

BRITISH COLUMBIA

MASTER FREIGHT AND CARTAGE AGREEMENT

MEMORANDUM OF AGREEMENT made this day of , 2006.

BETWEEN: **DAVEY CARTAGE COMPANY LTD.**

(hereinafter called the "**Company**")

OF THE FIRST PART

AND: **TEAMSTERS LOCAL UNION NO. 31**

(hereinafter called the "**Union**")

OF THE SECOND PART

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

ARTICLE 1

Section 1 - Recognition

It is recognized by this Agreement to be the duty of the Union, the Company or its bargaining agent and the employees to fully co-operate individually and collectively, for the advancement of conditions.

Section 2 - Union Co-operation

The Parties agree at all times as fully as it may be within their power to further the interests of the industry.

ARTICLE 2

Section 1 - Certificate of Bargaining Authority

The Company agrees to recognize the Union as the sole bargaining agent for:

- (a) employees and categories of employees referred to in the Certificate of Bargaining Authority held from time to time by the Union, and
- (b) all dependent contractors and owner/operators employed by Companies signatory to this Agreement in the work categories falling within the area of jurisdiction of this Agreement.

Section 2 - Bargaining Authority

All members of the Union shall receive a copy of this Agreement which is binding upon the bargaining authority and every employee in the unit for which the Union has been certified or where no certification exists as recognized by this Agreement. The Union shall be responsible for the printing of these Collective Agreements and the Company will purchase such agreements so that each and every employee of the Company will receive a copy.

ARTICLE 3

Section 1 - Posting of Agreement

The Company will provide a bulletin board in each Company lunchroom or dispatch area for the posting of this Agreement and for such notices as the Union or Company may from time to time wish to post. The said Union notices shall be posted and signed by an elected or appointed officer or other authorized representative of the Union.

Section 2 - Check-off

Each new employee and owner/operator when hired by the Company will be informed by the Company that he is to contact the Union office or shop steward for the purpose of becoming a Union member and signing the authorization card authorizing the Company to deduct from his earnings union initiation fees, union dues and/or other assessorial charges as levied against him in accordance with the constitution and by-laws of the Union of which he is a member and so indicated on the monthly or quarterly check-off list as provided by the Union to the Company. The Company shall remit same to the Union not later than (15) days from the date that the deduction was made from the employee's wages.

Section 3 - Union Shop

Every employee of the Company covered by this Agreement shall be a member of the Union in good standing during the whole of the term of this Agreement as a condition of employment with the Company, save as hereinafter expressly provided.

When additional employees are required within an area which is serviced by a permanently established and operating Union Hiring Hall, the Company shall give the Union first opportunity to supply suitable union members for employment. In the event the Union is unable to supply suitable persons and the Company hires a person who is not a member of the Union, the Company must contact the appropriate Union office before the person commences work or else the Company will remove such person from the job at the request of the Union.

When additional employees are required within an area which is not serviced by a permanently established and operating Union Hiring Hall, the Company will extend first opportunity to Union members who meet the Company's requirements and who apply for employment or have been referred to the Company.

In the event that a person, not a member of the Union, is taken into employment by the Company, such person shall make application to join the Union and if approved by the Union shall join the Union within three (3) days of his hiring and shall be added to the checkoff list forthwith. In the event the person is not approved such person shall be replaced forthwith.

The Company shall furnish to the appropriate Union area office designated in writing by the Union a list of new employees taken into employment by the Company, showing the location of their employment within seven (7) calendar days of their being hired.

Section 4 - Union Security

- (a) Every motor vehicle and every piece of mobile equipment used by the Company, categories of which are set out in Appendix "A", whether by the Company or leased by the Company, shall be operated by a member of the Union. In the hiring of equipment on any basis, the Company shall first make every effort to obtain equipment operated by a member of the Union from a company signatory to this Agreement. However, if unable to do so and if equipment is to remain in the hire of the Company in excess of forty-eight (48) hours, it shall be replaced by equal equipment operated by a member of the Union if available in immediate or adjacent area from a company signatory to this Agreement.

The Company agrees that where leased or hired equipment is used, such equipment shall only be used or hired from companies, individuals or firms whose employees are covered by Collective Agreement with

Teamsters Local Union No. 31. If it becomes necessary for the Company to dry lease equipment, said equipment shall be operated by members of the Teamsters Local Union No. 31.

- (b) All storing and handling of merchandise or other goods or materials shall be carried on by Company employees, members of the Union, categories of which are set out in Appendix "A", where such work is under the control of the Company.
- (c) Wherever physically possible and where such work is under the control or direction of the Company, all equipment shall be loaded and unloaded by the employees of the Company, members of the Union. The practice of loading and unloading equipment by other than employees of the Company where such work is under the control or the direction of the Company shall not be increased and shall wherever possible be discontinued.
- (d) **Contracting Out**

The Company agrees not to contract out any work normally performed by employees covered by this Agreement if any employee is on lay-off for lack of work at the time such contracting out is introduced or if the contracting out would cause the lay-off of any employee.
- (e) Provided capable employees are available, all suitable equipment must be in use before additional equipment can be leased or hired.
- (f) Where it would result in a decrease in the number of employees, piggybacking shall not be used.
- (g) Where physically possible and where such work is under the control and direction of the Company, the stripping and loading of containers shall be done by members of the Union, except where otherwise mutually agreed.

ARTICLE 4 DEPENDENT CONTRACTORS

Section 1 - Definition

A dependent contractor (which for the purposes herein, shall include owner/ operator) is the owner and/or purchaser and, except as permitted herein the exclusive operator of equipment supplied for the Company's services pursuant to this article and appendix "C".

The title to the equipment shall be in the name of the Company for registration and licensing purposes only, and the Company has no financial interest other than as required by the Motor Carrier Act.

Section 2 - Retaining Services

The Company may engage the services of dependent contractors provided the following conditions are complied with.

- (a) Dependent Contractor's Agreement, as provided in appendix "C" attached hereto and forming part of this Agreement, is entered into between the Company and the dependent contractor prior to the dependent contractor performing any services for the Company and, in respect to those dependent contractors now engaged by the Company not later than fifteen (15) days following the signing of this Agreement. Signed copies of appendix "C" shall be forwarded to the Union forthwith.
- (b) The dependent contractor shall become and remain a member of the Union in accordance with article 3, sections 2 and 3 herein. He shall be identified on a checkoff list as a dependent contractor, either as a line driver, local cartage or a combination of both.

- (c) A separate seniority list shall be posted at the terminal showing the names and truck numbers of all dependent contractors. A copy of such list shall be forwarded to the Union forthwith in accordance with article 7, section 7.
- (d) The dependent contractor shall personally and exclusively operate the equipment supplied pursuant to this agreement with the Company, excepting that such equipment shall be operated by an employee of the Company in instances where the equipment requires more than one operator and upon the request of the dependent contractor in instances where the dependent contractor is absent because of vacations, illness, accident or on leave of absence for reasons acceptable to the Company. On written demand from the Union the Company must produce proof of ownership or equipment lease agreement by said dependent contractor.

Section 3 - Increases, Decreases in Services

- (a) In the event the Company increases or reduces the number of operational units within a branch, such increases or reductions shall be made on the basis of one Company unit to one dependent contractor unit. However, the foregoing shall not compel the Company to engage or retain the services of dependent contractors, nor shall the replacement of a dependent contractor with another dependent contractor be a consideration.
- (b) In the application of (a) of this section the branch shall be defined as follows:
 - (i) in the line-haul within the jurisdiction of the Local Union in which he is a member;
 - (ii) in cartage operations - all terminals or operations within a particular city;
 - (iii) all reductions or additions of equipment shall be made as follows: Line-haul tractor for tractor. City cartage truck for truck as mutually agreed between the Company and the Union.
- (c) The Company shall not engage the service of a dependent contractor to replace or displace any regular employee.
- (d) Companies with no dependent contractors would establish their differential as of the date of the first dependent contractor hired.

The Company after establishment of the said base fleet relationship may hire additional owner/operators for an agreed term to provide services over and above the capacity of the established fleet. This can be done by separate short term agreement with the Union or Letter of Understanding which must be done prior to the implementation. It is understood this additional work will not be derived from work presently being performed by company driver employees.

Notwithstanding the foregoing the Company and the Union may, by mutual agreement by Letter of Understanding, agree to different terms and conditions than those contained herein concerning the base fleet relationship.

All dependent contractors shall be bound by the maximum hours of work as prescribed by Labour Canada in the Safety Code and/or the U.S. Department of Transport and this Collective Agreement, and proof of failure to abide by such hours of work shall be grounds for such Company to be denied the use of dependent contractors as contained in this Collective Agreement and the Parties shall have recourse to the grievance procedure in this Collective Agreement in this matter.

Section 4 - Company Not Lessor

Under no circumstances shall the Company or a subsidiary or representative of the Company, either directly or indirectly, be a lessor, vendor or seller of equipment to a dependent contractor, nor shall the Company directly or indirectly specify a lessor of equipment to a dependent contractor as a condition of entering into an agreement with a dependent contractor.

Section 5 - Industry Standards

- (a) All Parties to the Agreement will exert every legal and ethical effort , individually and collectively, to promote the standards set forth in the foregoing and as contained in appendix "C", in every instance where the services of dependent contractors are utilized within the industry.
- (b) The dependent contractor and the Company must conform to not less than the minimum standards and practices as established by this Agreement regarding monetary compensation, hours of work and general working conditions.

Section 6 - No Mandatory Source

Under no circumstances shall the Company, directly or indirectly specify a mandatory source of fuel, tires, maintenance or insurance to be used by a dependent contractor as a condition of entering into a contract with a dependent contractor.

ARTICLE 5

Section 1 - Regular Employee

A regular employee shall be considered as such an employee of the Company when:

- (a) he has completed his probationary period;
- (b) he makes himself available to the Company for full time employment;
- (c) he has no other outside employment, except where such employment may be specifically permitted under the provisions of this Agreement;
- (d) it shall not be a cause for discipline or discharge for an employee to seek and/or accept gainful employment while on lay-off, provided the employee complies with sub-section (b) herein;
- (e) he is the holder of valid and subsisting licenses to operate mobile equipment if required by the Company and as required by the statutes and regulations of the federal and provincial governments;
- (f) when a Company tries to contact any regular employee who is either on lay-off in excess of two weeks or has failed to report for duty within twenty-four (24) hours of contact, and cannot be contacted by telephone regarding his availability for employment, the Company will then make final contact by registered mail, with copy to the Union. Failure to then contact the Company with sufficient justification may then constitute grounds for dismissal.

Section 2 - Part-Time Employees

A part-time employee shall:

- (a) be hired on an incidental and temporary basis to provide for additional manpower;
- (b) be carried on a regular casual employee's seniority list in a branch or division not serviced by a Union Hiring Hall as provided under article 3, section 3 (b), paragraph 1;
- (c) be given first opportunity to qualify as a regular employee as openings become available, providing he meets all Company qualifications and requirements;
- (d) not be covered under the provisions of the Health and Welfare Plan until such time as he becomes a regular employee; and

- (e) only be hired by the Company, providing a Union member cannot be supplied and such employee must be cleared or replaced by the Union Hall before starting his third shift.

Section 3 - Regular Employee Reverting

Notwithstanding the provisions of section 1 of this article, the Company may employ a regular employee as a part-time employee provided the employee has been on lay-off five (5) or more consecutive working days. Such employee may be called in to work and paid wages for less than eight (8) hours excepting that if he is called and reports for work on two (2) consecutive days he shall be a regular employee on the second day. However, it is understood a reverting employee shall be subject to all conditions herein, i.e. health and welfare.

Section 4 - Working Agents

A working agent at small and/or remote company maintained terminals shall be considered as such:

- (a) He shall be an employee of the Company.
- (b) He shall be used by the Company, only at such small and/or remote locations, where the Company's volume will not support, and the Company does not employ more than four (4) employees including the working agent.
- (c) He shall be a member of the Union, but otherwise excluded under the terms and conditions of this Agreement, except he shall be entitled to the provisions of Article 7, Section 5, herein and that the monthly or annual monetary remuneration or benefits to him by the Company shall be an amount resulting in not less than he would otherwise receive under the terms of this Agreement for time worked.
- (d) He may be on a monthly salary as described.
- (e) His services shall not be utilized to deny other employees of their equitable share of overtime.
- (f) He shall not have the right to hire or fire and shall not be utilized to deprive other regular employees of their regular duties causing lay-offs.

ARTICLE 6

Section 1 - Conflicting Agreements

The Company agrees not to enter into any agreement or contract with employees of the Company, members of the Union, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement will be null and void.

Section 2 - Transfer of Company Title or Interest

This Agreement shall be binding upon the Parties hereto, their successors, administrators, executors and assigns. 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. The Company shall notify the Union in writing, not later than the effective date of the fact of any sale, transfer, lease, assignment, receivership or bankruptcy proceeding, not including financial arrangements thereof.

Section 3 - Protection of Conditions

It shall be a violation of this Agreement for the Company to require that an employee purchase truck, tractor and/or tractor and trailer or other vehicular equipment or that any employee purchase or assume any proprietary interest or other obligation in the business as a condition of continued employment.

Section 4 - New Equipment and Classifications

Prior to any new types of equipment and/or new classifications of employment for which rates of pay are not established by this Agreement are put into use, the Company shall advise the Union as far in advance as possible, and not less than thirty (30) days prior to implementation, the matter shall become the subject of discussion between the Parties for rates governing such equipment and classifications of employment. The Companies and the Union shall finalize within thirty (30) days after such implementation a rate to be established and such rate to be retro-active to date of implementation.

ARTICLE 7

Section 1 - Seniority & Job Postings

Seniority shall be maintained in the reduction and restoration of the working force, providing the senior man is capable of performing the remaining job or jobs.

Section 2 – Job Postings

All new jobs and vacancies are subject to seniority and shall be posted promptly for seven (7) days in a conspicuous place at all terminals, stating starting time, job description and location. All regular employees shall be entitled to bid on such postings and the Company shall designate, on the original posting, the successful bidder within three (3) working days of the closing date of the posting. Any regular employee absent by reason of accident, sickness or vacation, shall have the opportunity to bid on such job posting or vacancy within three (3) days after he returns to work, provided he is capable.

Provided the employee is capable and is given the opportunity to demonstrate his capability, seniority shall prevail in the appointments to new jobs or vacancies and, except by mutual agreement of the Parties hereto, for the purpose of shift preferential on established shifts. Starting times preference shall be given to senior employees on established shifts and operators of mobile equipment will be given this preference wherever practical. Except where a job or shift has been discontinued, there will be no job or shift bumping privileges. Senior employees shall be given preference to fill vacancy on differential rated equipment if qualified.

On the line-haul, seniority shall prevail for the purpose of bidding, but there will be no job bumping privileges.

Section 3 - Bumping

In all areas, seniority shall be branch wide and the branch will include all terminals or warehouses in a particular city and there may be two (2) separate groups.

- Group #1: All employees employed on a line-haul operation.
- Group #2: Employees employed in the city warehouse, pick up and delivery and short line.

When an employee is laid-off for lack of work, he will then have the right to fill, if qualified and capable in all respects, provided he has been given the opportunity to demonstrate his capability any position to which his seniority will entitle him.

Line drivers' seniority shall be recognized system wide within the jurisdiction of the Local Union in which he is a member for the purpose of bidding on new jobs and vacancies.

Section 4 - Probation

All newly hired employees shall be considered as probationary employees for the sixty (60) calendar days. There shall be no responsibility on the part of the Company in respect of the employment of probationary employees should they be laid-off for lack of work or discharged during the probationary period. However, the Company shall inform the probationary employee as to whether he has been discharged or laid-off and the reasons therefor with notification to the Union Dispatcher.

Upon the conclusion of any sixty (60) calendar day period during which a probationary employee has worked two hundred and forty (240) hours, the employee's name shall forthwith be placed on the regular employees' seniority list, effective from the first day of employment of the sixty (60) calendar day period, and the employee shall be entitled to all rights and privileges as provided in this Agreement with the exception of those as specified, i.e. Health and Welfare provisions.

Section 5 – Terminal Closure

If, as and when terminals are closed down or partially closed down or amalgamated or moved to another location, the seniority of such employees shall immediately become a subject of discussion and failure of the Parties to agree may be submitted to the grievance procedure hereinafter provided for a final decision.

Section 6 – Part-Time Employees

Part-time employees will not be used to deprive any of the regular employees the conditions of this Agreement.

Section 7 – Posting of Seniority List

Within each branch and/or division the Company will post and maintain seniority listings. Such up-to date listings will be posted as of January and July of each year. Copies of current lists will be provided to the Union. Such lists to state starting date of employee.

Section 8 – Loss of Seniority

When an employee's employment is terminated by the Company for proper cause or he leaves by his own choice, he will automatically be struck from the seniority list. If an employee on his own volition obtains a withdrawal card from Local 31 he shall be struck from the Company seniority list.

Section 9 – Transfer of Interest

In the event that the Company purchases a business or any part thereof, the employees of which are covered by a Collective Agreement with a Local Union of the International Brotherhood of Teamsters, the seniority of such employees shall be computed from the date that they respectively first become employees of the business aforesaid.

Section 10 - Recall

Any employee who has been on lack of work lay-off for one (1) year or more shall be removed from the seniority list and the Company shall be under no further obligation to such employee except in the case where a lay-off is a direct result of a labour dispute involving another company or when the laid-off employee has accrued five (5) years or more seniority in which case seniority will be carried for eighteen (18) months.

Section 11 - Leave of Absence

- (a) (i) When the requirements of the Company's services will permit any employee hereunder upon written application to the Company with a copy of said application to the Union may, if approved by the Company, be granted a leave of absence in writing (with a copy to the Union) for a period of thirty (30) calendar days.

Upon six (6) months prior notification an employee may request every three (3) years and may be granted up to thirty (30) days leave of absence in conjunction with his holidays. When considered by the Company approval or rejection is to be given in writing with a copy to the Union within thirty (30) calendar days and if approved such approval may not be withdrawn except by mutual consent of the employee and the Company. Under such leaves the employee will retain and accrue seniority only.

- (ii) Such leave may be extended for additional periods of thirty (30) calendar days when approved by both the Company and the Union in writing and seniority will accrue during such extensions.
- (iii) 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.
- (iv) If an employee, employed in a classification requiring a drivers license, suffers the revocation of his drivers license, he will be re-classified provided he is capable and work is available and such work will not result in the bumping of regular employees. If such employee cannot be re-classified, the Company may grant a leave of absence to such an employee who has suffered a revocation of his drivers license of up to twelve (12) months duration in writing with a copy to the Union. The employee may only take advantage of this section once while in the employ of the Company.
- (v) Any employee requesting leave of absence for compassionate reasons shall not be unreasonably denied such request.
- (vi) If a regular employee for certified health reasons is unable to perform the work in his regular job, he will be re-classified according to his seniority and capability to perform work in another classification if it exists within the Company. The employee must provide a valid medical opinion of his physical and/or mental ability to perform the new job in accordance with the provisions of this Agreement as it relates to Company required medical examinations.

Section 12 – Seniority While Out of Bargaining Unit

When an employee within the bargaining unit covered by this Agreement receives leave of absence in writing with a copy to the Union to take a position within the Company which is beyond the sphere of the bargaining unit, he may retain his seniority for a maximum of ninety (90) calendar days within the bargaining unit.

The starting date of such an appointment shall be posted in the terminal. Notice shall be given to the Union in writing prior to the employee leaving the bargaining unit for any period of time. During this leave of absence such employee shall continue to be covered by the Health and Welfare as provided in this Agreement.

Employees who have been granted such a leave of absence must remain a member of the Union and be covered under all benefits of the Collective Agreement but shall not perform any duties covered by the bargaining unit. In such appointments seniority shall be a consideration. The successful appointee shall not have the right to hire and fire during the ninety (90) day leave of absence.

Not later than on the ninetieth (90) calendar day of this period, the employee must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the employee return or be returned to the bargaining unit for any reason, he must remain within the unit for a minimum period of one hundred and twenty (120) calendar days prior to exercising such privilege again.

ARTICLE 8

Section 1 - Breaks

The employee shall, except by mutual agreement between the parties hereto, take at least one (1) continuous period for meals at not less than thirty (30) minutes or more than one (1) hour in any one day. Wherever reasonably possible, meal periods will be thirty (30) minutes. Further, no employee shall be required to take more than a thirty (30) minute period, except between the hours of 11:30 a.m. and 1:30 p.m. No employee shall be compelled to take more than one (1) continuous hour during such period, nor compelled to take any part of such continuous hour,

before he has been on duty three and one-half (3 1/2) hours or after he has been on duty five (5) hours. However, any employee directed by the Company to stay with or operate equipment during his meal period will be paid at the regular rate of pay.

Section 2 Rest Breaks

Any employee shall be entitled to one (1) break of fifteen (15) minutes during both the first half and second half of any shift and, where practical, during each two (2) hour period of overtime, excepting during that period where a meal period is provided under section 1 above. A rest break shall be provided if the overtime worked is to exceed thirty (30) minutes. The commencement of this break may be staggered, but not beyond one half hour.

ARTICLE 9 – SAFETY CONDITIONS

- (a) Maintenance of Equipment - 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. No employee will be required to operate equipment on public streets and thoroughfares that is not in compliance with the appropriate provisions of the law dealing with safety requirements for mobile equipment; i.e. brakes, steering, adequate mirrors, signal lights or other lighting equipment.
- (b) It shall be the duty of the employee to report in writing on the appropriate forms of the company, promptly, but not later than the end of the shift, trip, or tour all safety and/or mechanical defects on the equipment which they have operated during that shift, trip or tour. All line-haul trucks and tractors to be equipped with trouble sheets in triplicate book form, and the book with one (1) copy to remain in the vehicle at all times.
- (c) The Company shall designate the person to whom all defects reports of mobile equipment are submitted, and all employees will be notified the name of such person.
- (d) In the event essential repairs cannot be effected to make the equipment safe, the equipment will be correctly identified and kept out of service until repaired and it shall not be considered a violation of his employment when a Company employee refuses to operate such identified equipment. Identification red tags shall be supplied and made available by the Company.
- (e) It shall be the obligation of the Company to direct the repairs as necessary to conform with the safe and efficient operation of that equipment.
- (f) It shall be the duty of the maintenance shop employees to perform their duties efficiently and as instructed in such a manner that repairs having been made do correct the safety and/or mechanical defect.
- (g) In order to provide adequate vision, front and rear, the Company shall install heaters, mirrors and heated defrosters on all trucks and tractors; the mirrors to be of a size not less than 6" x 12", except where a smaller size or a different type is more adequate to the safe operation of the vehicle. Also, convex mirrors on the right hand side of the vehicle will be made available where required and where necessary. Also, convex mirrors on both sides of tractor will be made available where required and where necessary.
- (h) An employee will not be required to operate cranemobiles or similar type equipment or fork lifts on public streets or highways, if in the opinion of the employee, such machine does not have adequate visibility for its safe operation.
- (i) Bunks in tractors ordered by the Company after signing date of this Agreement and which are intended for use as sleeper cab equipment will be not less than twenty-eight inches (28") wide.
- (j) The Company shall not require employees to multi-deck trailers at night in an area without proper lighting.
- (k) Drivers will be held responsible to ensure that the proper equipment is used when towing another vehicle and the Company shall make available such adequate equipment.

- (l) Wherever reasonably possible, trucks shall have installed steps or devices to allow reasonable access to the body.
- (m) All tractors operating on the line-haul shall be equipped with properly functioning tachographs and an adequate supply of unused tach cards.
- (n) Steering dollies shall be equipped with communication devices to ensure voice contact between driver and steering dolly operator and an emergency horn from dolly to truck so truck operators can hear the horn.

Dollies, which have cabs, shall include side curtains, windshield washers and warmth for operator. These dollies shall meet Department of Transport and Motor Vehicle Regulations. On dollies without cabs the operator will be supplied with suitable outer clothing to provide warmth and also suitable eye protection. On all oversize loads requiring piloting equipment the drivers of the equipment and those drivers of piloting equipment must have communication devices by voice on the same frequency.
- (o) All tractor pulling, flatdeck trailers on public thoroughfares shall be equipped with bulkheads designed to protect the operator of the vehicle in compliance with legal requirements.
- (p) Any employee required to physically handle quarters or halves of beef or sows shall be provided with physical assistance.
- (q) All newly purchased highway tractors will have heated mirrors.
- (r) All warehouses shall be equipped with efficient and safe loading plates properly anchored.
- (s) All line-haul power shall have a compartment for storing tools in a safe location.
- (t) In isolated areas where the nature of cargo requires additional assistance to handle the cargo, the Company shall endeavour to arrange such assistance as may be required.
- (u) All new line-haul tractors and tractors operating in mountainous terrain will be equipped with brake retarders.

Tractors working between Victoria and Duncan, between Parksville and Ucluelet, and North and West of Campbell River, including off highway points (e.g. Bamberton) will fall under the terms of this clause.
- (v) All new tractors and new trucks with air brakes shall be equipped with application gauges.
- (w) All tractors used during hours of darkness will be equipped with back-up lights.
- (x) The Company shall inform, direct and supply to the employees proper information and handling devices or equipment for handling dangerous cargo.

ARTICLE 10 – PAY PERIOD

Section 1 - Regular Employees

- (a) Except as otherwise mutually agreed between the Parties all regular employees covered by this Agreement shall be paid not less frequently than on the fifteenth (15th) of each month and on the last day of each month. The cut off days for calculation of pay are to the seventh and twenty-second (7th and 22nd). The pay will be deposited in the employee's bank account before 3 PM on the fifteenth (15th) and before 3PM on the last day of each month. The Company shall provide every employee covered by this Agreement with a separate or detachable written or printed itemized statement in respect of all wage payments made to such employee. Such statement shall set forth the dated pay period, the total hours worked, the total miles driven or paid for, the total overtime hours worked,

either time and one-half or double time, the rate of wages applicable and all deductions made from the gross amount of wages.

- (b) Except where otherwise mutually agreed immediately prior to an employee leaving on annual vacation, he shall be entitled to receive vacation pay by separate cheque in accordance with article 25 of this Agreement, for that period of time that he will be absent from work. However, if the employee fails to exercise this entitlement, such vacation pay will be paid to him on the first regular pay day following his return to work.

Section 2 – Casual Employees

Casual employees will be paid not less often than once a week with not more than a one day pay holdback and cheques will be mailed to the employee upon request.

Section 3 – Error in Payroll

If an error occurs in an employee's pay cheque and the amount is equal to one (1) day or more, he shall be entitled on request to a cheque being issued in favour of such employee within two (2) working days.

Section 4 - Separation of Employment

Except as elsewhere herein provided, upon termination or quitting, the Company shall pay all money due to the employee as soon as possible, but not later than seven (7) calendar days thereafter.

ARTICLE 11

Section 1 - Paid for Time

- (a) All employees covered by this Agreement shall be paid for all time spent in the service of the Company. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work or registers in, whichever is later, until he is effectively released from duty.
- (b) When employees are required to ride ocean ferries with their equipment on ferry trips that exceed eight (8) hours (i.e. Port Hardy-Prince Rupert and Alaska ferries), they shall be compensated at their straight time hourly rate for one-half the total hours spent in making the trip. It is understood that the paid hours will not be used in the calculation of overtime.
- (c) Employees required to travel on public transportation or Company equipment in a deadhead manner shall be paid in accordance with article 24, section 1 (a) (b) and (c).

Section 2 - Bereavement Leave

An employee shall be granted a maximum of three (3) work days leave, without loss of pay or benefits, in the case of death of a parent, spouse, brother, sister, child, parent-in-law, sister-in-law, brother-in-law and grandparents which includes spouses grandparents and grand-children.

Funeral leave is not compensable when the employee is on leave of absence, bona fide lay-off, or annual vacation.

Upon giving twenty-four (24) hours notice, an employee shall be granted time off without pay for the purpose of attending a funeral provided that the granting of such time off shall not be inconsistent with the efficient operation of the business.

A working day lost shall be not more than eight (8) hours for hourly employees or not more than ten (10) hours for line drivers.

This clause will have no application for an employee on leave of absence or when receiving benefits under the health and welfare plan, annual vacations, workers' compensation, or as otherwise covered by this Agreement.

Section 3 – Jury Duty

An employee summoned to jury duty or subpoenaed as a witness on a day that he would normally have worked shall be paid wages amounting to the difference between the amount paid for such service and the amount they would have earned had they worked on such days. Employees on jury duty shall furnish the employer with such statements of earnings as the courts may supply. A working day lost shall not be more than the employees regular assigned shift.

This clause will have no application for an employee on leave of absence or when receiving benefits under the health and welfare plan, annual vacations, workers' compensation or as otherwise covered by this Agreement.

Section 4 - Physical

- (a) Any Company or Government required physical or medical examination shall be promptly complied with by all employees provided, however, the Company shall pay for all such physical or medical examinations or for any time lost as a result thereof during his working hours.

Where a regular employee is required by the Company to take a medical outside of his regular hours of work, the Company shall pay, to a maximum of two (2) hours straight time, wages for such time spent excepting in instances where an employee is returning to work or is about to return to work following illness or disability.

- (b) If following a medical examination under (a) of this section, the employee is dissatisfied with the decision of the Company doctor, the employee may seek a decision from his personal doctor. Should the decision of the Company's doctor and the employee's doctor differ, the Company or the Union is entitled to direct that the employee be examined by a medical specialist whose specialty covers the disability. The Company's doctor and the employee's doctor together, shall then select such a specialist.

The decision of the medical specialist shall be final and binding upon the parties involved and the employee shall not suffer loss in wages or health and welfare Plan benefits, whichever applies as a result of such examination(s).

- (c) An employee who has been absent from work because of illness or accident shall not suffer a reduction in his regular wages only because the Company requires a medical examination prior to the employee resuming work. If such employee is entitled to work under seniority and recall procedures, he will be paid his regular wages for each day or days until he returns to work, provided the Company medical examiner certifies the employee fit to resume work.

Section 5 - Compensation Sickness Coverage

When an employee goes off work ill or on compensation or grievance is invoked on his discharge, the Company shall continue to pay both his Health and Welfare Plan fees and Union dues so that the employee shall be protected to the utmost provided:

- (a) the employee reimburses the Company for such contributions normally paid by said employee and is at no time more than five (5) months in arrears; and
- (b) the period of such coverage shall exceed twelve (12) months only by mutual agreement of the two Parties.

When an employee returns to work, the Company shall deduct from his earnings any monies the Company has paid out in respect of his contributions.

In the event any employee does not return to work, and the employee refuses or neglects on demand at his last known address to make restitution for such monies paid out, the Union shall then reimburse the Company for said amount.

Section 6 - License Tests

- (a) Whenever it becomes necessary for an employee to undertake tests for renewal of licenses or tickets, the Company shall upon request provide appropriate equipment for this purpose. Time taken off for such purpose shall be paid for at the employee's straight time rate.
- (b) Any driver with one or more years of seniority who, is required under the Motor Vehicle Regulations to undertake a physical examination as a condition of continuing to hold a valid driver's license shall have the cost of the examination reimbursed by the Company, provided a receipt is submitted to the Company.

Section 7 - Sick Leave

The sick leave plan does not form a part of the Health and Welfare Plan.

- (a) All regular employees who have one (1) continuous year's service or more shall thereafter accumulate paid sick leave at the rate of one-half (1/2) day per employed month to a maximum of thirty (30) days. The accumulation of paid sick leave shall be based on the following provisions.
 - (i) The employee shall begin accumulation of sick leave at the start of the pay period immediately following the date he completes one (1) year of continuous employment.
 - (ii) The employee must be paid for not less than one hundred and twenty-eight (128) hours in a four (4) week period to be credited for a half (1/2) day in that month including vacation and general holidays.
 - (iii) Employees absent from work due to leave of absence for any reason or sickness and compensation will not accumulate sick leave during this absence.
- (b) Where any absence, occasioned by sickness or accident is not covered for payment by either the Teamsters - Transport Health and Welfare Trust Plan or Workers' Compensation, paid sick leave shall be applied as follows:
 - (i) One-half (1/2) day's pay for the first day of absence, provided that day is a regular work day.
 - (ii) One (1) full day's pay for each of the second (2nd) and third (3rd) days of sickness, provided those days are regular work days.
 - (iii) A day's pay for employees will be eight (8) hours pay at the regular hourly rate for his classification.
 - (iv) It shall be the responsibility of the employee to claim for accredited sick leave on such forms as the Company may prescribe.
- (c) Any proven abuse of the sick leave provision will subject the employee to immediate dismissal without recourse to the grievance procedure.
- (d) A medical certificate may be required to claim benefits under this provision.
- (e) Prior to the end of January of each year, the Company will provide each employee with a written statement showing their accumulated sick leave.

ARTICLE 12 WORK ASSIGNMENTS

- (a) The Company agrees to respect the jurisdictional rules of the Union, and shall not direct or require its employees or persons, other than the employees in the bargaining unit here involved to perform work of the employees in the said unit. This is not to interfere with bona fide contracts with bona fide unions.
- (b) In the event that members of a union, other than the Union which is signatory to this Agreement, attempt to encroach on the working practices and arrangements as laid down by the Company and that contravene the Union's jurisdiction pursuant to the certificate of bargaining authority, the Union agrees that it shall inform the employees affected of their obligation to carry out the terms and conditions of this Agreement.

ARTICLE 13 DISCHARGE OR SUSPENSION - MANAGEMENT'S RIGHTS

Subject to the terms of this Agreement, all matters concerning the operations of the Company business shall be reserved to the management. The Union recognizes that it is the function of the Company:

1. to maintain order, discipline and efficiency;
2. to discharge, classify, suspend for proper cause, direct or transfer employees from one classification to another, move employees from one location to another for proper cause;
3. to increase and decrease working forces;
4. to make or alter from time to time rules and regulations to be complied with by its employees. These rules and regulations are to be filed with the Union; and
5. an employee will receive a copy of any written reprimand or warning letter placed on his file with a copy to the Union. Such written reprimand or warning letter shall become a permanent part of the employee's personal work history. However, any incident causing such written reprimand or warning letter over a period of twelve (12) months will not be used to compound other disciplinary action against the employee.

ARTICLE 14

Section 1 - Protection of Rights

It shall not be a violation of this Agreement or cause for discharge of any employee in the performance of his duties to refuse to cross a legal picket line recognized by the Union.

The Union shall notify the Company as soon as possible of the existence of such recognized legal picket lines.

Section 2 - Controversy With Other Unions

If a dispute arises as the result of the employees of a Company bound by the terms of the B.C. Master Freight and Cartage Agreement handling or transporting any commodities for a company or business that is being legally picketed by a Local Union of Teamsters Canada, the Company and the Union shall immediately meet with the objective of arriving at a mutually satisfactory solution.

Section 3 – Picket Lines

It is agreed in the event of a strike among the employees of any other firm with which the Company does business, the Company will not ask its employees to perform any labour they do not ordinarily perform.

Section 4 – No Strike or Lockout

It is mutually agreed that there shall be no strike, lockout, or slowdown whether sympathetic or otherwise during the term that this Agreement shall be in force.

ARTICLE 15 TECHNOLOGICAL AND MECHANICAL CHANGES

Definition: Technological and mechanical changes shall be defined to mean the introduction and utilization of vehicular and other equipment changes which have not previously been used with the bargaining unit by the Company and the use of which results in the termination or the laying off of regular employees.

Recognition by Parties: All Parties to this Agreement recognize that technological and mechanical changes that result in the increased efficiency and productivity must be encouraged and further that all Parties have a direct responsibility to reduce to a minimum the adverse effects that may result from such changes.

Prior Notification: The Company shall advise the Union as far in advance as possible, and not less than thirty (30) calendar days prior to the introduction of technological or mechanical changes and the matter shall immediately become the topic of general discussion and consultation between the Company and the Union and particularly in regard to:

- (a) the effect such changes will have on the number of employees within the bargaining unit;
- (b) the probable effect on working conditions; and
- (c) any changes in job classifications.

Dislocated Employees: In the event technological or mechanical changes result in a reduction in the work force or the demotion or promotion of employees, such reductions, demotions or promotions shall be done in accordance with the provisions of article 7, seniority as contained herein.

Re-training and Upgrading: The Parties jointly and individually will undertake with the assistance of Employment and Immigration Canada and through recognized provincial or local adult training programs if necessary to re-train and upgrade regular employees to enable them to become qualified and capable of performing new jobs resulting from or created by the technological mechanical changes.

ARTICLE 16

Section 1 - Inspection Privileges

Authorized agents of the Union will request and have access to the Company's establishments during working hours for the purpose of investigating conditions related to this Agreement and shall in no way interrupt the Company's working schedule.

Section 2 - Shop Stewards

- (a) The Union shall elect or appoint shop stewards from among its members in the bargaining unit and shall notify the Company in writing forthwith of such appointments and deletions of those employees so elected or appointed. The Company will recognize shop stewards and not discriminate against them for lawful Union activity. The Company will notify the Union forty-eight (48) hours prior to dismissal of a shop steward.
- (b) Grievances shall be processed during the normal working hours of the shop steward. A steward shall receive his regular rate of pay when grievances or pending grievances are processed with the Employer on Employer property or at any other place which is mutually agreed upon by both the Union and the Employer.
- (c) If the Employer representative is unable to meet the steward during the steward's normal working hours, the steward shall be paid for all the time spent during the processing of the grievances with the Employer on the Employer's property or at any other place which is mutually agreed upon by both the Union and the Employer.

ARTICLE 17

Section 1 - Sanitary Conditions

- (a) Where possible, and where required, the Company agrees to maintain at its terminals adequate, clean, sanitary toilet facilities, lockers, lunchrooms and washrooms having hot and cold running water with proper ventilation. It shall be the responsibility of the employees to use all facilities carefully and considerately without unnecessary damage and dirtiness.
- (b) All new terminals shall be adequately equipped with facilities as per section 1 (a) above where required.

Section 2 - First Aid Supplies

The Company shall provide first-aid provisions in accordance with the Workers' Compensation Act.

Section 3 - First-Aid Attendant

Any employee holding a first-aid certificate recognized under the Workers' Compensation Board regulations who is designated by the Company to carry out duties of a first-aid attendant, Class C, shall receive in addition to his regular rate as provided in Schedule "A" herein a premium of thirty (.30)cents per hour. The employer shall be responsible for the cost of maintaining or upgrading the employee's first-aid certificate to the extent that course fees will be paid by the Employer.

ARTICLE 18

Section 1 - Union Label

It shall not be a violation of this Agreement for an employee to post the Teamsters Union Label in a conspicuous place on the glass area of the equipment he is operating. The said label to be a size not in excess of three (3") by four inches (4") and not to be attached to any area which will impair the vision of the driver.

Section 2 - Uniforms Supplied

Where any employee is required to wear any kind of uniform or coveralls as a condition of continued employment, such uniform or coveralls shall be furnished and maintained by the Company at no cost to the employee. No employee shall be disciplined or discharged for refusing to wear a uniform or coveralls that are not clean or do not fit properly or that do not bear a Union label.

However, the employee must furnish at his own expense suitable clothing, shoes, gloves and winter weather protective clothing in order to perform his job efficiently and safely except as provided in section 3 (a) (b) (c) and (d) herein.

Section 3 - Protective Clothing

- (a) Any employee physically handling fresh or frozen fish and fish entrails, meats, hides, creosoted items, lamp-black ink, acids and ore concentrates in substantial quantities shall be provided with rubber or leather aprons, coveralls, smocks and gloves as appropriate; also to drivers who pump off asphalt or bulk cement. Coveralls shall be maintained by the Company. Bulk petroleum product drivers shall be provided with adequate gloves and after the initial issue on an exchange basis.
- (b) Any employee who is exposed to a hazard by reason of handling toxic or noxious chemicals shall be provided with adequate protective clothing and equipment as required by Workers' Compensation Board regulations and the cost shall be borne by the Company.

- (c) Maintenance shop employees shall be provided with clean coveralls and the cost and maintenance shall be borne by the Company. The Company shall supply at their expense to maintenance shop employees good quality safety-toed boots and after the initial issue on an annual exchange basis if required.
- (d) Effective January 1, 2006 the Company shall reimburse all regular employees who were on the payroll as of January 1, 2006 and every January 1 thereafter, seventy-five dollars (\$75.00) per calendar year, towards the purchase of CSA approved safety shoes or boots, upon the written submission, with proof of purchase, by the employee.

Section 4 - Premium Pay

A wage differential of fifty (50) cents per hour shall be received by every employee required to physically handle green hide, fresh fish and fish entrails in truck load lots.

ARTICLE 19

Hourly rated employees shall be notified before quitting time the day previous to their not being required for duty except as otherwise mutually agreed by the Parties hereto. Time shall be posted and remain posted until 9:00 a.m. the following day.

ARTICLE 20 – INJURY AT WORK

If an employee after starting work meets with an accident which incapacitates him from carrying on his duties, he shall be paid his full day's wages for the day of his injury, provided he is not in receipt of compensation from the Workers' Compensation Board for that day.

ARTICLE 21

Section 1 - Pay For Change in Classification

When an employee from a higher rated classification is requested to work temporarily or until permanently reclassified at a lower-rated classification, he shall continue to be paid at the rate paid for the higher-rated classification.

Where an employee from a lower-rated classification is requested to work in a higher-rated classification for (a) one hour and up to two hours, he shall be paid for the period worked at the higher rate and (b) for two or more hours, he shall be paid for the entire day at the rate paid for the higher-rated classification.

An employee who is required, as a condition of employment, to be the holder of a valid and subsisting license shall receive the appropriate rate of pay for whichever license he is required to hold. This clause shall not apply if an employee exercises his seniority into a different classification.

Section 2 - Pay For Change in Jurisdiction

In the event that the Company should require any employee covered by this Agreement to engage in work on construction or demolition or in the confines of a construction or demolition site coming within the jurisdiction of an agreement which has established more favourable wage rates than those herein contained, such employee shall be entitled to be paid at the more favourable wage rate while he is so engaged.

Section 3 - Chargehand Defined

A chargehand, when so designated and classified by the Company, shall be defined as an employee who shall direct the work of other employees while performing similar work himself. He shall not have the authority to directly hire, fire, suspend, or discipline employees. He shall be a member of the Union and shall have seniority in accordance with article 7 herein.

Section 4

Any employee temporarily assigned by the Company to a terminal or operation located beyond reasonable commuting distance shall be reimbursed by the Company for reasonable expenditures for room and board.

ARTICLE 22 – RATES OF PAY

The regular hourly and mileage rates paid shall be those set out in appendix "A" attached hereto and forming part of this Agreement.

ARTICLE 23

Section 1 - Health and Welfare

The Teamsters-Transport Health and Welfare Trust Plan (the Health and Welfare Plan) covering members of the Union as set out in Appendix "B" hereunto annexed and forming part of this Agreement shall continue. The Company agrees to cover all members of the Union in the Health and Welfare Plan and to abide by the terms and conditions of the Teamsters-Transport Health and Welfare Trust Plan as set out in Appendix "B" hereunder annexed and forming part of this Agreement.

Section 2 - Payment of Dues and Contributions

- (a) The Company agrees to make remittances to the Union for union dues, the administrator of the health and welfare plan and the administrator of any other program to which the Company is required to make contributions under this Agreement in accordance with the appropriate article or appendix to this Agreement.
- (b) The Company agrees to hold in trust, until remitted, all amounts payable in respect of union dues, the health and welfare plan, the pension plan and any other plan which the Company is obliged to make contributions pursuant to this Agreement and shall be liable as such for failure to remit for any reason including, but not limited to liquidation, assignment or bankruptcy of the Company.

Section 3 - Trust Agreement

The Company agrees that it shall be bound by the terms and conditions the Agreement and declaration of trust (the Trust Agreement) covering the health and welfare plan and any other plan to which the Company is required to make contributions pursuant to this Agreement.

Section 4 - Delinquency

- (a) The Company acknowledges that the trustees of the health and welfare plan or any other plan or trust to which contributes are payable shall have the right to take legal action against the Company to obtain payment of all contributions and interest thereon due pursuant to this Agreement.
- (b) The Company agrees to make contributions to the Union for union dues and to the trustees of the health and welfare plan within the time limits specified in this Agreement and further agrees that if such contributions are not received by the Union or applicable plan administrator within the agreed time period (or postmark on the envelope enclosing the contributions is not within the agreed time period), then the Company shall be liable for the payment of such contributions plus interest on the contributions at the rate of two percent (2%) per month from the date such contributions were due to the date of receipt by the Union or the appropriate plan administrator.
- (c) The Company agrees that if the Union or the trustees of any plan to which the Company is required to make contributions pursuant to this Agreement incur any legal or other costs to recover contributions due and payable by the Company, the Company shall be liable to reimburse the Union or the applicable trustees for such costs.

ARTICLE 24 – HOURS OF WORK

Section 1 - Regular Work Day/Week

- (a) Except as hereinafter provided, the regular work day shall consist of eight (8) consecutive hours of work between 6:00 a.m. and 6:00 p.m. not including the meal period. The regular work week shall consist of five (5) eight (8) hour days in the period from Monday to Friday, both days included with Saturday and Sunday as regular assigned days off.

(b) **Weekly Guarantee**

Except where otherwise mutually agreed by the Parties hereto, the Company shall guarantee sixty percent (60%) of all its employees in each unit as classified in article 7 taken in order of their seniority and to a minimum of one (1) not less than forty (40) hours' wages per week exclusive of overtime.

(c) **Assignment of Guaranteed Men to Scheduled Work Week**

Employees within the most senior sixty percent (60%) in each unit shall be assigned to a work week on either of the following basis:

- (i) Monday through Friday - Saturday and Sunday off
- (ii) Tuesday through Saturday - Sunday and Monday off provided, however, that any employee by reason of his seniority placing him within the said sixty percent (60%) may, if qualified in all respects as provided in article 7, elect to remain on a shift other than those in (i) and (ii) hereof. It is understood that any employee within this sixty percent (60%) shall, subject to qualifications as aforesaid, always have precedence over all other employees in his unit on vacancies within this group

Notice of Alteration of Scheduled Work Week

- (iii) Upon being assigned, per the provisions of the above, save as where a job has been eliminated, an employee's scheduled work week shall not be altered until six (6) weeks have elapsed from the date of assignment, excepting for the movement of household goods utilizing moving vans from one residence to another and of office furniture and equipment from one office to another, where notice must be given on the last working day of the previous week.

(d) **Flexible Work Week**

For all employees, other than the senior sixty percent (60%), the flexible work week may be scheduled between Monday and Saturday inclusive with Sunday and one other day scheduled as days off provided, however, that unless otherwise mutually agreed by the Parties hereto that all employees not assigned to a scheduled Monday through Friday shall be guaranteed (40) hours' wages and shall where possible be notified of the schedule to be worked on the last working day of the week preceding that to which the schedule refers. In the event goods or materials due to be handled on a Saturday are not available, by reason of failure of a schedule arrival, any employee who does not commence work shall only be entitled to four (4) hours' pay.

(e) **Mail, Baggage and Perishables**

The Company may designate any five (5) day work week in the period from Sunday to Saturday, both days included, with any two (2) consecutive days as regular assigned days off for employees engaged in mail, baggage, perishables and temperature controlled commodities and petroleum deliveries to airports and any employee so designated shall be guaranteed for forty (40) hours' wages.

(f) Employees who start work between 6:00 p.m. and 12:00 a.m. Midnight will be guaranteed a minimum of eight (8) hours pay.

(g) **Daily Guarantee**

(i) Any regular employee who is called out to work on a regular work day shall be paid not less than eight (8) hours pay. Any employee who is called out to work on a Saturday - sixth shift - or overtime day shall be guaranteed four (4) hours pay, and if he works in excess of four (4) hours, he shall be guaranteed six (6) hours. For hours worked in excess of six (6), he shall be paid for time worked.

(ii) When a casual hourly rated employee is called and reports for duty Monday through Friday, he shall be guaranteed a minimum of four (4) hours pay, and if he works in excess of four (4) hours shall be guaranteed six (6) hours, and if he works in excess of six (6) hours he shall be paid for eight (8) hours. However, in the event that such casual employee, whose hours extend wholly or partly outside the regular hours of work, shall be guaranteed eight (8) hours pay plus the overtime or shift differential premiums.

(iii) Any hourly rated employee reporting for duty on a callout or callback basis inconsistent with his regular scheduled work day or shift shall be guaranteed a minimum of four (4) hours pay but after completion of the duty he was called for, he may book-off work with a minimum of two (2) hours pay.

(iv) To qualify for the benefits of sub-sections (i), (ii) and (iii) of this article, this section, the employee will perform work within the bargaining unit in jobs other than his normal or regular job in the event that his services are not required in his normal or regular job.

(h) **Record of Employment**

Any employee on lay-off who requests his Record of Employment shall not be considered terminated.

Section 2 - Overtime Provisions

The Company shall pay overtime rates of wages to every employee entitled thereto as follows:

(a) All time worked over and above eight (8) hours per day on any shift shall be deemed overtime until a break of eight (8) hours occurs.

(b) For the first three (3) hours of overtime on any regular day, one and one-half times his regular rate of wages and for all time worked thereafter, the employee shall be paid double his regular rate of wages

(c) With the exception of those employed per article 24, section 1 (e), the following shall apply:

(i) For the first eight (8) hours worked on a Sunday or general holiday, an employee shall be paid double his regular rate of wages. The rate to be paid for the 9th and 10th hour on a Sunday or general holiday shall be three (3) times the regular rate. The rate to be paid for all hours beyond the 10th hour shall be four (4) times the regular rate.

(ii) For all employees assigned to a Monday to Friday work week, Saturday and Sunday shall be sixth and seventh shifts.

(iii) Where any employee works on his regularly assigned rest day, except Sunday, he shall be paid at one and one-half times his regular rate for the first eight (8) hours; two and one quarter times his regular rate for the ninth (9th) and tenth (10th) hour and three times his regular rate thereafter.

- (d) For the purpose of this section the work week shall be from 00:01 Monday to 24:00 hours Sunday. With respect to general holidays, the foregoing overtime provisions are in addition to eight (8) hours wages which shall be paid in any event.
- (e) Overtime shall be allocated wherever possible to capable senior employees in their classification in a voluntary manner provided, however, that upon reaching the bottom of the seniority list the employee shall be required to work overtime.
- (f) Except in case of emergency or where it is unavoidable, no employee shall work weekly overtime until all regular employees in their unit have worked the full quota of regular hours provided there are capable and qualified regular employees amongst those who have not worked their full quota of regular hours. Provided the foregoing has been complied with, seniority will prevail in classifications for the allocation of overtime.

Section 3 - General Holidays

Pay for holidays when not worked shall be as follows:

Employees shall be paid for time not worked at the regular rate on New Year's Day, Good Friday, Victoria Day, Canada Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and in the event a general holiday is proclaimed by the Federal or Provincial Government, such holiday shall be observed as a general holiday. The rates of pay for these general holidays will be at the regular applicable work time rate.

Employees entitled to those paid holidays shall have been on the payroll thirty (30) calendar days previous to the holiday.

Employees absent from work by reason of accident or illness not in excess of three (3) months shall receive full pay for general holidays as designated herein. Employees in receipt of Workers' Compensation Wage Loss Benefits shall not be paid for the general holidays as designated herein.

Employees absent by reason of leave of absence, discharge, quit or suspension shall not be entitled to general holiday pay.

The employee who is terminated or discharged for just cause within the thirty (30) calendar day period shall not be entitled to general holiday pay. If an employee who has been laid off temporarily is returned to work within thirty (30) calendar days after the holiday, he shall be entitled to the paid general holiday.

When a general holiday falls on a regular employee's regular day off, then such employee will be granted a day off in lieu of such general holiday on either the last working day preceding or the first working day following such general holiday.

ARTICLE 25 - VACATIONS

Section 1 - Two Weeks Vacation

Upon completion of one year's service employees shall receive two (2) consecutive weeks vacation with eighty (80) hours pay at their hourly rate of pay in effect at the time they take their vacation or four percent (4%) of annual gross earnings, whichever is the greater. Vacation pay at four percent (4%) shall be paid to all employees with less than one (1) year of service.

Section 2 - Three Weeks Vacation

Any employee completing three (3) years of continuous service shall thereafter receive six percent (6%) or one hundred and twenty (120) hours at their hourly rate of pay in effect at the time they take their vacation, whichever is the greater.

Section 3 - Four Weeks Vacation

All employees with nine (9) years or more continuous service shall thereafter receive eight percent (8%) or one hundred and sixty (160) hours at their hourly rate of pay in effect at the time they take their vacation, whichever is the greater.

Section 4 - Five Weeks Vacation

All employees with fifteen (15) years or more continuous service shall thereafter receive ten percent (10%) or two hundred (200) hours at their hourly rate of pay in effect at the time they take their vacation, whichever is the greater.

Section 5 - Six Weeks Vacation

All employees with twenty-one (21) years or more of continuous service shall thereafter receive twelve percent (12%) or two hundred and forty (240) hours at their hourly rate of pay in effect at the time they take their vacation, whichever is the greater.

Section 6 – Accumulation of Hours

Absence by reason of accident or illness shall be counted as hours worked in the intervening years between the employee's first year and final year of employment. In any such year, the employee will be credited with a maximum of five hundred (500) hours for such absence if he has less than fifteen hundred (1500) hours of work in that year to qualify for vacation herein stipulated.

In any year where an employee has not qualified for a full vacation as a result of accident or illness, he will still be credited with a year of service to determine future vacations.

Section 7 – Year of Service

Fifteen hundred (1500) hours shall constitute a year's service, but no employee will be permitted to accumulate more than one (1) year of service or any additional fraction thereof in any single calendar year. However, general holidays shall count as hours worked.

Section 8

- (a) A calendar year shall be the period between January 1st and December 31st.
- (b) Where the date of commencement of employment is the anniversary date for the purpose of calculating annual vacations, employees shall receive vacations in accordance with the provisions contained in sections 1 and/or 2, 3, 4, 5 and 6 of this article.
- (c) Irrespective of whether vacation benefits are calculated on the basis of (a) or (b) of this section, vacation pay cheques will be issued to all employees in accordance with the provisions of article 10, section 1 (b) of this Agreement.
- (d) An employee hired after January 1st in any year and who does not qualify for a full annual vacation, shall be paid an amount equal to four percent (4%) of his total wages from the date of employment to December 31st of that year.

Employee then to work a full year before receiving a full annual vacation with pay. Time off (without pay) will be allowed during this year with such time off being calculated on the basis of holiday pay.

- (e) Employees who receive their vacation pay on the percentage basis shall be paid the appropriate percentage of gross income shown on their T4 income tax statement.

At the same time T4 slips are made available, the employer shall type on the amount of Union Dues paid by each Union member in that year.

Section 9 – Booking Vacation Time

- (a) All employees entitled to more than two (2) weeks vacation may receive them in one continuous period, only if they take their vacation in the off-season. The Union and the Company may, however, waive this provision where an employee requests, for compassionate reasons, that he be granted all of his vacation continuously, within the prime season. Prime Season defined:

June 1st	-	September 30th inclusive
December 15th	-	January 15th inclusive
Spring Break	-	When it occurs

- (b) Employees entitled to three (3) weeks vacation, but whose seniority is such that they would not otherwise qualify for a vacation in the prime season, shall be given one week in that season.
- (c) Employees, with the exception of those described in (b) above, requesting a vacation during the prime season shall receive two (2) weeks in one (1) continuous period. The remainder of the vacation to which such employee is entitled shall be given during the off-season.
- (d) Employees shall be granted their vacation dates, in order of their seniority, consistent with the efficient operation of the business. Vacation lists shall be posted and remain posted on or before January 31st of each year.
- (e) Vacation period to start on completion of employee's normal work week, and end on the first day of his normal work week on the completion of his vacation.
- (f) Where an employee has less than fifteen hundred (1500) hours and is terminating employment, voluntarily or otherwise, he shall receive 4%, 6%, 8%, 10% or 12% of his earnings in lieu of the holidays to which he is entitled.
- (g) Unless otherwise mutually agreed between the Company and the employee, every employee shall be notified at least fourteen (14) days prior to being required to take any vacation period. Once vacation periods are established the time shall not be changed except where mutually agreed between the employee and the Company.
- (h) Any employee who accepts gainful employment while on vacation may be terminated,.
- (i) Any regular employee receiving a differential or premium pay on a regular basis, this differential or premium will become part of his regular hourly rate of pay, and shall be paid on all general holidays and annual vacations.
- (j) In the event a general holiday falls during an employee's vacation, the employee will be allowed a day off without pay in lieu of such general holiday, either immediately preceding or immediately following his vacation period. Such day off without pay in lieu of a general holiday will be designated on the final vacation schedule.

General holidays that fall within the vacation periods that are not designated on the final vacation schedule, the day in lieu of such general holiday will be designated at the time the vacations are booked and approved.

ARTICLE 26 Line-Haul Operations

Section 1 - Mileage Condition

- (a) Except as otherwise mutually agreed between the parties hereto, all employees engaged in line operations shall be subject to all terms and conditions provided by this agreement save as hereafter expressly provided. This article shall cover all employees of the company engaged in hauling commodities over one hundred (100) miles from base of operations.
- (b) Local warehouse work and city pickup and delivery service are not subject to the terms and conditions of this Article.
- (c) In respect to employees making pickups and/or deliveries at terminals, employees engaged in over-the-road operations including operators of lease equipment and contract haulers shall not be asked to load or unload freight or perform any duties other than normal duties of a line-driver at a place where the Company maintains a terminal where it would adversely affect the full time employment of the terminal employees so involved. Drivers may, however, be permitted to load or unload freight where such loading or unloading is made outside the normal hours when the terminal is operated or when contractual terminal employees are not in the terminal.

Section 2 - Reporting Notice

- (a) Employees shall be given at least three (3) hours notice when ordered to report for duty at both the home terminal and at the end of the run or where they have been effectively released from duty by the Company.
- (b) **Hours of Dispatch**
 - (i) All drivers who are off duty at their home terminal and who have not been contacted previously will be contacted by the Company between the hours of 17:00 and 19:00 if they are to report for duty between the hours of 19:00 and 0:700 unless otherwise mutually agreed. If the driver will not be at his normal residence, he will notify the duty dispatcher of an alternate contact number.
 - (ii) In the event a driver will not be available at his contact point after his rest period has expired, he will notify the dispatcher.
 - (iii) Drivers who are off duty at their home terminal before 12:00 hours on a Saturday and who are to be called to work prior to 24:00 hours Sunday shall be notified on Saturday for a time of dispatch. It will be the driver's responsibility to contact the dispatcher by 12:00 hours Saturday or prior thereto, if he will not be available for call at his normal contact point at that time.
- (c) **Mileage Guide**

The official state and/or Provincial and/or Territorial mileage will be used as the guide to determine the number of miles driven. The authority to determine the number of miles driven shall be the Department of Highways of the various provinces, states or territories.
- (d) **10 Hour Guarantee**

When an employee has been called for duty and has begun his trip or tour, he shall be guaranteed a minimum of ten (10) hours work and/or pay at the hourly work time rate for the trip or any portion thereof.
- (e) When an employee reports to work after being called and no work is available, he shall receive a minimum of five (5) hours pay at the work time rate.

(f) **5 Hour Guarantee**

When an employee reports in accordance with an established reporting time and no work is provided, he will receive the minimum number of hours pay (five (5) hours), UNLESS he has been notified at least two (2) hours ahead of the regular reporting time that no work is available. An employee who has an established reporting time and is unable to report for duty for any reason, will advise the Company at least two (2) hours prior to such reporting time.

(g) **Local Dispatching Rules**

All drivers and operators shall be dispatched according to agreed upon local dispatching rules which shall be posted. Failure of the Company and the Union to agree on such rules shall result in applying the grievance procedure.

(h) **Runaround**

Time lost when an employee is available, but not dispatched in proper order under agreed upon local dispatch rules between the Company and the Union, he shall be paid at the hourly rate from the time he should have been dispatched until actual time of departure on trip and/or tour with a maximum of ten (10) hours at the applicable work time rate in each twenty-four (24) hour period.

(i) **Student Trips/Driver Instructor**

Job applicants for the position of line-driver hired from sources outside the Company on trial trips and/or instructional trips and employees of the Company that have completed the training program for the position of line-driver as agreed between the Company and the Union and who have been recommended for that position will be paid for the final instructional trips at a rate of five cents (5 cents) per mile less than the single man rates as specified in this Agreement. Such trips to be made with qualified drivers and/or trainers and will not exceed a total of two thousand (2,000) miles on single man operation. Line-drivers will be paid five cents (5 cents) per mile above single man rate as specified in this Agreement on trips when he performs the function of trainer or instructor under this article.

(j) **Weekly Guarantee**

Except as otherwise mutually agreed by the Parties hereto, the Company shall guarantee sixty percent (60%) of its employees in this classification, taken in order of their seniority and to a minimum of one out of two, two out of three, not less than forty (40) hours wages per week. The Company may average the guarantee over a two week pay period commencing on a Sunday and ending on the fourteenth day, Saturday pay period.

Section 3 - Worktime

Worktime shall include, but not be limited to loading, unloading, repairs of equipment, chaining and unchaining (of tires), time spent on ferries or boats (except as otherwise provided in article 26 herein and when drivers are required to stay with the equipment), and all standby time, such as time spent in cross-border lineups. When the driver performs the function, fuelling at Company pumps, and key pumps, hooking up, unhooking, switching on complete interchange of equipment will be included as work time.

Section 4 - Travel Time

(a) All hours travelling on public transportation from the point deadhead commenced to the destination point designated by the Company shall be paid for at his regular straight-time hourly rate plus the subsistence allowance if applicable and the cost of such transportation.

(b) **Deadhead**

Each employee who is covered by this Agreement, and who is required by the Company to ride Company equipment in deadhead manner will be paid the regular straight time hourly rate for all hours spent in riding such equipment except those employees covered under article 24, section 1 (c).

Section 5 - Wait-Time

- (a) Wait-time shall be paid for all time spent waiting to load, unload, waiting for loads, waiting for equipment to be repaired and waiting for roads to be cleared with a maximum of ten (10) hours pay for waiting time in each twenty (20) hour period.

Wait-time is clarified as follows: wait-time is not cumulative and shall not be subject to overtime. For the purpose of determining wait time pay each stop shall be considered a separate waiting period.

When a driver is held more than one (1) day, he shall receive wait-time pay for the first ten (10) hours of each twenty (20) hour period.

- (b) All time lost due to delays as a result of overloads or certification violations involving federal, state, provincial, or city regulations shall be paid for at regular applicable wait-time rate in this Agreement unless required to stay with equipment.

Where possible it shall be the duty of the employee to ascertain that he is not hauling an overload. It shall be the duty of the employee to ascertain that he has all the necessary and required licenses, certificates and permits before leaving the Company terminal provided, however, that the Company shall arrange for all permits to be made available to its employees.

Section 6 - Layover

- (a) In the event that drivers are required to lay over during any one round trip or tour away from their home terminals, they shall be compensated for layover time as follows:

It being understood that layover time shall not be cumulative, but shall mean only one layover on such round trip or tour.

For the first twelve (12) hours of each layover - no pay/for the next ten (10) hours layover rates as stipulated in this Agreement/for the next twelve (12) hours - no pay.

For the next ten (10) hours, rates as stipulated in this Agreement and continuing on the same basis for each twenty-two (22) hour period of continuing layover.

N.B.: Employees engaged in interprovincial movement of household goods shall not be entitled to Sunday layover. However, any layover time accumulated to midnight Saturday shall be credited to any further layover after Sunday midnight.

- (b) The layover point is to be designated on a man's original orders prior to his dispatch from point of origin of trip or tour, save and except in the case of accident or breakdown whereby the layover point may be extended to a point beyond the original designated layover point.
- (c) When drivers arrive at the layover point and are placed on layover, they will be advised on arrival or else put on wait-time, save and except where the drivers have been previously instructed on their drivers' orders.

Section 7 - Subsistence

- (a) Each employee will receive a subsistence allowance according to the area rate as stipulated in appendix "A".

- (b) Sleeper-cab drivers shall receive the rate as outlined per day or any portion thereof after eight (8) hours.

Definition: Each employee shall be entitled to the full subsistence after eight (8) hours up to twenty-four (24) hours from the time he started his tour and each twenty-four (24) hour period thereafter.

- (c) Single man drivers who have been put to rest or layover or book-off away from their home terminal shall receive the rate as outlined per day or any portion thereof after ten (10) hours the first day and on the basis as stipulated in appendix "A" for each succeeding day.

Definition: each employee shall be entitled to the full subsistence after ten (10) hours up to twenty-four (24) hours from the time he started his trip.

Drivers on a turnaround in excess of ten (10) hours who stop to eat will be entitled to one (1) meal paid for by the Company to a maximum amount of six dollars and fifty cents (\$6.50) (a voucher may be required) and straight-time pay while eating.

Section 8 - Bobtail

Driving of tractor without trailer shall be paid for on the same basis as driving tractor-trailers.

Section 9 - Definition Mileage Rates

Mileage rates, as specified in appendix "A" are composite rates and shall be paid to compensate for the following duties performed:

Driving, checking equipment, making Company required reports.

Section 10 - Miles and Hours

All runs or trips shall be paid for at the mileage rate for miles driven except that the hourly rate shall apply in the event that the amount earned under the applicable mileage rates provides less than the hourly rate for the total driving time on a particular trip. The onus is upon the driver to question the rate of pay by marking his trip and pay report accordingly.

Section 11 - Bush Runs

Trips which include both main highway miles and off line bush miles will be paid for in the following manner:

Mileage rates for main line highway miles and hourly rates for bush miles.

Section 12 - Single Man Operation

- (a) For definition purposes the word "trip" will be used when referring to single man operations. A single man trip is considered from point of dispatch to point of rest, layover or book-off.
- (b) The regular hours of work for employees engaged in a single man operation shall be ten (10) hours per trip, sixty (60) hours per week in any seven (7) day period, it being understood that there will be no pyramiding of overtime. The Company shall pay for all time driving and working in excess of the regular hours at the overtime rates as specified hereafter and shall continue at the overtime rates until a minimum rest period of four (4) hours is provided. This rate does not apply to the layover and wait-time but is calculated on the miles driven and half the work time rate per hour.
- (c) No single man driver shall be called for dispatch until he has been off duty eight (8) hours excluding call time after completing a trip at the home terminal. No single man driver who has been put to rest or layover

shall be called for dispatch or duty until he has been off duty for four (4) hours at a point away from the home terminal.

However, at points away from the home terminal the driver shall be entitled to, if he so requires up to eight (8) hours of uninterrupted rest. Drivers held and/or waiting at a point other than the home terminal in excess of the maximum rest period will be paid wait-time for hours in excess of the full rest period.

Section 13 - Sleeper Cab Operations

- (a) "Tour" will be used when referring to sleeper cab operations, and shall mean the period between departure from and return to home terminal.
- (b) Sleeper cab operations shall be performed by two (2) drivers in equipment properly equipped with sleeper berths. The Company shall designate the home terminal of each driver team and designate the routes to be travelled on each tour from home terminal to destination and return to home terminal and each driver shall be paid for driving one-half (1/2) the mileage the vehicle travelled in making the tour. Wherever work time is involved both drivers shall receive applicable hourly rate of pay.
- (c) Once driver teams are established, it is understood that they are not to be separated unless mutually agreed to by the Company, the Union and the driver team involved except in cases of emergency or reduction in force, or temporary training.
- (d) Only two (2) men shall be permitted in sleeper-cab equipment at any time, except in cases of emergency or where new type equipment is put into operation. In no event shall a driver, supervisor or other authorized personnel be in the cab in addition to the two (2) drivers for more than three hundred (300) miles.
- (e) No sleeper team under this section 13 shall be placed on layover if routed on any tour with outbound mileage under five hundred (500) miles.
- (f) The Company may use a sleeper-cab driver or team to effect a single man operation, but will not do this when it adversely affects the single man board or when it creates excess layover time for sleeper-cab drivers.
- (g)
 - (i) Wherever possible sleeper-cab drivers shall be entitled to have a minimum of four (4) hours off duty excluding call time after completion of their tour.
 - (ii) No sleeper-cab driver shall be allowed to take a solo trip of more than four (4) hours until he has had eight (8) hours rest since he was last on duty. Rest time does not include time in the sleeper-cab bunk.
 - (iii) Where driver teams are dispatched on long line trips or tours in excess of four thousand (4,000) miles, the Company shall give a four (4) hour call-out when ordering drivers to report for duty, except in extreme emergent circumstances but in any event not less than two (2) hours, at both the home terminal and at the end of the run where the driver has been effectively released from duty. At the completion of a tour away from the home terminal drivers shall be given eight (8) hours off duty except in the case of extreme emergent circumstances, but in any event not less than four (4) hours off duty.
- (h) Bedding

Bedding and fresh linens for sleeper-cab drivers shall be furnished and maintained by the Company prior to starting their tour.

Section 14 - All Line Drivers Transferring Over-the-Road Drivers

- (a) When a branch, terminal, division operation is closed or partially closed and the work of the branch, terminal, division or operation is transferred to another branch, terminal, division or operation in whole or

in part, an employee at the closed or partially closed down branch, terminal, division or operation shall have the right to transfer at the Company's expense to the branch, division or operation into which the work was transferred if work is there available. Payment is conditional upon completion of one year's service at the new terminal. Fifty percent (50%) of the legitimate moving expense will be paid upon completion of transfer and the balance upon completion of one year's service from the effective date of transfer. It shall be a matter of policy that drivers may be required to make such move within three (3) months of the date of transfer.

- (b) Such employees will be dovetailed into seniority list as of the date they first become employees in their classification within the Local Union's jurisdiction or certification unless other arrangements are mutually agreed upon.
- (c) Whenever a man is transferred at the request of the Company, his reasonable moving expenses shall be borne by the Company.
- (d) For the purpose of this section "expense" is defined to mean the moving expenses of normal household goods and chattels up to a maximum of one thousand (1,000) cubic feet.
- (e) A Company who contributes to the cost of moving shall be entitled to select the mover.

Section 15 - Exclusion of Mileage Condition

The mileage conditions of this article shall not apply in the following cases, which shall be covered elsewhere in this Agreement (article 26):

- (a) When motor vehicles travel under permits as to width and height when it necessitates the use of a pilot and/or escort vehicle.

When motor vehicles travel with excessive overload, warheads, live ammunition and explosives, thus restricting normal speed.
- (b) When employees are engaged in the operation of motor vehicles on Vancouver Island and Sechelt Peninsula in which case the hourly rates prevail (article 24).

ARTICLE 27

The Company agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of signing of this Agreement.

Higher rated Union employees shall be subject to all the terms and conditions of this Agreement.

ARTICLE 28

Section 1 - Savings Clause

If any article or section of this Agreement or any of the riders 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 rider 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 effected thereby.

Section 2 - Negotiations for Replacement of Articles Held Invalid

In the event that any article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the Parties affected thereby shall enter into immediate collective bargaining negotiations upon the request of either Party for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. If the Parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the procedure as outlined in article 30 following.

ARTICLE 29 – ARTICLE HEADING

The article heading shall be used for purposes of reference only, and may not be used as an aid in the interpretation of this Agreement.

ARTICLE 30

Section 1 - Grievance Procedure

Whenever any dispute arises between the Company and the Union, or between the Company and one or more employees, the men shall continue to work and the dispute shall be adjusted in accordance with the following procedures.

Time limit to institute this Grievance Procedure:

- (a) Termination or lay-off - ten (10) calendar days.
- (b) All other grievances - thirty (30) calendar days.

In any dispute over a pay cheque or pay statement, or any matter thereon, the time limit shall be calculated from the date the employee received the pay cheque or pay statement.

Step 1: Any grievance of an employee shall first be taken up between such employee and the Company supervisor, however, the employee will be entitled to be represented by a shop steward or a Union representative.

Step 2: Failing settlement under Step 1, such grievance shall be taken up between a representative of the Union or a shop steward and the Company supervisor.

Step 3: Failing settlement under Step 2, such grievance and any dispute arising between the Union and the Company over the interpretation or application of the provisions of this Agreement, including any dispute as to whether a matter is subject to this grievance procedure shall be referred to two (2) authorized representatives of the Union and two (2) authorized representatives of the Company. The representatives of the Union and the Company shall exchange statements in writing setting forth their respective positions relative to the matter(s) in dispute not later than at their initial meeting.

Step 4: Failing settlement under Step 3, either Party may refer the matter to an agreed upon neutral arbitrator who will meet with the authorized representatives of the Union and the Company to hear both sides of the case.

Section 2 - Appointment of Arbitrator

- a) If the Parties fail to agree upon a neutral arbitrator within five (5) days (excluding Saturdays, Sundays and General Holidays) after one Party has served written notice on the other Party of its intention to refer the matter to a neutral arbitrator, the Minister of Labour will be requested to appoint a neutral arbitrator.
- b) The parties may if mutually agreed have the matter heard by the Canadian Joint Grievance Panel Inc. as per the attached Letter of Understanding.

Section 3 - Arbitrator's Decision

The arbitrator shall be required to hand down his decision within fourteen (14) days (excluding Saturday, Sunday and General Holidays) following completion of the hearing, and his decision will be final and binding on the two Parties to the dispute and shall be applied forthwith.

The decision of the arbitrator shall be specifically limited to the matter submitted to him, and he shall have no authority in any manner to amend, alter, or change any provisions of this Agreement.

Section 4 - Costs

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

Section 5 - Meeting Chairman and Minutes

Under step 3, the Company will act as recording secretary and will furnish the Union with a copy of any such minutes. All copies of minutes will be signed by both the Union and the Company representative(s). Under step 3, the meeting chairman will be rotated between the Union and the Company.

ARTICLE 31

Section 1 - Term of Agreement

This Agreement shall be for the period from and including January 1, 2006 to and including December 31, 2008. Either Party to this Agreement may, within four (4) months immediately preceding December 31, 2008 give to the other Party written notice to commence collective bargaining.

Section 2

After expiry of the term of this Collective Agreement, and subject to the limitations necessarily resulting from the exercise of the rights of the Parties under part 5 of the Labour Relations Code, including the right to strike or lockout, the terms and conditions of employment as set out in this Agreement will be observed and not varied except by the Parties mutual consent during the period that the Union remains the bargaining agent for employees identified in this Agreement.

Section 3

It is mutually agreed that the operation of sub-section 2 of section 50 of the Labour Relations Code is specifically excluded from operation in this Agreement.

The Labour Relations Code provides as follows:

Section 50 (2) subject to sub-section 4, where a Collective Agreement is for a term of more than one year and notwithstanding the Agreement either Party may at any time after the Agreement has been in operation for 8 months apply to the Minister for leave to notify the other party that the Agreement will be terminated on its next anniversary date; and if the Minister consents and the notice to terminate is served on the other party at least three (3) months before the date on which the Agreement is to be terminated, the Agreement is terminated on that date.

DATED THIS DAY OF ,2006.

IN WITNESS WHEREOF the Parties hereto have set their hands and seals the day and year first above written.

**SIGNED ON BEHALF OF THE
PARTY OF THE FIRST PART**

**SIGNED ON BEHALF OF THE
PARTY OF THE SECOND PART**

APPENDIX "A" - WAGE SCHEDULE

CLASSIFICATION

	Jan. 1/06	Jan. 1/07	Jan. 1/08
Truck Operator c.c. up to 23,000 kg GVW	\$20.07	\$20.87	\$21.70
Truck Operator c.c. 23,001 kg GVW or greater	\$21.85	\$22.75	\$23.65
Hyabs will receive fifty (.50) cents differential			
Forklift Operators	\$20.07	\$20.87	\$21.70
Pilot Car Driver	\$14.50	\$15.15	\$15.75

Steering Dolly Operators Premium: \$4.00 per hour over the above classification rate.

During their probationary period, new hires will be paid one dollar (\$1.00) per hour less than the prescribed classification's hourly rate above.

Employees who have completed one (1) year of service or more shall be paid one dollar (\$1.00) per hour more than the prescribed classification's hourly rate above.

A chargehand's rate of pay shall exceed the highest hourly rated employee's rate of pay under his direction, including his own classification by fifty cents (50¢).

Upon ratification - \$150.00 one-time signing bonus will be paid to each regular employee.

Mileage Rate by Axle:	5 axle	44.00	45.00	46.00
Cents per mile	6 axle	46.00	47.00	48.00
	7 axle	49.00	50.00	51.00
	8 axle	52.00	53.00	54.00
	9 axle	55.00	56.00	57.00
	10 axle	56.00	57.00	58.00

Empty Rate to be equal to the 5 axle rate.

Each sleeper team driver shall be paid half (1/2) the mileage rate plus five (.05) cents each differential.

Subsistence

- (a) At destination points where there is a sleeper team or a single driver and steering dolly operator and the employees are placed on layover, the Company will provide hotel or motel accommodations and will provide transportation to and from such accommodation. Cost of such accommodation will be borne by the company. Further, each employee will be placed in his/her own room or only by mutual consent, double occupancy.
- (b) At destination points reasonable expenses for meals will be reimbursed provided a receipt is submitted. These expenses will be paid on employee's next regular pay.

APPENDIX "B" - HEALTH AND WELFARE

Section 1 - Participation

It is agreed that the company will participate in the Teamsters-Transport Health and Welfare Trust Plan (the Plan) instituted 1st July, 1971, and operated under an agreement and Declaration of Trust revised on 26th, November 1990.

The company's participation in the Plan will continue throughout the life of this agreement.

Section 2 - Board of Trustees

A board of trustees will be constituted of those members provided for in the agreement and Declaration of Trust (the Trust Agreement) and will include no less than three (3) members appointed by Teamsters Local Union No. 31.

Section 3 - Plan Administration

The terms of the Plan and its administration shall be entirely the responsibility of the trustees provided the Plan is administered in accordance with the collective agreement and any applicable government law or regulation.

The Plan and the activities of the trustees will be governed by an agreement, and declaration of trust and benefit entitlement will be subject to such rules, limitations and exceptions contained in Plan documents and insurance contracts as are established and accepted by the trustees from time to time.

Section 4 - Eligibility Conditions

- (a) For the purposes of this section, a regular employee or member of the Union hired by the company shall include a dependent contractor as defined under appendix "C" hereunder. A dependent contractor shall be considered a regular employee after working a minimum of two hundred and forty (240) hours in any period of sixty (60) calendar days.
- (b) Any member of the Union who is a regular employee in the employ of the company on the date of this agreement shall join the Plan on the date of this agreement.
- (c) Any member of the Union who is hired by the company after the date of this agreement shall join the Plan on the first day of the month immediately following the month in which the employee becomes a regular employee.
- (d) Notwithstanding sub-paragraph (c) above, any member of the Union who is hired by the company after the date of this agreement who has been covered under the plan within the thirty (30) day period immediately prior to the date on which he commences work with the Company and who becomes a regular employee shall join the Plan on the later of his date of hire or the day following termination of his previous coverage.
- (e) If an employee whose coverage has been terminated due to lay-off is recalled and works a minimum of one full shift, coverage for the weekly indemnity and long term disability benefits will commence on the date of return to work and all other benefits will be re-instated as of the first day of the month in which return to work occurs.

Section 5 - Rehabilitative Employment

Any employee who immediately following a period of disability for which benefits were payable under the Plan may, with the approval of the Union, the board of trustees and the company, return to work on a trial basis, either on full or limited duties without right or entitlement to coverage under the Plan, other than would have been provided had such return to work not have occurred. It is agreed that the provisions of article 11, section 5 shall not apply until such period of rehabilitative employment ceases.

During such periods of "rehabilitative employment", it is agreed that:

- (a) the employee will be paid by the Company at his normal rate of pay for hours worked;
- (b) the duration of such rehabilitative employment shall exceed thirty (30) days only by mutual consent of all parties.

Section 6 - Benefits

Benefits provided by the Plan are established by the board of trustees. Benefits currently provided are:

- (a) Group Life Insurance
- (b) Accidental Death and Dismemberment Insurance
- (c) Weekly Indemnity
- (d) Long Term Disability
- (e) Dental
- (f) Extended Health
- (g) Medical Services Plan of B.C.

The amounts of coverage and details of each benefit are established by the board of trustees and are subject to amendment by them from time to time.

It is understood that should the provision of Medical Services Plan of B.C. coverage be removed from the Plan, the company will be fully responsible for providing such coverage and that the cost of such coverage will be paid for by the company. It is further understood that entitlement to coverage for Medical Services Plan of B.C. coverage will be identical to entitlement to coverage under the Plan.

Section 7 - Cost

The company shall contribute one hundred (100%) percent of the contribution rate established by the board of trustees for any month in which an employee is covered by the Plan for one day or more.

Definition: The company agrees to the contribution rate established by the board of trustees from time to time and also any increase in the premium rates of the B.C. Medical Plan. This means that the company will be responsible for any monies to keep the plan whole.

Section 8 - Payment of Contributions

Contributions shall be made on a calendar month basis for each eligible employee and the company shall remit the total contribution to the Trust aforesaid, not later than the twentieth (20th) day of the month for which coverage is required.

Payment of contributions by the company shall be subject to the conditions and provisions of article 23 of this agreement.

Section 9 - Termination of Coverage

Except as provided under article 11, section 5 hereunder:

- (a) All coverages under the Plan will terminate at the end of the month in which lay-off or any other temporary interruption of employment commences.
- (b) If employment is terminated, coverage for the weekly indemnity and long term disability benefits will terminate immediately upon termination of employment and all other coverages will terminate at the end of the month in which termination of employment occurs, except as provided under article 11, section 5 of this agreement.

- (c) It shall be the responsibility of the company to advise the administrator of the Plan in a timely fashion of termination of a member's coverage and the company will be held responsible for any costs incurred by the board of trustees that result from late notification of termination of coverage.

Section 10 - Failure to Remit Contributions

It is agreed that if the company fails to remit contributions due under this agreement on behalf of any eligible employee, the company shall be liable for the payment of all benefits the employee does not receive from the Health and Welfare Plan but would have received had the company remitted the required contributions.

Section 11 - General

- (a) It shall be the responsibility of the trustees of the Plan to provide all necessary enrollment and administrative forms to the company.
- (b) It shall be the responsibility of the company to provide to the employee the necessary forms to enroll in and make claim under the Plan.
- (c) It shall be the responsibility of the employee to cause such forms to be completed.

**APPENDIX "C" - SECTION 1
DEPENDENT CONTRACTORS AGREEMENT BETWEEN CITY CARTAGE
MEMBER COMPANIES AND TEAMSTERS LOCAL UNION NO. 31**

BETWEEN:

Company _____
(Known herein as "Company")

Address _____

AND: Dependent Contractor _____

(Known herein as "Dependent Contractor")

Address _____

1. The Company agrees to retain the services of the vehicle hereafter described with driver:

Make

Serial No. _____

Type _____ GVW

Flat Deck _____ KG

Van _____ KG

Tractor _____ KG

Pick-up _____ KG

SPECIALIZED EQUIPMENT (as per attached certificate)

Trailer _____ Truck (crane attached)

Power Gates _____ Winches

Other

2. The Company shall be held responsible for the action of the dependent contractor respecting compliance with the Motor Carrier Act and regulations pursuant thereto only while such equipment is being operated as specifically directed or authorized by the Company. The Company shall not direct a dependent contractor to haul without proper permits. Where possible, the Company will use pilot cars operated by drivers who are members of the Teamsters Union.
3. The Company and the dependent contractor shall each maintain adequate insurance coverage appropriate to their areas of responsibility as required by statute and each shall file with the other proof of insurance coverage.
4. The dependent contractor shall display the name of the Company on the vehicle and have it painted as required by the Company, plus whatever is required by the Motor Carrier Commission and/or Motor Vehicle Regulations.

5. The dependent contractor shall be responsible for any expenditures made by the dependent contractor in the name of the Company subject to the dependent contractor having received authorization from the Company prior to the making of such expenditures. Such expenditures, on his own equipment shall be subject to deduction by the Company from the dependent contractor.
6. This Agreement shall expire on the date that the B.C. Master Freight and Cartage Agreement expires, however, this Agreement may be cancelled by either the Company or the dependent contractor on giving thirty (30) days prior notice or such longer period as mutually agreeable to the Company and the dependent contractor, excepting that this Agreement may be cancelled immediately by either the Company or the dependent contractor for reasons of default violation of Company policy or violation of this Agreement.
7. Except where otherwise mutually agreed in writing by the Union, the Company shall pay to the dependent contractor for service rendered - not less than every second Friday, the following revenue:
 - (a) Dependent contractors shall be paid on the basis of seventy-four percent (74%) of the total gross revenue earned by the unit, with twenty-six percent (26%) retained by the Company.

These percentage splits shall be based on Company tariffs in effect. Such tariffs to be available to the dependent contractors on request. Any dispute shall be resolved under article 30 of the grievance procedure.
 - (b) All fuel surcharges where applicable.
 - (c) Where article 4, section 2(d) applies in regard to an employee of the Company operating the dependent contractor's equipment, the Company shall pay to the employee so engaged all wages and conditions provided in the B.C. Master Freight and Cartage Agreement and deduct such amounts from the dependent contractor gross revenue.
8. In addition to item 7 provided herein, the Company shall assume complete financial responsibility for the following:
 - (a) M.C.C. Operating Authority Plates.
 - (b) Painting or installing of signs.
 - (c) Cargo insurance and trailer insurance.
 - (d) Health and Welfare – See Letter of Understanding, page 47
 - (e) Workers' Compensation.
9. The dependent contractor shall assume complete financial responsibility for the following:
 - (a) Union dues, initiation fees and assessments.
 - (b) Contributions normally assessed against an employee for C.P.P.
 - (c) Installation, rental and maintenance of a radio to a maximum amount of \$40.00 per unit per month, where the Company requires the dependent contractor to have a radio.
 - (d) Total cost of the operation of the vehicle.
 - (e) The insurance on the equipment.
 - (f) All licenses as required by provincial or municipal statutes, except M.C.C. Operating Authority Plates. However, any rebates on licenses and/or pro-rated plates shall be returned to the dependent contractors.

10. Monetary

- (a) The percentage split shall be as in item 7 (a) unless agreement is reached as per 10 (b) below.
- (b) Providing the dependent contractor, Union and Company agree, dependent contractors with vehicles under 12,125 lbs (5,500 kg) GVW shall be paid on the basis of seventy percent (70%) of the total gross revenue earned by the unit with thirty percent (30%) retained by the Company with a monthly guarantee as follows:

Rate to be Deducted GVW	Rate to be Deducted from Guarantee for Requested Time Off	Guaranteed Monthly Rate
10 - 12,125 lbs	\$13.50 Per Hour	\$2,200.00 Per Month

- (c) Any alternate method of payment must be negotiated between the Union, the Company and the dependent contractor.
11. (a) Hourly rate to be deducted from guarantee when unavailable for work.
- (b) Summary of daily, weekly, or monthly totals presented in writing to the dependent contractor.
- (c) Copies of all charges to dependent contractor account attached with above.
- (d) Copies of individual billings shall be available for scrutinizing upon request.
12. Within twenty-four (24) hours of employment termination the dependent contractor shall return to the Company the M.C.C. Operating Authority Plates and any other Company owned equipment, and shall remove all Company identification signed, but he will not be required to repaint his vehicle.
13. The Company may require the dependent contractor to post a cash performance and/or hold back bond. The amount to be Five Hundred (\$500.00) dollars. This amount to be paid within forty-five (45) days of hire. Such a bond shall be returnable to dependent contractor minus the deduction of legitimate charges sixty (60) days following the date that the services of the dependent contractor are terminated. Where a bond has not been required in the past, this section shall not apply. The Company reserves the right to have a new dependent contractor post a cash performance and/or holdback bond. The dependent contractor is to be paid bank interest annually and/or pro-rated quarterly upon termination on the amount of holdback bond.
14. When the dependent contractor leaves the employ of the Company, he will not solicit Company accounts on his own behalf for a period of ninety (90) days. Such action shall result in the cash performance and/or holdback bond being forfeited.

SIGNED THIS DAY OF _____ 19 , AT _____, B.C.

Witness Dependent Contractor

Witness Company

Title

**APPENDIX "C" - SECTION 2
DEPENDENT CONTRACTORS AGREEMENT
BETWEEN LINEHAUL, CHARTER AND CONTRACT
COMPANIES AND TEAMSTERS LOCAL UNION NO. 31**

BETWEEN:

Company _____
herein as "Company")

(Known

Address _____

AND: Dependent Contractor__

(Known herein as "Dependent Contractor")

Address _____

1. The Company agrees to retain the services of the vehicle hereafter described with driver:

Make

Serial No. _____

Type _____ GVW

Flat Deck _____ KG

Van _____ KG

Tractor _____ KG

Pick-up _____ KG

SPECIALIZED EQUIPMENT (as per attached certificate)

Trailer _____ Truck (crane attached)

Power Gates _____ Winches

Other

2. The Company shall be held responsible for the action of the dependent contractor respecting compliance with the Motor Carrier Act and regulations pursuant thereto only while such equipment is being operated as specifically directed or authorized by the Company. The Company shall not direct a dependent contractor to haul without proper permits. Where possible, the Company will use pilot cars operated by drivers who are members of the Teamsters Union.
3. The Company and the dependent contractor shall each maintain adequate insurance coverage appropriate to their areas of responsibility as required by statute and each shall file with the other proof of insurance coverage.

4. The dependent contractor shall display the name of the Company on the vehicle and have it painted as required by the Company, plus whatever is required by the Motor Carrier Commission and/or Motor Vehicle Regulations.
5. The dependent contractor shall be responsible for any expenditures made by the dependent contractor in the name of the Company subject to the dependent contractor having received authorization from the Company prior to the making of such expenditures. Such expenditures on his own equipment shall be subject to deduction by the Company from the dependent contractor.
6. This Agreement shall expire on the date that the B.C. Master Freight and Cartage Agreement expires, however, this Agreement may be cancelled by either the Company or the dependent contractor on giving thirty (30) days prior notice or such longer period as mutually agreeable to the Company and the dependent contractor, excepting that this Agreement may be cancelled immediately by either the Company or the dependent contractor for reasons of default, violation of Company policy or violation of this Agreement.
7. Except where otherwise mutually agreed in writing by the Union and the Company, the Company shall pay to the dependent contractor for service rendered, not less often than once every calendar month, the following revenue:
 - (a) The Company shall not pay less than one dollar and ten cents (\$1.10) during the term of this Agreement, plus the Company's contributions under section 8 (a) to (f) herein.
 - (b) All fuel surcharges where applicable.
 - (c) Rates of revenue grossing in excess of 100,000 G.V.W. shall be mutually agreed between the Parties.
 - (d) Allowing for an alternative method of payment agreed to between the Union, Company and dependent contractor and allowing for existing Agreements in effect at date of signing of this Agreement, said methods or Agreements must at least equal to minimums in appendix "C", section 7 (a) herein. Copies of said Agreement to Local Union. Any dispute shall be resolved under article 30 of the grievance procedure.
8. In addition to compensation provided for under section 7 herein, the Company shall assume complete financial responsibility for the following:
 - (a) Contributions normally assessed against an Employer for the Health and Welfare Plan and Workers' Compensation. (See Letter of Understanding – Page 47)
 - (b) The painting of the Company signs on the equipment.
 - (c) The bonding of the dependent contractor.
 - (d) Cargo insurance and trailer insurance.
 - (e) Any administration fees incurred as a result of engaging the services of the dependent contractor.
 - (f) Operating Authorities certificates.
9. The dependent contractor shall assume complete financial responsibility for the following:
 - (a) Union dues, initiation fees and assessments.
 - (b) Contributions normally assessed against an employee for Unemployment Insurance and Canada Pension Plan.

- (c) All fuel, tires and maintenance for the equipment.
- (d) The painting of the equipment, except as provided in section 8 (b) herein.
- (e) The insurance on the equipment.
- (f) All licenses except as provided in section 8 (f) herein.

10. The Company may require the dependent contractor to post a cash performance and/or holdback bond. The minimum amount to be ONE THOUSAND DOLLARS (\$1,000.00), this amount to be paid within sixty (60) days of hire. Such a bond shall be returnable to the dependent contractor minus the deduction of legitimate charges ninety (90) days following the date that the services of the dependent contractor are terminated. Where a bond has not been required in the past, this Section 10 shall not apply. The Company reserves the right to have a new dependent contractor post a cash performance and/or holdback bond. The dependent contractor is to be paid bank interest annually and/or pro-rate quarterly upon termination on the amount of holdback.

SIGNED THIS _____ DAY OF _____, 19____, AT _____, B.C.

 Witness Dependent Contractor

 Witness Company

Title

APPENDIX "D"

TEAMSTERS LOCAL NO. 31 UNION/INDUSTRY ADVANCEMENT FUND

The Teamsters Local No. 31 Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by Teamsters Local Union No. 31.

The Employer shall make contributions of five cents (\$.05) per hour for which wages are payable hereunder for each employee and dependent contractor covered by this Collective Agreement.

Effective January 1, 1994, payment of said funds shall be made to the Teamsters Local No. 31 Union/Industry Advancement Fund by the 15th of the month following that to which they refer.

This payment will be independent and separate from any other payment made to Teamsters Local Union No. 31.

INTERPRETATIONS

ARTICLE 26 - SECTION 3

1. Where an employee works his regular weekly shift on a pure mileage basis, overtime commences after ten (10) hours.
2. Where an employee works his regular weekly shift on a pure hourly basis, he will be on a forty (40) hour work week. Overtime commences after eight (8) hours.
3. Where an employee's regular work week is a mixture of miles and hours (i.e. alternate or random mixture of days by the hour and days by the miles) he will work by the eight (8) hour day for the hourly day and by the mile on a ten (10) hour day for the mileage day.
4. Where an employee works by the hour for a portion of a day and by the mile for another portion of the same day, the hourly work for purposes of overtime shall be considered.
 - (a) part of a ten (10) hour day where such work is highway related;
or
 - (b) part of an eight (8) hour day where such work is of a local nature.

NOTE:

1. Criteria used to determine when an employee is eligible for mileage rates is a trip of one hundred (100) miles or greater (excluding Vancouver Island).
2. Highway Related Work - is defined as picking up of loads, loading and/or preparing loads, or coupling equipment for highway transportation on a one-time basis, by a driver who has returned from a highway trip.

ARTICLE 26 - SECTION 7 (c)

Such meals will be paid in U.S. funds on submission of a U.S. meal receipt.

LETTER OF UNDERSTANDING

BETWEEN: DAVEY CARTAGE CO. LTD.

AND: TEAMSTERS LOCAL UNION NO. 31

The following is hereto agreed to between the Parties:

The Company agrees that all terms and conditions now covered by the collective agreement shall be in full force and effect, including but not limited to Article 4, Dependent Contractors and Appendix "C".

That Article 4, Dependent Contractors, Section 3 (c) shall be complied with by Davey Cartage Co. Ltd.

That the Company shall not engage the services of a dependent contractor to replace or displace any regular employee.

SIGNED THIS DAY OF , 2006.

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING

BETWEEN: DAVEY CARTAGE CO. LTD.

AND: TEAMSTERS LOCAL UNION NO. 31

The Parties agree both the Company and Dependent Contractors shall be bound by the regulations as prescribed in the National Safety Code.

SIGNED THIS DAY OF , 2006.

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING

BETWEEN: DAVEY CARTAGE CO. LTD.

AND: TEAMSTERS LOCAL UNION NO. 31

It is agreed between the Parties that the Company and Dependent Contractor shall contribute equally to the Teamsters Health and Welfare Plan, the full amount of the monthly contributions.

The Company will deduct from the Dependent Contractor the Dependent Contractor's portion of the Health and Welfare Plan and remit along with the Company's portion of the Health and Welfare Plan to the Plan's offices.

(See Appendix "C" Section 1 8(d)
(See Appendix "C" Section 2 8(a))

SIGNED THIS DAY OF , 2006.

FOR THE COMPANY

FOR THE UNION

MEMORANDUM OF AGREEMENT

For the Canadian Joint Grievance Panel Inc. Schedule 1 and Schedule 2

BETWEEN: DAVEY CARTAGE

(The Company)

AND: TEAMSTERS LOCAL UNION NO. 31

(The Union)

WHEREAS the Company and the Union have agreed to a grievance procedure, as provided in Article 7 of the Collective Agreement, and;

WHEREAS the Company and the Union wish to institute an additional procedure for the resolution of grievances;

THEREFORE, the Company and the Union agree as follows:

1. Prior to proceeding to arbitration, the grieving party can request, and if mutually agreed, that the grievance be referred to the Canadian Joint Grievance Panel Inc., established for this purpose by the Company and the Union. The grieving party will advise the other party in writing of its intention to proceed to the Canadian Joint Grievance Panel Inc. within fourteen (14) days after the completion of Step 3 of the Grievance Procedure.
2. The Canadian Joint Grievance Panel Inc. shall be composed of four (4) persons, two (2) of whom shall be selected by the Company and two (2) by the Union. In the event that four (4) persons are not available, the Canadian Joint Grievance Panel Inc. shall be composed of two (2) persons, one (1) of whom shall be selected from the Company and one (1) from the Union. The Company shall not select a representative from the Company involved nor will the Union select a representative from the Local involved.
3. The Canadian Joint Grievance Panel Inc. shall meet to hear and determine the grievance and render a decision after hearing the matter brought before it.
4. The majority decision of the Canadian Joint Grievance Panel Inc. on the disposition of a grievance shall be final and binding upon the parties and shall have the same effect as a decision rendered by an Arbitrator. Decisions of the Canadian Joint Grievance Panel Inc. shall not be used as precedents.
5. If the Canadian Joint Grievance Panel Inc. is unable to reach a majority decision as outlined in Schedule 1 pursuant to paragraph (3) above, the grieving party may proceed to Schedule 2 of the Canadian Joint Grievance Panel Inc. or an Outside Board of Arbitration by informing the other party in writing within fourteen (14) days after the Canadian Joint Grievance Panel Inc. advises the parties that it is unable to reach a majority decision.
6. Should the parties agree to proceed to Schedule 2 of the Canadian Joint Grievance Panel Inc. they may proceed as outlined in the Rules and Procedures of Schedule 2.
7. The Canadian Joint Grievance Panel Inc. shall be governed by the Rules of Procedure and the Conduct of Proceedings established for the Panel, with necessary modifications, as set out in Schedule I and Schedule 2, attached hereto.

8. The parties agree that this Memorandum of Agreement and the attached Schedule I and Schedule 2, do and will form part of the Collective Agreement between the parties and will continue to form part of the Collective Agreement through successive Agreements until mutually changed by the parties.

Dated at _____ this _____ day of _____, 2006.

FOR THE COMPANY

FOR THE UNION
