

COLLECTIVE AGREEMENT

BETWEEN

IRLY DISTRIBUTORS LTD.

AND

TEAMSTERS LOCAL UNION No. 213

January 1st, 2005 - December 31st, 2008

**Don McGill
Secretary-Treasurer**

TABLE OF CONTENTS
IRLY DISTRIBUTORS LTD.

ARTICLE	PAGE
ARTICLE 1 - INTERPRETATION AND EXTENT	1
ARTICLE 2 - UNION SECURITY	1
ARTICLE 3 - HIRING	2
ARTICLE 4 - NEW CLASSIFICATIONS.....	3
ARTICLE 5 - DISCHARGE OF EMPLOYEES.....	3
ARTICLE 6 - MANAGEMENT RIGHTS.....	3
ARTICLE 7 - WAGES AND WAGE STATEMENTS	4
ARTICLE 8 - HOURS OF WORK AND OVERTIME.....	4
ARTICLE 9 - SENIORITY.....	6
ARTICLE 10 - STATUTORY HOLIDAYS	7
ARTICLE 11 - ANNUAL VACATIONS.....	8
ARTICLE 12 - GENERAL WORKING CONDITIONS AND RULES.....	10
ARTICLE 13 - GRIEVANCE PROCEDURE	15
ARTICLE 14 - HEALTH AND WELFARE AND PENSION PLANS.....	16
ARTICLE 15 - TECHNOLOGICAL CHANGE, RE-TRAINING AND SEVERANCE PAY.....	17
ARTICLE 16 - SICK LEAVE	17

ARTICLE 17 - SAVINGS CLAUSE.....	18
ARTICLE 18 - DURATION OF AGREEMENT.....	18
ARTICLE 19 - GENDER.....	19
SIGNATORY PAGE	19
APPENDIX "A" - WAREHOUSE STAFF	20
APPENDIX "B" - OFFICE STAFF.....	22

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 within the bargaining unit or certificate.
- 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 legal picket line, which has not been deemed to be illegal by a Court of competent jurisdiction.

Strike and Lockout:

- 2:08 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:

- 2:09 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.

2:10 The Business Representatives of Local 213 shall have access to the office and warehouse areas covered by this Agreement in carrying out their regular duties, after first notifying the Company and arranging a mutually convenient time.

ARTICLE 3 - HIRING

3:01 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 opportunity to refer qualified applicants for employment.

3:02 The Company agrees that when they hire new employees for the classifications listed in Appendix "A" and "B", the Company shall have such new employees fill in the required Union Membership cards prior to commencing work, and mail same in to the Union office immediately.

3:03 All employees in the classifications listed in Appendix "A" and "B" shall be required to be a member of the Union as a condition of employment with the Company.

Should any employee covered by the bargaining unit cease, or refuse to become a member in good standing of the Union, the Company shall, upon notification from the Union, discharge such employee.

3:04 The Company reserves the right to hire students as casual labour for compacting, sweeping up and related duties. It is agreed that no casual labour will be hired while regular employees are laid off. In addition, no employee whose classification appears on Appendix "A" and "B" can be re-assigned to casual labour.

Contract and Hired Trucking:

3:05 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 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" and Appendix "B" for the various classifications listed therein. Appendices "A" and "B" 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, pay for Statutory Holidays and all deductions made therefrom.

7:03 Employees shall be paid every second Friday during working hours.

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 For the term of the Agreement, commencing January 1, 2005 a COLA clause will become effective based on the annual average percentage change in the Vancouver cost of living as published by Statistics Canada for the period ending December 31 of each year of the Agreement (which information will be available by January of each year of the Agreement).

ARTICLE 8 - HOURS OF WORK AND OVERTIME

Hours of Work:

- 8:01 The regular work week for all employees covered by this Agreement shall be five (5) consecutive days of seven and one-half (7 ½) hours duration, exclusive of lunch breaks, with starting times between the hours of 6:00 a.m. and 9:00 a.m. All employees shall have a thirty (30) minute paid lunch break. At their option, Office employees may take an additional thirty (30) minute unpaid lunch break.
- Pickers shall have the hours of work as provided in Article 8:01 and Article 8:03, modified as required due to operational needs.
- 8:02 All employees covered by this Agreement shall be entitled to at least two (2) consecutive days off.
- 8:03 (a) The Company shall guarantee sixty percent (60%) of its employees, by seniority, not less than their weekly pay, exclusive of overtime.
(i) All employees thirty-seven and one-half (37 ½) hours per week.
- (b) Any employee who is called out to work shall be paid not less than his daily hours.
(i) All employees, seven and one-half (7 ½) hours per day.
- 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 double time (2x) rates.
- 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.

Early Start:

8:07 Any employee starting prior to his regular starting time, and who has been paid overtime rates, shall be paid from his regular starting time, as far as his guaranteed call back and daily guarantee is concerned.

Late Start:

8:08 Employees called in after their regular starting time shall receive pay from their regular starting time. Employees so called shall be allowed one (1) hour to report for work unless reasonable circumstances warrant a longer reporting time being allowed.

Daily Overtime:

8:09 Overtime shall be divided as evenly as possible within each job classification or within a work area and every attempt will be made by the Company to distribute overtime on an equal percentage basis to the employees' straight time worked. Should an employee refuse to work overtime, said hours shall be regarded as overtime hours worked for the purpose of calculating his percentage of eligible overtime hours. The hours and percentage calculation shall be reviewed and calculated for each quarter. (Seniority will be kept in mind.)

8:10 All overtime worked immediately prior to and/or immediately following the employee's regular hours, shall be paid as follows:

At time and a half (1.5X) for the first one (1) hour;
thereafter at double time (2X).

Normal Days Off:

8:11 Double time (2x) shall be paid for all hours worked on an employee's normal day off.

Shifts:

8:12 Where more than one shift of yard or plant is required seven and one-half (7 ½) hours, exclusive of a meal break, shall constitute the second shift for which eight (8) hours' pay shall be paid. Seven (7) hours, exclusive of a meal break, shall constitute the third shift for which eight (8) hours' pay shall be paid.

8:13 Except as stated in Article 8:01, additional shifts shall not commence more than one (1) hour prior to the end of the previous shift.

- 8:14 When additional shifts are required, a two (2), three (3) or four (4) week swing shift shall be established, wherever possible.
- 8:15 The senior employee shall have first choice as to which shift they shall work, and thereafter shall rotate.

ARTICLE 9 - SENIORITY

Probationary Period:

- 9:01 All new employees, within the bargaining unit, shall have a probationary period as follows:
- Warehouse Staff:** Ninety (90) calendar days or sixty (60) days worked, whichever comes first.
- Office Staff:** Ninety (90) calendar days or sixty-six (66) days worked, whichever comes first.

Seniority List and Classification:

- 9:02 (a) 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 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, as per Article 2:06.
- (b) There shall be two seniority lists, one for the Warehouse staff and one for the Office staff, with no "bumping" privileges between them.

Layoff 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, on a suitable notice board, 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, provided that such employee is reasonably competent to do the work. All employees may post into classifications or areas consistent with their seniority.
- 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 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.
- 9:08 No employee may change job positions through the posting procedure more than twice in any twelve (12) month period.

New Employee Seniority Re-Qualify:

- 9:09 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:

- 9:10 Seniority will not be retained by an employee who is terminated for lack of work and who is not re-hired within a period of nine (9) months from the date of termination.
- 9:11 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 layoff 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 - STATUTORY 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 and any other holiday proclaimed by the Provincial or Federal Government, provided however, that the employee shall have worked his "scheduled" work day before and after such holiday, unless express permission to be absent shall be obtained from his Superintendent. Any employee required to work on any of the above holidays shall receive double time in addition to the day's pay.
- 10:02 Every employee who has completed one (1) year of continuous service by February 01 of each year will receive a Floater Holiday to be taken in January, February, November or December, such that operations will not be affected, and such that the holiday will become the proclaimed holiday if the Federal or Provincial Government proclaim such a holiday.
- 10:03 If a Statutory Holiday falls on Saturday or Sunday the following Monday shall be observed as the holiday, or, at the Company's option, the prior Friday shall be observed as the holiday. If two (2) consecutive Statutory 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

- 11:01 It is understood that Vacation Pay is accrued at a level of that stated in the Collective Agreement and is paid in the anniversary year following such an accrual.

Two Weeks:

- 11:02 Each employee who has completed one (1) year and up to three (3) years of continuous service in the employ of the Company and has worked a minimum of seventeen hundred and fifty (1,750) hours 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:

11:03 Each employee who has completed four (4) years and up to eight (8) years of continuous service in the employ of the Company and has worked a minimum of seventeen hundred and fifty (1,750) hours for the Company during the preceding twelve (12) months shall be entitled to 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 the greater.

Four Weeks:

11:04 Each employee who has completed nine (9) years and up to seventeen (17) years of continuous service in the employ of the Company and has worked a minimum of seventeen hundred and fifty (1,750) hours for the Company during the preceding twelve (12) months 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:

11:05 Each employee who has completed eighteen (18) years and up to twenty-five (25) years and over of continuous service in the employ of the Company and has worked a minimum of seventeen hundred and fifty (1,750) hours for the Company during the preceding twelve (12) months 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:

11:06 Each employee who has completed twenty-six (26) years of continuous service in the employ of the Company and has worked a minimum of seventeen hundred and fifty (1,750) hours for the Company during the preceding twelve (12) months 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.

11:07 Summary:

Years of Service Completed	Length of Vacation	Payment (whichever is the greater)
Commencing year 1		2 full weeks or 4%

to year 3	2 weeks	annual gross earnings
Commencing year 4 to year 8	3 weeks	3 full weeks or 6% annual gross earnings
Commencing year 9 to year 17	4 weeks	4 full weeks or 8% annual gross earnings
Commencing year 18 to year 25	5 weeks	5 full weeks or 10% annual gross earnings
Commencing year 26 and over	6 weeks	6 full weeks or 12% annual gross earnings

Vacation Requirements and Rights:

- 11:08 The provision requiring employees to have worked a minimum of seventeen hundred and fifty (1,750) 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 or through illness. Employees absent through Workers' Compensation or illness shall receive the normal vacation provision they would otherwise be entitled to for that vacation year, but shall then be required to re-qualify by working the minimum seventeen hundred and fifty (1,750) hours in the following year, or be paid their vacation pay as set out above.

- 11:09 Holidays are to be taken in the year employees become entitled to them, wherever possible. Holidays not used by December 31 of the current year may be taken up to February 28 of the following year. Unused vacation days will not be paid out.

- 11:10 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.

- 11:11 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:

- 11:12 The Company shall post a vacation calendar for the benefit of the employees. All employees shall have eight (8) weeks to register up to two weeks of their vacation in the period from June 16 to September 15 according to seniority. All employees will have an additional four (4) weeks to

register the balance of their vacation according to seniority. After the aforementioned period, vacations shall be allocated as applied for by the employees.

- 11:13 Employees taking their annual vacation between November 1st and February 28th, at the Company's request, shall be entitled to an additional one (1) week's holiday, with pay.

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 1/2) consecutive hours at any time without a minimum of at least one-half (1/2) hour or a maximum of one (1) hour off work, whichever is applicable.

- 12:02 A thirty (30) minute paid meal period shall commence not earlier than four (4) hours after the employee's regular starting time 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 (1/2) 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 five dollars (\$5.00) 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 fifteen (15) minutes each.

Safety Committee:

12:06 The Company shall establish, or continue, during the term of this Agreement an Occupational Health & Safety Committee which shall meet during working hours once each quarter. Each member of this committee is entitled to eight (8) hours of educational leave for training courses each year. The Company will reimburse the cost of these courses to the employee.

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 and it will be a requirement of continued employment to adhere to Company or Workers' Compensation Act regulations. 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.

Safety:

12:08 Forklifts will be maintained by the Company in a safe condition, and it shall be the forklift operator's responsibility to report in writing to the Management, any forklift considered unsafe, and if so proven, such forklift shall be tagged "out of service".

12:09 It shall not be reason for discharge or suspension if an employee refuses to work in any 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 men who work at other duties, in addition to their regular rate shall pay such employees forty-five cents (45¢) per hour for their First Aid Ticket.

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 on behalf of any case or accident as outlined above.

Jury Duty:

12:13 The Company shall continue to pay, and excuse from duty, any employee whose absence on any scheduled work day is due to serving Jury Duty or who has been subpoenaed as a witness for the Crown in any Court of Law. However, all sums received by way of payment for these duties shall be payable to the Company to the end that no employee shall receive both his regular applicable rate and pay for Jury Duty, or similarly for appearing as a Crown Witness. It is agreed that employees must make themselves available for work when not required to be in attendance as Crown Witnesses or Jurors. For employees to receive wages, written confirmation from appropriate officials showing date and time spent must be turned in to the Company.

Bereavement Leave:

12:14 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 to attend the funeral and/or to family matters. Immediate family shall be defined to include a wife, husband, son, daughter, mother, mother-in-law, father, father-in-law, brother, sister, grandmother, grandfather, grandchild, stepmother, or stepfather. 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:

- 12:15
- (a) Leave 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 reply will be remitted to the Union. Employees' seniority protection shall be in accordance with the Union regulations.
 - (b) 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.
 - (c) Sick days, Statutory Holidays, Vacations and Pension Benefits shall be prorated for all employees who request a leave of absence.

Medical Examinations:

12:16 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 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 be re-trained or be 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.

Licences and Bonding:

- 12:17 Should the Company or the Superintendent of Motor Vehicles require licences beyond normal requirement for the job an employee is doing, such as air tickets, or requiring 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, including medical, licences or bonds required.
- 12:18 Should an insurance company refuse to insure any employee, the Company and the said Union will endeavour to find employment within the Company so that he will not lose his employment.

Higher Classification:

- 12:19 If an employee starts his day's work he shall not be paid less than his regular posted rate for the day. If work is to be made available at a lower classification he shall be notified the previous day.
- 12:20 If an employee works at a classification of a higher rate, he shall be paid the higher rate for the actual hours worked at that classification; the balance of hours worked shall be paid at his regular rate.
- If an employee works at a classification of a higher rate for a second time during the same shift, he shall be paid the higher rate from the beginning of the first change in rate classification until the end of his shift excluding accounting clerks who are replacing the receptionist during their coffee and lunch breaks.

Protective Clothing:

- 12:21 The Company shall supply to all employees who are yardmen, on an annual exchange basis, one set of Union made raingear if requested by the employee and if necessary, and such raingear shall properly fit each employee. The Company shall also supply to the above employees, gloves on an exchange basis.

Washrooms and Lunchrooms:

12:22 The Company agrees to maintain 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.

First Aid Room:

12:23 The Company agrees to supply a fully equipped first aid area, as per the specification of the Workers' Compensation Act, with an adequate supply of clean towels.

Sound Level Protection:

12:24 The Company shall abide by the Workers' Compensation Board Regulations relating to maximum sound levels in accordance with all new mobile equipment either purchased or leased after July 1, 1976. The Company shall supply, upon request, ear protection equipment as required at no cost to the employees concerned.

New Equipment:

12:25 Where new equipment is introduced, the senior qualified employee shall have the first option to operate such equipment.

12:26 The Company will allow each employee only (not family), after the employee has completed six (6) months' service, to buy IRLY clothing at the same price as the IRLY dealer.

ARTICLE 13 - GRIEVANCE PROCEDURE

Qualifying Period:

13:01 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 endeavour 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.

Time to Resolve Dispute:

13:02 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 as follows:

Arbitration:

13:03 The Party desiring arbitration shall appoint a member of the Board and shall notify the other Party in writing of its appointment, and particulars of the matter in dispute.

13:04 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.

13:05 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 Honourable, the Minister of Labour, to appoint such third Member.

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 state 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.

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 Plan:

- 14:01 (a) Employees shall be covered by the existing Health & Welfare Plan.
- (b) The Company shall make efforts to improve and upgrade the Plan, where inferior, to the level of the Teamsters Plan.

Pension Plan:

14:02 The Company agrees to maintain the Registered Pension Plan introduced December 1, 1985. The Company's Pension contribution for all qualifying employees will be made on a monthly basis. The dollar amount and the percentage amount of any increase will be provided in writing to all employees.

The Company's Pension contributions will be prorated for those employees who work less than seventeen hundred and fifty (1,750) hours annually.

The Company agrees to increase the annual pension contribution as follows:

In the first year of the agreement the annual pension contribution will be increased from \$1,713.00 to \$1,850.00.

In the second year of the agreement the annual pension contribution will be increased to the greater of \$1,925.00 or \$1,850.00 increased by the annual percentage increase in the employee's wage rate.

In the third year of the agreement the annual pension contribution will be increased to the greater of \$2,000.00 or \$1,925.00 increased by the annual percentage increase in the employee's wage rate.

In the fourth year of the agreement the annual pension contribution will be increased by the annual percentage increase in the employee's wage rate.

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.

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 one (1) week's pay for each year of service or any amount as determined under Section 76 (2) (b) (iv) of the Labour Code of British Columbia Act when his employment is permanently discontinued due to automation or technological change. Where accumulated sick leave is not taken, an employee may take the accumulated days in either holidays or as wages in lieu of.

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.

15:05 When the Company's operations are sold, either in whole or part, to a purchaser (new employer), employees whose employment is not permanently discontinued as a result of the sale, may request termination pay as outlined in 15:03 if they choose not to be employed by the purchaser and the purchaser has offered less than one year of permanent employment of the employee at the distribution center located at 7846 128th street.

ARTICLE 16 - SICK LEAVE

16:01 Effective January 1st of each year, all employees who have completed one full year of service shall be credited with four (4) paid sick days per year. Any unused sick leave will be paid out at the end of each year, or at an employee's request be put into an R.R.S.P. or equivalent.

All employees who have not completed one (1) full year of continuous service shall be entitled to one (1) day of Sick Leave after every ninety (90) days of continuous service. For the purpose of this section, the probationary period will not qualify for continuous service. After completing one (1) year of continuous service, the four (4) paid sick days will be prorated to the end of the current calendar year.

All employees who have not worked fifteen hundred (1,500) hours during the year will have their paid sick days per year prorated.

16:02 Where any absence, occasioned by sickness or accident, is not covered for payment by either the Weekly Income Benefits as provided in the Health and Welfare Plan or Compensation, employees shall draw on available sick time to a maximum of three days or until all of the employee's available sick time has been used. Thereafter, the employee will take unpaid sick days until, upon receipt of a medical certificate, the Weekly Indemnity Plan will take over etc.

Thereafter, upon receipt of a medical certificate, the Weekly Indemnity plan will take over and pay 66 2/3% of the gross weekly earnings, up to a maximum of \$800.00 per week of seven (7) days, up to a maximum of twenty-six (26) weeks for any one continuous period of disability; thereafter, if the employee is medically certified as still being incapacitated, the Long Term Disability plan will take over and pay 60% of the employee's monthly earnings once a month. The regular care and personal attendance of a licenced physician is required.

16:03 Wilful abuse of this benefit by an employee shall result in immediate discharge.

ARTICLE 17 - SAVINGS CLAUSE

17:01 No employee who, prior to the date of this Agreement, was receiving more than the rate of wages in this schedule, working fewer hours than stipulated in this Agreement shall suffer a reduction in wages, conditions or increase in hours because of the adoption of this Agreement.

ARTICLE 18 - DURATION OF AGREEMENT

18:01 This Agreement shall be for the period from and including January 1, 2005 to and including December 31, 2008 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, 2008 or immediately preceding the last day of December in any year thereafter, by

APPENDIX "A"

WAREHOUSE STAFF

CLASSIFICATIONS	Retroactive & Effective Jan. 1/05
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YARD FORKLIFT OPERATOR

- Start	\$ 17.95
- 2 months	\$ 19.36
- 4 months	\$ 20.80
- 6 months	\$ 22.46

RECEIVER	\$ 23.13
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SHIPPER/FOREMAN	\$ 24.06
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WAREHOUSEMAN

- Start	\$ 17.62
- 1 Year	\$ 19.04
- 2 Years	\$ 20.48
- 3 Years	\$ 22.14

WAREHOUSEMAN FORKLIFT OPERATOR

- Start	\$ 17.95
- 1 Year	\$ 19.36
- 2 Years	\$ 20.80
- 3 Years	\$ 22.46

SMALL PICK ORDER FILLER/REPLENISHER:

i.e. those employees working in the Warehouse area designated as Small Pick Zones, currently the "tunnel" and the future mezzanine floors outlined in APPENDIX "C". All future areas designated as Small Pick Zones shall be mutually agreed upon by both the Employer and the Union.

- Start	\$ 12.29
- 90 Days	\$ 13.11
- 1 Year	\$ 13.98

In the event a Small Pick Order Filler is promoted to Warehouseman, he/she will be employed at the Warehouseman Start rate of \$17.62 per hour.

SHIPPING CLERK I

- Start	\$ 12.30
- 90 Days	\$ 12.78
- 1 Year	\$ 14.00

SHIPPING CLERK II

- Start	\$ 13.43
- 90 Days	\$ 13.97
- 1 Year	\$ 15.24

APPENDIX "A" - CONTINUED

WAREHOUSE STAFF

CLASSIFICATIONS	Retroactive & Effective Jan. 1/05
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SHIPPING CLERK III	\$ 18.14
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When a Lead Hand is needed, he will receive 40¢ per hour above his classified rate.

A signing bonus of one hundred dollars (\$100.00) per employee shall be paid upon signing of the collective bargaining agreement to be paid within two (2) weeks of signing the agreement.

WAREHOUSE STAFF

Any Warehouseman hired prior to January 1, 1996 who works as a Small Pick Order Filler/Replenisher shall be paid the Warehouseman's Start rate until he returns to being a Warehouseman, at which time he will be paid his regular rate.

For the first year of the contract, commencing January 1, 2005 a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost of Living as published by Statistics Canada for the period ending December 31, 2004 (which information will be available by January, 2005).

For the second year of this contract commencing January 1, 2006, a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost of Living as published by Statistics Canada for the period ending December 31, 2005 (which information will be available by January 2006).

For the third year of this contract commencing January 1, 2007, a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost

of Living as published by Statistics Canada for the period ending December 31, 2006 (which information will be available by January 2007).

For the fourth year of the contract commencing January 1, 2008 a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost of Living as published by Statistics Canada for the period ending December 31, 2007 (which information will be available by January 2008).

A signing bonus of one hundred dollars (\$100.00) per employee shall be paid upon signing of the collective bargaining agreement to be paid within two (2) weeks of signing the agreement.

APPENDIX "B"

OFFICE STAFF

CLASSIFICATIONS	Retroactive & Effective Jan. 1/05
General Clerk I	
- Start	\$ 12.07
- 90 Days	\$ 12.58
- 1 Year	\$ 13.73
General Clerk II	
- Start	\$ 12.56
- 90 Days	\$ 13.06
- 1 Year	\$ 14.27
Accounting Clerk I	
- Start	\$ 12.07
- 90 Days	\$ 12.58
- 1 Year	\$ 13.73
Accounting Clerk II	
- Start	\$ 13.09
- 90 Days	\$ 13.62
- 1 Year	\$ 14.87
Accounting Clerk III	
- Start	\$ 13.72
- 90 Days	\$ 14.29
- 1 Year	\$ 15.59
Receptionist	
- start	\$ 12.30
- 90 days	\$ 12.78
- 1 year	\$ 14.00
Receptionist/Word Processor	

- Start	\$ 12.69
- 90 Days	\$ 13.19
- 1 Year	\$ 14.42

APPENDIX "B" - CONTINUED

OFFICE STAFF

For the first year of the contract, commencing January 1, 2005 a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost of Living as published by Statistics Canada for the period ending December 31, 2004 (which information will be available by January, 2005).

For the second year of this contract commencing January 1, 2006, a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost of Living as published by Statistics Canada for the period ending December 31, 2005 (which information will be available by January 2006).

For the third year of this contract commencing January 1, 2007, a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost of Living as published by Statistics Canada for the period ending December 31, 2006 (which information will be available by January 2007).

For the fourth year of the contract commencing January 1, 2008 a C.O.L.A. Clause will become effective based on the annual average percentage change on the Vancouver Cost of Living as published by Statistics Canada for the period ending December 31, 2007 (which information will be available by January 2008).

A signing bonus of one hundred dollars (\$100.00) per employee shall be paid upon signing of the collective bargaining agreement to be paid within two (2) weeks of signing the agreement.