

COLLECTIVE AGREEMENT

BETWEEN

LOMAK BULK CARRIERS CORP.

AND

**TRANSPORT, CONSTRUCTION
AND GENERAL EMPLOYEES'
ASSOCIATION, LOCAL NO. 66
affiliated with the
CHRISTIAN LABOUR
ASSOCIATION OF CANADA**

March 1, 2008 - February 28, 2011

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COLLECTIVE AGREEMENT

BETWEEN

LOMAK BULK CARRIERS CORP.

(hereinafter referred to as "the Employer")

AND

**TRANSPORT, CONSTRUCTION, AND
GENERAL EMPLOYEES'**

ASSOCIATION, LOCAL NO. 66

affiliated with the

Christian Labour Association of Canada

(hereinafter referred to as "the Union")

ARTICLE 1 - PURPOSE

1.01 It is the intent and purpose of the parties to this Agreement, which has been negotiated and entered into in good faith, to:

- a) recognise mutually the respective rights, responsibilities, and functions of the parties hereto, and to stimulate consultation and co-operation;
- b) provide and develop working conditions and methods which enable employees to gain satisfaction from their work;

- c) provide an adequate income for all participants and maintain a proper return on investment to ensure the continued viability of the enterprise;
- d) provide needed services and beneficial products of high quality;
- e) establish an equitable procedure for the drivers' promotion, transfer, layoff and recall, and the just and prompt settlement of grievances;
- f) and generally, through the full and fair administration of all the terms and provisions contained herein, to develop and achieve a relationship among the Union, the Employer, and the drivers which will be conducive to their mutual well being.

ARTICLE 2 - RECOGNITION

2.01 The Employer recognises the Union as the bargaining agent of all employees in the bargaining unit as defined in Article 2.02, and/or as classified in Schedule "A" attached hereto and made part hereof.

2.02 This Agreement covers all employees and sublease operators of the Employer, including employees of sublease operators, in the bargaining unit as

established in the certificate issued by the Canada Labour Relations Board, and/or as classified in Schedule "A", that is, all employees, including sublease operators and employees of sublease operators in British Columbia, except office staff, shop employees, supervisors, and dispatchers.

- 2.03 Non-bargaining unit employees shall not do the work normally performed by members of the bargaining unit if such will cause layoff, reduction of normal hours or demotion of members of the bargaining unit. Exceptions may be made for emergency conditions or for the purpose of training or instruction. A further exception will be made for less than a bargaining unit position's work performed by a Trip Supervisor when overall volume of work does not warrant a full time non-bargaining unit Supervisor.
- 2.04 The omission of specific mention in this Agreement of recognised rights and privileges, which have been or may be established by the Employer, shall not be construed to deprive the employees or the Union of such rights and privileges.
- 2.05 There shall be no revision, amendment or alteration of the bargaining unit as defined herein unless ordered by the Labour Relations Board, except by mutual agreement in writing of the parties. Without

limiting the generality of the foregoing, no classification of work or jobs may be removed from the bargaining unit except by mutual agreement in writing of the parties.

2.06 The Employer agrees that the Christian Labour Association of Canada and its duly appointed Representatives are authorised to act on behalf of the Union for the purpose of supervising, administering, and negotiating the terms and conditions of this Agreement and all matters related thereto.

2.07 The Union acknowledges that it is the function of the Employer to:

- a) manage the enterprise, including the scheduling of work and the control of materials, provided management exercises its rights in a manner that is consistent with the purpose and terms of this Agreement;
- b) maintain order, discipline, and efficiency, and to make, alter, and amend rules of conduct and procedure for drivers provided that such rules are consistent with the purpose and terms of this Agreement;

- c) hire, direct, transfer, promote, layoff, suspend, and discharge provided that such actions are consistent with the purpose and terms of this Agreement and provided that a claim of unfair treatment by any driver will be subject to the Grievance Procedure.

2.08 Subject to Article 2.09, the Employer may contract out work where:

- a) he does not possess the necessary facilities or equipment;
- b) he does not have and/or cannot acquire the required man-power.

2.09 The Employer shall not subcontract any bargaining unit work covered by this Agreement if employees qualified to do the work are on layoff; if employees qualified to do the work must be laid off, transferred, demoted, or discharged as the result of the subcontracting out of work; or if other members of the Union qualified to do the work are available.

2.10 For the purpose of this Agreement:

- a) "Employee" means a member of the bargaining unit hired by the Employer to operate vehicles or equipment owned by the Employer whether or

not that person is paid an hourly rate, trip rate, or percentage of revenue rate.

- b) "Owner/Operator" is the owner, lessor, and/or purchaser of vehicles and/or equipment supplied to the Employer to provide services for the Employer including sublease operators.
- c) "Employee of Owner/Operator" means persons hired or employed by an owner/operator to operate vehicles and equipment owned, leased, and/or purchased by that owner/ operator which vehicles and equipment are in service to the Employer. Only those articles of this Agreement which are specifically identified as applying to employees of owner/ operators shall apply to employees of owner/operators and unless an Article of this Collective Agreement specifically provides that its terms apply to employees of owner/ operators the terms of that Article shall not apply to the employees of owner/operators.
- d) "Driver" shall refer to both employees and owner/operators but shall not be interpreted as referring to employees of owner/operators.

2.11 It is understood and agreed that the wage rates and other provisions set out may be amended by mutual agreement between the Employer and the Union for

specific projects in order to enable the Employer to compete with non-union and/or with specific union agreement rates.

ARTICLE 3 - UNION REPRESENTATION

3.01 For the purpose of representation with the Employer, the Union shall function and be recognised as follows:

- a) The Union has the right to appoint Stewards. Stewards are representatives of the drivers in certain matters pertaining to this Agreement, including the processing of grievances.
- b) CLAC Representatives are representatives of the drivers in all matters pertaining to this Agreement, particularly for the purpose of processing grievances, negotiating amendments to and renewals of this Agreement and enforcing the drivers' collective bargaining rights as well as any other rights under this Agreement and under the law.

3.02 The Union agrees to notify the Employer in writing of the names of its officials and the effective dates of their appointments.

- 3.03 Stewards will not absent themselves from their work to deal with grievances without first obtaining the permission from the Employer. Permission will not be withheld unreasonably and the Employer will pay such Stewards at their regular hourly rates while attending to such matters.
- 3.04 The Union has the right to appoint the members of a Negotiating Committee. Drivers on the Committee shall be paid by the Employer at the regular hourly rates for all time spent on negotiating a Collective Agreement with the Employer whenever this takes place during the regular working hours of the driver concerned.
- 3.05 The Employer may meet periodically with his drivers for the purpose of discussing any matters of mutual interest or concern to the Employer, the Union and the drivers. A CLAC Representative may attend such meetings.
- 3.06 There shall be no Union activity on Employer's time except that which is approved by the Employer or necessary for the processing of grievances and the administration and enforcement of this Agreement.
- 3.07 CLAC Representatives shall have the right to visit at the location where CLAC members are employed.

3.08 The Employer shall provide bulletin boards for the use of the Union at appropriate locations on which notices may be posted relating to matters of interest to the Union and the bargaining unit members.

ARTICLE 4 – WORK STOPPAGES

4.01 During the term of this Agreement, or while negotiations for a further Agreement are being held, the Union will not permit or encourage any strike, slowdown, or any stoppage of work or otherwise restrict or interfere with the Employer's operation through its members.

4.02 During the term of this Agreement, or while negotiations for a further Agreement are being held, the Employer will not engage in any lockout of its drivers or deliberately restrict or reduce the hours of work or deliberately send men home when this is not warranted by the workload.

ARTICLE 5 - EMPLOYMENT POLICY AND UNION MEMBERSHIP

5.01 The Union and the Employer will co-operate in maintaining a desirable and competent labour force. The Employer will give preference in hiring to members of the Union, provided such applicants are

qualified to meet the requirements of the work to be done.

5.02 Prior to initiating any hiring in the classifications covered by this Agreement, or in new classifications being created in the bargaining unit, the Employer shall first determine if there are any suitable drivers on layoff who are qualified to do the work and, in the circumstances of an owner/operator, possesses the equipment which can do the work in a productive and efficient manner. If there are no drivers who satisfy the criteria described above, the Employer shall contact the Union's office to inform the Union of the vacancies and allow the Union the opportunity of referring out-of-work members for consideration by the Employer. It is understood that the terms of this provision do not restrict the Employer's right under Article 2.07(c) except to the extent that the Employer will consider for employment out-of-work members of the Union referred to the Employer by the Union under this Article.

5.03 The Employer, as well as owner/operators, subject to the requirements of any lease contracts between the Employer and an owner/operator being met, have the right to hire new employees as needed provided that the Employer will not hire new

employees while there are available employees on layoff qualified to do the work.

- 5.04 a) New drivers will be hired on a two- (2) month probationary period. The Employer shall notify the Union in writing of the name, address, and classification of any driver at the time such driver commences employment. The Employer shall also notify the Union in writing of the name and address and classification of any new employee of an owner/operator at the time the employee of the owner/operator commences working for the owner/operator.
- b) Upon successfully completing the probationary period, seniority as defined in Article 11 shall be dated back to the date of the driver's most recent hiring.
- c) It is understood that there are certain circumstances where the Employer requires employees or owner/operators to perform defined tasks for a defined term. The parties agree that when such situations arise, the Employer shall contact the Union, advise the Union of the defined term and task the driver is required to perform and, where the parties mutually agree, such term and task drivers shall

not qualify for seniority rights under this Agreement.

5.05 Probationary employees are covered by this Agreement, excepting those provisions which specifically exclude such employees. The Employer may terminate the employment of a probationary employee provided that such termination is not arbitrary, discriminatory or in bad faith, and provided that the employee has been properly notified of reasonable standards that (s)he is expected to meet.

5.06 Neither the Employer nor the Union will compel employees to join the Union or discriminate against any employee because of Union membership or lack of it. The Employer agrees to inform new employees of the fact that a Collective Agreement is in effect and to introduce new employees to a Union Representative in order to provide an opportunity to acquaint such new employees with the Union's representation policies.

ARTICLE 6 – CHECK-OFF

6.01 The Employer is authorised and shall deduct monthly Union dues or a sum in lieu of Union dues from each driver's pay in the amount of two (2) times the hourly rate as a condition of employment.

The deduction shall be made effective the first of the month following date of hire for all drivers who work six (6) days or more in the applicable period and during paid leaves. The Employer shall also deduct initiation fees as authorised by a driver.

- 6.02 The total amount checked off will be mailed to the Union's regional office within two (2) weeks of the end of each month, together with an itemised list of the drivers for whom the deductions are made and the amount checked off for each.

ARTICLE 7 - WAGE RATES OF PAY AND DISPATCH PROCEDURE

- 7.01 Wage schedules applicable to various job classifications are as set forth in Schedules "A", "B", "C", "D", "E" and "H" attached hereto and made part hereof.
- 7.02 Additional classifications and rates may be established only by mutual agreement between the Employer and the Union during the term of this Agreement, which shall be subject to negotiation between the Employer and the Union. Failure to reach agreement shall be subject to the Grievance Procedure.

- 7.03 An employee reporting to work in the usual manner, who is prevented from starting work due to a cause not within his control, shall be entitled to two (2) hours' reporting pay. If the employee is recalled at any time prior to his next regularly scheduled shift, he will be entitled to the foregoing reporting pay in addition to any hours worked. If an employee begins work, he shall be entitled to a minimum of four (4) hours' work or pay in lieu thereof.
- 7.04 All employees shall be paid bi-weekly, and subject to ability of the payroll firm, each pay stub will show information re wait times, accumulated vacation pay, stat holiday pay, as well, employees will be given complete shift summaries upon request, with each pay. All owner/operators shall be paid on the twentieth (20th) day of the month following the month in which revenue was earned. Each pay cheque shall be accompanied by a pay sheet summary as outlined in Article 7.05.
- 7.05 Employees and owner/operators who are paid on the basis of a percentage of the gross revenue shall receive with their pay cheque, a pay sheet including a breakdown of tarping charges, waiting time, exchange rate for U.S. funds, and the percentage payable to the driver for each load. Copies of invoices verifying the above charges will be available to each driver for viewing, on request.

Copies of invoices indicating total gross revenue shall be available to a Union Representative or Steward upon request, only for purposes of verifying the correct amounts owing to a driver under its jurisdiction.

- 7.06 In the event that the Employer purchases additional trucks, such newly acquired equipment shall be assigned by the Employer taking into account the efficiency of operations.
- 7.07 Drivers shall be dispatched in accordance with rules agreed upon by the Employer and the Union. The parties shall be guided by the principle that available working hours are to be shared among all drivers in an equitable manner.

ARTICLE 8 - HOURS OF WORK, OVERTIME, AND SUNDAY LABOUR

- 8.01 The regular workweek for employees shall be forty (40) hours, Monday to Saturday.
- 8.02 Employees may, by mutual agreement with the Employer, complete their forty (40) hour work week Saturday, before noon, at regular hourly rates of pay.

- 8.03 a) Employees shall be paid at the rate of one and one-half ($1\frac{1}{2}$) times the regular hourly rate for all work performed in excess of eight (8) hours per day or forty (40) hours per week. This clause does not apply to those being paid on the basis of Trip Rates as per Article 8.07
- b) The Employer shall offer the opportunity for overtime work in the order of seniority. In the event that no employee volunteers for overtime work, the Employer shall be entitled to assign such work to the junior available employees who have the ability to perform the work required.
- c) Every employee shall have at least an eight- (8) hour break after a full shift before being called out for another trip.
- 8.04 There shall be a fifteen-(15) minute rest period, with pay, during each half of the shift.
- 8.05 There shall be an unpaid lunch period of one-half ($\frac{1}{2}$) hour after the first four (4) hours of the shift.
- 8.06 The parties agree to observe Sunday as a day of rest and to limit Sunday work as much as possible. Where Sunday work is required, the work performed shall be paid at the rate of one and one-half ($1\frac{1}{2}$) times the regular hourly rate irrespective

of weekly hours. This clause does not apply to those being paid Trip Rates as per Article 8.07 or to the con shed employees at the Kemess division and the road maintenance crew at Peace River Coal.

8.07 When Trip Rates are established such shall be done in consultation with, and the agreement of, the Union Bargaining Committee. Management and the Union Bargaining Committee shall mutually agree to the Trip Rates and if no agreement can be reached the matter shall be determined by binding Arbitration. Trip rates shall be deemed to include all monetary payments in the form of hourly rates or premiums, and for greater clarity but without limitation are deemed to include all wages and premium payments required by Articles 7 and 8 of the Agreement, that is, there shall be no payment made re Articles 7 or 8 beyond the Trip Rates as established.

ARTICLE 9 - VACATIONS

9.01 Employees will receive annual vacations upon completion of the following years of service, with pay calculated as a percentage of their gross annual earnings:

after one (1) year's service -- two (2) weeks' vacation with pay at four percent (4%);

after three (3) years' service -- three (3) weeks' vacation with pay at six percent (6%).

after nine (9) years of service – four (4) weeks' vacation with pay at eight percent (8%).

after fourteen (14) years of service – five (5) weeks' vacation with pay at ten percent (10%).

9.02 Employees shall take no more than two (2) weeks' vacation during July and August. Additional weeks may be taken at such time as mutually agreed upon by the employee and the Employer.

9.03 The following shall be considered as days actually worked for determining vacations for an employee after one (1) continuous year of employment:

a) absence on Workers' Compensation up to a period of two (2) years, provided the employee returns to his employment;

b) absence due to illness up to a period of one (1) year, provided the employee returns to his employment. The Employer shall have the right to require a certificate from a qualified medical practitioner;

c) any other absence with pay duly approved by the Employer in writing.

- 9.04 In the event of a public holiday falling during the employee's annual vacation with pay, such employee shall be entitled to be off, with pay, the day he would normally have returned to work.
- 9.05 Before the end of January of each year the Employer shall post a blank Vacation Schedule. Between January 31st and March 30th employees shall indicate their preferred vacation times. Vacation times shall be granted by seniority so that preferred times shall be granted to those with the greatest seniority should there be a conflict. The final vacation schedule shall be posted by the Employer no later than the 15th of April of each year. The final Vacation Schedule shall serve as written confirmation to those scheduled and shall not be changed by the Employer. Any vacations not scheduled in this manner shall be granted on a first come first served basis. In such cases the employee shall give at least 2 weeks notice of the vacation request and the Employer shall confirm if the request is granted, in writing, within 7 days of the receipt of the request. If the Employer does not respond within the 7 days the employee may act as if the request had been granted. If the request cannot be granted the Employer and the employee shall meet to come to a mutually agreeable vacation time.

ARTICLE 10 - HOLIDAYS

10.01 The Employer agrees to observe the following ten (10) statutory holidays:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
British Columbia Day	Boxing Day

The Employer will pay the full time drivers at the Prince George division 10 hours for each Stat Holiday.

Any additional statutory holidays declared by either the Federal or Provincial Government shall be covered by the provisions of this Article.

10.02 Article 10.01 applies only to employees, excluding owner/ operators, who have attained regular employment status and who have worked the last regularly scheduled workday immediately preceding and the first regularly scheduled workday immediately following the holiday, provided that the qualifying days are within fifteen (15) calendar days of the holiday in question. If an employee is absent on either of the qualifying days with the permission of the Employer, the holiday

shall be paid. Employees who are paid for the above holidays through weekly indemnity insurance or WCB payments, shall not be entitled to statutory holiday pay under these provisions.

- 10.03 If one of the above-named statutory holidays falls on an employee's regularly scheduled day off, the following regularly scheduled work day shall be observed as the statutory holiday, unless an alternate day is mutually agreed upon between the Employer and the Union. Any alternate day as provided for here must be agreed upon at least fifteen (15) days in advance of the statutory holiday.
- 10.04 In the event of a statutory holiday falling on a Tuesday, Wednesday, or Thursday, and where the Employer and the Union mutually agree, the said holiday may be observed the preceding Monday or following Friday.
- 10.05 Part-time employees shall receive payment for statutory holidays proportionate to their actual time worked calculated on the basis of the four (4) calendar weeks preceding the holiday.

ARTICLE 11 - SENIORITY, LAYOFF, AND PROMOTIONS

- 11.01 Seniority is defined as a driver's length of service in the bargaining unit and shall be applied on a division/branch basis. New drivers shall be placed on the seniority list at the end of their probationary period and their respective seniority shall be dated back to the date of beginning of employment. Other things being equal, seniority shall be applied in determining preference for job postings, promotions, shifts and preferred hours, transfers, demotions, layoffs, recall, vacation and as set out in other provisions of this Agreement.
- 11.02 The Employer shall maintain up-to-date seniority lists. A copy of such a list will be provided to the Union in order for it to ascertain the seniority status of a driver within its jurisdiction.
- 11.03 Seniority rights shall cease for an driver who:
- a) voluntarily terminates his employment;
 - b) is discharged, and which discharge is not reversed through the Grievance Procedure;
 - c) is laid off for a continuous period of more than twelve (12) consecutive months;

d) is absent without leave for a period of three (3) days and fails to contact the Employer with a reasonable excuse.

11.04 When the Employer deems it necessary to reduce the work force, he shall inform the Union of the need for layoffs. When a reduction of the workforce is inevitable, probationary drivers shall be laid off first. If further reductions are necessary, the Employer shall determine the order of layoff and in doing so shall be guided by the following considerations:

a) seniority;

b) ability of the drivers to perform the work;

Laid off drivers shall be recalled in the inverse order in which they were laid off unless the parties agree otherwise.

If there is a reduction of work or a cancellation of a Trip of less than 2 weeks duration the Employer shall attempt to schedule the employee affected in such a way that there will be a minimal reduction in income for the period. If the reduction of work is expected to be, or is of a longer period than 2 weeks, the employees so affected will be allowed

to bump in to the second choice on the bid sheet; or if this is not available then the third choice and so on. When the work reduction comes to an end the employees affected will be returned to their original positions on the bid sheet.

- 11.05 The Employer shall, whenever possible, give two (2) weeks' notice of layoff or termination to all drivers who have attained seniority status. Similarly, drivers wishing to terminate their employment shall give two (2) weeks' notice to allow the Employer to hire adequate replacements. Notice as required by this Article may be varied by agreement or if emergencies arise.
- 11.06 Drivers with five (5) years' service or more are entitled, upon dismissal, except where terminated for cause, to severance pay of two (2) days' pay for each year of service, to a maximum of forty (40) days' pay.
- 11.07 Any appeal in regard to a layoff must be taken up under the first step of the Grievance Procedure hereinafter set forth within three (3) workdays after the layoff took place.
- 11.08 Any driver laid off and recalled for work must return within two (2) workdays when unemployed and within seven (7) workdays when employed

elsewhere after being recalled, or make definite arrangements with the Employer to return.

- 11.09 The Employer shall post in a conspicuous place, for a minimum of three (3) workdays, notice of all vacant positions, new positions, and promotions. Any driver of the Employer covered by this Agreement may apply for such vacant or new position. Seniority shall prevail in the award of new jobs, newly established trips, or filling of vacancies, provided the driver demonstrates ability to do the work. Preferred shifts or trips shall be assigned to senior drivers.

All trips at the Price George division shall be up for posting annually. All such postings shall include a full description of the trip, how many trips per shift, the established time for each trip, the trip rate, and whether day or night shifts are a factor. Trips are to be awarded to the applicants with the most seniority. Further, all new postings shall include the above information.

- 11.10 The parties agree that in circumstances where a driver transfers from one division/branch of the Employer's operation to another division/branch, the Employer will recognise that driver's length of service with the Employer for the purposes of calculating all benefits under this Agreement save

and except the determination of the driver's seniority standing in the driver's new division/branch.

ARTICLE 12 - JURY DUTY

12.01 It is agreed that the Employer shall compensate employees for the difference between the hourly rate stipulated in Schedules "A", "B", "C", "D", and "E" and payment received while performing Jury Duty or while serving as a subpoenaed witness in a Court Action or Coroner's Inquest other than where the employee is a defendant or complainant, to a maximum of two (2) weeks' pay.

ARTICLE 13 - INSURANCE

13.01 In order to protect employees and their families from the financial hazards of illness, the Employer agrees to pay fifty percent (50%) of the premium cost of the Health and Welfare Plan, administered by the CLAC Health and Welfare Trust Fund. Effective March 1st, 2009 the Employer shall pay 75% of the premium cost of the Plan. An outline of the Plan is listed in Schedule "G". Premiums shall be remitted monthly, in accordance with the timelines stipulated for Union dues.

- 13.02 The Employer agrees to contribute fifty percent (50%) of the premium cost of the Medical Services Plan of B.C. Effective March 1st 2009 the Employer shall contribute 75% of the premium cost and effective March 1st 2010 the Employer shall contribute 100% of the premium cost of the Medical Services Plan of BC.
- 13.03 Remittances by the Employer to the Union and B.C. Medical coverage shall commence the first month in which the driver has worked from the beginning of the month. Premiums are due at the beginning of each month.
- 13.04 The Employer is authorised to and shall deduct from each driver's pay, the driver's contribution toward all insurance premiums. The Employer shall also be saved harmless in deducting from pay owed an owner/operator, premiums for benefit coverage for any employee of such owner/operator.
- 13.05 It is understood and agreed that it is the responsibility of each driver to be familiar with the specific details of coverage and eligibility requirements of all benefit plans, and that neither the Union nor the Employer has any responsibility for ensuring that all requirements for eligibility or conditions of coverage or entitlement of benefits

are met by the driver, beyond the obligations specifically stipulated in this Agreement.

13.06 The Employer agrees to continue to pay premiums and maintain insurance coverage herein provided as follows:

a) in the event of a layoff, to the end of the month following the month the driver is laid off;

b) in the event of non-compensable sickness or accident, to the end of the third (3rd) month following the month first incapacitated;

c) in the event of compensable sickness or accident (WCB), until the employee returns to work or the WCB determines that the employee will not be able to return to work, but in no case less than 12 months from the date of injury.

13.07 In the event a driver is not eligible, for medical reasons, to be enrolled in a plan, the Employer shall pay him the equivalent of the monthly premiums.

13.08 The Employer shall contribute; effective March 1, 2008 -- \$0.65 per hour; effective March 1, 2009 -- \$0.75 per hour; and effective March 1, 2010 --

\$0.85 per hour to an RRSP plan on behalf of each employee.

ARTICLE 14 - LEAVES OF ABSENCE

14.01 a) The Employer may grant leaves of absence, without pay and without loss of seniority rights, for the following reasons for a maximum of one (1) month: marriage; sickness or death in the immediate family; and childbirth. Permission for such leaves will not be unreasonably withheld.

b) Additional leaves may be granted by the Employer, without pay and without loss of seniority rights, for a maximum period of three (3) months.

14.02 The above shall not preclude extensions for personal illness where it is established in an application submitted prior to the expiration of the leave of absence that such request for extension is justified.

14.03 In the event of death in an employee's immediate family (parents, grandparents sisters and brothers, spouse and children, mother-in-law and father-in-law, grandparents in law), the employee shall be entitled to be absent from work for three (3) days,

with pay calculated at the employee's normal earnings for that day, for the purpose of attending the funeral or acting as a pallbearer. In the event the employee is unable to attend the funeral, the employee shall be entitled to be absent from work for one (1) day with pay calculated at the employee's normal earnings for that day.

In the event of death in an owner/operator's immediate family (parents, sisters, brothers, spouse, children, mother-in-law and father-in-law), the owner/operator shall be entitled to be absent from work for three (3) days for the purpose of attending the funeral or acting as a pallbearer. In the event the owner/operator is unable to attend the funeral, the owner/operator shall be entitled to be absent from work for one (1) day.

ARTICLE 15 - ACCIDENTS

15.01 In the event an employee meets with a compensable time loss accident on the job, the Employer shall pay the employee his normal earnings for the entire shift, regardless of actual hours worked. The benefit herein provided will be reduced by the amount payable under any group insurance or compensation scheme.

ARTICLE 16 - EMPLOYER RESPONSIBILITY FOR COMPLIANCE WITH LEGISLATION

16.01 If an employee is charged with an infraction of any legislation or by-law enacted by any level of government and that infraction occurs as a result of non-compliance of such regulations by the Employer, the Employer shall reimburse the employee the full amount of any fines levied in connection with the infraction. The employee shall do all within his power to ensure that his load is in compliance with regulations. If the Employer orders the driver to proceed, the Employer shall assume responsibility for any infraction incurred if a load or vehicle proves to be in violation of any regulations about which the employee has questioned the Employer.

ARTICLE 17 - SAFETY CONDITIONS AND EQUIPMENT REPAIRS

17.01 The parties agree to maintain the highest standard of safety, health, sanitation, and working conditions throughout the Employer's operation.

17.02 The drivers shall appoint a safety captain from among them-selves, whose duties it shall be to foster a safety-oriented attitude among the drivers and to report to the Employer any safety matters

which he notices or which are brought to his attention.

17.03 The Employer shall supply duplicate forms on which employees can note, at the end of each shift or trip, safety defects and other data relating to the functioning of the equipment. Such forms shall provide a statement of the problem or condition which requires action, as well as for the comments and signatures of the service man who performs the work.

17.04 The Employer is responsible to direct the repairs as necessary to conform with the safe and efficient operation of the equipment. No employee shall be required to use equipment that he considers unsafe.

ARTICLE 18 - TWO-WAY RADIO COMMUNICATIONS

18.01 The two-way radio system is to be used for business purposes only. It is a disciplinary offence for drivers to utilise the two-way radio system for personal matters or other matters unrelated to the Employer's business.

18.02 There shall be no disciplinary discussion between the Employer and the driver over the two-way radio system. The Union in no way wishes to

diminish the usefulness of the radio and the Employer may convey information, instructions, or request drivers to refrain from certain actions. However, if a driver is to be reprimanded as the result of an action, such discipline shall be conducted during a personal discussion directly between the Employer and the driver concerned.

18.03 There shall be no abuse directed toward the Employer or his representatives by the employees on the radio.

ARTICLE 19 - UNION-MANAGEMENT COMMITTEE

19.01 a) The Employer and the Union agree to schedule a Union-Management meeting every three (3) months, or as required, during the life of this Agreement. The meeting shall serve as a forum for discussion and consultation about policies and practices not necessarily covered by the Collective Agreement. The areas for discussion shall include but not be limited to:

- i) hiring policies;
- ii) discipline and discharge policies;
- iii) training and promotion;
- iv) safety measures;
- v) matters that affect the working conditions of the employees.

b) The Employer and the Union shall each appoint two (2) representatives to the Union-Management Committee. The Minutes shall record the business of each meeting and a copy shall be mailed to the Union's provincial office.

ARTICLE 20 – EDUCATION, TRAINING, AND PUBLICATION

20.01 The parties shall equally bear the costs associated with printing and publication of the collective agreement booklets in present form.

ARTICLE 21 - GRIEVANCE PROCEDURE

21.01 Should a dispute arise between the Employer and an employee or the Union regarding the interpretation, application, administration, or violation of this Agreement, it shall be resolved by the grievance procedure in the manner set out below.

21.02 **INFORMAL PROCEDURE** – As an informal step, an employee is encouraged to make an earnest effort to resolve the issue directly with the Management person to whom the employee reports. The employee may choose to be accompanied by a Steward.

- 21.03 The parties to this Agreement recognize that CLAC Representatives and the Union Stewards are the agents through whom employees shall process their grievances and receive settlement thereof.
- 21.04 Neither the Employer nor the Union shall be required to consider or process any grievance which arose out of any action or condition more than seven (7) days after the subject of such grievance occurred. If the action or condition is of a continuing or recurring nature, this limitation period shall not begin to run until the action or condition has ceased. The limitation period shall not apply to differences arising between the parties hereto relating to the interpretation, application, or administration of this Agreement.
- 21.05 A “Policy Grievance” is defined as a grievance that involves a question relating to the interpretation, application, or administration of this Agreement. A Policy Grievance may be submitted by either party directly to Arbitration under Article 22, bypassing Step 1 and Step 2 of the Grievance Procedure. A Policy Grievance shall be signed by a Steward, a Union Officer, or a CLAC Representative, or in the case of an Employer’s Policy Grievance, by the Employer or his representative.

21.06 A “Group Grievance” is defined as a single grievance signed by a Steward or CLAC Representative on behalf of a group of employees who have the same complaint except those grievances of a disciplinary nature. A group grievance must be dealt with at successive stages of the Grievance Procedure, commencing with Step 1. The grievors shall be listed on the grievance form.

21.07 Step 1

A grievance shall be submitted in writing to the Employer within seven (7) days of the act or condition causing the grievance. The Employer shall address the grievance and shall forward a written response to the grievor and the Union Representative within seven (7) days of the day on which the grievance is submitted.

21.08 Step 2

If the grievance is not resolved at Step 1, a Union Representative may, within seven (7) days of the decision under Step 1 or within seven (7) days of the day this decision should have been made, submit a Step 2 grievance to the Employer. The parties shall attempt to meet to resolve the grievance within one (1) week after the Step 2 grievance has been filed. The Employer shall

forward a written response to the grievor and the Union Representative within seven (7) days of the day on which the Step 2 grievance is submitted.

ARTICLE 22 - ARBITRATION

- 22.01 If the parties fail to settle the grievance at Step 2 of the Grievance Procedure, the grievance may be referred to arbitration.
- 22.02 The party initiating arbitration must serve the other party with written notice of desire to arbitrate within fourteen (14) days after receiving the decision given at Step 2 of the Grievance Procedure.
- 22.03 If a notice of desire to arbitrate is served, the two parties shall meet in an attempt to obtain an agreement to refer the matter to an agreed upon single Arbitrator within seven (7) days of service, who will meet with the authorised representatives of the Union and the Employer in a hearing to ascertain both sides of the case.
- 22.04 If the parties fail to agree to refer the matter to an agreed upon single Arbitrator within seven (7) days of service as aforesaid, either party may request the Minister of Labour to appoint a single Arbitrator.

- 22.05 Notice of desire to arbitrate and of nominations of an Arbitrator shall be served by fax and mail. The date of mailing shall be deemed to be the date of service.
- 22.06 If a party refuses or neglects to answer a grievance at any stage of the Grievance Procedure, the other party may commence arbitration proceedings and if the party in default refuses or neglects to appoint an Arbitrator, the party not in default may apply to the Minister of Labour to appoint an Arbitrator to hear the grievance. The decision of the Arbitrator shall be final and binding upon both parties.
- 22.07 It is agreed that the Arbitrator shall have the jurisdiction, power, and authority to give relief for default in complying with the time limits set out in Articles 21 and 22 where he is satisfied that the default was owing to a reliance upon the words or conduct of the other party.
- 22.08 An employee found to be wrongfully discharged or suspended will be reinstated without loss of seniority and with back pay, less any monies earned, or by any other arrangement which is just and equitable in the opinion of the Arbitrator.

- 22.09 Where the Arbitrator is of the opinion that there is proper cause for disciplining an employee, but considers the penalty imposed too severe in view of the employee's employment record and the circumstances surrounding the discharge or suspension, the Arbitrator may substitute a penalty which is, in the Arbitrator's opinion, just and equitable.
- 22.10 The decision of the Arbitrator will be final and binding on the two parties to the dispute and shall be applied forthwith.
- 22.11 The parties will equally bear the expense of the Arbitrator.
- 22.12 An Arbitrator shall be empowered to render his decision or interpretation consistent with the provisions of this Agreement.

ARTICLE 23 - DISCHARGE, SUSPENSION, AND WARNING

- 23.01 When the conduct or performance of a driver calls for a reprimand of record by the Employer, such reprimand shall be in writing and the Employer shall immediately forward a copy to a Steward or to the offices of the CLAC. The Employer shall interview the driver in the presence of a Steward

or Union Representative unless the employee refuses this right.

23.02 A driver may be suspended or discharged for proper cause by the Employer. A written notification, describing the nature of the case and the extent of the discipline, shall be forwarded to the Union's provincial office. Within five (5) workdays following the suspension or discharge, the driver involved, together with a Union Representative, may interview the Employer concerning the reason leading to the suspension or discharge. Within five (5) workdays following the interview, the Union may submit the complaint to arbitration. No employee shall be discharged or suspended without there first being a meeting with the employee in the presence of a Union Steward or a Union Representative.

23.03 Drivers may, during the regular office hours, have access to their personnel file as kept by the Employer.

ARTICLE 24 - DURATION

24.01 This Agreement shall be effective on the first (1st) day of March, two thousand eight (2008) and shall remain in effect to and including the twenty-eighth (28th) day of February, two thousand eleven (2011), and for further periods of one (1) year, unless notice in writing is given by either party of the desire to cancel, change, or amend any of the provisions contained herein within four (4) months immediately preceding the date of expiry of the Agreement. Should neither of the parties give such notice, the Agreement shall be renewed for a period of one (1) year.


24.02 Notwithstanding Article 24.01, the parties agree that all provisions of the expired Collective Agreement will remain in full force until a renewal agreement is reached or until mediation procedures have been exhausted.

DATED at Prince George, British Columbia, this 3rd

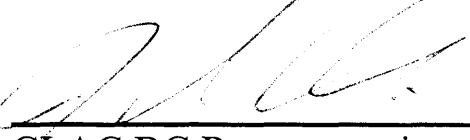
day of November, 2008.

**Signed on behalf of
LOMAK BULK CARRIERS
CORP.**

**Signed on behalf of
TRANSPORT, CONSTRUCTION,
AND GENERAL EMPLOYEES'
ASSOCIATION, LOCAL NO. 66
Affiliated with the Christian
Labour Association of Canada**



Authorized Representative



CLAC BC Representative

SCHEDULE “A”

ALL DIVISIONS

1. Compensation for Employees of Owner/Operators
Owner/Operators shall compensate their employees a package of wages, vacation pay, statutory holidays, and benefits on the basis of the collective agreement.

2. Owner/Operators
 - a) Owner/Operators rates shall normally be:

with trailer	80% of load's total gross value
without trailer	70% of load's total gross value

 - b) Owner/Operators and the Employer may mutually establish trip rates, mileage rates, or percentage of gross revenue levels as may be required for sound business reasons, with unresolved differences being subject to the terms of this Agreement.

 - c) In the event of a question or difference regarding calculation of a driver's earnings, a CLAC Representative shall be given full and complete access to all relevant documentation.

3. Overnight Trips
On overnight trips, drivers shall be reimbursed for necessary hotel accommodation and related expenses substantiated by receipts. In order to meet out-of-

pocket meal costs on all out-of-town trips, an allowance of five dollars (\$5.00) will be paid after every four (4) working hours, to a maximum of fifteen dollars (\$15.00) per day.

4. Tarping (Lumber Hauls)

Drivers shall be paid fifteen dollars (\$15.00) per tarp for tarping and fifteen dollars (\$15.00) per tarp for taking off tarps on all loads.

5. Damage

Only if a driver wilfully causes damage or has been unduly careless can the Employer deduct an amount of money from him for damage to or loss of the Employer's property. No deductions shall be made until after the grievance procedure and arbitration procedure have been completed.

6. Government Legislation/Regulation

Should any government legislation or regulation increase the rates or vary conditions as defined in this Agreement, such rates and conditions, where more favourable, shall automatically conform.

7. Unforeseen Expenses

Cost sharing of unforeseen expenses not specifically mentioned in the Schedules, such as waiting time, road closure, etc. shall be established by mutual

agreement between the Owner/Operator and the Employer.

8. Fleet-wide Purchasing

The Employer agrees to facilitate the acquisition of fleet-wide purchasing savings and services by Owner/Operators.

9. **Driver Trainers** shall be paid a premium of \$50.00 per day for each day that they spend training or orienting new drivers.

10. The Employer shall pay a **Boot Allowance** of \$100.00 to each employee who has completed a year of service upon issuance of a receipt to show proof of purchase.

11. The Employer agrees to pay the cost of medical examinations when such are required by the government.

12. On trips of over one hundred (100) miles, drivers may be paid at a rate of fifty five cents (\$0.55) per mile while driving a 5-axle vehicle. This provision shall not apply to established hauls, e.g. Lejac. All work with higher axle ratings shall have their rates established at the start of the haul.

SCHEDULE "B"

CAMPBELL RIVER DIVISION Quinsam Coal Haul

	Effective March 1, 2008	Effective March 1, 2009	Effective March 1, 2010
Base Rate	\$ 22.01	\$ 22.67	\$ 23.35
Trip Rate			
Quinsam	\$ 33.68	\$ 34.69	\$ 35.73
Quinsam Prem.	\$ 36.75	\$ 37.85	\$ 38.99
Goldriver	\$ 89.67	\$ 92.36	\$ 95.13
Nanaimo WP/much	\$ 204.36	\$ 210.49	\$ 216.80
Nanaimo WP	\$ 181.43	\$ 186.87	\$ 192.48
Chip Hauler	\$ 20.85	\$ 21.48	\$ 22.12

General

1. Waiting time, over which the Employer has no control, will be paid at straight time hourly rates. All other waiting time is paid time and will also be paid at straight time hourly rates.
2. There shall be a once annual tax-free glove allowance of one hundred dollars (\$100.00) payable on the anniversary date of employment.

Schedule “C”

PRINCE GEORGE DIVISION

	Effective March 1, 2008	Effective March 1, 2009	Effective March 1, 2010
Hourly Rate	\$ 23.73	\$ 24.44	\$ 25.17
Trip Rate – Chips			
Dunkley	\$ 89.01	\$ 91.68	\$ 94.43
NLS-Intercon	\$ 59.34	\$ 61.12	\$ 62.95
NLS-NW Pulp	\$ 65.27	\$ 67.23	\$ 69.25
Chetwynd/ Prince George	\$ 237.33	\$ 244.45	\$ 251.78
Rustad	\$ 45.33	\$ 46.69	\$ 48.09
Carrier	\$ 52.93	\$ 54.52	\$ 56.16
Ootsa	\$ 249.22	\$ 256.70	\$ 264.40
Houston	\$ 225.49	\$ 232.25	\$ 239.22
N.W. Logs	\$ 160.21	\$ 165.02	\$ 169.97
Babine	\$ 172.07	\$ 177.23	\$ 182.55
L & M	\$ 94.94	\$ 97.79	\$ 100.72
Mineballs	\$ 512.30	\$ 527.67	\$ 543.50
N.W. Energy	\$ 189.88	\$ 195.58	\$ 201.45
Mineballs	\$ 512.30	\$ 527.67	\$ 543.50
East Fraser (no BH)	\$ 166.14	\$ 171.12	\$ 176.25
East Fraser (BH)	\$ 225.49	\$ 232.25	\$ 239.22
Pas Bear Lake	\$ 69.08	\$ 71.15	\$ 73.28
Polar Bear	\$ 75.01	\$ 77.26	\$ 79.58
Quesnel	\$ 106.81	\$ 110.01	\$ 113.31

PRINCE GEORGE DIVISION (CONTINUED)

	Effective March 1, 2008	Effective March 1, 2009	Effective March 1, 2010
Trip Rate – Chips			
Slocan	\$ 106.81	\$ 110.01	\$ 113.31
Alwood	\$ 52.93	\$ 54.52	\$ 56.16
Quest	\$ 106.81	\$ 110.01	\$ 113.31
Pac. Bio Energy	\$ 35.60	\$ 36.67	\$ 37.77
Magnitite	\$ 696.00	\$ 716.88	\$ 738.39
Liners	\$ 133.49	\$ 137.49	\$ 141.61
East Fraser (12hrs/BH)	\$ 284.79	\$ 293.33	\$ 302.13
East Fraser (11hrs/no BH)	\$ 261.06	\$ 268.89	\$ 276.96
E/F Northwood	\$ 142.40	\$ 146.67	\$ 151.07
Stat. Driver	\$ 23.73	\$ 24.44	\$ 25.17
Trip Rate – Hog			
Rustad	\$ 48.18	\$ 49.63	\$ 51.12
Carrier	\$ 55.31	\$ 56.97	\$ 58.68

General

1. All waiting time is paid time at straight time hourly rates.

2. Driver Trainers shall be paid a premium of \$50.00 per day for each day that they spend training of orienting new drivers.

3. All fines issued by the MOT shall be paid by the Employer except in cases of clear violations of traffic laws and regulations, e.g. speeding failure to wear seat belts, failure to stop for stop signs etc.

SCHEDULE “D”

KEMESS MINES PROJECT

This Schedule is to be read in conjunction with the Collective Agreement between the parties in effect from March 1, 2008 until February 28, 2011 and the renewals thereof and refers to the Kemess Mines Division for the duration of the project. All the provisions of the Collective Agreement shall be in full force and effect except as amended by this Schedule.

The Parties agree to the following:

1. There shall be a separate seniority list for the Kemess Division. Should employees transfer from any other division, they will retain company-wide seniority only for the purposes of vacation pay and benefits and shall not have to re-serve a probationary period. Employees at the Kemess Division shall vote only on those matters which apply to that division. As well, employees in other divisions shall not vote on any matters which apply to the Kemess Division.
2. Should the Employer retain Owner/Operators, such Owner/ Operators and any employees that they may hire shall be covered by the provisions of the Letter of Understanding referring to Owner/Operators attached to the Collective Agreement. Such

Owner/Operators and their drivers shall not have a vote on matters affecting Company drivers. Owner/Operators shall be on a separate seniority list.

3. Rates of pay for the Kemess division shall be as set out in this Schedule. Trip rates are inclusive of all monetary payments in the form of hourly rates or premiums and, for greater clarity but without limitation, are inclusive of all wages and premium payments required by Articles 7 and Article 8 of the Collective Agreement.

4. For clarity “one day” as referred to in Article 14 shall mean one trip.

DRIVERS

	Trip Rates		
Haul	Effective March 1, 2008	Effective March 1, 2009	Effective March 1, 2010
Haul Concentrate one way, empty one way (cycle time 19.5 hrs)	\$ 466.43	\$ 480.42	\$ 494.83
Haul Concentrate one way, haul fuel to mine site	\$ 488.72	\$ 503.38	\$ 518.48
Haul Concentrate one way, haul mine balls to mine site	\$ 499.86	\$ 514.86	\$ 530.31
Haul Concentrate one way, haul fuel and mine balls to mine site	\$ 522.14	\$ 537.80	\$ 553.93

- a) Any of the above trip rates that include two (2) pallets of general freight will be paid an additional ten dollars (\$10.00).
- b) Haul fuel to the pit: \$5.00
- c) Extra time billing, hourly rate: \$23.91 per hour effective March 1, 2008; \$24.63 effective March 1, 2009 and \$25.37 effective March 1, 2010.

All time over and above the cycle time of 19.5 hours will be paid at the hourly rates stipulated above.

- d) Stat Holidays as per Article 10.01 shall be paid at 14 hours.
- e) For the purposes of Vacation Time a week shall be 7 consecutive days.

RELOAD PERSONNEL

Hourly Rates

Classification	Effective March 1, 2008	Effective March 1, 2009	Effective March 1, 2010
Inside Loader Operator	\$ 23.49	\$ 24.19	\$ 24.92
Outside Loader Operator	\$ 20.40	\$ 21.01	\$ 21.64
Labourer	\$ 17.31	\$ 17.83	\$ 18.36

As the Reload employees are scheduled to work 4 days on, 4 days off, overtime of 1½ times the hourly rates will be paid for all hours worked over 10 hours per day.

SCHEDULE “E”
TERRACE DIVISION

This Schedule is to be read in conjunction with the Collective Agreement between the parties in effect from March 1, 2008 until February 28, 2011 and the renewals thereof and refers to the Terrace Division exclusively. All the provisions of the Collective Agreement shall be in full force and effect except as amended by this Schedule.

Hourly Rate

To be negotiated when this division restarts operations.

General

1. Wait Time

- a) Drivers who must spend time waiting to load and/or unload, but who none-the-less are able to complete their hauls within the allowable cycle time do not qualify for any “wait time” pay.
- b) Drivers who must spend time waiting to load and/or unload and are thereby unable to complete their hauls in the allowable cycle time shall be eligible for “wait time” pay paid to the nearest quarter hour. In order to qualify for “wait time” pay, the driver’s first load time must be within the scheduled load time limit.

SCHEDULE “F”

CONSCIENTIOUS OBJECTOR STATUS

(This schedule does not form part of the collective agreement; it is for information only.)

The Union has a conscientious objection policy for employees who cannot support the Union with their dues for conscientious reasons, as determined by the Union’s internal guidelines on what constitutes a conscientious objection.

SCHEDULE “G”

OUTLINE OF INSURANCE PLAN COVERAGE

(This schedule does not form part of the collective agreement; it is included for information only).

- \$60,000.00 life insurance per employee;
- \$60,000.00 A. D. & D. per employee;
- dental plan at the latest fee schedule available;
 - Basic services: 100% up to \$2,000.00 per person annually
 - Comprehensive: 50% up to \$2,000.00 per person annually
 - Orthodontic: 50% up to \$3,000 lifetime maximum per child under 19
- prescription drug plan for employee and family at 80% up to \$2,000 per person annually (or the provincial PharmaCare cap, if any) and 100% thereafter;
- optical insurance for employee and family;
 - under 21: \$300 per year
 - over 21: \$300 every two years
- extended health coverage for employee and family;
- semi-private hospital coverage with no deductible for employee and family;

- weekly indemnity insurance with 60% of maximum insurable earnings or a maximum of \$465.00 per week. Weekly benefits payable after the 1st day of accident or hospitalization and the 14th day of sickness, for a maximum of 119 days. (1/14/119)
- long term disability insurance with 60% of earnings, maximum of \$2,000.00 per month, payable after 120 days until age 65. (120/65)

SCHEDULE “H”

Tumbler Ridge NEMI Project

This schedule is to be read in conjunction with the Collective Agreement between the parties in effect from March 1, 2008 until February 28, 2011 and the renewals thereof and refers to the Peace River Coal Division for the duration of the project. All the provisions of the Collective Agreement shall be in full force and effect except as amended by this Schedule.

The parties agree to the following:

1. There shall be a separate seniority list for the Peace River Coal Division. Should employees transfer from any other division, they will retain company-wide seniority only for the purposes of vacation pay and benefits and shall not have to re-serve a probationary period. Employees at the Peace River Coal Division shall vote only on those matters which apply to that division. As well, employees in other divisions shall not vote on any matters which apply to the Peace River Coal Division.
2. Should the employer retain Owner/Operators, such Owner/Operators and any employees that they may hire shall be on a separate seniority list.

3. Rates of pay for the Peace River Coal Division shall be as set out in this Schedule. Trip and Shift rates are inclusive of all monetary payments in the form of principle hourly rates or premiums and, for greater clarity but without limitation, are inclusive of all wages and premium payments required by Article 7 and Article 8 of the Collective Agreement.

4. The base shift for the Peace River Coal Division shall be a five day on/three day off rotation of 12 hour shifts, and may be amended by mutual agreement of the parties.

COAL TRUCK DRIVERS

Rates:

	Effective March 1, 2008	Effective March 1, 2009	Effective March 1, 2010	Probationary Drivers
Hourly Rate	\$26.50	\$27.30	\$28.12	\$25.00
Trip Rate	\$41.22	\$42.47	\$43.74	\$38.90

The current trip rate is based on a cycle time of 1.33 hours and based on the principle Hourly Rate. In the case where a driver exceeds this average cycle time in a day due to weather, road conditions, load conditions or other delays beyond the control of the driver the company will compensate the driver for the extra time to the next closest ¼ hour of total extra cycle time for that day using the appropriate principle Hourly Rate.

OFF-HIGHWAY HAUL

The parties recognize that Peace River Coal plans to construct a new and shorter route to transport coal off highway from the Trend Mine to the Rail Loadout. When this shorter route commences Coal Truck Drivers will be paid the appropriate principle Hourly Rate for a period of two months in order to establish a reasonable cycle time on which to base a revised trip rate. The revised rate will be based on the appropriate principle Hourly Rate and inclusive of the same overtime calculation used in the current Trip Rate.

EQUIPMENT OPERATORS & HOURLY EMPLOYEES

Rates:

	Effective March 1, 2008	Effective March 1, 2009	Effective March 1, 2010	Probationary Operators
Hourly Rate	\$26.50	\$27.30	\$28.12	\$25.00

Equipment Operators and other Employees who are paid on an hourly basis will be paid overtime at a rate of one-and-one-half (1.5) times the principle hourly rate for all hours worked in excess of eight (8) hours per day or forty (40) hours per week, exclusive of daily overtime.

LETTER OF UNDERSTANDING

Concerning Employees of Owner/Operators

Between **LOMAK BULK CARRIERS CORP.**
(hereinafter referred to as "the Employer")

and **TRANSPORT, CONSTRUCTION AND
GENERAL EMPLOYEES'
ASSOCIATION, LOCAL NO. 66**
affiliated with the
Christian Labour Association of Canada
(hereinafter referred to as "the Union")

WHEREAS the Union is the exclusive bargaining agent of all members of the bargaining unit;

AND WHEREAS Owner/Operators wish to directly employ persons to operate their equipment, and give service to the Employer during times when the Owner/Operator is not available to operate the said equipment;

AND WHEREAS the Employer and the Union have agreed to accommodate the Owner/Operators in this regard;

NOW THEREFORE the parties agree as follows:

1. The Employer will ensure that the following provisions are included in every contract between the Employer and an Owner/Operator:
 - a) employees hired by the Owner/Operators shall be required to pay regular monthly dues and assessments to the Union;
 - b) employees hired by the Owner/Operators shall be required to be covered by the provisions of the Health and Welfare Plan established by Article 13 of the Collective Agreement between the Employer and the Union;
 - c) the Owner/Operator shall provide the Employer with an assignment authorising the Employer to deduct from the monies owing to the Owner/Operator any amounts necessary to satisfy the regular dues and assessment requirements of the Union in respect to employees of the Owner/Operator and the Health and Welfare Plan contributions of employees of Owner/Operator and by such form shall authorise the Employer to remit those monies directly to the Union;
 - d) the Owner/Operator shall be responsible for fifty percent (50%) of the contributions provided by

Article 13 in respect to those hired by the Owner/Operators;

e) the Owner/Operator shall recognise the provisions of Articles 21 and 22 of the Collective Agreement as they relate to employees and Owner/Operators shall recognise the right of employees of Owner/Operators to file and proceed with the grievances pursuant to those Articles in the Collective Agreement.

f) the Owner/Operator shall recognise the provisions of Articles 7.01 and 16 of the Collective Agreement.

DATED at _____, British Columbia, this _____ day of _____, 2008.

SIGNED on behalf of
**LOMAK BULK
CARRIER CORP.**

SIGNED on behalf of
**TRANSPORT, CONSTR-
UCTION, AND GENERAL
EMPLOYEES' ASSOCIA-
TION, LOCAL NO. 66**
Affiliated with the **Christian
Labour Association of
Canada**

Authorized Representative

CLAC BC Representative