtime for the Company during the preceding twelve (12) months shall be entitled to a total of three (3) weeks vacation with pay equal to three (3) full weeks straight-time pay at the employee's regular rate, or six percent (6%) of annual gross earnings, whichever is the greater.

Four Weeks:

11:03 Each employee who has completed ten (10) years of continuous service in the employ of the Company and has worked a minimum of 1,500 hours excluding overtime for the Company during the preceding twelve (12) months shall be entitled to four (4) weeks vacation with pay equal to four (4) full weeks straight-time pay at the employee's regular rate, or eight percent (8%) of annual gross earnings, whichever is the greater.

Five Weeks:

11:04 Each employee who has completed twenty (20) years of continuous service in the employ of the Company and has worked a minimum of 1,500 hours excluding overtime for the Company during the preceding twelve (12) months shall be entitled to five (5) weeks vacation with pay equal to five (5) full weeks straight time pay at the employee's regular rate, or ten percent (10%) of annual gross earnings, whichever is greater.

Summary:

11:05	Years of Service	Length of Vacation	Payment Effective Jan. 1/85 (whichever is greater)	- is
	1 year to 5 years less a day	2 full weeks	2 full weeks or 4% annual gross earnings	full
	5 years to 10 years less a day	3 full weeks	3 full weeks or 6% annual gross earnings	full
	10 years and over	4 weeks	4 full weeks or 8% annual gross earnings	full
	20 years and over	5 weeks	5 full weeks or 10% annual gross earnings	full

11:06 Employees shall be entitled to take their vacations in one (1) continuous period. Vacations shall be taken within the calendar year for which they are applicable.

11:07 Should the Company request employees who are on vacation to return to work during their vacation period, the Company shall pay the said employee's wages equivalent to those paid for working Statutory Holidays.

11:08 The Company shall work with the employees in an effort to increase the number of employees allowed off at any one time for vacations.

Choosing Vacations:

11:09 The Company shall post for ten (10) weeks a vacation calendar for the benefit of the employees.

11:10 Employees shall choose their time off for their annual vacations by seniority. Senior employees will make their holiday preferences known prior to March 31; after that date holidays will be assigned on a first come basis with no preference for seniority.

11:11 Employees will be allowed to draw their earned holiday pay once every calendar quarter. The employee requesting and receiving holiday pay means that the

employee must give two (2) weeks' notice of his intention.

ARTICLE 12 - GENERAL WORKING CONDITIONS AND RULES

Meal and Work Breaks:

12:01 Any employee covered by this Agreement shall not work less than four (4) or more than five (5) consecutive hours at any time without one-half ($\frac{1}{2}$) hour meal break. The current practice of mid day meal breaks will continue.

12:02 Where overtime following the employee's normal shift goes beyond two (2) consecutive hours, the employee shall be entitled to a meal allowance of \$9.00. The time spent eating such meal shall not exceed thirty (30) minutes and shall be considered as time worked.

12:03 This condition shall be repeated each four (4) hours.

Coffee Break:

12:04 A coffee break shall be allowed each employee of the Company as close to midway in the first half of the shift, and as close to midway in the second half of the shift, as possible. Time allowed for coffee breaks shall be fifteen (15) minutes each. Warehouse employees will ensure that someone is available to serve customers before starting a coffee break.

Safety Meetings:

12:05 The Company shall establish or continue a Safety Committee of which Management personnel shall not outnumber Union members. This Committee may meet in conjunction with the Labour Management Committee, and shall operate as required by the Workers' Compensation Board regulations. Minutes of the meeting shall be forwarded to the Union.

Safety Equipment:

12:06 Whenever the Company or the Workers' Compensation Act regulations require equipment to be used on the job, such equipment shall be provided by the Company at no cost to the employee. The employee shall be held responsible for such equipment and shall be charged for any damage or loss for which he can reasonably be held responsible.

Vehicle Safety:

12:07 Drivers or operators shall not be required to operate any vehicle which, violates safety requirements. It shall be the driver's responsibility to report in writing to the Management, any vehicle considered unsafe. Such vehicle shall be tagged "OUT OF SERVICE" until properly repaired.

First Aid:

12:08 Employees who provide documentation to the Company that they hold current First Aid tickets will be paid premiums for all hours worked on Company business:

10¢ per hour for a Class I Ticket
15¢ per hour for a Class II Ticket
20¢ per hour for a Class III Ticket.

On Job Injury:

12:09 When an employee meets with a personal accident or injury while on the job, he shall be paid his full wages for the day of the accident, providing the personal accident has been reported to his Supervisor or if unavailable his 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. Failure to report an accident, injury or near-miss incident within 24 hours is an offence that may be subject to discipline.

In the event of an accident or injury requiring medical attention the employee will report to a designated medical facility to participate in a drug test if requested to do so by a unanimous vote of the Joint Occupational Health and Safety Committee. If illegal drugs are detected the employee will be offered rehabilitation and a chance to retest negative at the end of that treatment. If the employee refuses treatment he will be subject to discipline up to and including dismissal. All current employees will have an opportunity to receive voluntary and confidential treatment. This clause will come into full effect fifteen (15) weeks after the contract is ratified.

Time Off Re Accidents:

12:10 Should an employee be involved in an accident while on Company time, or 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.

Jury Duty:

- 12:11 (a) The Company shall continue to pay any employee whose absence is due to serving Jury Duty, provided however that all sums received by way of payment for Jury Duty shall be payable to the Company, to the end that no employee shall receive both his regular applicable rate and Jury Duty pay.
- (b) It is agreed that employees must make themselves available for work when not required to be in attendance as jurors.
- (c) The above shall apply in cases where an employee is

called as a crown witness.

Bereavement Leave:

12:12 In the event of a death in his immediate family and upon the request of a regular employee, three (3) straight-time eight (8) hour days off work will be paid for by the Company. This request must be made within one (1) week of the death, unless notification of death is not immediately received, then the request must be within one week of notification. Immediate family shall be defined to include a wife, husband, son, daughter, mother, stepmother, mother-in-law, father, stepfather, father-in-law, brother, sister, grandmother or grandfather. In addition, if the employee is notified of the death while he is working, he will be excused from, and paid for, the balance of that working shift, and such time shall not be charged against the three (3) days of leave. Granting of bereavement leave for relatives or dependents other than those described above shall be at the discretion of the Company.

Leave of Absence:

12:13 Leaves of absence may be granted at the discretion of the Company. All applications for leaves of absence must be made in writing, all applications will be replied to in writing, and a copy of such will be remitted to the Union. Seniority shall be maintained and accumulated during the absence due to certified illness or accident or layoff or approved leave of absence.

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.

Medical Examinations:

12:14 The Company shall pay employees, who are requested by the Company to take a physical examination. The examination shall be during working hours.

If, following a Company requested medical examination, any employee is deemed to be physically incapable of carrying out his regularly assigned duties, the following procedure shall be applied: The Company shall assign the employee to other duties, if possible.

In the event it is claimed that the employee is totally incapacitated, the Company shall notify the Union of the

medical findings in respect of the employee. Should the Union or the employee disagree with the said findings, the employee, at his own expense, shall have the right to be examined by his personal physician. Where there is no agreement between the two physicians on the condition of the employee the two physicians shall select a medical consultant to examine the employee with respect to the dispute. The findings of the consultant shall be final and binding.

The remuneration of the consultant shall be borne by the Company and the Union on an equal basis.

Should the consultant deem the employee to be capable of carrying out his regularly assigned duties, then the employee shall not suffer any loss of earnings caused by his having been removed from or temporarily suspended from his regularly assigned duties.

Employees returning to work following an injury or accident, and/or who were on Workers' Compensation, and are unable to perform their regular duties, shall where possible be retrained or be re-assigned to other duties according to their seniority so that the employees do not lose their employment with the Company.

Licences and Bonding:

12:15 Should the Company or the Superintendent of Motor Vehicles require licences beyond the normal requirements for the job an employee is doing, such as air tickets, or require an employee to be bonded, the Company will allow time off and the use of Company equipment as required without loss of pay to the employee and the Company shall be required to pay for any examinations, licences or bonds they require.

12:16 Should an insurance company refuse to insure any employee, every consideration will be given to the employee so that he will not lose his employment but if employed at a lower posting he will be paid at the lower rate.

Higher Classification:

12:17 If an employee starts his day's work, he shall not be paid less than his regular posted rate for the day.

12:18 If an employee is authorized to and works at a higher rate, he will be paid at that higher rate.

Coveralls and Gloves:

12:19 The Company shall supply to employees on an exchange basis, uniforms or coveralls and gloves, in keeping with the Company's "Uniform Policy".

Washrooms and Lunchrooms:

12:20 The Company agrees to maintain in its terminals and depots, adequate clean, sanitary washrooms having hot and cold running water and toilet facilities. In addition there shall be provided adequate lunchrooms, which shall be kept clean and tidy by the employees.

ARTICLE 13 - TRANSPORTATION AND BOARD

Travelling and Board:

13:01 In the event that any employee is required to report to work at a place of work which is in excess of 25 miles from his normal place of work, the Company shall pay all his travelling expenses including meals, to and from such place of work and shall pay wages for the first eight (8) hours or seven and one-half (7 ½) hours - whichever is applicable - of each twenty-four (24) hours.

13:02 All his expenses for reasonable living accommodation and meals where he is required to live away from his normal living accommodation.

Local Travel:

13:03 When work is available for employees at their normal starting place or depot and they are directed to work out of other depots, plants or designated areas, they shall be paid either from their normal starting place or depot, when working with Company equipment, or at the employee's option, while travelling from their normal starting place or depot and return, plus a travelling allowance of thirty-eight cents (38¢) per KM, or while travelling from their normal starting place or depot and return by Company provided transportation.

ARTICLE 14 - DISPUTE RESOLUTION PROCEDURE

General:

14:01 If, during the term of this Agreement, there should arise any difference between the Parties bound by this Agreement concerning its interpretation, application, operation, or other alleged violations thereof, an endeavour shall be made to settle the difference by those directly involved. If the employees and managers involved cannot resolve the problem negotiations between representatives of the Company and the Union will be tried next. Notwithstanding the above the employee can have a Union representative present at any time during efforts to resolve disputes.

Where a grievance refers to a particular occurrence or incident other than a payroll error, no consideration shall be given to either party unless such grievance is submitted within ten (10) calendar days from the date of the alleged occurrence or incident. In the case of payroll errors, the time limit will be thirty (30) calendar days.

14:02 (a) **Step 1** - Within the time limits listed above, i.e. ten (10) days or thirty (30) days, the employee shall discuss the difference on an informal basis with the appropriate Manager or Supervisor. The employee may elect to be accompanied by a Shop Steward. Any settlement of a grievance reached between the employee and the Company at Step 1 of this Article will be considered applicable to the case in question and not as establishing a precedent for further cases.

(b) **Step 2** - In the event that the said parties fail to reach a satisfactory settlement under Step 1 within five (5) working days after the difference was submitted to them or within such longer period as the parties agree to, then the grievance shall be

placed in writing and given to the appropriate Manager or Supervisor with a copy to the appropriate Shop Steward, and within five (5) working days, a meeting arranged between the Shop Steward and appropriate Manager or Supervisor.

- (c) **Step 3** - In the event that the said representatives fail to reach a satisfactory settlement under Step 2 within five (5) working days after the difference as submitted to them or within such longer period as the parties agree to, then it shall be referred to the General Manager and the Union Representative, and within five (5) working days a meeting shall be arranged between the parties to resolve the dispute.
- (d) **Step 4** - In the event that said representatives fail to reach a satisfactory agreement under Step 3 in five (5) working days after the disagreement is submitted to them or within such longer period as agreed by the parties, then it shall be referred to a Head Office Representative and a Union Representative, and within five (5) working days they shall arrange a meeting to resolve the dispute.
- (1) **Step 5** - In the event that the said representatives fail to reach a satisfactory settlement within five (5) working days after the difference was submitted to them or within such longer period as the parties agree to, then it may be submitted to a mutually agreed mediator. The decision from such process is not necessarily precedent setting. If mediation is not chosen or if it fails, the dispute shall be referred, within five (5) working days, to an Arbitration Board of three (3) persons. The Parties may by mutual agreement choose to have the grievance heard by a single Arbitrator.

14:03 The time limits stipulated for each step may be extended by mutual agreement and in the case of pay disputes, the time limit for lodging a grievance at Step 1 shall be ten (10) days.

Time to Resolve Dispute:

14:04 Grievances not processed from one step to another within ten (10) working days shall be deemed to be dropped.

14:05 Any time limits imposed by the Grievance Procedure may be extended by mutual agreement in writing.

Arbitration:

14:06 The Party desiring Arbitration shall, within ten (10) working days, appoint a member for the Board and shall notify the other party in writing of its appointment, and particularly the matter in dispute.

14:07 The Party receiving the notice shall, within ten (10) days thereafter, appoint a member of the Board and shall notify the other party in writing of its appointment, and particularly the matter in dispute.

14:08 The two (2) Arbitrators so appointed shall confer to select a third person to be Chairman within ten (10) working days from the appointment of the second of them. Failing to agree, either of them may apply to the Honourable, the Minister of Labour to appoint such third members.

14:09 The party receiving the notice shall within five (5) working days thereafter, appoint a Member for the Board and notify the other party of its appointment.

14:10 The two arbitrators so appointed shall confer to select a third person to be Chairman and failing for three (3) 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.

14:11 The Arbitration Board shall sit, hear the parties, settle the terms of the question to be arbitrated and make its award within ten (10) working days after completion of the hearing provided the time may be extended by agreement of the parties.

Suspension or Discharge:

14:12 If the Arbitration Board finds (or if at an earlier stage of the Grievance Procedure, it is found) that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company 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 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.

14:13 The Arbitration Board shall have the power to substitute a suspension in lieu of a discharge.

Appeal of Decision:

14:14 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 by this Clause. Application of appeal shall be filed within thirty (30) calendar days following decision of the case.

Cost of Chairman:

14:15 The expenses and remuneration of the Chairman shall be paid by the parties in equal shares.

ARTICLE 15 - HEALTH AND WELFARE

Health and Welfare Plan:

15:01 The Company shall continue to provide its Health and Welfare Plan for employees covered by this Agreement. Coverage will be provided to all employees after they have been paid by the Company for 480 hours work, which includes payment for Statutory Holidays. The Company shall provide the Union and each said employee with a copy of the Plan. The current coverage shall be the minimum coverage provided. Employees shall be required to fulfil any eligibility requirements contained in the coverages and plans in the Plan prior to being entitled to receive the benefit coverages.

Pension Plan:

15:02 Employees will be covered by the Teamsters (Local 213) Pension Plan.

15:03 The Company shall make the following contributions based on the total hours for which the employee receives remuneration:

January 1, 2001 - fifty-five cents (55¢ per hour)
January 1, 2002 - sixty cents (60¢) per hour
January 1, 2003 - sixty-five cents (65¢) per hour

Retirement:

15:04 Normal retirement for all employees shall occur at the end of the quarter in which the employee reaches

pensionable age under the Canada Pension Plan. However, any employee, may at his option with the consent of the Company, retire before reaching that age or by mutual agreement between the Company and the Union and provided that the employee is in satisfactory health, his retirement may be postponed after his pensionable age.

ARTICLE 16 - TECHNOLOGICAL CHANGE

16:01 Notwithstanding the provisions of Article 4, the Company shall notify the Union at least one (1) month in advance of:

- (i) The making of any major change in methods of warehousing and delivery.
- (ii) The introduction of or the automation of equipment, which would affect the terms and conditions or security of employment of any of the employees to whom this Collective Agreement applies.

16:02 Should any jobs disappear as a result of changes as described in 16:01, the employees affected shall have the opportunity to work (subject to the individual's seniority) at another classification. Should training be required the employee shall be allowed up to twenty-one (21) working days without loss of pay.

Severance Pay:

16:03 When an employee's job is discontinued as a result of changes described in 16:01 or layoff, he shall have the option to transfer to other employment for which he is qualified or for which he can be trained as outlined in 16:02, subject to the seniority provisions. If his seniority is insufficient for him to remain as an employee, or if he chooses to accept termination in lieu of a transfer to other work, he shall receive severance pay of one (1) week's pay for each year of service beyond three (3) years. Employees who receive severance pay and are rehired shall be considered as new employees.

16:04 Severance pay provisions shall also apply to any employee who is permanently terminated as a result of the Company's assets being sold, transferred, leased, or closure in whole or in part.

ARTICLE 17 - PROTECTION OF AGREEMENT

17:01 The Union shall be permitted to inspect the time worked and payroll records of members of the bargaining unit, as well as the contributions made to the Union's Pension Plan. The Union shall notify the Employer of its intentions to inspect there records and shall make the necessary arrangements for the time and place. The Union will be allowed the necessary time to complete the inspection.

ARTICLE 18 - SAVINGS CLAUSE

18:01 The Company shall not revoke, vary or restrict any wages, fringe benefits and conditions of employment not expressly referred to herein which is enjoyed by any employee covered by this Agreement without the consent in writing of the employee and the Union.

ARTICLE 19 - SICK LEAVE

19:01 The Company shall pay to all employees full wages for bodily injury, sickness and any other non-occupational disability to a maximum of seven (7) working days per year. An employee who has one hundred percent (100%) attendance under this provision shall be rewarded with two (2) extra days of paid holidays to be taken between December 1 and March 1.

19:02 To claim the employee must:

- (a) Be unable to perform work or modified duties offered,
- (b) Produce a Medical Certificate confirming his inability to perform his regular work or modified duties offered and a prognosis for this illness or injury.

19:03 Wilful abuse of this benefit by an employee shall result in immediate discharge. A medical certificate of inability to perform normal duties and prognosis shall be required to claim benefits under this provision.

ARTICLE 20 - TERM OF AGREEMENT

20:01 This Agreement shall be in full force and effect from and including January 1, 2004 until December 31, 2007 and shall continue in full force and effect from year to year thereafter, subject to the right of either party to this Agreement within four (4) months immediately preceding the expiration date in any year thereafter, by written notice to the other party require

APPENDIX "A"

RATES PER HOUR

CLASSIFICATIONS	EFFECTIVE	EFFECTIVE	EFFECTIVE
	Jan. 1/04	Jan. 1/05	Jan. 1/06 Jan. 1/07
CLASS #1 DRIVER			
- 0 to 6 Months Employed	\$15.35	\$15.50	\$15.65
\$15.90			
- 7 to 12 Months Employed	15.95	16.10	16.25
16.50			
-13 to 18 Months Employed	16.55	16.70	16.85
17.10			
-19 to 24 Months Employed	17.15	17.30	17.45
17.70			
-25 to 30 Months Employed	17.75	17.90	18.05
18.30			
-And Thereafter	18.35	18.50	18.65
18.90			
CLASS #3 DRIVER			
- 0 to 6 Months Employed	\$14.25	\$14.40	\$14.55
\$14.85			
- 7 to 12 Months Employed	14.85	15.00	15.15
15.45			
- 13 to 18 Months Employed	15.45	15.60	15.75
16.05			
- 19 to 24 Months Employed	16.05	16.20	16.35
16.65			
- 25 to 30 Months Employed	16.65	16.80	16.95
17.25			
- And Thereafter	17.25	17.40	17.55
17.85			
CLASS #5 DRIVER			
- 0 to 6 Months Employed	\$13.40	\$13.55	\$13.70
\$14.00			
- 7 to 12 Months Employed	14.00	14.15	14.30
14.60			
- 13 to 18 Months Employed	14.60	14.75	14.90
15.20			
- 19 to 24 Months Employed	15.20	15.35	15.50
15.80			
- 25 to 30 Months Employed	15.80	15.95	16.10
16.40			
- And Thereafter	16.40	16.55	16.70
17.00			

DELIVERY SPECIALIST

- 0 to 6 Months Employed	\$13.05	\$13.20	\$13.35
\$13.60			
- 7 to 12 Months Employed	13.45	13.60	13.75
14.00			
- 13 to 18 Months Employed	13.85	14.00	14.15
14.40			
- 19 to 24 Months Employed	14.25	14.40	14.55
14.80			
- 25 to 30 Months Employed	14.65	14.80	14.95
15.20			
- And Thereafter	15.05	15.20	15.35
15.60			

WAREHOUSE

- 0 to 6 Months Employed	\$13.40	\$13.55	\$13.70
\$14.00			
- 7 to 12 Months Employed	14.00	14.15	14.30
14.60			
- 13 to 18 Months Employed	14.60	14.75	14.90
15.20			
- 19 to 24 Months Employed	15.20	15.35	15.50
15.80			
- 25 to 30 Months Employed	15.80	15.95	16.10
16.40			
- And Thereafter	16.40	16.55	16.70
17.00			

