

SOURCE	Union		
EFF.	2003	08	24
TERM.	2003	12	31
No. OF EMPLOYEES	60		
EMPLOYERS	cmh		

COLLECTIVE AGREEMENT

BETWEEN



AND

**TEAMSTERS LOCAL UNION 987
OF ALBERTA
(OWNER/OPERATORS)**

Expiry: December 31, 2003

ENTERED

107.32(02)

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Article 1. PREAMBLE

1.01 Purpose

The purpose of the present Collective Agreement is to establish orderly relations between the parties, to set wage rates, hours of work and other working conditions for the Owner/Operators covered by this collective agreement, as well as to promote good relations and a climate of cooperation between the Company and its Owner/Operators represented by the Union.

Article 2. RECOGNITION

2.01 Recognition

The Company recognizes the Union as the sole bargaining agent for all Owner/Operators performing pick-up and delivery work in the Province of Alberta.

No particular agreement relating to working conditions other than those provided for in this Collective Agreement, between an Owner/Operator and the Company, is valid unless it has received the written approval of the officers duly mandated by the Union and the Company.

2.02 Definition of an Owner/Operator

An "Owner/Operator" is a person, including a privately held corporation, who carries on a pick-up and delivery business and who has entered into a written fee for service contract (hereinafter referred to as the "Owner/Operator Contract") with the Company for the provision of pick-up and delivery services. The Owner/Operator is, therefore, a business man who provides his own equipment, realizes his revenue from his customer the Company and pays his own expenses, including his own statutory deductions.

Such an Owner/Operator is the owner and/or purchaser and except as permitted herein, the exclusive operator of equipment utilized for the Company's service.

The Union shall be supplied with a copy of each such Owner/Operator Contract and/or written agreements or understandings between the Company and the Owner/Operator(s).

Article 3. MANAGEMENT RIGHTS

3.01 Management Rights

The Union recognizes the exclusive right of the Company to operate its establishment, machinery and equipment and to manage its undertakings **as** it sees fit, subject only to the restrictions imposed by law or by the provisions of the present Collective Agreement.

Without limiting the generality of the foregoing, the Union recognizes that it is the Company's right:

- a) To administer the Company, including the right to study and introduce new methods, to increase or reduce the number of Owner/Operators, to modify its route structures **as well as** its schedules of work;
- b) To demote, discharge, reprimand, suspend and discipline ~~with~~ just cause;
- c) To maintain order, discipline, productivity and output;
- d) To hire or transfer.

In the exercise of its management rights, the Company shall comply ~~with~~ the provisions of the present agreement and the paragraphs above shall not deprive Owner/Operators or the Union of the right to have recourse to the grievance and arbitration procedure provided for in the present agreement.

Article 4. CONTINUITY OF THE OPERATIONS

4.01 Strike - Lock-out

It is agreed that for the duration of the present agreement, there shall be no strike nor lockout, nor work slow-down, nor total or partial stoppage of work, nor study session.

The parties agree not to counsel nor encourage the above mentioned actions.

4.02 Picket Lines

The Company recognizes the right of Owner/Operators either to accept or refuse to cross a legal picket line. In the event **an** Owner/Operator exercises his right of refusal, he must immediately advise his immediate supervisor. If such a picket line is so established, the Company agrees to meet, at the request of the Union, to discuss any problem raised.

Article 5. GENERAL PROVISIONS

5.01 No Financial Interest

The Company will have no financial interest in the equipment other than as required by the Motor Carrier Act unless mutually agreed to by the Union and the Company.

5.02 Retaining Services

- a) The Owner/Operator shall personally and exclusively operate the equipment supplied pursuant to this Owner/Operator Contract with the Company, except that such equipment shall be operated by an employee of the Owner/Operator, in instances where the Owner/Operator is absent because of vacation, illness, accident or on leave of absence for reasons acceptable to the Company and the Union.
- b) The Company will not unreasonably reject employee(s) of the Owner/Operator from being able to perform work for Purolator as outlined in 5.02 a) above.
- c) Employees of Owner/Operators shall not be used by the Company in any way which interferes with duties assigned by the Owner/Operator, unless the Owner/Operator consents to such use.
- d) Should the Company require an employee of an Owner/Operator to undergo training above and beyond that training which is required to properly perform the duties assigned to the Owner/Operator, then such training time will be paid for by the Company.

5.03 Company Not Lessor

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

5.04 No Mandatory Source

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

5.05 Owner/Operator Contract

Each Owner/Operator must enter into a written fee for service contract and a written standards of performance contract with the

Company. **The** provisions of the written contracts, existing and future, shall remain in effect and be enforceable by both the Owner/Operator and the Company.

5.06 · Proprietary Information

The Owner/Operator acknowledges and agrees that any information he- may have acquired in relation to Purolator Courier's business is confidential and proprietary in nature. The Owner/Operator covenants and agrees that he shall not disclose said information in any manner whatsoever to anyone outside of his organization in whole or in part, and that said information shall not be used by the Owner/Operator or his employees or agents on his or their own behalf or used in any way detrimental to Purolator or other than in connection with the purposes described in this Collective Agreement.

5.07 Regulations and Policies

- a) The Company has the exclusive right to make, modify and implement regulations, policies and procedures to be observed by the Owner/Operators; such regulations, policies and procedures must not be inconsistent with the provisions of the present agreement. Furthermore, where in the present agreement it is provided that a policy is maintained, such policy remains in force and may not be modified by the Company for the duration of the present agreement;
- b) The **Union** Business Agents will be advised, in writing of any new regulations or policies or modifications thereof, at least seven (7) days in advance of the implementation date. The Company is committed to take the necessary measures available to it to advise the Owner/Operators of any such new or modified regulations or policy, including potentially distributing written notices with the Owner/Operator's cheques. A notice will also be posted on the bulletin board in the Depot.
- c) The Company agrees to provide the Union with copies of its current Company policies upon request.

5.08 · Work Performed by Non-Bargaining Unit Owner/Operators

The Company agrees that the function of managers is the management of Owner/Operators. The work of managers will not include assignments to work normally performed by Owner/Operators in the bargaining unit except for the purpose of training and demonstration or to prevent service failures.

Managers and non-bargaining unit Owner/Operators will not perform bargaining unit work until after all reasonable efforts have been made to have the work covered by qualified bargaining unit Owner/Operators.

In cases where a dispute arises as to the appropriateness of management personnel performing bargaining unit work, the Union Business Agent may request a meeting with the District Manger and the Managing Director to discuss the dispute.

5.09 Discrimination

No person shall be discriminated against in accordance with the Canadian Human Rights Act.

5.10 Gender- Sex

The masculine gender includes the two (2) sexes unless it results from the context of a provision that it only be applicable to one (1) of the two (2).

5.11 Nullity

The nullity of a provision of the present agreement does not affect the validity of other provisions of the agreement. Any provision of the agreement which is or which becomes contrary to applicable laws, will be null and void. In such a case, the clause(s) affected shall be amended in conformity with the law.

5.12 Headings and Sub-Headings

All headings and sub-headings in the present Collective Agreement are utilized for reference purposes only and have no bearing whatsoever on the interpretation of the agreement.

Article 6. OBLIGATIONS

6.01 Owner/Operator Equipment

- a) It shall be the duty and responsibility of the Owner/Operator to maintain his vehicle in a safe operating condition, in accordance with the Department of Transportation Regulations.
- b) It shall be the duty of the Owner/Operator to maintain their equipment in a clean and presentable fashion.

6.02 Motor Vehicle Accident

Upon becoming involved in a motor vehicle accident or breakdown, the Owner/Operator shall report the accident or breakdown immediately or as soon as reasonably possible to his supervisor.

6.03 Displacement

- a) An Owner/Operator who receives a notice of lay-off and/or who has his route discontinued shall be entitled to displace the Owner/Operator with the least seniority within the depot or accept the layoff.
- b) In the event that work normally performed by Owner/Operators is transferred to the hourly bargaining unit employee group, and this transfer of work causes an Owner/Operator to be laid off, the Owner/Operator so affected may, after exhausting his displacement rights in the Owner/Operator group, make a written request to be considered for an available **driving** position within the hourly bargaining unit group which results from the transfer of work. An Owner/Operator making such a request will be given preference over outside candidates. If the Owner/Operator successfully obtains an hourly position, he will be considered to be a new hire for all purposes except with regards to hourly wage rate. The Owner/Operator will receive the hourly wage rate corresponding to the number of months seniority he previously held in the Owner/Operator group. Such a request is valid only for the period of time which an Owner/Operator is on layoff and his recall rights. If an Owner/Operator accepts a position in the hourly bargaining unit group, he shall lose all recall rights to the Owner/Operator group.
- c) An Owner/Operator who has been on layoff for a period of twelve (12) consecutive months and **has** not been recalled, will lose his seniority rights and **his** right to recall.

6.04 Postings

Permanently vacant Owner/Operator routes and new Owner/Operator routes will be posted by depot. Such vacancies shall be awarded by seniority subject to the Owner/Operator possessing the required qualifications. All postings shall be placed on the bulletin board with **an** indication of the time it was posted and copied to the steward on the date of the posting.

When an Owner/Operator is laid **off**, he will be placed on a recall list. Owner/Operators will be recalled in the order of seniority subject to their possessing the required qualifications.

6.05 Painting

It is understood that where the Company requires **an** Owner/Operator to paint his vehicle, it shall be subject to the following conditions:

- a) In the event the Company, for any reason, decides to change the Company colours, the Company shall bear the full cost of repainting the Owner/Operator's vehicle, where required.
- b) Where body repair work is needed prior to painting, the Owner/Operator shall be notified in writing and shall bear the full responsibility to carry out the repair work.

6.06 General

- a) Owner/Operators shall be provided reasonable access to their daily records upon request.
- b) Owner/Operators must be bondable.
- c) Subject to service requirements, the Company will devote its best efforts towards keeping the Owner/Operators fully engaged in providing services.
- d) The Company shall, upon request, review split shifts and wherever possible minimize such split shifts to the extent its operational and service needs allows it to do so.
- e) Established Owner/Operator routes shall not be modified unless required by service needs, or unless the route is not economically viable. Where modifications are to be made, the Company shall discuss the modifications with the affected Owner/Operators prior to implementing them.
- f) Subject to meeting his regular route requirements and meeting all service commitments, **an** Owner/Operator who has previously indicated his willingness to perform additional work will be given the opportunity to pick up and deliver overflow freight not handled by Company hourly employees.
- g) If the Company is responsible for an error in excess of \$125.00 in the remuneration to **an** Owner/Operator, the Owner/Operator may request that the error be corrected **within** three (3) working days following the request. Failing such a request the error will be corrected on the next regular cheque issued to the Owner/Operator.
- h) Should **an** Owner/Operator voluntarily assume a regularly scheduled sixth day of work, he will be entitled to relinquish such work following two weeks prior notice to **the** Company.
- i) In unique and unusual situations and with the authorization of his immediate Manager, an Owner/Operator may contract with a Company approved agent to deliver oversized and/or overweight shipments. The Owner/Operator is responsible for the agent meeting all Company service standards **and** procedures including Proof

of Delivery. The Owner/Operator is responsible for the total cost of delivering such freight.

Article 7. UNION SECURITY

7.01 Maintenance of Membership

All Owner/Operators hired must maintain membership in good standing in the Union for the duration of the present agreement, as a condition of continued service to the Company. Owner/Operators must pay all arrears owed as per clause 7.04 in order to maintain membership.

7.02 Union Membership

Any Owner/Operator hired after the signing of the present agreement must, as a condition of continued service to the Company, become a member of the Union within thirty (30) calendar days after his start date.

7.03 Union Dues

The Company agrees for the duration of this agreement, to deduct the monthly dues from the first pay cheque each month of any Owner/Operator under the scope of this agreement, and to remit such monies so deducted to the Head Office of the Local Union along with a list of the Owner/Operators from whom the monies were deducted, not later than the fifteenth (15th) day of the month following the date upon which such monies were deducted. The checkoff list will include social insurance numbers and names.

Moreover, within the thirty (30) calendar days following the start date of a regular Owner/Operator, the Company shall deduct from the Owner/Operator's pay an amount equal to the initiation fee(s). Furthermore, the Company agrees to deduct from the Owner/Operator any other assessor charges as levied against him in accordance with the constitution and by-laws of the Union of which he is a member and so indicated on the check-off list as provided by the Union to the Company.

The Company agrees to remit such monies so deducted to the Head Office of the Local Union, along with a list of the Owner/Operators from whom the money was deducted, at the same time as the Union dues are remitted. Such deductions shall be made at a rate so prescribed by each Local Union.

7.04 Arrears

The Union will notify the Company in writing of any arrears in dues, initiation or re-initiation fees and / or charges levied by the Union for any reason and the Company will immediately commence deductions in amounts prescribed by the Local Union

in such written notice and forward such monies to the Local Union along with the monthly dues as provided for above. Such notice of arrears served on the Company shall prescribe payroll deductions generally of not more than the equivalent of one month's dues at the appropriate Local Union's rate.

7.05 Authorization Forms

The Union will supply the Company with Initiation 'Deduction Authorization Forms, Application for Membership Forms, Dues Deduction Authorization Forms and Health and Welfare Enrollment Forms, all of which shall be signed by all new Owner/Operators on the start date. The Company will forward all completed Application for Membership Forms and Health and Welfare Forms to the Union. All forms shall be returned to the Union within thirty (30) calendar days from the start date.

7.06 Remittance of Dues

The check-off and cheque for the Union dues deducted must be in the office of the Local Union not later than the fifteenth (15th) day of the month, following the month in which the monies were deducted.

7.07 Probationary Owner/Operators

The deduction of Union dues shall be made from every Owner/Operator including, but not limited to probationary and part time Owner/Operators. In the event that a probationary Owner/Operator fails to complete his probationary period, Union dues will be deducted from his final pay cheque.

7.08 Compensation for Claims

The Union agrees to indemnify and hold the Company harmless from any claims and/ or liability that may arise out of action taken by the Company for the purpose of withholding the dues as provided for in this article.

7.09 Tax Forms

The Company shall show the yearly total of Union dues deductions on Owner/Operators' T4 slips.

Article 8. SENIORITY

8.01 Definition

Seniority is defined as the total length of "continuous service" as an Owner/Operator contracted by Purolator Courier Ltd. The purpose of seniority is to provide the order of work preference, lay offs and recalls.

8.02 . Probationary Period

The Probationary Period for Owner/Operators is sixty (60) days worked during a four (4) consecutive month period. Upon completing his probationary period the Owner/Operator shall have his name placed on the Owner/Operator seniority list.

In the case of discharge during the probationary period, an Owner/Operator may not avail himself of the grievance and arbitration procedure.

8.03 Seniority Lists

A seniority list for each depot shall be revised every three (3) months following the signing of the Collective Agreement and will be posted in the depot concerned. A revised copy is to be sent to the Local Union and the Steward.

8.04 Termination of Seniority

An Owner/Operator will be deemed to be terminated and he will lose all seniority rights and privileges and the Company shall have no further obligation to the Owner/Operator in the event that:

- a) his contract is terminated according to the terms of the written Owner/Operator Contract;
- b) he voluntarily quits;
- c) he is discharged for cause;
- d) he is absent for three (3) days or more without the authorization of the Company;
- e) he has been laid ~~off~~ for twelve (12) consecutive months;
- f) he does not reply to a notice of recall to work within the three (3) working days following receipt of such notice or if he does not return to work within the delays therein provided, without valid reason.
- g) he has been absent from work by reason of medically certified illness or **injury**, either work related or not, for a consecutive twenty-four (24) month period, or such longer period **as** required by law.

8.05 Promotion Outside the Bargaining Unit

An Owner/Operator who accepts a management position accumulates his seniority during a period of ninety (90) calendar days from the first day in the management position. During this period the Owner/Operator may return to his position within the bargaining unit. At the end of this period, the Owner/Operator loses his seniority and all rights and advantages provided for in this Collective Agreement.

Article 9. UNION REPRESENTATION

9.01 Negotiation Committee

In the four months preceding the expiration of the Collective Agreement, the parties agree to determine the number of Owner/Operators to be allowed to absent themselves from their work, without loss of *salary* and benefits, for the negotiation sessions with the Company for the purpose of renewing the present agreement, until the right to strike or lock out has been obtained. Such payment of *salary* will continue to be effected on the condition, however, that the said bargaining sessions take place during the regular scheduled shifts of work for the said Owner/Operators.

9.02 Shop Stewards

The Union may appoint one (1) shop steward in each of the following locations:

Edmonton
Calgary
Northwestern Alberta
Northeastern Alberta

It is understood that the Union can elect alternate shop stewards. These alternates may be appointed to replace shop stewards who are absent due to fulltime paid work for the Union, sickness, work or non-work related accidents, or any other absence provided for in this agreement. In such case, the Union must advise the Human Resources Manager of the Company, in writing, at least three (3) working days prior to the replacement. Shop stewards may inquire about any grievance originating from their depot and assist any Owner/Operator who wishes to make one. However, a steward must, ensure that the service standards of Purolator to its' customers is maintained.

9.03 The Union Business Agent

- a) The Union Business Agent may participate in any joint meeting held between the Union and the Company.
- b) After notifying a member of depot management, the Union Business Agent shall meet, in the establishment, any Owner/Operator, Union steward or officer without interrupting normal operations.

These meetings will be conducted outside of the working hours of the Owner/Operator concerned and/or the Union steward.

9.04 Labour Relations Meetings

Labour Relations meetings will be held to discuss any questions of mutual interest other than those being the object of a grievance or

those being the jurisdiction of the Health and Safety Committee. These meetings shall occur at least every three (3) months.

9.05 Union Leave of Absence

In the event that the Union requires the services of one (1) or more of its members as Business Agent, the Owner/Operator(s) chosen shall have the right to a leave of absence without pay for the duration of the Collective Agreement. The Owner/Operator(s) shall continue to accumulate seniority during such a leave. An Owner/Operator on such leave must advise the Company, in writing, at least thirty (30) days in advance, of the date on which he will be returning to work as a regular Owner/Operator.

Article 10. GRIEVANCEPROCEDURE

10.01 Definition of Grievance

The term "grievance" refers to any disagreement relating to the interpretation, application or alleged violation of the present Collective Agreement.

10.02 Verbal Step

Any Owner/Operator having a problem concerning his working conditions which may give rise to a grievance, must discuss it first with his immediate supervisor, accompanied by an available Union steward if he so desires and subject to the steward obtaining permission from his supervisor, which permission will be granted at a time convenient for operational purposes, to attend said meeting in order to attempt to settle it. The supervisor will give his answer as soon as possible, but no later than five (5) working days following the discussion.

10.03 Written Step

The Owner/Operator concerned and/or a steward must submit the grievance in writing to the person designated by the Company within the ten (10) working days following knowledge of the facts or the decision leading to the grievance. The grievance form must be signed by the Owner/Operator.

In the event where a grievance is submitted to the written step in conformity with the present clause, and where the verbal step was not completed, the Owner/Operator must ensure that he complies with the verbal step in the two (2) working days following notification by the Company. During these two (2) working days, the time limits set out in the written step will be suspended.

At a monthly meeting established between the parties, the Company will meet with the Union to discuss and attempt to resolve the grievance. The Company will give its response to the

grievance to the Business Agent in the ten (10) working days following the meeting or the expiry of the time limit set to hold such meeting. A copy of said response shall be submitted to the Owner/Operator and the chief steward concerned.

In the case of ~~an~~ unsatisfactory answer or in the absence of an answer, the Union will inform the Company in writing of its intention to submit the grievance to arbitration in the twenty-five (25) working days following the written response of the Company. The monthly meeting will be held on a mutually agreed upon predetermined date. It is understood that this meeting will be held in the depot where the grievance originated or at a site mutually agreed upon. Subject to operational needs, the Union may request the presence of more than one (1) steward, who is involved in the grievances to be discussed, at the monthly grievance meeting. Such stewards will be paid at their regular waiting time hourly wage rate for the time spent meeting with the Company.

10.04 Suspension or Dismissal

In cases of suspension or dismissal, a grievance may be filed at the written step of the grievance procedure by submitting it in writing to the person designated by the Company within the ten (10) working days following imposition of the suspension or the dismissal.

10.05 Union Grievance

The Union may make and submit a grievance, commencing at the written step, in the name of a group of Owner/Operators or the whole of the Owner/Operators, or on behalf of the Union as such.

The parties agree that individual grievances of the same or of a similar nature may be studied collectively at a meeting held between the Company and the Union, and may equally be made the object of a collective answer on the part of the Company.

10.06 Company Grievance

Any grievance submitted by the Company will be filed at the written step of the grievance procedure by submitting it in writing to the Union Business Agent, or in his absence, the principal officer of the said Union, within the ten (10) working days following knowledge of the fact giving rise to the grievance. Within the ten (10) working days following receipt of the grievance by the Union, the Union shall meet with the Company to discuss and attempt to settle the grievance. The Union must give its response to the grievance in writing within the ten (10) working days following the said meeting or the expiry of the time limit set to hold the said meeting.

In the case of an unsatisfactory answer or in the absence of an answer, the Company will **inform** the Union in writing, of its intention to submit the grievance to arbitration within the twenty-five (25) working days following the meeting with the Union.

10.07 Written Statement of the Grievance

a) **Written Statement**

The written statement of the grievance shall briefly summarize the facts in order to identify the problem raised and the solution sought.

b) **Rejection of a Grievance**

No grievance may be rejected by reason of defect in form or technical error in the written statement.

10.08 Mutual Agreement in Writing

a) All decisions taken by mutual agreement in writing and signed between the designated representatives of the Company and the Union, at any time during the grievance and arbitration procedures, shall be **final** and binding upon the Company, the Union and the Owner/Operators.

b) In the event a written grievance is withdrawn or resolved by a steward, such grievance will be signed by the steward, grievor and Company and the Local Union so involved will be notified in writing by the Company.

10.09 Extensions and Time Limits

The time limits provided for in the present article are mandatory and may only be prolonged by mutual agreement in writing between the Company and the Union.

10.10 Trip Sheets and Time Cards

For the purpose of investigating a specific grievance, Business Representatives and stewards shall, upon request, have relevant **trip** sheets and time cards made available to them within a five (5) working day period.

This provision shall not be used to gather information or solicit grievances.

10.11 Payroll Changes

The Owner/Operators will be advised as soon **as** possible of any changes or alterations to time cards, or trip sheets used for pay purposes.

10.12 Payment of Grievance Settlement

- a) In cases where a grievance settlement involves a payment to an Owner/Operator, such payment will be made to the Owner/Operator no later than the second pay day following the settlement of the grievance, with an indication on the pay stub.
- b) In the event an Owner/Operator is collecting WCB, disability or Employment Insurance benefits, the payment of the grievance settlement will occur no later than the second pay day upon his return to active status unless the Owner/Operator requests in writing such payment during his absence. **This** payment will be made no later than the second pay day following the request.

10.13 Working Day

For the purpose of Article 10 of the present agreement, the term “working day” does not include Saturday, Sunday, nor general holidays as agreed upon by the present Collective Agreement.

Article 11. ARBITRATION

11.01 Notice of Arbitration

Where the Union or the Company wishes to submit a grievance to arbitration, it must do so by notice in writing to the other party within the time limit provided for in Article 10.

Any grievance is prescribed and is not arbitrable if it has not been submitted to the grievance procedure in the manner provided for in Article 10 of the present agreement. Moreover, any grievance is prescribed and is not arbitrable if it has not been processed through all the steps provided for in the grievance procedure within the time limits there indicated, or if it has not been submitted to arbitration in the manner **and** within the time limits provided for in the present Collective Agreement.

11.02 Appointment of an Arbitrator

Appointment of an arbitrator shall be determined on a local basis **as** follows: The grievance shall be submitted to a sole arbitrator chosen by mutual agreement. If the parties fail to agree on a neutral arbitrator within fifteen (15) working days (excluding Saturday, Sunday and general holidays) after either party has served written notice on the other party of its intention to refer the matter to an arbitrator, the Minister of Labour will be requested to appoint **an** arbitrator.

In instances whereby several cases of a disciplinary nature are the subject of grievances for an Owner/Operator or a group of

Owner/Operators, the parties may agree to have them heard individually by the same arbitrator.

11.03 Decision within Thirty (30) Days

The arbitrator must render his decision within the thirty (30) days following the final date of the hearing. However, at the request of the arbitrator, this time period may be prolonged by agreement between the two (2) parties.

11.04 Final and Binding Decision

The arbitrator's decision shall be **final** and bind the Company, the Union and the Owner/Operators concerned. The arbitrator shall not be authorized to alter, modify or amend any part of this agreement, nor to render any decision incompatible with the provisions of this Agreement, nor to consider any matter not pertaining to the present agreement.

11.05 Fees and Expenses

The parties will bear equally the fees and expenses of the arbitrator.

11.06 Disciplinary Measures

The arbitrator may, in the case of discharge or of disciplinary measures imposed **on** Owner/Operators having acquired seniority rights, confirm, modify or annul the decision of the Company, or, **as** the case may be, substitute any other sanction which appears to him to be just and reasonable under the circumstances.

11.07 Burden of Proof

In the case of disciplinary measures or of administrative dismissal being the object of a grievance, the Company shall bear the burden of proof.

11.08 Internal Arbitration

The Company and the Union will attempt to establish an internal arbitration resolution process. Any such process will become **an** integral part of the grievance and arbitration procedures.

Article 12. DISCIPLINARY MEASURES

12.01 Disciplinary Measures

It is recognized that the imposition of discipline is the exclusive right of the Company.

Written reprimand, suspension and discharge are the disciplinary measures susceptible of being imposed depending upon the gravity or the frequency of the infraction in question.

Recognizing the Owner/Operator as an independent business person, both the Company and the Union agree that the imposition of time off as a form of discipline does not serve the interests of either the Owner/Operator or the Company. As such, it is agreed that the discipline of suspension will be in writing only and no time off will be served.

12.02 Time Limit for Imposition of a Disciplinary Sanction

The decision to impose a disciplinary sanction shall be communicated, in writing, to the Owner/Operator within the five (5) working days of the Owner/Operator's regular schedule following the incident or knowledge of such incident by the Company; otherwise, this sanction shall be rendered invalid and illegal for the purposes of the present Agreement. Nonetheless, this time period can be extended to ten (10) working days of the Owner/Operator's regular schedule, following notice by the Company to the permanent representative of the Union to the effect that additional time is required to complete its inquiry.

In the case of a criminal investigation (for example theft, drugs, fraud), the time period does not commence until all conclusions have been drawn ~~from~~ the investigation.

12.03 Contents and Delivery of the Confirmation of Discipline

A written confirmation of discipline addressed to the Owner/Operator concerned must state the reasons for the disciplinary sanction with a copy transmitted simultaneously to the **Union** Business Agent and to the steward concerned.

Moreover, the Owner/Operator concerned must sign a statement attesting receipt of the said confirmation. His signature does not constitute an acceptance of the disciplinary measure, but **only** receipt of the written confirmation.

12.04 Presence of a Union Steward

Any Owner/Operator covered by this agreement who is called into the Company's office for any discussions pertaining to disciplinary or administrative measures or during an investigation by the Loss Prevention department which could result in disciplinary measures for the Owner/Operator shall have the right, upon request, to be accompanied by a steward.

12.05 Prescription

A disciplinary measure becomes null and void twelve (12) months after the date of the imposition of the discipline. Any disciplinary

of each meeting must be taken and remitted to each of its members and posted on the bulletin board. Members of the Health and Safety Committee shall not be required to perform their normal functions during the time necessary to attend the said meetings and shall be remunerated at the applicable waiting time rate.

13.05 Right of Refusal

An Owner/Operator may exercise the right of refusal to perform work constituting an imminent danger, the whole in compliance with the provisions of Articles 128 and following the Canada Labour Code.

13.06 Safety Training

The Company agrees to meet any safety training requirements specified under ~~Part~~ II of the Canada Labour Code or any other legislation which may apply.

Article 14. MISCELLANEOUS

14.01 Uniforms

The present Company practice regarding uniforms for Owner/Operators will be maintained for the duration of the collective agreement.

14.02 Technological Change

The Company will abide by the technological change provisions of ~~Part~~ I of the Canada Labour Code.

Article 15. INTERPRETATION

15.01 Collective Agreement in Printed Form

The Company shall have the text of the Collective Agreement printed. It shall distribute one (1) copy to each of the present and future Owner/Operators in the bargaining unit and shall remit a number to the Union not more than sixty (60) days after the signing of the Collective Agreement.

Article 16. DURATION AND RENEWAL

16.01 Duration and Renewal

The present Collective Agreement shall come into force on its date of signing and shall terminate on December 31, 2003 and, barring express provisions to the contrary, does not have retroactive effect. Either of the parties to the present agreement may give notice in writing of its intention to renegotiate the present agreement within

a delay of not less than ninety (90) days and not more than a hundred and twenty (120) days prior to its expiry date.

16.02 Application

After expiry of the term of this Agreement the terms and conditions **as** set out in *this* Agreement will continue to apply until the right to strike or lockout is acquired.

16.03 Annex or Appendix

All Annexes, Appendices and Letters of Understanding to the present Agreement are **an** integral **part** thereof.

Article 17. OWNEWOPERATOR CONTRACT AND STANDARD OF PERFORMANCE

Copies of these standard documents are attached to this Collective Agreement and remain in effect for the duration of this Agreement.

Article 18. OWNER/OPERATOR COMPENSATION

The Owner/Operator compensation schedule is attached to this Collective Agreement and remains in effect for the duration of this Agreement.

In witness whereof, the parties have signed, through their duly authorized representatives, in Calgary this 24th day of August, 2001.

n
Teamsters Local 987
[Signature]
E. Bond

Purolator Courier Ltd.
[Signature]
[Signature]
[Signature]

ATTACHMENT 1

OWNEWOPERATOR CONTRACT

AGREEMENT FOR SUPPLY AND OPERATIONS OF MOTOR
VEHICLE

THIS AGREEMENT made the of , 2000
between

PUROLATOR COURIER LIMITED
("PUROLATOR")

and

("OWNEWOPERATOR")

WHEREAS the Owner/Operator owns or leases a vehicle ("the Vehicle") suitable for the pick-up and delivery of small parcels ("the Services") and

WHEREAS Owner/Operator is willing to make available and operate the Vehicle to perform the Services for Purolator upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties covenant and agree **as** follows;

1. Owner/Operator, making use of the Vehicle, shall perform the Services in a timely and efficient manner.
2. Owner/Operator shall maintain the Vehicle in safe, serviceable and clean condition.
3. All costs of Vehicle operation and maintenance shall be borne by the Owner/Operator.
4. Owner/Operator shall, at Owner/Operator's expense, maintain liability insurance on the Vehicle in accordance with provincial requirements.
5. Owner/Operator shall, at Purolator's expense decorate the Vehicle in accordance with Purolator's specifications.

6. If deemed necessary by the Company, the Owner/Operator will be supplied with a Company issued pager. The Company is responsible for the cost of supplying and maintaining the pagers.
7. Owner/Operator shall deliver to Purolator a daily *summary* of Services performed including but not limited to, delivery route sheets, pick-up waybills and manifest sheets, plus a daily pay *summary*.
8. For the service rendered pursuant to this Agreement, Purolator shall pay Owner/Operator twice monthly in accordance with Owner/Operator Compensation Plan.
9. Owner/Operators undertake to indemnify and hold Purolator harmless from all claims, debts, demands, suits, actions, and causes of actions whatsoever for loss, damages, delay and liability of any nature or kind whatsoever, made or brought by any person, firm or corporation against Purolator arising out of or in connection with the Services rendered by the Owner/Operator.
10. The sole relationship between the parties hereto is that of principal and businessman and nothing herein shall be deemed to create any other relationship including, without limiting the generality of the foregoing, any relationship of employer and employee, agency, partnership, association or joint venture.
11. This Agreement is terminable by either of the parties without advance notice in the event of:
 - a) default by the other party in the performance of any of its obligations under this Agreement; or
 - b) bankruptcy of the other party or the seizure or attachment of such other party's assets by third Party.
12. Upon termination of this Agreement, Owner/Operator shall forthwith remove ~~from~~ the Vehicle the word "Purolator" and all the trademarks, logos and other elements of decoration which are distinctive of Purolator.
13. No waiver on behalf of either party hereto or any of the provisions of this Agreement shall be effective unless expressed in writing and any waiver so expressed shall not

limit or 'affect the rights of the party granting such waiver with respect to any other or future matter arising hereunder.

14. This Agreement supersedes all former agreements whether oral or written, in force between the parties hereto concerning the subject matter of this Agreement, all which are terminated as of the date hereof.
15. Any notice given under **this** Agreement shall be in writing and personally delivered or mailed by registered letter at the last known address of the other party. In the event of mailing in the matter aforesaid, such notice shall be deemed to have been received six, (6), business days after mailing.
16. In the event **the** Vehicle is used to transport freight for others, the Purolator vehicle markings, the "Purolator" trademark, distinctive colours and designs, license plates and operating authority shall not be displayed or relied upon.
17. The Owner/Operator will be governed at all times by the attached Standards of Performance.

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

PUROLATOR COURIER LIMITED

BY: _____

(WITNESS)

(OWNER/OPERATOR)

ATTACHMENT II

OWNER/OPERATOR

STANDARDS OF PERFORMANCE

SECTION 1 - VEHICLE SPECIFICATIONS:

Owner/Operators are required to supply their own vehicle for the purpose of providing service to Purolator.

1. It is the responsibility of Purolator to determine the size and specifications of vehicles used on any particular route.

Upon hiring, transferring, route growth and vehicle replacement, as a condition of continuous employment, Owner/Operator will be required to provide a vehicle which complies with Purolator's size and specifications. Any change in requirements will be communicated to the Owner/Operator as soon as reasonably possible.

2. Depending upon route requirements, the Owner/Operator will provide a suitable vehicle. Within sixty (60) days of replacement of vehicle, the Owner/Operator must have his vehicle painted according to Purolator's standards and specifications.
3. Other than Driver/Passenger windows, side or rear glass are not permitted. Owner/Operators who, at the time of the signing of the Collective Agreement, do not have vehicles which meet this standard will be allowed to retain such vehicle. Any such deviation from this requirement must have the written approval of the Managing Director of Operations.
4. Owner/Operator shall at Purolator's expense decorate the vehicle in accordance with Purolator's specifications. This is to be completed within sixty (60) days of hire or replacement. The Purolator trademarks, distinctive colours and designs used in connection with the business and service provided by Purolator shall remain at all times during the term and any renewal thereof the property of Purolator and any benefit associated with such use shall accrue wholly to Purolator. The Owner/Operator can use the Purolator trademark, distinctive colours and designs

only with the consent of Purolator and only in connection with the services provided to Purolator.

On termination of the Owner/Operator's contract with Purolator, or at the time of indefinite layoff, the Owner/Operator shall immediately and at Purolator's expense remove from the vehicle the Purolator trademarks, distinctive colours or designs before receipt of his/her final cheque.

Purolator may require the placement of M.C.C. or other Provincial or Area Identification. If such is the case, Purolator will pay for the expense. No other vehicle markings are to be placed on the vehicle unless approved in writing by Purolator.

5. Modifications to existing or replacement vehicles must be approved by Purolator in writing.
6. All rust spots, dents **and** body repair work is to be completed within 30 days of Purolator's request in writing, **with a copy** to the Union, to have such work completed. The Owner/Operator is responsible for all expenses in this area including the rental of a vehicle to maintain regular service.
7. All maintenance and operating costs are borne by the Owner/Operator.
8. The Owner/Operator shall be responsible to provide a vehicle at his/her expense at any time his vehicle is unavailable for regular service. The replacement vehicle must conform to Purolator's standards as to size and conditions but not colors. Replacement vans must not be used for more than one, (1), week unless extenuating circumstances warrant an extension which must be approved by Purolator in writing.
9. Owner/Operator will ensure their vehicle complies with all security, licensing, cleanliness, insurance, mechanical, maintenance, safety, physical condition and appearance requirements as established and amended from time to time by Purolator.
10. The serviceable age of the vehicle shall be deemed to be six (6) years and any vehicle which is older than three (3) years

must be inspected annually. The six (6) years may be extended to ten (10) years based on vehicle condition and reliability. Such extension would be approved by Purolator, in writing, subject to the results of the vehicle inspection.

SECTION 2 - OPERATION OF VEHICLE:

Courteous driving and compliance with applicable, traffic ordinances, motor vehicle regulations and security of our packages will be adhered to at all times.

1. Owner/Operators making personal use of the vehicle outside normal working hours shall operate their vehicle in a safe, courteous and professional manner.
2. Unless previously approved by Purolator, no hitchhikers, unauthorized personnel, or animals shall be transported in an Owner/Operator vehicle while performing services for Purolator. This will not apply to situations where an Owner/Operator is providing emergency assistance to another motorist.
3. The use of substitute drivers must be approved by Purolator and this approval will not be unreasonably withheld. Where required the Owner/Operator assumes all liability insurance and Worker's Compensation for any substitute driver operating their vehicle. The Owner/Operator shall comply with all responsibilities, as an employer under the requirements of municipal, provincial and federal statutes.
4. As a condition of employment, the Owner/Operator at his/her expense will provide Purolator with a copy of their Driver's Abstract annually.
5. Where required, the Owner/Operator will supply Purolator with a copy of their vehicle registration showing Purolator's safety number and Purolator Courier listed on the registration. Also, the Owner/Operator must provide a copy of the vehicle route class code and Motor Carrier License.
6. All Owner/Operators will provide and maintain at their own cost and expense all tools, machinery, supplies, fuels and oils necessary to perform the services undertaken by the Owner/Operator.

7. All Owner/Operators are responsible for having on hand appropriate supplies such as Bills of Lading, Puroletters, Puroletters Plus, Puropaks and all service labels while ensuring proper utilization and control. On termination of the Owner/Operator service, the Owner/Operator shall surrender all paper products of materials with the Purolator trademark, distinctive colour or designs before the final payment is made to the Owner/Operator. This includes any keys and identification tags.
8. All Owner/Operators are responsible to identify and communicate to his/her respective terminal all shipments that cannot be delivered for whatever reason.
9. It shall be the responsibility of the Owner/Operator to provide an adequate vehicle and assure a Purolator approved replacement in the case of absenteeism.
10. The Owner/Operator shall maintain independent coverage with the Workers Compensation Board and make remittance for the workers compensation coverage for the Owner/Operator and his operators/employees. Proof of coverage in the form of a clearance certificate will be submitted to the Company upon request.

SECTION 3 - GENERAL OPERATING STANDARDS :

Purolator has certain rules of conduct for the guidance and benefit of all Owner/Operators. It is the responsibility of each and every Owner/Operator to protect our customers' property and to ensure safe, prompt and secure services. In addition, we must take every possible precaution to provide for the safety and security of all personnel, vehicles, terminals, customer's premises and general public. All Owner/Operators are expected to demonstrate integrity, courtesy, safety and conduct of the highest standard.

The rules and regulations listed below are not exhaustive and do not cover every possible situation. When unsure of the proper procedures to follow, Owner/Operators are responsible for contacting their immediate supervisors.

An Owner/Operator who fails at any time to maintain proper standards of conduct or who violates company rules shall be subject to disciplinary measures up to and including termination of contract.

GENERAL RULES

1. Truthful, accurate and complete reports must be made at all times. Falsification of any report is strictly prohibited.
2. All personal injuries or illness must be promptly reported to your supervisor, whether suffered while on duty.
3. Uniforms must be worn while performing Purolator business in a decaled vehicle and are not to be ~~worn~~ during off-duty hours.
 - a) Any Owner/Operators who have been assigned a uniform and reports to work without a proper uniform will be relieved of their duties without pay **and** expected to return in uniform **as** directed by their supervisor.
 - b) The Owner/Operator is expected to maintain and clean such uniforms.
 - c) All uniforms must be returned to Purolator upon leaving Purolator before the final cheque is released.
 - d) Purolator will pay for new uniforms according to Purolator's uniform policy.
 - e) No deviation in the uniform such as T-shirts or shorts are permitted which are not **part** of Purolator's uniform policy. Likewise garments bearing the Purolator logo which are not part of the uniform are not to be worn to work.
4. Having in possession, using or being under the influence of intoxicating drugs or alcohol at any time during the period between start and finishing time, whether or not on company premises, is forbidden and will result in immediate contract termination.
5. Owner/Operators shall not carry or have in their possession firearms or other weapons while on duty.
6. Owner/Operators agree to pick-up and/or deliver at all regular customer locations as assigned on the route sheets and at all unscheduled locations as instructed.
7. The use of abusive language is prohibited.

8. Fighting, horseplay or engaging in any conduct which creates a safety hazard to oneself and/or others is prohibited.
9. The Owner/Operator agrees not to abuse or misuse any of Purolator's property.
10. No soliciting or gambling is permitted on Purolator's property.
11. Owner/Operators shall not guarantee levels of service or time of pick-up.
12. Owner/Operators are responsible for the accurate and legible manifesting of all shipments moved in each work day and in obtaining receipts of all items that are delivered.
13. All Bills of Lading and/or Manifests shall be carefully checked by the Owner/Operator to see that they properly reflect the name and address of the consignor and consignee, the accurate number and weight of all packages included in the shipment, the service type and payment method.
14. The Owner/Operator is responsible for submitting to Purolator an accurate and legible *summary* of each day's transactions along with all Bills of Lading, cash, cheques, money orders, route sheets and other forms of payments received on behalf and for delivery to Purolator.
15. The Owner/Operator will invoice Purolator as required for services rendered according to the Owner/Operator invoicing procedures.
16. Cash to Courier and C.S. (Controlled Shipments) Procedures must be adhered to at all times. Refer to the Operations Procedures Manual for complete details.
17. It is each Owner/Operators duty to properly guard and account for all packages. Any breach of security suspected theft or any incident that arouses the Owner/Operator's concern or suspicion must be reported to a supervisor immediately.
18. The Owner/Operator agrees that Customer Shipments will not be thrown or mishandled in any way. Particular

attention must be paid to package handling such as “This Side Up”, “Caution”, and “Fragile”.

19. No Owner/Operator may open, attempt to open, or reach into an opened shipment unless authorized to do so by a supervisor. Any merchandise which falls out of an opened or damaged package may not be kept or used by an Owner/Operator. All such merchandise or shipments must be brought to the attention of a supervisor immediately.
20. Theft of Purolator, customer or other employee’s property or Owner/Operator’s property will result in immediate contract termination and may also result in criminal prosecution.
21. Owner/Operator must comply with placarding and all other regulations applicable to the handling of Dangerous Goods. Refer to your Dangerous Goods handbook for details.
22. All accidents whether involving other vehicles or not, shall be immediately reported to a supervisor.
23. Unless previously authorized by a supervisor, keys must be removed from the ignition of a vehicle left unattended.
24. Vehicle windows may be left open while the vehicle is unattended provided that all cargo is behind a solid cargo barrier and the cargo compartment is locked.
25. Packages shall not be placed on the roof, hood, or trunk of any vehicle.
26. As required, all Owner/Operator vehicles transporting shipments must enter the Department of Highway’s weigh scales. A copy of the vehicle registration, insurance certificate, operating authority, radio license and provincial certificate (where applicable) must be carried by each vehicle and be shown upon request.
27. While in uniform Owner/Operators are expected to behave in a responsible and professional manner.
28. A daily regime of good grooming and hygiene is expected of the Owner/Operator, in order to create and maintain a favourable impression on our customers and prospective customers.

- a) Hair must be trimmed and combed as to present a neat appearance,
- b) Hair must be groomed to avoid interference with the job function.
- c) Facial hair must be trimmed neatly so that it does not appear "bushy".

29. The Owner/Operator agrees not to enter any action which may be harmful to Purolator or cause an unfavorable reaction from current or potential customers.

Owner/Operator Name

**Owner/Operator
 Signature**

Date

Witness Name

Witness Signature

Date

ATTACHMENT III

OWNEWOPERATOR

RATES

SECTION 1 - BASE RATE:

a) Base Rate

Each Owner/Operator who is required to provide his services to the Company for a full day will receive the following base rate per working day. **This** will be paid only if the total remuneration from the following points do not exceed the base rate.

	<u>Effective First Monday after date of Ratification</u>	<u>Effective First Monday in July 2001</u>	<u>Effective First Monday in July 2002</u>	<u>Effective First Monday in July 2003</u>
Base Rate	\$140.28	\$140.28	\$140.28	\$140.28

SECTION 2 - KILOMETER RATE:

The following rate per kilometer traveled will be earned by Owner/Operators based on the type of vehicle driven **and** required by the Company.

	<u>Effective First Monday after date of Ratification</u>	<u>Effective First Monday in April 2001</u>	<u>Effective First Monday in Jan. 2002</u>	<u>Effective First Monday in Jan. 2003</u>
Car	\$0.28	\$0.29	\$0.30	\$0.31
Van	\$0.32	\$0.33	\$0.34	\$0.35
1 Ton,	\$0.39	\$0.40	\$0.41	\$0.42
2 Ton	\$0.49	\$0.50	\$0.51	\$0.52
5 Ton	\$0.50	\$0.51	\$0.52	\$0.53

SECTION 3 - PIECE RATE:

The following rate per piece delivered and picked up will be earned by Owner/Operators:

<u>Effective First Monday after date of Ratification</u>	<u>Effective First Monday in July 2001</u>	<u>Effective First Monday in July 2002</u>	<u>Effective First Monday in July 2003</u>
\$0.18	\$0.20	\$0.24	\$0.27

A piece generally can be defined as a parcel identification number with an associated proof of delivery on the delivery cycle, and a properly completed-waybill, manifest, or other shipping document on the pick-up cycle.

SECTION 4 - STOP RATE:

The following rate per stop will be earned by Owner/Operators:

<u>Effective First Monday after date of Ratification</u>	<u>Effective First Monday in July 2001</u>	<u>Effective First Monday in July 2002</u>	<u>Effective First Monday in July 2003</u>
\$1.50	\$1.50	\$1.55	\$1.60

A stop generally can be defined as a single address, regardless of the number of pieces to be delivered and / or picked-up.

SECTION 5 - SPECIAL SERVICES:

The following is a list of recognized special services:

- a) Lead Hand
Where an Owner/Operator is contracted to be the Lead Hand, a rate of \$5.00 per working day will be earned.

- b) Non-Route Specials
Where an Owner/Operator is expected to perform a pickup or delivery that does not normally form part of his route, he will earn the appropriate kilometer rate noted in 2 above in addition to the stop and piece rate note in 3 and 4 above with a **minimum** payment of \$10.00.

- c) Wait Time
Where an Owner/Operator is expected to wait for air and ground linehaul systems, they will earn the hourly rate below providing the wait exceeds thirty (30) minutes from the scheduled arrival time of the linehaul. Customer waits are not included in this formula.

**Effective
First Monday
after date of
Ratification**

\$14.00

- d) Cellular Phone / Pagers
\$25.00 per month or actual usage whichever is greater (where authorized).

- e) Sort Time
Where it is required by the Company to have an Owner/Operator sort freight from an air or ground linehaul to more than one (1) route, the Owner/Operator will be compensated at the following rate.

**Effective
First Monday
after date of
Ratification**

\$14.00

The Owner/Operator will be paid a minimum of thirty (30) minutes.

- f) Health and Welfare
Owner/Operators shall receive the same Health and Welfare benefits excluding Weekly Indemnity, Long Term Disability, and the Pension Plan, as the hourly employees effective January 1, 1998. Owner/Operators must meet the Company eligibility criteria for hourly employees. The monthly premiums to be paid by Owner/Operators are \$10.00 for single coverage and \$20.00 for family coverage.

- g) Provincial Health Care
The cost of premiums for Alberta Health Care will be paid by the Company. Owner/Operators must meet the Company eligibility criteria for hourly employees.

- h) **Opting out of Benefits**
Should an Owner/Operator decide not to participate in both (f) and (g) above, they may bill the Company \$7.50 per day worked. In order to withdraw **from** the benefit plan (both (f) and (g) above), the Owner/Operator must notify the Alberta Human Resources Manager in Calgary, in writing within 30 days of the ratification of this agreement. Failure to notify the designated Company representative will be indication by the Owner/Operator of his wish to participate in the above mentioned plans.

- i) **Cargo Insurance**
The Company will reimburse the Owner/Operator up to \$500.00 upon proof of payment by the Owner/Operator of Cargo Insurance, once per calendar year.

- j) **Additional Payments**
Any additional payments to an Owner/Operator must be in writing and signed by the Manager, Human Resources.

ATTACHMENT IV

VOLUME FORMULA

VOLUME FORMULA:

Due to the changing nature of the types of freight Owner Operators are required to carry, a volume formula for each piece shall apply for all pieces over nine (9) cubic feet, with each additional cubic foot or portion thereof being considered one (1) piece and paid accordingly.

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