

BRITISH COLUMBIA

MASTER FREIGHT AND CARTAGE AGREEMENT

MEMORANDUM OF AGREEMENT made this day of , 2006.

BETWEEN: **CANSEA TRANSPORT INC.**

(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 dependent contractors and company drivers 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) dependent contractors and company drivers and categories of dependent contractors referred to in the Certificate of Bargaining Authority held from time to time by the Union, and

- (b) all dependent contractors and company drivers and dependent contractors 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 dependent contractor 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 dependent contractor 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 dependent contractor and company driver, 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 dependent contractor's wages.

Section 3 - Union Shop

Every dependent contractor and company driver 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.

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 dependent contractors and company drivers 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 dependent contractors and company drivers 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 Teamsters Local Union No. 31.

- (b) All storing and handling of merchandise or other goods or materials shall be carried on by Company dependent contractors and company drivers, 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 dependent contractors and company drivers of the Company, members of the Union. The practice of loading and unloading equipment by other than dependent contractors and company drivers 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) The Company agrees not to contract out any work normally performed by dependent contractors and company drivers covered by this Agreement if any dependent contractor 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 dependent contractor.
- (e) Provided capable dependent contractors and company drivers are available, all suitable equipment must be in use before additional equipment can be leased or hired.
- (f) 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.
- (g) 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 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.

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) 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, Section 2 and 3 herein. He shall be identified on a checkoff list as a dependent contractor, either as a line driver, local cartage.
- (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 dependent contractor 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 - 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 4 - 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/company driver 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 5 - 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 - Dependent contractors and company drivers

A dependent contractor shall be considered as such an dependent contractor 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 dependent contractor to seek and/or accept gainful employment while on lay-off, provided the dependent contractor complies with sub-section (b) herein
- (e) when a Company tries to contact any dependent contractor 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

ARTICLE 6

Section 1 - Conflicting Agreements

The Company agrees not to enter into any agreement or contract with dependent contractors and company drivers 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 dependent contractor/company driver purchase a trailer or other vehicular equipment or that any dependent contractor/company driver 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

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

Section 2

- (a) Any requirement for an additional truck or trucks, for the highway or in-town fleet, shall be posted on the Union Bulletin Board for five (5) working days. The senior bargaining unit member or members possessing the required equipment, or attaining the required equipment with a mutually agreed time-frame, shall be given priority.
- (b) Any permanent assignment of one driver or more at a customer's place of business (e.g.: Mountain View, Richmond Terminal or UTL) shall be posted for five (5) working days. The senior bargaining unit member(s) possessing the required equipment, or attaining the required equipment within a mutually agreed time-frame, shall be given priority.

Section 3

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 three (3) separate groups.

Group #1: All dependent contractors employed on a short line operation.

Group #2: Dependent contractors employed in the city warehouse, pick up and delivery.

Group #3: Company drivers

When an dependent contractor 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.

For dispatch purposes only, company drivers and dependent contractors will have man seniority on one (1) list. In a layoff situation, the company trucks will continue to work, but at the bottom of the callout list.

Section 4

All newly hired dependent contractors and company drivers shall be considered as probationary dependent contractors and company drivers for the first ninety (90) calendar days. There shall be no responsibility on the part of the Company in respect of the employment of probationary dependent contractors and company drivers should they be laid-off for lack of work or discharged during the probationary period. However, the Company shall inform the probationary dependent contractor as to whether he has been discharged or laid-off and the reasons therefor with written notification to the Union.

Section 5

If, as and when terminals are closed down or partially closed down or amalgamated or moved to another location, the seniority of such dependent contractors and company drivers 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

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 dependent contractor.

Section 7

When an dependent contractor or company driver'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 dependent contractor on his own volition obtains a withdrawal card from Local 31 he shall be struck from the Company seniority list.

Section 8

In the event that the Company purchases a business or any part thereof, the dependent contractors and company drivers/dependent contractors and company drivers of which are covered by a Collective Agreement with a Local Union of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, the seniority of such dependent contractors and company drivers shall be computed from the date that they respectively first become dependent contractors and company drivers of the business aforesaid.

Section 9

Any dependent contractor or company driver who has been on lack of work lay-off for six months (6) or more shall be removed from the seniority list and the Company shall be under no further obligation to such dependent contractor.

Section 10 - Leave of Absence

- (a)
 - (i) When the requirements of the Company's services will permit any dependent contractor or company driver 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. 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 dependent contractor and the Company. Under such leaves the dependent contractor 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 dependent contractor and company driver 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 dependent contractor of the Company.
 - (iv) If a dependent contractor or company driver, 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 dependent contractors and company drivers. If such dependent contractor cannot be re-classified, the Company may grant a leave of absence to such an dependent contractor 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 dependent contractor may only take advantage of this section once while in the employ of the Company.
 - (v) Any dependent contractor and company driver requesting leave of absence for compassionate reasons shall not be unreasonably denied such request.
- (b) When an dependent contractor 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 dependent contractor leaving the bargaining unit for any period of time. During this leave of absence such dependent contractor shall continue to be covered by the Health and Welfare as provided in this Agreement.

Dependent contractors and company drivers 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. 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 dependent contractor must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the dependent contractor 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 - Meal Period

The dependent contractor and company driver 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 dependent contractor 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 dependent contractor 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 dependent contractor 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 dependent contractor or company driver 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

Section 1 - Safety Conditions (Trailers)

- (a) Maintenance of equipment - it is to the mutual advantage of both the Company and the dependent contractor that dependent contractors and company drivers shall not operate vehicles which are not in safe operating condition. No dependent contractor 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 dependent contractor and company driver 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.
- (c) The Company shall designate the person to whom all defects reports of mobile equipment are submitted, and all dependent contractors and company drivers 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 dependent contractor or company driver 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) 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.
- (g) 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.
- (h) In 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.
- (i) The Company shall inform, direct and supply to the dependent contractors and company drivers proper information and handling devices or equipment for handling dangerous cargo.

ARTICLE 10

Article 10

The parties have agreed to amend the Pay Periods for operators to a mid-month draw and a month-end payout with statement.

Section 1 – Pay Period

- (a) **The parties have agreed that all regular dependent contractors covered by this Agreement shall be paid in the following manner:**
 - **A draw on the 15th of the month equal to up to 50% of average revenue earned;**
 - **Month-end payment with written itemized statement will be provided on the first of month following. Such statement shall set forth the dated pay period, the total 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. Payment shall be made by direct deposit into the dependent contractor’s account. Statement of earnings report will be made available before a dependent contract starts his shift except under circumstances beyond the control of the Company.**
- (b) **Company drivers shall be paid on every other Friday, all wages earned to a day not more than seven (7) days prior to the pay date. The pay period shall commence each Sunday at 00:01 hours. The Company shall provide each driver with an itemized statement. Such statement shall set forth the dated pay period, the total 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. Payment shall be made by direct deposit into the Company driver’s bank account. Pay day on Thursday at 4:00 pm (dated Friday).**

- (c) **Dependent contractors and Company drivers shall be notified as soon as possible of any intent by the Company to make a deduction from earned revenue in any pay period. Failure to do so will result in the deduction being immediately returned to the dependent contractor and the proper procedure being followed. All deductions are to be itemized on the statement of earnings.**

Section 2

If an error occurs in an dependent contractor'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 dependent contractor within two (2) working days.

Section 3 - Record of Employment

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

ARTICLE 11

Section 1 - Paid for Time

- (a) All dependent contractors and company drivers 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 dependent contractor is ordered to report for work or registers in, whichever is later, until he is effectively released from duty.

Section 2 - Bereavement Leave (Applies to company employees only)

A company employee shall be granted a maximum of three (3) regularly scheduled 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, step-children, legal guardian and grandparents which include spouses grandparents and grand-children.

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

Upon giving twenty-four (24) hours notice, a company 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.

This clause will have no application for a company 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 (Applies to company employees only)

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 shall furnish the employer with such statements of earnings as the courts may supply. A working day lost shall not be more than the employee's regular assigned shift.

This clause will have no application for an dependent contractor 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

(Applies to company employees only)

- (a) Any Company or Government required physical or medical examination shall be promptly complied with by all dependent contractors and company drivers 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 dependent contractor 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 dependent contractor 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 dependent contractor is dissatisfied with the decision of the Company doctor, the dependent contractor may seek a decision from his personal doctor. Should the decision of the Company's doctor and the dependent contractor's doctor differ, the Company or the Union is entitled to direct that the dependent contractor be examined by a medical specialist whose speciality covers the disability. The Company's doctor and the dependent contractor'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 dependent contractor shall not suffer loss in wages or Health and Welfare Plan benefits, whichever applies as a result of such examination(s).

(Applies to dependent contractors only)

- (c) An dependent contractor 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 dependent contractor resuming work. If such dependent contractor 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 dependent contractor fit to resume work.

Section 5 – Sick Leave (Applies to company employees only)

Company employees are entitled to four (4) personal sick days per year. There shall be no carry-over of this provision.

Section 6 - Compensation Sickness Coverage

When a dependent contractor or company driver 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 dependent contractor shall be protected to the utmost provided:

- (a) the dependent contractor/company driver reimburses the Company for such contributions normally paid by said dependent contractor 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 a dependent contractor/company driver 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 dependent contractor/company driver does not return to work, and the dependent contractor/company driver 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 7 - Licence Tests

- (a) Whenever it becomes necessary for a company employee to undertake tests for renewal of licences 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 dependent contractor's straight time rate.
- (b) Any driver with one (1) 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 drivers licence, shall receive a Company contribution to a maximum of forty dollars (\$40.00) to the cost of the examination, provided a receipt is submitted to the Company.

ARTICLE 12 WORK ASSIGNMENTS

- (a) The Company agrees to respect the jurisdictional rules of the Union and assignments shall not direct or require its dependent contractors and company drivers or persons, other than the dependent contractors and company drivers in the bargaining unit here involved to perform work of the dependent contractors and company drivers 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 dependent contractors and company drivers 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 dependent contractors and company drivers from one classification to another, move dependent contractors and company drivers 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 dependent contractors and company drivers. These rules and regulations are to be filed with the Union
5. an dependent contractor 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 dependent contractor'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 dependent contractor

ARTICLE 14

Section 1 - Protection of Rights

It shall not be a violation of this Agreement or cause for discharge of any dependent contractor 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 dependent contractors and company drivers 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' Canadian Conference, the Company and the Union shall immediately meet with the objective of arriving at a mutually satisfactory solution.

Section 3

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

Section 4

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 dependent contractors and company drivers.

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 dependent contractors and company drivers within the bargaining unit
- (b) the probable effect on working conditions
- (c) any changes in job classifications

Dislocated Dependent contractors and company drivers - in the event technological or mechanical changes result in a reduction in the work force or the demotion or promotion of dependent contractors and company drivers, 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 Canada Manpower and through recognized provincial or local adult training programs if necessary to re-train and upgrade regular dependent contractors and company drivers, 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 dependent contractors and company drivers 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 dependent contractors and company drivers to use all facilities carefully, 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

The Company will comply with WCB regulations.

ARTICLE 18

Section 1 - Union Label

It shall not be a violation of this Agreement for an dependent contractor 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 dependent contractor/company driver 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 dependent contractor. No dependent contractor 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.

Section 3 - Protective Clothing

- (a) Any dependent contractor/company driver 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.
- (b) Where the Company makes it a condition of employment for all dependent contractors and company drivers to wear safety-toed boots, the Company will supply same. Safety equipment allowance: \$200 per year (company drivers only). Safety equipment supplied as needed for Workers' Compensation Board regulations.

ARTICLE 19

Hourly rated dependent contractors and company drivers 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 PAID-FOR DAY OF ACCIDENT

If a company 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 a company employee from a higher rated classification is requested to work temporarily or until permanently re-classified at a lower-rated classification, he shall continue to be paid at the rate paid for the higher-rated classification.

Where a company 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.

A company 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 dependent contractor exercises his seniority into a different classification.

ARTICLE 22

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, and the administrator of the Health and Welfare Plan 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 and the Health and Welfare 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 of the Agreement and declaration of trust (the Trust Agreement) covering the Health and Welfare 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 to which contributions 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

Section 1 - Regular Work Day/Week

All dependent contractors and company drivers shall be bound by the maximum hours of work as prescribed by the National Safety Code and/or U.S. Department of Transport and this Agreement. Upon proof of failure to abide by such hours of work, the parties shall have recourse to the Grievance Procedure contained in this agreement.

ARTICLE 25 - VACATION

Dependent contractors will not be denied leaves of absence for vacation purposes. Leaves for vacation shall be granted in order of seniority.

Company drivers shall be paid for vacations, statutory holidays, and overtime in accordance with Federal Labour Code standards.

ARTICLE 26 SHORT LINE OPERATIONS

Short line operations will be carried on a separate seniority list, and the rates of pay will be contained in Appendix A-1.

ARTICLE 27 MAINTENANCE OF STANDARDS

The Company agrees that all conditions of employment relating to wages, hours of work, 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 dependent contractors and company drivers 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 MARGINAL NOTATIONS

The marginal section and 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 – DISCIPLINE RECORD

When a dependent contractor/company driver is given a verbal or written warning, a record of that warning shall also be placed in the dependent contractor's personal file. The dependent contractor will be permitted to make a written response to the warning which shall also be placed in the dependent contractor's file. Any incident causing such written reprimand or warning letter over a period of twelve (12) months will be used to compound other disciplinary action against the dependent contractor. The Union will be notified of any verbal or written warning.

ARTICLE 31

Section 1 - Grievance Procedure

Whenever any dispute arises between the Company and the Union, or between the Company and one or more dependent contractors and company drivers, 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 dependent contractor received the pay cheque or pay statement.

Step 1: Any grievance of a dependent contractor/company driver shall first be taken up between such dependent contractor and the company supervisor, however, the dependent contractor 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 - Minister of Labour

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.

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.

APPENDIX "A" - WAGE SCHEDULE

DEPENDENT CONTRACTOR HIGHWAY RATES AND DISPATCH RULES

1. **One hour free for waiting time at the customer or when bad booking numbers. Cold Storages to get two free hours.**
2. Company to pay all tolls and ferries.

Highway	July 1, 2006	July 1, 2007
Victoria – Nanaimo, Duncan	\$525.00	\$550.00
Courtenay	\$685.00	\$720.00
Southbound/Northbound rates terminal to terminal or terminal to drop at customer door Vancouver/Seattle		
Empty conts	\$220.00	\$240.00
Sub-contract	\$220.00	\$240.00
20-ft containers – 37,500 lbs regular		
20-ft containers > 37,500 lbs or over heavy		
Lds: reg (as per prev wgts to 42,000 lbs)	\$275.00	\$290.00
Heavies	\$370.00	\$385.00
Bobtail home add	\$130.00	\$140.00
Tacoma add	\$60.00	\$70.00
BNSF & UPR (these rates must be based on the following weight classes)		
LDs ex BN/UP reg to 44,000 lb	\$270.00	\$285.00
Over 44,000 lb	\$370.00	\$385.00
Unld and return MT VCR add	\$60.00	\$70.00
Abbotsford add	\$90.00	\$100.00
Chilliwack add	\$95.00	\$105.00
Unld & mt to SEA add	\$250.00	\$270.00
Portland rates:		
Round-trip reg ld/mt	\$925.00	\$975.00
Round-trip heavy	\$1050.00	\$1100.00
Sea-Tac pick-up	\$75.00	\$85.00
• to be reviewed December 2006		
Cold Storage rates:		
BCS: inclusive of reg or heavy	\$400.00	\$420.00

Commercial cold reg	\$450.00	\$470.00
Commercial cold heavy	\$495.00	\$515.00
Seattle cold reg	\$525.00	\$550.00
Seattle cold heavy	\$600.00	\$630.00
2 hrs free ad per hour	\$46.00	\$48.00
Tacoma add	\$60.00	\$70.00
Additional stops	\$80.00	\$90.00
Next-day delivery	\$100.00	\$110.00
Highway Rates (Cdn \$)	July 1, 2006	July 1, 2007
BC Interior:		
Prince George	\$1412.00	\$1524.00
Vernon	\$909.00	\$982.00
Kelowna, Kamloops, Penticton, Ashcroft, Keremeos	\$847.00	\$915.00
Washington Rates:		
Apples to be negotiated during season		
Rohm and Haas	\$755.00	\$790.00
Rules:		
Delete No. 2 and renumber.		
No. 6 – amend to read	July 1, 2006	July 1, 2007
	\$46.00	\$48.00

Trucks with drop axles add 3% of the truck gross.

1. Dispatch shall be by seniority.
2. Dependent contractors to be paid for next day delivery if an empty is taken.
3. Cargo insurance: 50% company paid; 50% owner operator paid
4. Full disclosure of pro-rate and fuel tax to be given to the dependent contractor upon request.
5. Holdback of one thousand dollars (\$1,000) to be returned ninety days (90) after termination less legitimate and itemized costs. Pay holdback will be four (4) weeks.
6. Dependent contractors to have a signed, unified, written agreement with their drivers and a copy given to the Union, Company, and driver of the dependent contractor.
7. Appointments for imports involving highway drivers will be made in advance.

Fuel Surcharge Protocol

The Company agrees to cap the fuel surcharge at fifty cents (\$0.50) for a trial period of six (6) months from date of ratification.

The following conditions shall apply:

- 1. GST will be claimed by Cansea**
- 2. Fuel is to be purchased at locations determined by Cansea**
- 3. Cansea will file and remit fuel taxes**
- 4. The intended specific use is for Cansea work only**
- 5. When dropping a Cansea chassis in the yard after unloading in Seattle and going to another dock to pick up an odd-sized chassis and container, there will be a \$30.00 (thirty dollar) charge.**
- 6. When asked to go to the yard and pick up a chassis and there is no chassis in the yard, a dead call of \$50.00 (fifty dollars) will apply.**
- 7. Rates for specialty and/or contract work will be negotiated with the Union.**
- 8. Insurance program: 5% (five percent) less than company receives calculated immediately (eg. Total discount 52% then owner operator will receive 47%)**
- 9. Border wait time will be one hour free and hourly after that once the truck has reached the respective customs booth.**

APPENDIX "A-1" – CITY OWNER OPERATORS

Dispatch shall be by seniority.

Effective July 1, 2006 hourly rate to increase to \$46.00 per hour.

Effective July 1, 2007 hourly rate to increase to \$48.00 per hour.

Beer	July 1, 2006	July 1, 2007
Ld one-way	\$105.00	\$115.00
Mt one-way	\$105.00	\$115.00

Min call-out \$200 (per MOA) for owner operator asked to work in town for the day.

Holdback of one-thousand dollars (\$1,000.00) to be returned ninety (90) days after termination of employment less legitimate and itemized costs.

Pay holdback to be four (4) weeks.

Dependent contractors to have a signed, unified, written agreement with their drivers and a copy given to the Union, Company, and driver of the dependent contractor.

APPENDIX "A-2" - WAGE SCHEDULE – COMPANY DRIVERS

CLASSIFICATION	Jul. 1/06	Jul. 1/07
Truck Driver	\$21.00	\$22.00

Present practice for weekend work and overtime will continue at time and one-half (1 ½) for Saturday and Sunday work.

The Company agrees to pay \$1200 annually to Teamsters National Pension plan on behalf of Company employees based on 1500 hours worked.

Add to Vacation Entitlement: After 9 years – 4 weeks at 8%

MILEAGE RATES

JAN. 1/02

Basic Rate 46¢

Wait time and layover shall be calculated at a regular straight work time rate.

Cansea will supply the necessary safety equipment.

Overtime: time and a half (1.5) after eight (8) hours; double time (2 x) after 11 (eleven) hours (to comply with Federal standards). Employees are allowed to bank overtime (to be taken either in cash or in time off).

Subsistence

Will be paid at \$13.00 per 24 hour period away from home terminal.

Casual Employees will be paid one dollar (\$1.00) per hour less than the full hourly rate.

New Hire: For the first six (6) months of employment a newly hired employee will be paid two dollars (\$2.00) per hour less than the full rate of pay. For the next six (6) months of employment he will be paid one dollar and fifty cents less than the full hourly rate. Upon completion of one (1) year service the employee will be paid the full applicable hourly rate.

Jan. 1/02

Seattle Round Trip	\$195.00
Based on 10 hour day. Anything over 10 hours to be paid time and a half (1.5)	
Tacoma Round Trip	\$205.00
Based on 10 hour day. Anything over 10 hours to be paid time and a half (1.5)	
For each additional pickup the driver will be compensated one hours pay at the applicable hourly rate.	

APPENDIX "B" - HEALTH AND WELFARE

All company drivers will receive:

Health & Welfare: 100% December 1, 2001

Owner operators: 5 year program

The plan premiums are shared fifty percent (50%) by the Company and fifty percent (50%) by the operator.

NEW HIRES:

There is a five (5) year plan for new hires as follows:

Year 1 - 10% paid by the Company
Year 2 - 20% paid by the Company
Year 3 - 30% paid by the Company
Year 4 - 40% paid by the Company
Year 5 - 50% paid by the Company”

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 dependent contractor 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 dependent contractor after working a minimum of one hundred and twenty (120) hours in any period of thirty (30) consecutive days.

- (b) Any member of the Union who is a regular dependent contractor 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 dependent contractor becomes a regular dependent contractor.
- (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 dependent contractor shall join the Plan on the later of his date of hire or the day following termination of his previous coverage.
- (e) If an dependent contractor 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 dependent contractor 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 dependent contractor 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.

Section 7 - Cost

Premiums shall be restricted to an escalation over present rates to two percent (2%) over the term of the Agreement.

Section 8 - Payment of Contributions

Contributions shall be made on a calendar month basis for each eligible dependent contractor 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 dependent contractor, the company shall be liable for the payment of all benefits the dependent contractor 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 dependent contractor the necessary forms to enroll in and make claim under the Plan.
- (c) It shall be the responsibility of the dependent contractor 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 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 pay:
 - (a) All fuel surcharges where applicable.
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: 50% company paid/50% owner operator paid
 - (d) All tolls and ferries.
 - (e) All dependent contractors will receive

Owner operators: “The plan premiums are shared fifty percent (50%) by the Company and fifty percent (50%) by the operator.

There is a five (5) year plan for new hires as follows:

**Year 1 - 10% paid by the Company
Year 2 - 20% paid by the Company
Year 3 - 30% paid by the Company
Year 4 - 40% paid by the Company
Year 5 - 50% paid by the Company”**

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 dependent contractor for C.P.P.
- (c) 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.
- (g) WCB**
- (h) 50% Cargo Insurance**
- (i) GST**

10. Monetary

- (a) 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 **signage**, but he will not be required to repaint his vehicle.

13. 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.

14. The Company will provide log books free to all drivers who are in compliance with regulars and have remitted log books to the office within thirteen (13) days of trip.

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

Witness

Dependent Contractor

Witness

Company