

COLLECTIVE AGREEMENT

BETWEEN

SOUTHRIDGE BUILDING SUPPLIES

AND

TEAMSTERS LOCAL UNION No. 213

January 1st, 2003 - December 31st, 2005

DON MCGILL
Secretary-Treasurer

SOUTHRIDGE BUILDING SUPPLIES
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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 within the guidelines of the Local Union's By-Laws, the Constitution, and the Laws of British Columbia.
- 2:04 Any employee who does not remain a member in good standing shall not be retained in the employment of the Company within the bargaining unit.
- 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 initiation fees, dues and assessments as required by the By-Laws of the Union. Such deductions shall be forwarded to the Union not later than the last business day of the month in which these deductions were made. Dues shall be deducted from the second pay of the month previous to the quarter for which they are applicable and the seniority list shall be attached as per Article 9:02.

Picket Lines:

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

Unfair Declaration:

- 2:08 It shall not be a violation of this Collective Agreement or cause for disciplinary action if an employee refuses to handle, receive, ship or transport any material which has been declared unfair by the British Columbia and Yukon Territory Building and Construction Trades Council, by any of its affiliated area Building Trades Council or by the Teamsters Local Union No. 213. Whenever the Union has information concerning any unfair declaration, it shall immediately notify the Company.

Union Rights:

2:09 The Union reserves the right to render assistance to other Labour organizations. Refusal on the part of the Union members to work with non-Union workers or workers whose organization is not affiliated to a Building Trades Council, shall not be deemed a breach of this Agreement. The provisions of this Article shall not be invoked in cases where the Company delivers to non-Union customers, and provided the Company is not in violation of Article 2:08.

Strike and Lockout:

2:10 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:

2:11 Shop Stewards shall be recognized by the Company and shall not be discriminated against. The Company shall be notified by the Union of the name or names of such stewards. Reasonable time shall be given to the shop steward to carry out his duties. The Union shall be notified in writing if a shop steward is discharged for cause and such cause shall be stated in the reasons. Executive Officers of the Union or shop stewards, who are required to attend meetings at the call of the Union shall be allowed time off by the Company without pay and provided prior notice is given.

2:12 The Business Representatives of Local 213 shall have access to all jobs and plants, etc., covered by this Agreement in carrying out their regular duties, after first notifying the Company.

ARTICLE 3 - HIRING

3:01 The Company shall notify the Union of any job vacancies. The Union may refer members with the necessary qualifications to the company for consideration of employment. The qualifications pertaining to the job classification will be solely determined by the Company. The Company retains the right to hire new employees through the Union or elsewhere.

3:02 New employees who are not members of the Union shall apply for membership in the Union within sixty (60) days of hire.

3:03 When employees are hired as provided above, they shall be considered an employee of the Employer and shall be entitled to all employee benefits after ninety (90) days of employment.

3:04 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 as a result.

ARTICLE 4 - NEW CLASSIFICATIONS

Rates and Effective Dates:

4:01 The Company shall notify the Union when any new classification coming under this Agreement is added or if there is a substantial change in duties of an existing job. The Union and the Company shall negotiate on the rate to be established and that rate, once established, shall be retroactive to the introduction date of the new classification. This shall also apply to classifications that have been inadvertently left out of the existing Agreement.

ARTICLE 5 - DISCHARGE OF EMPLOYEES

5:01 The Company has the right to discharge any employee for just cause. Employees shall be notified in writing, the reason for such dismissal. A copy shall be forwarded to the Union.

ARTICLE 6 - MANAGEMENT RIGHTS

6:01 The management and operation of and the direction and promotion of its working forces is the exclusive responsibility of the Company provided, however, that nothing in any of the provisions of this Article shall in any way limit, void or affect the other provisions of this Agreement.

ARTICLE 7 - WAGES AND WAGE STATEMENTS

Wages:

7:01 The Company shall pay wages to every employee covered by this Agreement at the hourly rates contained in Appendix "A" for the various classifications listed therein. Appendix "A" 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 separate, detachable written or printed itemized statement in respect of all payments made to such employee by the Company. Such statement shall show the regular hours worked, the total overtime hours worked, the rate or rates applicable, the gross amounts of wages, vacation pay and pay for Statutory Holidays and all deductions made therefrom. There will be a progressive audit on the pay statements that will show pension contributions.
- 7:03 Employees shall be paid on the fifteenth day and the last working day of the month.
- 7:04 If an employee is terminated by the Company he shall be paid all monies due on the following work day. The monies due will be payable through head office and will be mailed to the employee upon request.
- 7:05 If an employee terminates of his own accord he will be paid on the next scheduled pay day.
- 7:06 The total amount of Union dues deducted and submitted on behalf of an employee during the calendar year shall be recorded by the Company on each employee's T-4 income tax slip.

ARTICLE 8 - HOURS OF WORK AND OVERTIME

Hours of Work:

- 8:01 The work week for all employees covered by this Agreement shall be five (5) consecutive days of eight (8) hours duration commencing Monday 5:00 a.m. and ending Sunday 6:00 p.m. A work day shall consist of eight (8) consecutive working hours.
- When starting times begin as above, it will not be changed for a period of less than thirty (30) days, starting the first day of every month, unless to by the employees.
- 8:02 All employees covered by this Agreement shall be entitled to at least two (2) consecutive days off.
- Shifts shall be delegated within the affected classification based on bargaining unit seniority.
- 8:03 Any employee who is called out to work shall not be paid less than his daily hours.
- 8:04 Employees shall be notified prior to the completion of their shift if they are

not required the following day and shall not report until recalled.

8:05 Any employee called back after having worked that day, or shift, shall receive a minimum of four (4) hours' pay at time and one-half (1 ½).

8:06 Ten (10) hours shall be the minimum break between the end of a shift and the start of the next shift. Otherwise, overtime rates shall apply for the whole shift worked.

Overtime:

8:07 All overtime shall be voluntary with the following exceptions:

- (a) If overtime is refused by senior employees, the employee with the least seniority in the classification required, shall work overtime.
- (b) Overtime shall be worked if required by the Company, while taking inventory.

8:08 All overtime worked immediately prior to and/or immediately following the employee's regular hours, shall be totaled and paid at time and one-half (1 ½) for time worked beyond eight (8) hours and two times (2X) the employee's regular hourly rate for all time worked beyond eleven (11) hours.

8:09 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. Employees have the option of banking overtime to be used at a later date, at time and one-half, or double time if applicable.

8:10 Time and one half (1 ½) shall be paid for all hours worked if the employee has worked a total of less than forty-eight (48) hours in the week and double time (2X) for any time worked over forty-eight (48) hours.

For the purpose of calculating the above only the first eight (8) hours worked in each day are counted.

Shifts

8:11 The Company agrees to negotiate shift hours and premiums if the Company wishes to implement any shifts other than the day shift.

ARTICLE 9 - SENIORITY

Probationary Period:

9:01 All new employees, excluding office and sales staff, shall have a probationary period of ninety (90) days worked. Employees may be dismissed within the probationary period if, in the opinion of the Company, they are not suitable for regular employment.

Seniority List and Classification:

9:02 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, classification and hourly rate. The Company shall provide a seniority list when requested to by the Union.

Lay Off and Re-Hire:

9:03 The Company, when laying-off employees, shall lay them off in reverse order of their seniority of employment subject to required qualifications.

9:04 When vacancies occur, the Company shall re-hire laid off employees according to their seniority subject to required qualifications.

Job Posting:

9:05 The Company shall post, and keep posted, for not less than seventy-two (72) hours, or three (3) consecutive working days, in a conspicuous place, at each place of business maintained by the Company, notice of vacant positions, 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.

- 9:06 The successful applicant shall be on probation in his new job for sixty (60) 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.
- 9:07 No employee may change job positions through the posting procedure more than twice in any twelve (12) month period.

New Employee Seniority Re-Qualify:

- 9:08 Any new employee who, in the twelve (12) month period from his first day of employment with the Company is employed for a greater period than six (6) months or has worked one thousand (1,000) hours and who is laid off, shall be credited with seniority for the period worked and, if re-hired, shall not be considered as a new employee.

Loss of Seniority:

- 9:09 (a) Seniority will not be retained by any employee who is laid off for lack of work and who is not re-called within a period of twelve (12) months from the date of lay off.
- (b) Seniority will not be retained by any employee who is not a member of the Union in good standing.
- 9:10 Should a properly notified employee, however, not report for work, then his name shall be removed from the seniority list. Those employees affected by a lay off shall keep the Company advised of their current address and available telephone number. If an employee is laid off for a period of thirty (30) calendar days, or longer, he shall be given a maximum of seven (7) calendar days to report for work.

ARTICLE 10 - GENERAL HOLIDAYS

Entitlement:

- 10: 01 Every employee covered by this Agreement who has been regularly employed for thirty (30) calendar days, 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, December 24th, Christmas Day, Boxing Day, December 31st and any other holiday proclaimed by the Provincial or Federal Government, provided however, that the employee shall have worked his "scheduled" work day before or 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 double time in addition to the day's pay.

10:02 If a general holiday falls on Saturday or Sunday the following Monday shall be observed as the holiday. If two (2) consecutive general holidays fall on Saturday and Sunday, the following Monday and Tuesday shall be observed as the holidays, or, at the Company's option, the prior Friday and following Monday shall be observed as the holidays.

ARTICLE 11 - ANNUAL VACATIONS

Two Weeks:

11:01 Each employee who has completed one (1) year of continuous service between December 1st and November 30th of the following year in the employ of the Company and has worked a minimum of one thousand (1,000) hours for the Company during this period, shall be entitled to a total of 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 greater.

Three Weeks:

11:02 Each employee who has completed three (3) years of continuous service in the employ of the Company and has worked a minimum of one-thousand (1,000) hours for the Company during the preceding twelve (12) months, (December 1st - November 30th) shall be entitled to a total of three (3) consecutive 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 greater.

Four Weeks:

11:03 Each employee who has completed nine (9) years continuous service in the employ of the Company and has worked a minimum of one thousand (1,000) hours for the Company during the preceding twelve (12) months (December 1st - November 30th) shall be entitled to a total of 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 fifteen (15) years continuous service in the employ of the Company and has worked a minimum of one-thousand

(1,000) hours for the Company during the preceding twelve (12) months (December 1st - November 30th) shall be entitled to a total of 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 the greater.

Six Weeks:

11:05 Each employee who has completed twenty-two (22) years continuous service in the employ of the Company and has worked a minimum of one-thousand (1,000) hours for the Company during the preceding twelve (12) months, (December 1st - November 30th) shall be entitled to a total of six (6) weeks vacation with pay equal to six (6) full weeks' straight-time pay at the employee's regular rate or twelve percent (12%) of annual gross earnings, whichever is the greater.

Summary:

11:06

| Years of Service | Length of Vacation | Payment (whichever is the greater) |
|---------------------------------|--------------------|---|
| 1 year to 3 years less a day | 2 weeks | 2 full weeks or 4% annual gross earnings |
| 3 years to 9 years less a day | 3 weeks | 3 full weeks or 6% annual gross earnings |
| 9 years to 15 years less a day | 4 weeks | 4 full weeks or 8% annual gross earnings |
| 15 years to 22 years less a day | 5 weeks | 5 full weeks or 10% annual gross earnings |
| 22 years and over | 6 weeks | 6 full weeks or 12% annual gross earnings |

Vacation Requirements and Rights:

- 11:07 The provision requiring employees to have worked a minimum of one-thousand (1,000) hours in each twelve (12) months in order to qualify for the full two week, three week, four week, five week, or six week provision, shall not apply to employees who have worked less than the minimum hours required as a result of being absent on Workers' Compensation, accident or through illness. Employees absent through Workers' Compensation, accident or illness shall receive the normal vacation provision they would otherwise be entitled to for that vacation year, but shall then be required to requalify by working the minimum one-thousand (1,000) hours in the following year, or be paid their vacation pay as set out above.
- 11:08 Employees shall take their annual vacation within the calendar year they are entitled to the said vacation.
- 11:09 Should the Company request employees who are on vacation to return to work during their vacation period, the company shall pay the said employees wages equivalent to those paid for working statutory holidays.
- 11:10 The Company shall work with the Union in an effort to increase the number of employees allowed off at any one time for vacations.

Choosing Vacations:

- 11:11 The Company shall post a vacation calendar by January 31 for the benefit of the employees. All employees shall register their. vacation period according to seniority by February 28. After the aforementioned period, vacations shall be allocated as applied for by the employees provided the time off will not interfere with the normal business operations of the Company. Employees can book a maximum of two (2) weeks vacation between May 15 and August 31.

ARTICLE 12 - GENERAL WORKING CONDITIONS AND RULES

- 12:01 The Company shall not require any employee covered by this Agreement to work from his regular starting time less than four (4) or more than four and one-half (4 ½) consecutive hours at any time without a minimum of at least one-half (½) hour off work.
- 12:02 A thirty (30) minute meal period, shall commence not earlier than 11:30 a.m. and shall be completed by 1:30 P.M. Should the meal extend beyond 1:30 p.m., at the request of the Company the employee shall be entitled to an additional one-half (½) hour, to be added to his time for the day. The meal period shall be taken. There shall be a meal period midshift the second and third shifts where these shifts are applicable. For early starts the midshift meal period shall be scheduled from the regular starting time.

12:03 Where overtime, preceding or following his normal shift, accumulates beyond two (2) hours overtime, the employee shall be entitled to a meal expense of \$8.00 to cover the cost of the meal. If engaged in work after his meal, the time spent eating such meal (not to exceed thirty (30) minutes), shall be considered as time worked. This provision shall be repeated each four (4) hours.

12:04 Where an employee is called in early and works more than one (1) hour but not exceeding two (2) hours overtime prior to his regular starting time, he shall be entitled to a ten (10) minute coffee break at his regular starting time.

Coffee Break:

12:05 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 ten (10) minutes each.

Labour/Safety Meetings:

12:06 The Company shall meet with employees to discuss and resolve any labour/management or safety issues as soon as possible during working hours when requested by the employees.

Safety Equipment:

12:07 Whenever the Company or the Workers' Compensation Act regulations require equipment to be worn on the job, such equipment shall be provided by the Company at no cost to the employee, unless otherwise provided in this Collective Agreement. It is mandatory that safety gear be worn throughout each shift.

Safety:

12:08 Drivers or operators shall not be required to operate any vehicle which, in the operator's opinion, 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" by the operator until properly repaired and the tag shall only be removed by the operator who tagged the machine or by management personnel.

12:09 It shall not be reason for discharge or suspension if an employee refuses to work in an area that has been deemed to be unsafe or hazardous to employees by the Safety Committee or failing agreement by the Safety Committee, by a Workers' Compensation Board Representative.

12:10 The Company when requiring first aid attendants, who work at other duties, in addition to their regular rate shall pay such employees for the ticket required at the following rates.

Sixty cents (60¢) per hour for Level 1
Ninety cents (90¢) per hour for Level 2

On Job Injury:

12:11 When an employee has a personal accident and/or sustains injury while on the job requiring hospitalization or first aid treatment which prevents him from completing his shift, he shall be paid his full day's wages for the day that the accident or injury occurred.

Time Off Re Accidents:

12:12 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 shall apply if the employee is required to appear as a witness as a result of any case or accident as outlined above.

Jury Duty:

12:13 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.

12:14 It is agreed that employees must make themselves available for work when not required to be in attendance as jurors.

Bereavement Leave:

12:15 In the event of a death in his immediate family and upon the request of a regular employee, three (3) straight-time eight (8) hours days off work will be paid for by the Company. Immediate family shall be defined to include a wife, husband, son, daughter, mother, mother-in-law, father, father-in-law, brother, sister, grandmother, grandfather, step mother or step father. 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:

- 12:16 (i) Leave of absence may be granted at the discretion of the Company. All applicants for leaves of absence must be made in writing. All applications will be replied to in writing and a copy of such reply will be remitted to the Union. Employee's seniority protection shall be in accordance with the Collective Agreement.
- (2) 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:

12:17 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 Company shall assign the employee to other duties wherever possible, subject to the operations of the Company.

In the event that 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 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 was on Workers' Compensation and are unable to perform their regular duties, shall be re-trained and re-assigned to other duties according to their seniority so that the employees do not lose their employment with the Company wherever possible, subject to the operations of the Company.

Insurance:

12:18 Should an insurance company refuse to insure any employee, the Company and the said Union will endeavor to find employment within the Company so that the employee will not lose his employment.

Protective Clothing:

12:19 The Company shall supply to all employees who are yardmen or drivers, on an exchange basis, one set of Union made raingear a maximum of one hundred and forty dollars (\$140.00) over a two year period if requested by the employee and if necessary, such raingear shall properly fit each employee. The Company shall also supply to the above employees, gloves on an exchange basis.

All employees as a condition of employment shall wear safety toed footwear which complies with the standards set by WCB regulations. Employees shall be reimbursed for the cost for their initial purchase of safety toed foot wear up to a maximum of \$120.00 over a one year period. The reimbursement shall be made within fourteen (14) days of receipt of invoice.

When replacing raingear an footwear, used and worn out raingear and footwear must be returned at the time of replacement. Raingear and footwear will be repaired at the Company's expense, instead of replacement, within the designated period.

Probationary employees will be reimbursed for the cost of their initial safety-toed footwear in accordance with the above upon successful competition of their probationary period.

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 on a rotating basis on Company time.

First Aid Room:

12:21 The Company agrees to supply in its terminals a fully equipped first aid room, as per the specification of the Workers' Compensation Act, with an adequate supply of clean towels.

Sound Level Protection:

12:22 The Company shall abide by the Workers' Compensation Board regulations relating to maximum sound levels in connection with all new mobile equipment either purchased or leased after July 1st, 1976. The Company shall supply, upon request, ear protection equipment as required at no cost to the employees concerned.

ARTICLE 13 - GRIEVANCE PROCEDURE

Qualifying Period:

13:01 (a) If, during the term of this Agreement, there should arise any difference between the Parties bound by this Agreement concerning the interpretation; application, operation or any violation thereof, an endeavor shall be made to settle the difference by negotiations between representatives of the Company and the Union. 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) working 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. Once a grievance is instituted the onus is upon both parties to resolve the matter as quickly as possible.

(2) The steps of the grievance procedure shall be as follows:

(1) Step I

The employee shall discuss the grievance with management. The shop steward shall be present if the employee so requests.

If the discussion does not produce a resolution to the grievance, the employee may put the grievance in writing and forward it to management.

Management shall respond to the employee in writing within five (5) working days stating the Company's position on the grievance. A copy of the response shall be forwarded to the Union.

(2) Step 2

If a settlement is not reached in Step 1, the Union Business Representative shall meet with management in order to attempt to settle the grievance.

In the event that the said representatives fail to reach a satisfactory settlement within seven (7) working days after the difference was submitted to them or within such longer time as the Parties agree to, then it shall be referred to an Arbitration Board of three (3) persons.

Arbitration:

- 13:02 The party desiring arbitration shall appoint a member for the Board and shall notify the other party in writing of its appointment, and particulars of the matter in dispute.
- 13:03 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. The two arbitrators so appointed shall confer to select a third person to be Chairman and failing for three (3) working days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honorable, the Minister of Labour, to appoint such third Member.
- 13:04 A single arbitrator may be used by mutual agreement by both parties.
- 13:05 The expenses and remuneration of the Chairman shall be paid by the parties in equal shares.
- 13:06 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 the completion of the hearing, provided the time may be extended by agreement of the parties.

Suspension or Discharge:

- 13:07 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 re-instated 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, make 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, and by awarding less than full benefits and privileges.
- 13:08 The Arbitration Board shall have the power to substitute a suspension in lieu of a discharge.

13:09 The award of the Arbitration Board shall be final and binding upon both parties.

Cost of Chairman:

13:10 The expenses and remuneration of the Chairman shall be paid by the parties in equal shares.

ARTICLE 14 - HEALTH AND WELFARE AND PENSION PLANS

Health and Welfare:

14:01 The Company shall pay the premiums for the Company health and welfare benefits plans as summarized in Appendix "B" for all employees. Only employees who have successfully completed their probationary period are eligible and entitled to coverage in accordance with the terms, conditions, and specific eligibility requirements of the plans and policies. All benefit plan coverage, terms, conditions and specific eligibility requirements shall, at all times, be subject to and be governed by the actual terms and conditions of the plans and policies in force at that time and as underwritten by the respective carriers and as amended from time to time by the respective carriers. The Company's liability is limited to the payment of the premiums for the health and welfare plans. In the event any employee is laid off, the Company agrees to continue payment for full coverage of the plan for two (2) months following the date of layoff.

Pension Plan:

14:02 If an employee so requests, the Employer shall deduct RRSP contributions from the employee's pay and deposit the deductions to the employee's personal RRSP.

Retirement:

14:03 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. Any employee, however, 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, may postpone his retirement after pensionable age.

Contributions for Health and Welfare:

14:04 In the event an employer fails to remit contributions to the aforementioned Plans as set out in Articles 14:01, the Union is free to take any economic

action it deems necessary against such employer and such action shall not be considered a violation of this Agreement.

Long Term Disability

14:05 Premiums for long term disability are paid by the employees.

ARTICLE 15 - TECHNOLOGICAL CHANGE, RE-TRAINING AND SEVERANCE PAY

15:01 Notwithstanding the provisions of Article 4, the Company shall notify the Union at least three (3) months in advance of any technological change which would affect the terms and conditions or security of employment of any of the employees-to whom this Collective Agreement applies.

15:02 Should automation cause jobs to disappear, the employee shall have the opportunity to work (providing he has the seniority) at another classification. Should training be required the employee shall be allowed up to twenty-one (21) days without any loss of pay.

15:03 The Company shall pay to each employee with one (1) or more years of service, severance pay in the amount of two (2) week's pay for each year of service when his employment is permanently discontinued.

15:04 Severance pay as outlined in Article 15:03 shall be paid to each employee whose employment is permanently discontinued as a result of the sale, lease or transfer either in whole or part, of the Company's assets, or closure of the whole or any part of the operation or loss of business.

ARTICLE 16 - SICK LEAVE

16:01 For all employees with one (1) year of service, or more, paid sick leave shall be accumulated at the rate of one half ($\frac{1}{2}$) day per month to a maximum of five days (5) per year. Five (5) days of sick pay that are accrued at the present time at on-half day a month will be granted in total at the beginning of each calendar year. Unused sick time shall be paid out by the end of January of the following year or the employee may choose to take unused sick time as time off with pay by the end of January of the following year.

16:02 Employees who are terminated by the Company, or who resign from the Company shall be paid 100% of sick days not used.

ARTICLE 17 - DURATION

17:01 This Agreement shall be for the period from and including January 1, 2003 to and including December 31, 2005 and from year to year thereafter, subject to the right of either party to the Agreement within four (4) months

immediately preceding the date of expiry of this Agreement, which is December 31, 2005 or immediately preceding the last day of December in any year thereafter, by written notice to require the other party to the Agreement to commence collective bargaining.

17:02 It is agreed and understood that all retroactive pay shall be paid in full within fourteen (14) days from the date of signing of this Agreement.

17:03 This shall apply to all present employees and all employees who are entitled to retroactivity.

17:04 All changes to the Collective Agreement shall be effective on the date of signing, unless otherwise specified.

17:05 The operation of Sub-Section 50 (2) and (3) of the Labour Code of British Columbia is hereby excluded.

17:06 Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall strike or the employer shall lockout or the parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

ARTICLE 18 - GENDER

18:01 Wherever the use of the male gender is used herein, it shall also apply to the female gender wherever applicable.

DATED AT VANCOUVER, B.C. THIS DAY OF 2004.

ON BEHALF OF THE COMPANY

ON BEHALF OF THE UNION

APPENDIX "A"
Hourly Rates

| CLASSIFICATIONS | | EFFECTIVE SEPTEMBER 1, 2001 |
|------------------------|----------------------|--|
| Shipper | | \$18.50 |
| Forklift/Yardman | Start | \$14.00 |
| | After Six (6) Months | \$16.00 |
| | After One (1) Year | \$18.00 |
| Yardman | Start | \$10.00 |
| | After Six (6) Months | \$13.00 |
| | After One (1) Year | \$15.00 |

Wage progressions apply to new employees only.

APPENDIX "B"

| | |
|--|--|
| Medical Services Pan of B.C. | Payment of premiums for coverage at such rates as may be established from time to time by the B.C. Government. |
| Group Term Life Insurance | One times (1X) annual earnings to a maximum one hundred thousand dollars (\$100,000) |
| Dependent Life Insurance | |
| -Spouse | =\$10,000.00 |
| -Each dependent child | =\$5,000.00 |
| Accidental Death and Dismemberment Insurance | One times (1X) annual earnings to a maximum one hundred thousand dollars (\$100,000) |
| Long Term Disability | 66.7% of first two thousand five hundred dollars(\$2,500.00) monthly earnings and 50% of next three thousand five hundred dollars (\$3,500.00) and 40% of any excess amount. Benefit to a maximum benefit of five thousand dollars \$5,000.00 per month. |
| Dental Benefit | Twenty-five dollar (\$25.00) individual and fifty dollar (\$50.00) family deductible |
| Maximum per year benefit (I) allowable: | Basic - 100% coverage |
| Level I and II \$1,500.00 | (II) Supplementary Basic Service - 100% coverage |
| Level III and IV \$1,500.00 | (III) Dentures - 50% coverage |
| | (IV) Major Restorative - 50% coverage |
| | (V) Orthodontic - 50% coverage |
| | (Maximum \$1,500.00 lifetime) |
| | No orthodontic coverage for adults |
| Extended Health Care | Twenty-five dollar (\$25.00) individual and fifty dollar (\$50.00) family benefits deductible, 100% reimbursed above deductible to predefined maximums for different treatments. |
| Prescription Drugs | Included with Extended Health Care and reimbursed subject to the terms of that benefit at 100%. |
| Vision Care | Eye exams once per year. |

LETTER OF UNDERSTANDING NO. 1

BY AND BETWEEN: SOUTHRIDGE BUILDING SUPPLIES
17444 - 56th Avenue
Surrey, BC

(hereinafter called the "Company")

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

(hereinafter called the "Union")

Notwithstanding Article 11 Annual Vacations in the Collective Agreement, the following annual vacation entitlements and pay shall apply to Dean Hudniak and Vern Flintoff

| | Length of Vacation | Payment (whichever is greater) |
|-----------------------------|---------------------------|--|
| (3) Calendar Year 2003 | three (3) weeks | three (3) full weeks or seven percent (7%) of annual gross earnings. |
| (4) Calendar Year 2004 | three (3) weeks | three (3) full weeks or seven percent (7%) of annual gross earnings. |

Effective January 1, 2005

Each employee who has completed two (2) years of continuous service in the employ of the Company and has worked a minimum of one thousand (1,000) hours for the Company during the preceding twelve (12) months (December 1st to November 30th of the following year) shall be entitled to a total of four (4) full weeks straight time pay at the employee's regular rate or nine percent (9%) of annual gross earnings, whichever is the greater.

BY AND BETWEEN: SOUTHRIDGE BUILDING SUPPLIES
17444 - 56th Avenue
Surrey, BC

(hereinafter called the "Company")

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

(hereinafter called the "Union")

Notwithstanding Article 7.01 and Appendix A in the Collective Agreement, the employees listed below shall be paid the hourly rates contained herein.

| | Effective January 1, 2004 | Effective January 1, 2005 |
|-------------------|---------------------------|---------------------------|
| Dean Hudniak | \$23.75 per hour | \$24.25 per hour |
| Vern Flintoff | \$23.25 per hour | \$23.75 per hour |
| Nirbhai S. Chahil | \$20.25 per hour | \$20.75 per hour |

DATED at Vancouver, British Columbia, this day of , 2004.

SIGNED ON BEHALF OF
THE COMPANY:

SIGNED ON BEHALF OF
THE UNION:
