

SOURCE	Union		
EFF.	95	08	01
TERM.	98	07	31
No. OF EMPLOYEES	103		
NOMBRE D'EMPLOYÉS	df		

COLLECTIVE AGREEMENT

BETWEEN

LOMAK NORTH CORP.
("the Employer")

AND

TEAMSTERS LOCAL UNION No. 31
("the Union")

JAN - 9 1996

10239(01)

COLLECTIVE AGREEMENT

BETWEEN

LOMAK NORTH CORP.
(hereinafter referred to as "the Employer")

PARTY OF THE FIRST PART

AND

TEAMSTERS LOCAL UNION No. 31
(hereinafter referred to as "the Union")

PARTY OF THE SECOND PART

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COLLECTIVE AGREEMENT

BETWEEN

LOMAK NORTH CORP.

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PARTY OF THE FIRST PART

AND

TEAMSTERS LOCAL UNION No. 31

(hereinafter referred to as "the Union"?)

PARTY OF THE SECOND PART

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:

- (a) to recognize mutually the respective rights, responsibilities and functions of the parties hereto, and to stimulate consultation and cooperation;
- (b) to provide and develop working conditions and methods which enable employees to gain satisfaction from their work;
- (c) to provide an adequate income for all participants and maintain a proper return on investments to ensure the continued viability of the enterprise;
- (d) to provide needed services of high quality;
- (e) to establish an equitable procedure for the employee's 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 employees which will be conducive to their mutual well being.

ARTICLE 2 - RECOGNITION

2.01 The Employer recognizes the Union as the sole bargaining agent of all employees in the bargaining unit as defined in Article 2.02.

2.02 This Agreement covers all employees of the Employer in the bargaining unit as classified in Schedules "A" through "D".

- 2.03 Supervisory personnel and other employees outside the scope of this agreement shall not do the work normally performed by members of the bargaining unit, except in cases of emergency or for the purposes of training, instruction, testing, safety or maintenance.
- 2.04 The omission of specific mention in this Agreement of recognized 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 of the bargaining unit as defined herein, or of any of the terms and provisions of this Agreement. 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 Union and its duly appointed Representatives are authorized to act on behalf of the Union for the purposes 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:
- (a) to manage the enterprise, including the scheduling of work and the control of materials and equipment;
 - (b) to maintain order, discipline and efficiency;
 - (c) to hire, direct, transfer, promote, demote, layoff, and suspend and discharge, provided that such actions are consistent with the purpose and terms of this Agreement, and provided that a claim by any employee that he/she has been disciplined or discharged without just cause will be subject to the Grievance Procedure in Article 20.

ARTICLE 3 - UNION REPRESENTATION

- 3.01 For the purpose of representation with the Employer, the Union shall function and be recognized as follows:
- (a) The Union has the right to appoint Stewards. Stewards are representatives of the employees for the processing of grievances pertaining to this Agreement.
 - (b) Union Representatives are representatives of the employees 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 employee's 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 Shop Stewards and the effective dates of their appointments.
- 3.03 Stewards will not absent themselves from their work to deal with grievances without first obtaining written permission from the Employer. Such permission will not be withheld unreasonably.

- Stewards absenting themselves from their work with such permission will be paid at their regular hourly rate while attending to grievance matters.
- 3.04 The Union has the right to appoint the members of its Negotiating Committee.
- 3.05 The Employer will meet periodically with his employees for the purpose of discussing any matters of mutual interests or concern to the Employer, the Union and the employees. A Union Representative may attend such meetings.
- 3.06 There shall be no Union activity on the Employer's premises except that which is approved in writing by the Employer, or necessary for the processing of grievances, safety issues and the administration and enforcement of the Agreement.
- 3.07 Union Representatives shall have the right to visit at the location where Union members are employed with prior notice to the employer. However, in no case will there be any disruption of work or delay of work schedules.
- 3.08 The Employer shall provide a bulletin board for the use of the Union in the Employer's drivers' room on which notices may be posted.
- 3.09 It shall not be a violation of this Agreement for a Teamster's Union Label to be posted on the driver's door below the vent window. The label shall be a size not in excess of three inches by four inches (3" x 4"). The Shop Stewards will be responsible for placement of said decals.

ARTICLE 4 - NO STRIKES OR LOCKOUTS, PICKET LINES

- 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 employees or deliberately restrict or reduce the hours of work or deliberately send employees home when this is not warranted by the workload.
- 4.03 It shall not be a violation of this Agreement or cause for discharge of an employee in the performance of his or her duties, to refuse to cross a Primary Legal Picket Line at a property served by the Employer. The employee shall receive full compensation while observing such picket line and not performing normal duties. A Primary Legal Picket Line shall mean only a picket line established during a lawful strike at the striking employees' place of employment.
- 4.04 In the event employees participate in a stoppage of work or refusal to cross a Picket Line, it shall not be deemed a violation of this Agreement for Supervisors or Management to continue operating the equipment.

ARTICLE 5 - EMPLOYMENT POLICY AND UNION MEMBERSHIP

- 5.01 The Union and the Employer will cooperate in maintaining a desirable and competent labour force. The Employer will give equal opportunity in hiring, provided such applicants are qualified to meet the requirements of the work to be done.
- 5.02 The Employer has the right to hire new employees as needed, provided that no new employee(s) will be hired while there are available employees on layoff who are qualified to do the work.
- 5.03 New employees will be hired on a three (3) month probationary period and thereafter shall attain regular employment status. Their seniority shall be dated back to the date of their most recent hiring. The Employer shall notify the Union in writing of the name(s) and address(es) of any new employee(s) at the time such employee(s) commences employment.
- 5.04 Probationary employees are covered by the 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.
- 5.05 It is agreed that as a condition of Employment, each employee not now a member of the Union and all new employees shall become and remain a member in good standing of the Union within thirty (30) days of their commencing employment with the Employer. The Employer shall not maintain in its employ at any time an employee covered by this Agreement who is not a member in good standing of the Union.
- 5.06 The Employer shall furnish to the Union a list of new employees taken into employment by the Employer within thirty (30) calendar days of their being hired and all such employees shall be added to the Check-Off list at that time.
- 5.07 Each new employee, when hired by the Employer shall sign Union Application Card and Authorization Cards or be instructed by the Employer to contact the Union office or Shop Stewards in order to sign Application and Authorization Cards provided by the Union authorizing the Employer to deduct Union Dues, Initiation Fee and assessments from the employee's earnings and remit same to the Union. The Union will provide copies of the Collective Agreement to the Employer.

ARTICLE 6 - DRUG AND ALCOHOL ABUSE

- 6.01 The Parties affirm their mutual commitment to work place safety and to implementing a Program to deal with the problems of drug or alcohol abuse. If the Employer is required to comply with Canadian or U.S. regulations concerning Drug or Alcohol abuse, the Employer and the Union hereby adopt as policy the items of the applicable Canadian or U.S. National Master Freight Agreement Drug Policy as amended. Any changes in the Canadian or U.S. regulations

concerning the Drug or Alcohol Policy that has been adopted will be incorporated into the existing Agreement. In such event, both Parties agree to hold discussions concerning the interpretation and implementation of the new provisions.

ARTICLE 7 - RATES OF PAY AND DISPATCH

7.01 Rate schedules applicable to work performed are as set forth in Schedule "A" attached hereto and made part hereof.

7.02 Rates for additional classifications 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 mean the difference will be subject to arbitration.

7.03 Drivers shall be paid for all work time according to the agreed mileage rate as applicable. The stipulated rate will be paid as compensation for all driving time and for time spent in relation to a trip, including pre-trip and post-trip safety checks, setting slack adjusters, tractor fueling, driving through wash rack, cleaning cab interior, reporting at weigh scale and customs and completing all necessary paper work.

The regular hourly rate will be paid for all non-driving "on-duty" time a driver must remain with the vehicle or for hours at work following the Employer's instructions to report, including waiting for equipment to arrive or be repaired, waiting for roads to be cleared, using a mode of transportation other than the driver's assigned vehicle and for time waiting to load or unload providing that the employee makes every effort to adhere to the schedule as established or varied from time to time by dispatch.

7.04 Wait time shall be defined as time that a driver can leave his vehicle and it is possible for the driver to avail himself of use of public facilities such as restaurants, coffee shops or motels. For the purpose of calculating overtime, wait time shall not be considered.

7.05 In the event that an employee is required to layover away from the home terminal where appropriate eating and sleeping accommodations are available, the driver is considered to be off duty and will be compensated for the second eight (8) hour period of each twenty-four (24) hour period. The Employer may call on a driver during the paid period to perform other duties (except for handling spilled cargo).

Drivers on layover shall be provided reasonable meals, accommodations and necessary transportation, at no cost to the employee. An employee on layover shall not be obligated to return to work with less than eight (8) hours of layover. An employee who chooses to return to work with less than eight (8) hours of layover shall not receive compensation for his layover time. If the Employer recalls driver to work in the second (unpaid) 8 hours, the Employer shall pay the employee for hours up to departure time.

- 7.06 The parties shall be guided by the principle that available working hours are to be shared among all employees in an equitable manner.
- Any substantial changes to the general rules of dispatch shall only be implemented following consultation with the Union. However, the general rules of dispatching employees to the various work schedules shall be a function of the Employer, subject to the grievance procedures.

ARTICLE 8 - HOURS OF WORK AND OVERTIME

- 8.01 The Employer currently operates under the National Safety Code Hours of Service Regulations. The hours of work for the Employer's truck drivers under these rules are:
- a) fifteen (15) hours driving in any work shift;
 - b) twenty (20) hours on duty per work shift;
- 8.02 Over-time shall be paid for hours worked in excess of:
- a) sixty (60) hours per week
- 8.03 Employees shall be permitted adequate rest period and meal breaks provided that such does not impair the efficient performance of duties.
- 8.04 Every employee shall have at least a nine (9) hour break after a full shift before being called out on another trip.

ARTICLE 9 - VACATIONS

- 9.01 Employees will receive annual paid vacations upon completion of the following years of service, with pay calculated as a percentage of their wages from the Employer:
- (a) one (1) through four (4) years of continuous service - two (2) weeks' vacation with pay at four percent (4%).
 - (b) after four (4) years of service - three (3) weeks' vacation with pay at six percent (6%).
- 9.02 In the event a statutory holiday falls during an employee's annual paid vacation, such employee will be entitled to an additional day off with pay.
- 9.03 Vacation lists will be posted the 1st working day of January to the last day of February to allow for orderly scheduling of vacations, any vacations applied for prior to February 28 will be awarded on the basis of seniority. After February 28, vacations will be awarded on a "first come - first serve basis". If you have not applied for vacation by September 30, it will be scheduled by the Company. Under normal circumstances, ten percent (10%) of the work force may be on vacation at any one time.
- 9.04 Vacation time shall be based on the calendar year with the exception of the initial period of employment where the amount of vacation earned will be prorated based on the time worked from date of hire to December 31 in the first year; During the next calendar year an employee will earn two (2) weeks of vacation.

- 9.05 Vacation pay shall be calculated at the applicable percentage above. The percentage shall apply to total wages earned in the calendar year in which the vacation leave credit was earned.
- 9.06 For regular employees only, vacation pay for each completed full calendar year of service shall be the greater of:
- a) The percentage calculation above; or
 - b) The number of hours that the regular employee would have normally worked during that period in which the employee takes vacation leave credit times the hourly rate in effect at the end of the completed year of service in which the vacation leave credit was earned.
- 9.07 An employee shall be entitled to take vacation with pay only after the necessary vacation leave credit has been earned. Vacation must be taken in periods of not less than one (1) week. Vacation pay will be given to the employee prior to that employee's vacation time and only for that period of time that vacation time is to be taken.
- 9.08 A year of service is defined as that period of time in which the employee has been actively employed for at least fifteen hundred (1,500) hours or more in a calendar year ending December 31. No employee shall be entitled to accumulate more than one (1) year of service in any 365-day period.
- 9.09 An employee who has not been actively employed for at least fifteen hundred (1,500) hours or more during any calendar year shall have his vacation leave credit and vacation pay based on the percentage that his total hours of active employment represent compared to a base of two thousand eighty (2,080) hours. For purposes of this article, "actively employed" means actual hours worked, paid holidays and leaves of absence. Absence by reason of accident or proven illness shall be counted as hours worked up to a maximum of five hundred (500) hours.
- 9.10 In any calendar year where an employee has not qualified for full vacation as a result of accident or proven illness, he will still be credited with a year of service to determine future vacations.
- 9.11 Unless otherwise agreed between Employer and employee, every employee shall be notified at least two (2) weeks prior to being required to take a vacation period.
- 9.12 Vacation leave must be used before any unpaid leave of absence will be granted by the Employer, however, the Employer may grant an unpaid leave of absence to an employee not yet qualifying for vacation.
- 9.13 Any employee who accepts gainful employment while on paid vacation shall be deemed to have voluntarily resigned from the Employer.
- 9.14 In the event an employee terminates his employment, he shall be compensated for the period for which he has not already received payment.

ARTICLE 10 - STATUTORY HOLIDAYS

10.01 The Employer agrees to pay nine (9) hours at regular hourly rates for the following ten (10) holidays:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Dominion Day	Christmas Day
Discovery Day	Boxing Day

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

10.02 Article 10.01 applies only to employees who have been on the Payroll at least thirty (30) days prior to the general holiday and who have worked fifteen (15) days in the thirty calendar days immediately preceding the holiday, and who have worked their regularly scheduled workday before and their regularly scheduled workday following the holiday, unless their absence is due to illness, written authorized leave of absence of no longer than two (2) weeks' duration, or vacation with pay. In case of an employee's illness or injury, the Employer may require from the employee a certificate from a qualified medical practitioner.

10.03 Due to the continuous nature of the operation, time off for holidays shall be granted at a time mutually convenient to the Employer and the employee.

ARTICLE 11 - SENIORITY, LAYOFF BIDS AND TERMINATION

11.01 Seniority is defined as length of service in the bargaining unit and shall be applied in accordance with Article 11.03. New employees 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. Seniority shall be applied in vacation schedules and layoffs, and as set out in other provisions of this Agreement.

11.02 All new runs or permanent vacancies on existing runs are subject to seniority and shall be posted in a conspicuous place for five (5) calendar days for bids. Employees and owner/operators will have the opportunity to bid on other jobs, however, they will start at the bottom of the seniority list for that haul. They retain company seniority for vacations, etc., but if layoffs occur, they will not have the opportunity to bump back into their old haul. Any lay-offs effecting company drivers will be open to discussions between the union and the company.

11.03 Seniority lists shall **be** maintained at all times by the Employer and shall be sent to the Union quarterly for inspection to the extent reasonably necessary for the Union to ascertain the seniority status of an employee within its jurisdiction. Separate Seniority lists shall be maintained for each branch and by haul,

including separate lists for employees and owner/operators working on each haul.

- 11.04 In the event of a layoff known to exceed 30 days, all owner-operators and their drivers will be laid off before any company drivers. For all other layoffs, layoffs will be done based on length of service on the haul.
- 11.05 Seniority rights shall cease and an employee deemed terminated when an employee:
- (a) voluntarily quits the employ of the Employer;
 - (b) is discharged and such discharge is not reversed through the grievance procedures;
 - (c) fails to report on the first day following the expiration of a leave of absence, unless he has a justifiable reason;
 - (d) is absent due to layoff for a period of nine (9) months.
 - (e) is absent without leave for three (3) consecutive working days, unless a satisfactory reason is supplied to the Employer immediately prior to or at the expiration of the leave;
 - (f) a transfer by the employee to a position outside the Union exceeding two (2) months. This shall only be allowed once per employee.
 - (g) where an employee is declared by a doctor to be physically able and capable of resuming his employment, the Employee is obligated to immediately return to work. In the event that the employee fails to return to work following such declaration, the Employer may deem the continuing absence to be a voluntary termination of employment by the employee. The Employer may require medical evidence from the employee's doctor of the employee's suitability to return to work before reinstatement;
 - (h) illness or injury not work related of twenty-four (24) months.
- 11.06 The Employer shall give two (2) weeks' notice, or two weeks' pay in lieu of notice, in case of layoff exceeding three (3) months to all employees who have completed their probation period. Similarly, employees wishing to terminate their employment shall give two (2) weeks' notice to allow the Employer to hire an adequate replacement.
- 11.07 Employees shall be entitled to receive severance pay in accordance with the following provisions for completed continuous years of employment.
- a) An employee who is terminated for cause shall not be paid severance pay.
 - b) Terminated employees (except for employees terminated for cause) with one (1) or more years of continuous service shall receive severance pay of the greater of;
 - 1. Two days wages (at nine (9) hours per day for full-time employees, and at regular hours per day for part-time employees) at regular hourly rates for each completed year of employment or;

2. Five days wages (at nine (9) hours per day for full-time employees, and at regular hours per day for part-time employees) at regular hourly rates.

11.08 The Parties agree to govern themselves by the provisions of the Canada Labour Code regarding group terminations.

11.09 It is the responsibility of each employee to keep the Employer informed of his/her current mailing address and phone number by written communication:

- (a) Notice of Recall may be made to the employee by telephone, telegram, registered mail or by direct personal contact;
- (b) An employee who is laid off and fails to return to work when given seven (7) calendar days notification to return to work shall be deemed to have abandoned his/her employment with the Employer.

ARTICLE 12 -JURY DUTY

12.01 It is agreed that the Employer shall compensate employees on the basis of a nine (9) hour day at regular rates, less payment received while performing Jury Duty, or while serving as a subpoenaed witness in a Court Action or Coroner's inquest. The compensation herein shall be for the employee's regularly scheduled workdays only and shall be for a maximum of three (3) weeks.

ARTICLE 13 - SAFETY STANDARDS

13.01 In order to implement and enforce safety standards and procedures, the Employer and the Union agree to the establishment of a Health and Safety Committee.

13.02 The Committee shall consist of:

- (a) The Employer shall appoint two (2) members and the Union shall appoint or elect two (2) members from the bargaining unit.
- (b) The names of the Committee members and their regular work location shall be posted and remain posted on the bulletin boards. The Employer shall also appoint the Chairperson.

13.03 The Committee shall annually elect from its own members, a secretary and a Vice-Chair. Members of the Committee shall serve one (1) year term unless re-elected, re-appointed or replaced.

13.04 The Committee shall meet once monthly or more often if required. The Chair, Vice Chair and/or Secretary are empowered to call extra meetings, provided ample notice is given to the other Committee members. The Employer agrees to provide the meeting facilities, stationery requirements and compensation for expenses the Committee may incur.

It is the function of the Committee and it has power to:

- (a) identify situations that may be a source of danger or hazard to employees;
- (b) make recommendations to the Employer and the employees for the improvement of the health and safety of employees;

- (c) recommend to the Employer and the employees the establishment, maintenance and monitoring of programs, measures and procedures respecting the health and safety of employees;
 - (d) recommend to the Employer and the employees policy and procedures of the Accident Review Board. It is the function of the Accident Review Board to review accidents, assess whether they were preventable and keep and maintain records related thereto. Copies of the Review Board findings will be forwarded to the Union.
 - (e) The Accident Review Board shall consist of two management personnel, one Shop Person and one Chairperson. The employee will be notified that (s)he may have a Shop Steward present.
- 13.05 In the event an employee(s) should have a complaint about equipment malfunctioning or about a particular mode of operation, or about the physical condition of the workplace which poses a danger or is likely to endanger the employee(s), (s)he shall report such to the Committee Chair or Vice Chair or Secretary and the Shift Supervisor.
- The Committee shall evaluate the complaint, submit recommendations, including, if necessary, recommending the suspension of the operation of the equipment in question or recommending the suspension of the work in the workplace. The Committee's recommendation and regulations shall be in writing with copies forwarded to the Employer, the Union, the Steward(s) and posting on the bulletin board.
- 13.06 The Employer shall respond to the recommendations of the Committee within a reasonable length of time. In order to obtain assistance in resolving a particular safety or health dispute, the Committee Chair may call and request the assistance of appropriate government-sponsored safety inspector. Disputes or complaints relating to safety or health, not resolved by the Committee, shall be referred to the Grievance Procedure.
- 13.07 Employees serving on the Committee carrying out their duties as a Committee member shall be paid at the hourly rate of pay for all such time spent. Employees must obtain written consent from the Employer prior to carrying out their duties requiring any time outside of the monthly Committee meetings.

ARTICLE 14 - HEALTH AND ACCIDENT - SICKNESS INSURANCE

- 14.01 In order to protect employees and their immediate families from the financial hazards of illness and accidents, the Employer will provide a Health and Welfare Plan equal to the Teamsters Health and Welfare Plan and coverage shall extend to employees and their families, including Drivers, Shop Workers, Owner/Operators and their drivers who have completed their probationary and eligibility requirements. immediate family is defined as spouse with whom the employee is currently residing, and dependent children. Dependent children are defined as legal children of the employee and of their spouse as defined above.

The Employee will pay twenty-five dollars per month toward the total cost of the premiums for the Benefit Plan and any future plan increases will be shared 50/50 by employer and employees.

- 14.02 Refer to the Plan brochure for more complete details of the Benefit Plan. In the event of any variation between the information in this summary and the provisions of the Master Policy, the latter will prevail. Additional information may be provided by the Plan Administrator.

ARTICLE 15 - BEREAVEMENT LEAVE

- 15.01 In the event of the death of a spouse, common-law spouse, parent, child, sister, brother, father-in-law, mother-in-law, and any relative permanently residing in the employee's household or with whom the employee resides, the employee may be absent from work three (3) nine (9) hour days with pay immediately following the day of the death.

ARTICLE 16 - LEAVES OF ABSENCE

- 16.01 Any employee on a leave of absence and engaged in gainful employment, without prior written permission from the Employer, will be deemed to have voluntarily terminated. The Employer will grant leaves of absence, without pay, for the following reasons:

- (a) work related illness or injuries -- until employee is authorized to return to work by the WCB;
- (b) illness or injury not work related -- up to twenty-four (24) months. The Employer may require medical evidence from the employee's doctor of the employee's suitability to return to work before reinstatement;
- (c) the Employer, may, whenever possible, grant extended leaves for family circumstances -- up to one (1) month providing that such will not unduly effect other employees' entitlement;
- (d) the Employer may, whenever possible, grant leaves of absence up to one (1) month for extended vacations, Union activities or other reasons.

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

- 16.03 Where an employee is declared by a doctor to be physically able and capable of resuming his/her employment, the employee is obligated to immediately return to work. In the event that the employee fails to return to work following such declaration, the Employer may deem the continuing absence to be a voluntary termination of employment by the Employee.

ARTICLE 17 - ACCIDENTS

- 17.01 In the event an employee meets with an on-the-job accident resulting in an employee's injury, the Employer shall pay the employee the greater of his actual earnings for the shift, or nine (9) hours pay. The benefit herein provided will be

reduced by the amount payable under any group insurance or compensation scheme.

ARTICLE 18 - TWO-WAY RADIO COMMUNICATIONS

- 18.01 There shall be no threats of penalties between the Employer and the employee 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 employees to refrain from certain actions. However, if an employee is to be penalized as a result of an action, such discipline shall be conducted during a personal discussion directly between the Employer and the employee concerned.
- 18.02 There shall be no abuse directed toward the Employer or his representatives by the employees on the radio.
- 18.03 All personal calls shall all be made on a collect or third party basis.

ARTICLE 19 - UNION-MANAGEMENT CO-DETERMINATION

- 19.01 The Employer and the Union agree to schedule a Union-Management meeting every three (3) months, or as often as required, during the life of this Agreement. The meetings shall serve as a forum for discussion and consultation affecting matters of joint interest. The Employer and the Union shall each appoint a maximum of four (4) representatives to the committee. Minutes shall be kept and distributed to all committee members and shall be posted for the information of all employees.

ARTICLE 20 - GRIEVANCE PROCEDURE

- 20.01 All questions, disputes and controversies arising under this Agreement or any supplement hereto, shall be adjusted and settled within the terms and conditions as set forth in this Agreement in the manner provided by this Article unless otherwise expressly provided in this Agreement. The Procedure for such adjustment and settlement shall be as follows:

STEP 1:

ANY GRIEVANCE Of an Employee shall be first taken up between such employee and his immediate supervisor.

Time limit to Institute Written Grievance will be seven (7) days from date of incident.

If the Employer or Union does not respond within seven (7) days after the Grievance was instituted, the Employer or the Union will forfeit the Grievance unless time limits set out in this section are waived by mutual agreement.

Upon request, such employee will be entitled to be accompanied by a Steward or a Union Representative.

STEP 2:

Failing Settlement Under STEP 1, within seven (7) calendar days, such grievance shall be taken up between Steward or Union representative and the Employer.

STEP 3:

Failing Settlement Under STEP 2, within fourteen (14) calendar days, the matter will be taken up in between a Union representative and the Employer.

STEP 4:

Failing Settlement Under STEP 3, within fourteen (14) calendar days, the matter will be taken up in presentation to a board consisting of two (2) Union members selected by the Union and two (2) Employer members appointed by the Employer.

STEP 5:

Failing Settlement Under the Above Steps, the matter will be referred to an agreed upon neutral person to act as an arbitrator who will meet with the parties to hear both sides of the case. This shall be done within thirty (30) days following the completion of STEP 3 or the grievance will be forfeited.

Failing to Agree Upon a Neutral Person, the Federal Department of Labour will be requested to appoint a Neutral Arbitrator.

The Arbitrator shall be required to hand down his decision as soon as possible following the completion of the hearing and the decision shall be final and binding on the two parties to dispute.

The Cost of the Arbitration will be borne equally by the Union and the Employer.

ARTICLE 21 - DISCHARGE, SUSPENSION AND WARNING

21.01 When the conduct or performance of an employee calls for a reprimand of record by the Employer, such a reprimand shall be in writing, with a copy of the reprimand forwarded immediately by the Employer to a Steward and the Local office of the Union. Prior to issuing such a reprimand, the Employer shall interview the employee, in the presence, if requested, of a Steward or Union Representative.

21.02 An employee will receive a copy of any written reprimand or warning letter placed in the employee's personnel file with a copy to the Union. Such written reprimand or warning letter shall become a permanent part of the employee's personal work history. However, any reprimand or warning letter in excess of twelve (12) months from the date of issue (if no further reprimands are given to the employee) will not be used to compound disciplinary action against the employee. Employees may, during regular office hours, have access to their own personal file as kept by the Employer. Browsing the personnel file must be done in the presence of a management employee.



ARTICLE 22 - DURATION

22.01 This Agreement shall be effective on the first (1st) day of A _____ shall remain in effect to and including the thirty-first (31st) day of July, 1998, 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, this Agreement shall renew for a period of one (1) year.

APPENDIX:


Schedule A - Classifications and Rates of Pay: Drivers

Schedule B - Classifications and Rates of Pay: Shop Workers

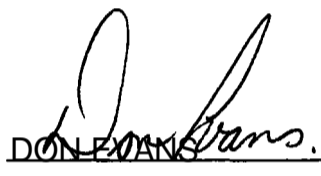
DATED at Whitehorse, Yukon, this 6th day of Dec, 1995.

Signed on behalf of
LOMAK NORTH CORP.


Signed on behalf of
TEAMSTERS LOCAL NO. 31




CURT GARLAND
President



DON EVANS
Business Representative



RON GILBERTSON
Vice-president



GARNET ZIMMERMAN
President

SCHEDULE "A"
CLASSIFICATIONS AND RATES OF PAY: DRIVERS

Classification	Whitehorse-Faro	Whitehorse-Skagway
Super B-Train (170,000 +/- lbs.)	(451 miles return)	(236 miles return)
Aug. 1, 1995 - July 31, 1996	\$0.41 /mile \$17.70 /hour	\$0.49 /mile \$17.70 /hour
Aug. 1, 1996 - July 31, 1997	\$0.42 /mile \$18.26 /hour	\$0.50 /mile \$18.26 /hour
Aug. 1, 1997 - July 31, 1998	\$0.43 /mile \$18.41 /hour	\$0.51 /mile \$18.41 /hour
Premiums:		
Chainup premium	\$0.01 /mile (Nov 1 - Mar 31)	\$0.02 /mile (Oct 16 - Apr 15)
Subsistence	\$0.05 /mile	\$0.05 /mile
Safety bonus	\$0.01 /mile	\$0.01 /mile
Performance Incentive (regular)	\$0.02 /mile	\$0.02 /mile
Performance Incentive (annual)	\$0.02 /mile	\$0.02 /mile

Lomak/Teamsters Training Fund: The Employer will pay to the Union \$.001 per mile for all miles driven under this Classification, and \$.05 per hour for hourly pay.

Performance Incentive: The Employer will establish a Performance Incentive that provides compensation to employees in relation to their driving scores recorded by a tachograph, on-board computer, or other such device. This Performance Incentive Program will become effective January 1, 1996. The regular incentive will be paid with the regular bi-weekly pay cheque for that period's performance. The annual incentive will be earned and paid on an annual basis on or before the last pay period of each calendar year to active employees at the time of payment.

Safety Bonus: Safety Bonuses will be paid each year (Dec. 1 - Nov. 30) to current employees equal to \$.01/mile drive for accident-free records, on an individual basis, at the end of the applicable periods. Non-preventable accidents, as judged by the Accident Review Board, will not affect a record of safe driving.

1. Drivers are required to carry a backhaul at the Employer's request.
2. The cost of obtaining Medical Certificates shall be paid by the employee where required by Canadian authorities and by the Employer where required by U.S. authorities. Employees who voluntarily resign within six (6) months of hire date will be charged back for the cost of required U.S. Medical Certificate.
3. Should any government legislation or regulation vary conditions as defined in this Agreement, such conditions where more favourable shall automatically conform.

SCHEDULE "B"
CLASSIFICATIONS AND RATES OF PAY: SHOP WORKERS

Classification	1995	Sept.1, 1996	Sept.1, 1997
Journeyman Mechanic	\$21.50	\$21.90	\$22.31
Mechanic/Tireman - 1st class	20.75	21.14	21.53
Serviceman/Tireman - 2nd class	17.00	17.34	17.79
Shop Labourer	15.45	15.76	16.08
Student Labourer	10.30	10.51	10.72
Apprentice Mechanic - 1st year	80% of Journeyman Mechanic Rate		
2nd year	85% of Journeyman Mechanic Rate		
3rd year	90% of Journeyman Mechanic Rate		
4th year	95% of Journeyman Mechanic Rate		

Leadman (Definition and Rate of Pay)

The necessity of selection and classification of a leadman shall be at the discretion of the employer and he shall be defined as:

An employee who directs the work of other employees while performing the same work himself. He shall not have the authority to directly hire, fire, suspend or discipline employees. He shall be a member of the Union.

Rate of Pay:

Fifty cents (\$0.50) per hour over and above the classification of employees for which he is a leadman.

Any hourly rated employee reporting for duty on a call out or call back basis inconsistent with his regular scheduled work day or shift shall be guaranteed a minimum of four hours pay at time and one-half but after completion of the duty he was called for, he may book off work with a minimum of two (2) hours pay at time and one half (1 1/2).

Clothing Allowance

A clothing allowance of \$250 shall be paid in November of each year to active employees with one or more years of continuous service. Employees on authorized

leaves or Workers' Compensation with one or more years of service shall be paid a clothing allowance in the month following return to active employment.

Employees are responsible for supplying their own insulated coverall, boots, gloves and other necessary clothing to perform the work. The Employer will make reasonable efforts to provide gloves to employees on a charge out basis.

Tool Allowance

All full time employees classified as mechanics and servicemen, after completion of the three (3) month probation, shall receive a tool allowance of \$.20 per hour. This allowance is to assist in defraying the employee's cost of replacing tools used in the performance of regular duties and will be included in the employee's wages in addition to those wages listed in Schedule A.

Tool Rebuild

Upon initial hire, all tradesmen/journeymen will provide a list of 1/2" drive or 3/8" drive air tools for inspection. Air tools approved by the Employer and identified by serial number will be recorded on employee's personal information forms after six months employment. These tools used on the job will be eligible for overhaul by the employer for normal wear on an annual basis as necessary. Damage from abuse will not be covered.

SCHEDULE "C"
CLASSIFICATIONS AND RATES OF PAY: OWNER/OPERATORS

Section 1 - Definition

An Owner-Operator is the owner and/or purchaser of equipment supplied for the Company's services pursuant to this Article.

The title of the equipment may be in the name of the Company or leasee 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 Owner Operators, under the following conditions:

- a) the Owner Operator shall become and remain a member of the union.
- b) a separate seniority list for each haul shall be posted at the terminal showing the names and truck numbers of all Owners Operators.
- c) Owner Operators will have the right to directly employ drivers to operate their equipment, and give service to the company during times when the Owner Operator is not available to operate the said equipment.

The following conditions will apply to drivers employes by Owner/Operators.

- i) the driver must become a members of the Union. His dues will be deducted from his pay and Lomak North Corp. will ensure payment is made to Teamsters Local 31.
- ii) the driver rate of pay will be negotiated from time-to- time between the union and the company.
- iii) the driver must be covered by the provisions of the Health & Welfare Plan established between Lomak North Corp. and Teamsters Local Union no. 31. His portion of the premium will be deducted from his pay and Lomak North Corp. will ensure payment is made to Plan carrer.
- iv) the driver's seniority will not be recognized and dove tailed into Lomak North Corp.
- v) the grievance procedure forming part of the agreement between Lomak North Corp. and Teamsters Local Union No. 31 will be applicable to the owner operators' drivers.

Section 3 - No Mandatory Sources

Under no circumstances shall the company, directly or indirectly, specify a mandatory source of fuel, tires, maintenance or insurance to be used by an Owner Operator as a condition of entering into a contact with an Owner Operator.

Addendum to
COLLECTIVE AGREEMENT

BETWEEN

LOMAK NORTH CORP.

(hereinafter referred to as "the Employer"?)

PARTY OF THE FIRST PART

AND

TEAMSTERS LOCAL UNION No. 31

(hereinafter referred to as "the Union"?)

PARTY OF THE SECOND PART

WHEREAS the Parties have a Collective Agreement covering driver employees including owner/operators and their drivers;

AND WHEREAS the Employer agrees that it shall not oppose this application for certification by the Union for a unit described as "all employees of Lomak North Corp., Whitehorse, Yukon, classified in Schedules A through D.

The Parties agree to the following Addendum to the Collective Agreement:

It is understood and agreed that maintenance employees (including shop workers who are full time, part time, permanent and temporary employees) and driver employees (including owner/operators and their drivers) are to be considered separate classifications of employees within the bargaining unit and reference to "employees" in the Collective Agreement will mean driver employees as a distinct a separate group from maintenance employees.

The Articles of this Addendum contained herein will apply to the maintenance employees only, and:

- (a) where the Article is not contained in the Collective Agreement, will be in addition to the existing Collective Agreement (and will apply to the maintenance workers only);
- (b) if the Articles are already in th existing Collective Agreement, then they will take the place of the Collective Agreement terms (for the maintenance employees only);
- (c) the Articles in the Collective Agreement not replaced in this Addendum will also apply to the maintenance employees.

- 2.03 The Employer recognizes that it is the function of the bargaining unit employees to perform their normal work. Except for the purposes of training, testing, instructing and emergency situations, employees not in this bargaining unit will not perform this normal work. It is recognized that the preceding does not preclude employees not in this bargaining unit from performing incidental work also performed by employees in this bargaining unit, provided such work does not result in elimination of any employee's job in this bargaining unit.
- 3.08 The Employer shall provide space for a bulletin board for the use of the Union in the Employer's lunch room on which notices may be posted.
- 3.10 Prior to the contracting out of a function presently performed by members of the bargaining unit, and which results in a change in existing operational methods, the Employer shall notify the Union in writing of its intention and shall provide details of the work to be performed. Should the Union so request, within forty-eight (48) hours of receiving notice, discussions with the Employer will be held to review alternative suggestions from the Union. During the life of this Agreement, no permanent employee within the scope of this Agreement shall, as a direct result of leasing equipment or contracting service, for thirty (30) days from the effective date of such leasing or contracting out, suffer a reduction in wages. The Employer shall make every reasonable effort to place employees affected by leasing or contracting out in positions with an equal rate of pay to that received prior to such leasing or contracting out.

- 5.08 Students who are employed by the Employer are not required to pay initiation fees and become members of the Union.
- 7.03 Hours and days of work shall be eight (8) hours per day, five (5) days in a seven (7) day period, or eleven and one half (11 ½) hours per day, three (3) days on and three (3) days off on a continuous operation.
- 7.04 Each work day shall have one half (1/2) hour lunch break scheduled as close to the midpoint of the work day as possible, two (2) fifteen minute rest breaks scheduled approximately midway through each a half (1/2) shift for the eight (8) hour shift or three (3) fifteen (15) minute breaks for the eleven and a half (11 ½) hour shift.
- 7.05 Employees shall be given twenty-four (24) hours notice prior to a shift change. In lieu of notice, the employee will be paid at time and one half (1½) for the hours worked on the first shift following the shift change.
- 8.01 Overtime shall be paid at one and one half (1½) the hourly rate of pay to all full time employees who work outside their regular hours and days of work, unless such hours are worked at the request of an employee to accommodate employee shift substitutions.

Part time and casual employees shall be paid overtime at time and one half (1½) after eight (8) hours per day and forty (40) hours per week; unless working a regularly scheduled shift, when the shift hours of work would apply.

In this Agreement, "part time employee" means an employee who is required to work on a regular basis for less than the Hours of Work as defined in Article 7.03.

In this Agreement, "casual employee" means a full or part time employee hired for work that is not of a continuing nature such as:

- (a) temporary positions created to cover absences due to employee vacations, illnesses, injuries or leaves of absence; and
- (b) temporary positions created to supplement the regular employee work force to provide additional help of an incidental or short term nature to cover peak work periods or sudden but temporary surges in work requirements.

- 8.02 An employee reporting for work on a regularly scheduled work day shall receive no less than his normal pay unless the employee is suspended or terminated for disciplinary reasons, or leaves work due to illness or leave without pay. The employee is required to do whatever work is available in order to be eligible for pay.

(a) Employees assigned to replace an employee of a higher classification shall be paid at the rate of pay for the higher classification for all hours worked in the higher classification.

(b) An employee assigned to assist an employee of a higher classification on a temporary basis due to a lack of work in their normal classification will not be paid the higher classification rate of pay.

- 8.03 When on service calls extend beyond the employee's regularly scheduled shift by more than two (2) hours, the employee shall receive a one-half (1/2) hour paid meal break and an additional one half (1/2) hour paid meal break after each succeeding four (4) hour period, not to exceed three paid meal breaks every 24 hours. The employee working said service call shall be reimbursed for actual reasonable costs of said meals on a service call.
- 8.04 If an employee's pay is short through an Employer error in amount equal to or greater than one day's normal wages, the Employer will rectify the shortage within two (2) business days.
- 10.01 The Employer agrees to pay eight (8) hours at regular hourly rates for the following ten (10) holidays:
- | | |
|----------------|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Victoria Day | Remembrance Day |
| Dominion Day | Christmas Day |
| Discovery Day | Boxing Day |

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

- 10.04 Regular part time employees who have completed thirty (30) days of employment shall receive payment for statutory holidays equal to average work hours (calculated as one twentieth (1/20th) of their actual wages earned in the two (2) complete bi-weekly pay periods preceding the holiday).
- 11.02 All new positions or permanent vacancies are subject to bid and shall be posted in a conspicuous place for a minimum of seven (7) calendar days or until the vacancy is filled, which ever comes first. If the Employer determines that there are no qualified employee applicants, the Employer may fill the vacancy by any other recruitment and selection process. Appointments will be made on the basis of qualifications including but not limited to education, skill, training, knowledge, experience, attitude and previous performance during employment. Where the Employer determines that two or more employee applicants have equivalent acceptable qualifications, appointment shall be made on the basis of seniority. Nothing shall preclude the Employer from temporarily assigning a bargaining unit employee to act while the job selection process is being finalized.
- 11.06 Employees shall be entitled to receive severance pay in accordance with the following provisions for completed continuous years of employment:

- (a) An employee who is terminated for cause shall not be paid severance pay;
 - (b) terminated employees (except for employees terminated for cause) with one (1) or more years of continuous service shall receive severance pay of the greater of:
 - 1. Two days' wages [at eight (8) hours per day for full time employees, and at regular hours per day for part-time employees] at regular hourly rates for each completed year of employment; or
 - 2. Five days' wages [at eight (8) hours per day for full time employees, and at regular hours per day for part-time employees] at regular hourly rates.
- 11.09 In the event of layoffs, providing a senior maintenance person is qualified to perform another position in maintenance, the employee may exercise seniority rights and take such position, at the applicable pay rate. The Employer shall be the sole judge as to an Employee's qualifications. An employee who thus has accepted an equivalent or lower maintenance classification shall be reinstated without competition or probationary period in the former position should it become available and the employee remain qualified.
- 12.01 It is agreed that the Employer shall compensate employees on the basis of the lesser of their scheduled hours per shift or eight (8) hours at regular rates, less payment received while performing Jury Duty, or while serving as a subpoenaed witness in a Court Action or Coroner's Inquest. The compensation herein shall be for the employee's regularly scheduled workdays only and shall be for a maximum of three (3) weeks.
- 13.08 Individual lockers shall be supplied to each employee.
- 15.01 In the event of the death of a spouse, or common-law spouse, parent child, sister, brother, father-in-law, mother-in-law, and any other relative permanently residing in the employee's household or with whom the employee resides, the employee may be absent for work three (3) nine (9) hour days with pay immediately following the day of the death.