

COLLECTIVE AGREEMENT

BETWEEN

PIPEX INC.

AND

TEAMSTERS LOCAL UNION No. 213

January 1st, 2005 - December 31st, 2006

**DON MCGILL,
Secretary-Treasurer**

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THIS AGREEMENT entered into this _____ day of _____, 2004.

BETWEEN: **PIPEX INC.,**
#124, 215 Blackburne Drive East,
Edmonton, Alberta T6W 1B9

(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART

AND: **TEAMSTERS LOCAL UNION No. 213,**
affiliated with the International Brotherhood
of Teamsters of the City of Vancouver,
Province of British Columbia;

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

WITNESSETH THAT in consideration of the premises and the mutual covenants and agreements herein contained, the Parties hereto have agreed as follows:

ARTICLE No. 1 - INTENT AND PURPOSE

It is the intent and purpose of the Parties hereto that this Agreement will promote and improve harmonious labour relations, and facilitate the peaceful adjustment of differences between the Company and the employees covered by the terms of this Agreement; and set forth herein the Agreement covering the rates of pay, hours of work and working conditions to be observed.

ARTICLE No. 2 - SCOPE OF THIS AGREEMENT

- (1) The Company recognizes the Union as the sole and exclusive collective bargaining agent for all employees of the Company except office employees and those excluded by the *Act*.
- (2) Hours of work, overtime, classifications, and wage rates are set forth in the Appendices hereunto annexed and forming part of this Agreement.
- (3) In the event the Company engages in work covered by Construction, Road Building and Pipeline Agreements, it is understood and agreed that the Company, when doing work covered by those Agreements, shall become signatory to those Agreements, along with signatory Teamsters Unions.

- (4) 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 thereof shall continue to be subject to the terms and conditions of this Agreement for the life thereof.
- (5) If the Company is required to hire outside trucks, it shall utilize those parties who are signatory to this Agreement.
- (6) If the Company is required to hire dump truck Owner/Operators, it shall utilize those parties who are signatory to the Atlantic Canada Dispatch Agreement OR DIRECTLY WITH Castor Dispatch Services Limited and/or members of the Teamsters Union in the province in which the work is being performed.

ARTICLE No. 3 - UNION SECURITY

- (1) The Company will provide bulletin boards at its terminals on which the Union may post necessary notices to its members.
- (2) The Union shall appoint or elect Shop Stewards and shall notify the Company in writing of such appointment or election. The Company shall recognize Shop Stewards, and shall not discriminate against them for lawful Union activity.
- (3) Authorized Agents of the Union shall have access to the Company's establishment, during working hours, for the purpose of adjusting disputes, investigating working conditions, and ascertaining that the Agreement is being adhered to.
- (4) The Union recognizes the right of the Company to hire whomever it chooses, subject to the seniority provisions contained herein. The Company shall give the Union the equal opportunity to refer suitable applicants for employment and the Company shall give preference to Union members when additional employees are required.

When the Company is engaged as a sub-contractor under the terms and conditions of the Construction, Road Building and Pipeline Agreements, all employees shall be hired through the Hiring Hall provisions contained in the applicable Agreement and in accordance with the Union Dispatch Rules.

- (5) All persons referred to above will be required to sign authorization for Check-off and Initiation Fees, Union Dues, fines, and assessments, which may be levied by the Union in accordance with the Constitution and/or By-Laws. Such check-off shall be irrevocable during the terms of this Agreement.

- (6) The Company agrees that all contracted Owner/Operators shall be members of the Union as a condition of employment, and all new contracted Owner/Operators must become members of the Union prior to commencing contracted work with the Company. The Union will supply the Company with application forms for Union membership, and dues deduction authorization forms, which shall be signed by all newly contracted Owner/Operators on the day which he is hired. All completed copies of application for Union membership forms shall be returned to the Union, and serve as notification of the commencement of employment.
- (7) The Company shall deduct and pay over to the Secretary-Treasurer of the Union any Initiation Fees, dues, fines, or assessments levied in accordance with the Union's By-Laws, owing by said employees hereunder to the said Union. Monies deducted during the month shall be forwarded by the Company to the Secretary-Treasurer of the Union not later than the twenty-fifth (25th) day of the same month, and shall be accompanied by a written statement of the names of the employees for whom the deductions were made, and the amount of each deduction. Failure of the Company to remit to the Union the monies deducted from employees within two (2) weeks after deductions are made shall give the Union the right to take such action as it deems necessary.

ARTICLE No. 4 - PAYMENT OF WAGES

- (1) The Company shall pay wages to every employee covered by this Agreement at the rates set forth in the Appendices hereunto annexed in respect of the various classifications therein contained. The Appendices containing the classifications of the Union signatory to this Agreement shall be deemed to be contained in, and form a part of, this Agreement.
- (2) The Company shall at least twice monthly, or every second (2nd) Friday, whichever is applicable and presently in effect, pay to each employee covered by this Agreement all wages earned by the employee to a day not more than five (5) working days prior to the date of payment, provided that if a General Holiday falls on the regular payday, payment will be made the preceding day.
- (3) The Company shall provide each employee covered by this Agreement with a separate and detachable written or printed itemized statement in respect of all wage payment made to such employee. Such statement shall set forth the dated pay period, the total hours worked or pay for, the total miles driven, the total overtime hours worked, either time and one-half (1 1/2X) or double time (2X), the rate of wages applicable, and all deductions made from the gross amount of wages.
- (4) Employees of Owner/Operators shall be paid equivalent wages and conditions as provided in this Collective Agreement. If there should be any deficiency to the employee, it shall be his responsibility to advise the Company within thirty (30) days of the pay period in which the deficiency took place.

The Company shall then take action to rectify the situation and pay such balance as may be properly due to owing such employee for said pay period.

- (5) If an error occurs in the payroll computation of an employee's pay cheque, and the amount is equal to one (1) 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 payday on which the error was reported. If an 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.
- (6) The Company shall make contributions for Health and Welfare in such amounts and under such conditions as are set forth in the Appendices hereunto annexed.
- (7) The Company shall make contributions for pension in such amounts and under such conditions as are set forth in the Appendices hereunto annexed.
- (8) The Teamsters Union Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by the Teamsters Union.

The Company shall make contributions of five cents (5¢) per hour for which wages are payable hereunder, to a maximum of forty-four (44) hours per week, for each employee and Dependent Contractor covered by this Collective Agreement.

Payment of said funds shall be made to the Teamsters Local Union Industry Advancement Fund by the fifteenth (15th) day of the month following that to which they refer.

This payment will be independent and separate from any other payment made to the Local Union.

ARTICLE No. 5 - MANAGEMENT RIGHTS

- (1) The Union recognizes the right of the Company to manage and direct the Company's business in all respects in accordance with its commitments and to alter from time to time reasonable rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with this Agreement.

- (2) The Company shall always have the right to hire; and to discipline, demote or discharge employees for just and proper cause.

ARTICLE No. 6 - GRIEVANCE PROCEDURE

All questions, disputes and controversies arising under this Agreement or any supplement thereto shall be adjusted and settled within the terms and conditions as set forth in this Agreement, in the manner provided by this Article, unless otherwise expressly provided in this Agreement. The procedure for such adjustment and settlement shall be as follows:

STEP 1 Any grievance of an employee shall first be taken up between such employee and his immediate Supervisor.

Time limit to institute a grievance:

- (1) termination or lay-off - ten (10) days;
- (2) all others - thirty (30) days.

STEP 2 Failing settlement under Step 1, the employee must present his grievance in writing to the Local Union, and such grievance shall be taken up between the representative of the Local and the immediate Supervisor.

STEP 3 Failing settlement under Step 2, such grievance and any question, dispute or controversy that is not of the kind that is subject to Steps 1 and 2, the grieving party shall reduce his grievance to writing, and it will be referred to and taken up between a representative of the Union and the Company representative authorized by the Company.

STEP 4 Failing settlement under Step 3, the matter will be taken up in presentation to a Board, consisting of two (2) Union members selected by the Union, and two (2) members appointed by the Company.

STEP 5 Failing settlement under Step 4, the matter will be referred to an agreed upon neutral Arbitrator, who will meet with the Board to hear both sides of the case. The Arbitrator's decision shall be final and binding.

Failing to agree upon a neutral Arbitrator, the Department of Labour will be requested to appoint a neutral Arbitrator whose decision shall be final and binding.

The cost of the Arbitrator will be borne equally by the Union and by the Company.

The time limits stated in this Article may be extended by mutual consent of the Company and the Union. Any such extensions shall be in writing.

ARTICLE No. 7 - RATES OF PAY AND JOB CLASSIFICATIONS

- (1) Special rates of pay for any new operations, areas or job classifications shall be subject to negotiation, provided that the Company shall pay the area rate until the new rate or job classification is agreed upon. The Company agrees to advise the Union office of any such rate within ten (10) days of its establishment, and if no written Union representation is made within thirty (30) days of such notification, the rate will be deemed agreed upon. If no agreement is reached within sixty (60) days of receipt of such written representation, the Union may process a grievance under the Grievance Procedure commencing with Step 3.
- (2) It is understood and agreed that such new rate shall be retroactive to the date the new operation, area or job classification was instituted.

ARTICLE No. 8 - SENIORITY

- (1) Seniority shall be based on the length of continuous service of an employee and shall be by Terminal.
- (2) The principle of seniority in each Terminal shall be maintained in the reduction and restoration of the working force, providing the senior men are capable of performing the remaining job.
- (3) Seniority shall be lost for one or more of the following reasons:
 1. voluntary resignation;
 2. discharge for cause;
 3. lay-off for more than twenty-four (24) months;
 4. failure to return to work after lay-off within seven (7) days, where the Company has notified the employee by registered mail at his last known address to return to work.

ARTICLE No. 9 - SAFETY AND HEALTH

- (1) The Union recognizes the right of the Company to require a medical examination at any reasonable time, providing that the Company shall pay the cost of such examination. Drivers who have completed one (1) or more years of employment with the Company and who are required to take Government physical or medical examinations for the purpose of their Vehicle Operator's Licence, will, upon receipt of their doctor's report, make it available to the Company for copying. The Company will then reimburse the driver the full cost of such physical examination upon presentation of a receipt showing the driver has paid for such examination.
- (2) It is to the mutual advantage of both the Company and the employee that employees shall not operate vehicles which are not in safe operating condition. It shall not be a cause for

discipline if a driver refuses to operate any vehicle that he believes is not safe. It shall be the duty of the employee to report promptly in writing to the Company on all defects in equipment. The previous trip's cry-sheet will be made available upon request to the employee dispatched on any specific unit.

ARTICLE No. 10 - GENERAL HOLIDAYS

- (1) Every employee shall be granted Holiday pay of eight (8) hours at work time rate, on each of the following General Holidays falling within any period of his employment.

N.B. - All employees are entitled to have any of these ten (10) paid holidays, provided they have completed thirty (30) calendar days of employment.

- (2)

New Year's Day	Labour Day	Boxing Day
Canada Day	Christmas Day	Good Friday
Remembrance Day	Victoria Day	Thanksgiving Day
St. Jeane Baptiste Day (Quebec only)		
Civic Holiday (NL, NS, NB, PE, ON, BC)		

- (3) When an employee is required to work on a General Holiday, he will be notified not later than 3:00 P.M. the day previous to the Holiday.
- (4) If the Federal or Provincial government declares an additional General Holiday, the Company agrees to pay according to Article No. 10, Section (a).

ARTICLE No. 11 - ANNUAL VACATION WITH PAY

Every employee is entitled to, and shall be granted, a vacation with pay as follows:

- (1) Two (2) weeks vacation with pay after the completion of each year of continuous service with the Company.

Payment for such vacation shall be in the amount equal to four percent (4%) of the gross wages for the employee during the year in which he qualified for such vacation.

- (2) Employees who have completed three (3) years of continuous service with the Company shall receive in the next succeeding year of employment, and each year thereafter, three (3) weeks' vacation with pay in an amount equal to six percent (6%) of the gross wages of that employee during the year in which he qualified for such vacation.
- (3) Employees who have completed eight (8) years of continuous service with the Company shall receive in the next succeeding year of employment, and each year thereafter, four (4) weeks' vacation with pay in an amount equal to eight percent (8%) of the gross wages of that employee during the year in which he qualified for such vacation.
- (4) Employees who have completed sixteen (16) years of continuous service with the Company shall receive in the next succeeding year of employment, and each year thereafter, five (5)

weeks' vacation with pay in an amount equal to ten percent (10%) of the gross wages of that employee during the year in which he qualified for such vacation.

- (5) Vacation schedules will be prepared by the Company as far in advance as practicable. All employee requests shall be recognized, if operating conditions allow. Vacations shall be granted on the basis of seniority.
- (6) An employee laid off or leaving the Company before completion of a full year of service shall be entitled to a pro-rated vacation with pay computed on the same percentage of his gross wages during the portion of the year worked.

ARTICLE No. 12 - GENERAL WORKING CONDITIONS

- (1) Employees injured on the job will be paid for the full day.
- (2) When death occurs to a member of an employee's immediate family, the employee will be granted, upon request, an appropriate leave of absence, and if he attends the funeral he shall be compensated at his regular straight time hourly rate, for hours lost from his regular schedule on any of the days prior to the funeral, the day of the funeral and the day after the funeral, for a maximum of three (3) days. Members of the employee's family are defined as the employee's spouse, mother, father, sons, daughters, sisters, brothers, mother-in-law, father-in-law, grandfather, grandmother, brother-in-law, and sister-in-law. 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.
- (3) A day as referred to in this Agreement is from the hour an employee commences work, and terminates twenty-four (24) hours later.
- (4) When a member starts his work shift at the regular rate, he shall not be paid less than the regular rate for the complete day.
- (5) Provided regular shop employees do not lose wages, drivers can be used in the shop during slack seasons, and paid the rate they qualify in.
- (6) Wherever possible, overtime shall be distributed evenly considering seniority.
- (7) Applications for leave of absence without pay, when in writing, may be granted at the discretion of the Company.
- (8) If an employee uses a leave of absence for purposes of taking employment elsewhere, then he shall be considered to have terminated his employment with the Company.

ARTICLE NO. 13 - NO STRIKE - NO LOCK-OUT - PICKET LINE

- (1) During the life of this Agreement, there shall be no lock-out by the Company, or any strike, sit-down, slow-down, work stoppage, or suspension of work (either complete or partial), for

any reason, by the Union.

- (2) It shall not be a violation of this Agreement or cause for discipline of any employee in the performance of his duties to refuse to cross a picket line.

ARTICLE No. 14 - VALIDITY OF ARTICLES

If any Article or Sections of this Agreement, or of any supplement hereto, should be held invalid by operation of law, or by any tribunal of competent jurisdiction; or if compliance with or enforcement of any Article or Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and of any supplement thereto, or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

ARTICLE No. 15 - TERMINATION AND AMENDMENTS

- (1) This Agreement shall be in full force and effect as of the first (1st) day of January 2005 and continue in full force and effect through the thirty-first (31st) day of December, 2006, and from year to year thereafter, except as hereinafter provided.
- (2) Either Party may terminate this Agreement on any anniversary date, by notice in writing to the other Party, not less than ninety (90) days prior to such anniversary date.
- (3) Either Party wishing to amend this Agreement shall give notice in writing of such desire to the other Party, not less than ninety (90) days prior to such anniversary date of this Agreement.

IN WITNESS WHEREOF the Party of the First Part has hereunto affixed its signature(s) in the presence of its Officers duly authorized therefor, and the Party of the Second Part has hereunto affixed its signature(s) and seal by its Officers duly authorized therefor.

DATED AT _____, this _____ day of _____, 2004.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

APPENDIX "A"

HOURS OF WORK, OVERTIME, CLASSIFICATIONS AND WAGE RATES

(1) **Regular Hours of Work and Overtime Conditions**

Daily maximum - eight (8) hours

Weekly maximum - forty (40) hours

All hours in excess of the maximums shall be paid for at the rate of one and one-half (1 ½) times.

(2) All hours worked on a General Holiday shall be paid for at the rate of time and one-half (1 1/2X), plus eight (8) hours for the General Holiday which shall be paid for in any event.

(3) **Reporting Guarantee** - When an employee is called, and reports for duty, on his regular scheduled work day he shall be guaranteed a minimum of four (4) hours work and/or pay. If he works in excess of four (4) hours, he shall be guaranteed eight (8) hours work and/or pay.

(4) **Wage Classifications** - Employees shall be paid not less than the wage rate for their classification. An employee who works on equipment in a higher rated classification for more than three (3) hours in a day shall receive the higher rate for the entire day.

CLASSIFICATION	January 1, 2005	January 1, 2006
Bed Tandem/Cherry Picker (boom truck) Pipe and Pole Trailer	\$20.95	\$21.75
Low boy/Highboy	\$20.53	\$21.33
Nodwell/Track Truck (all terrain vehicles) five tons and over (dump or flat deck)	\$21.49	\$22.29
Forklift and Zoom Boom	\$21.49	\$22.29
Apprentice (Swamper)	\$17.86	\$18.66
One to three ton flat deck or dump	\$19.47	\$20.27
Pilot car/truck	\$17.82	\$18.62

Note: Drivers shall be paid an additional amount when pulling multi-wheel trailing equipment as follows:

- 24 - 48 wheels - one dollar (\$1.00) per hour;
- Over 48 wheels - one dollar and fifty cents (\$1.50) per hour.

Mileage Rates:

- Lowbed/semi-trailer - January 1, 2005 - fifty cents (50¢) per mile;
- January 1, 2006 - fifty-two cents (52¢) per mile.

Pilot car when required by law:

- January 1, 2005 - forty-three cents (43¢) per mile;
- January 1, 2006 - forty-five cents (45¢) per mile.

Note: When driving a combination vehicle with more than five (5) axles, the mileage rate shall increase by one cent (1¢) per mile per additional axle over five (5).

- (5) Each employee who is required to remain away from his place of domicile for more than sixteen (16) hours in a twenty-four (24) hour period shall receive a daily subsistence allowance of forty-five dollars (\$45.00).

Where camp facilities are available, the employees shall receive board and lodging at no cost to the employee.

APPENDIX "B"

HEALTH AND WELFARE PLAN

The Company shall pay into the appropriate Health and Welfare Plan as defined by the Union in the following amounts:

January 1, 2005 - two dollars and twenty-five cents (\$2.25) for each hour worked.

January 1, 2006 - two dollars and thirty-five cents (\$2.35) for each hour worked.

Note: Should the contributions for Health and Welfare payable under the Teamsters Mainline Pipeline Agreement for Canada, Appendix 2, for Alberta and the Northwest Territories exceed the amounts herein contained the Company agrees to contribute at the higher rate in all instances.

It shall be the Company's responsibility to ensure that all employees are enrolled in the appropriate Health and Welfare Plan and forward contributions to the Administrator by the tenth (10th) day of each month. Failure of the Company to enroll employees, provide forms or remit premiums within the prescribed time lines will cause the Company to be liable for any claim arising thereof.

The Company will continue to cover employees who are off work due to a work related injury (covered by WHSCC) for a maximum period of one (1) year.

APPENDIX “C”

PENSION PLAN

The Company shall provide a co-operative Pension Plan (RRSP) to all employees or members of the Union coming under the jurisdiction of this Agreement.

The Company shall contribute on a dollar for dollar basis, all contributions made to the Plan by the employee, to a maximum of five percent (5%) of the employee's gross earnings.