

Hourly Employees
Warehouse and Clerical

COLLECTIVE AGREEMENT

- BETWEEN -

DHL EXPRESS (CANADA) LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

- AND -

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
(LOCAL 4050)
(HEREINAFTER REFERRED TO AS THE "UNION")

EFFECTIVE: DECEMBER 14, 2002
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THIS AGREEMENT entered into this _____ day of _____,

BETWEEN:

DHL EXPRESS (CANADA) LTD.
in the PROVINCE OF ALBERTA
(hereinafter referred to as the "Company")

AND :

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
(LOCAL 4050)**
(hereinafter referred to as the "Union")

WHEREAS it is the desire of the Company and the Union to enter into an agreement governing the wages, hours of work, and working conditions, of the Employees of the Company in the classifications as contained within this Agreement, and to prevent strikes, lockouts, and other work stoppages and/or slowdowns during the term of this Agreement.

WHEREAS the parties to this Agreement desire to cooperate in establishing and maintaining conditions which will promote harmonious relations and provide methods for a fair and amicable adjustment of disputes which may arise between them.

AND WHEREAS both parties are pledged to cooperate and assist to the fullest extent in promoting safety and efficiency within business operations.

ARTICLE 1: UNION RECOGNITION

1.01 The Company recognizes the Union as the sole and exclusive bargaining agent for **all** Employees, save and accept Supervisor, those above rank of Supervisor, Sales Staff, and those that may be excluded by certification orders, unless voluntarily recognized **as** agreed on.

Local executive officers, shop stewards and other accredited union representatives shall be recognized by the Company in discussing any and all matters affecting the relationship between the Company and the employees who are affected by **this** Agreement. **This** includes but is not limited to involvement at any step of the grievance procedure. Only differences concerning the application of specific provisions of this Agreement may be grieved.

- 1.02 Employees shall be represented by the Union Committee, which shall consist of Employees elected at each centre of operation of the Company. The Chairperson of this Committee shall act as the liaison between the Employees and the Company. The Committee and/or Local Chairperson may at any time call upon the services of an accredited representative of the Union to assist them. The Company shall designate an individual representative to act in liaison between the Local Chairperson and the Company.
- 1.03 The provisions of ~~Part~~ I, Chapter L-2, Section 44 of the Canada Labour Code dealing with successor rights and obligations is recognized by the parties.
- 1.04 The Company shall not discriminate against any of the Employees who are members of the Union Committee and who, from time to time, represent other Employees.
- 1.05 The Union shall promptly notify the Company in writing of the names of the Employees comprising the Union Committee and any of the changes in the personnel thereof. The Company shall inform the Union, in writing, of the Supervisors with whom said accredited Representatives shall deal and any changes thereof.
- 1.06 The Union agrees that there will be no Union activities carried out during working hours, except those necessary in connection with the administration of this Agreement. Accredited Representatives of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to, provided however, that there is no interruption of the Company's working schedule.
- The Company will allow the use of the lunchroom to conduct Union business at a time convenient to both the Company and the Union provided it does not disrupt the normal business operation and such time to be scheduled and kept to a minimum.
- 1.07 The Company agrees to provide space for a Bulletin Board at each of its terminals for exclusive use by the Union for posting matters relating to Union meetings and other Union matters, provided that they are authorized and signed by an Officer of the Union. The said notice board shall not be located in any place where the general public ~~has~~ access.
- 1.08 It is hereby agreed that all Employees shall become members of the Union and shall ~~as~~ a condition of employment become and remain members of the Union.
- 1.09 The Company agrees to deduct from the pay of each Employee who is a member of the Union or covered by this Agreement, ~~an~~ amount so deducted to such person ~~as~~ may be officially designated by the Union. The monthly dues remittance shall be accompanied by ~~a~~ list of certified Employees on the payroll for the pay period in which the deductions were made.
- 1.10 The Company shall show the total amount of Union dues deducted on the Employee's T-4 slip issued at the end of each calendar year.

- 1.11 The Company shall furnish to the Union a list of all new Employees taken into employment by the Company. The Union will supply the Company with deduction authorization forms and membership applications which shall be signed by all new Employees on the date of hire. It will be the responsibility of the Company to ensure that all forms and membership fees are forwarded to the Union Treasurer within fourteen (14) calendar days from the date of hire. The Company shall, at the time of hiring, inform the Employee as to his/her status regarding whether they are a full-time or part-time Employee.
- 1.12 The Company shall not require an Employee covered by this Agreement to cross a legal picket line or to accept any product goods from any person or Employees of any person with whom a Union has a legal picket or placard line around or against, or to deliver any product or goods to any person, or Employees of any person with whom a Union has legal picket or placard line around or against.
- 1.13 1) Any Employee elected or appointed to a full-time position with the Union shall be granted an indefinite leave of absence without pay provided that thirty (30) days notice is given to the Company prior to the beginning of such leave. During such leave, the Employee's Company, Branch and Group seniority shall accumulate, welfare benefits shall be suspended thirty (30) days after such leave commences, and annual vacation benefits shall be suspended immediately.
- 2) Should the employee request a continuation of welfare benefits during such leave the premium will be remitted to the Company by the employee prior to the month(s) in question.
- 1.14 1) The Company shall grant a leave of absence without pay to any Employee who attends essential Union business. The Union will give a minimum of fifteen (15) days notice of such request. It is understood that a maximum of ten (10) Union members will be allowed off at one time, **provided there are no more than three (3) employees required from any one location.** It is agreed that in the event of an emergency occurring, the Executive and Stewards of the Local will be granted leave of absence upon request.
- 2) Where a Union representative makes a reasonable request for paid time-off to attend to Union business at another Company location, such request, will no be unreasonably denied.
- 1.15 The Company may request that a Union representative be sent to another Branch **for** consultation. Such representative will be paid at the regular rate of pay for travelling time **as well as** for hours **of** consultation, up to a maximum of normal shift hours. The Company will assume all necessary expenses.

1.16 No officer of the Company shall perform bargaining unit work on a regular on-going basis but may assist in an emergency situation.

Should such a situation arise the Supervisor will advise the Shop Steward or Lead Hand in their absence of their intention to exercise this clause.

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

1.18 The Company agrees it will not use any leasing equipment/driver for the purpose of evading this Agreement.

1.19 It shall not be a violation of this Agreement for any Employee to post the **CAW - Canada Union** label in a conspicuous place in the cab of the vehicle or equipment he/she is operating. The positioning of the label shall be in accordance with Company policy. The standard position shall be the driver's side no draught window.

1.20 A Dependent Contractor (Owner Operator) is deemed to be an "Employee" of the Company as defined by the Labour Code of Canada, Part I. Rules and guidelines and applicable Articles are located in Appendix "A" of this Agreement.

1.21 **All storing**, handling and delivering of merchandise or other goods and materials shall be carried on by the Company's Employees, members of the Union, in the categories covered in this Collective Agreement where such work is under the control of the Company.

1.22 It is agreed by the Company and the Union that in carrying out their obligations under **this** agreement there shall be no discrimination, harassment, or stronger disciplinary action exercised or practised with respect to an employee by reason of age, race, creed, colour, national origin, political or religious affiliation, sex, sexual orientation, marital status, family status, disability, conviction for which a pardon has been granted or membership or activity in the Union.

1.23 The Company shall not contract out any bargaining unit work within the Clerical Group except in the event of incidental absence or work overload where no qualified Employee is available on a straight time or overtime basis. The Company may then use the services of a clerical agency for a period not exceeding ten working days unless mutually agreed by the Union.

The Company and Union agree to jointly monitor the use of temporary agency employees by:

- a) Providing to the Union a monthly list of all temporary agency employees who have worked more than ten days in the month showing classification worked, number of days worked and reason for engagement, and
- b) Upon request a meeting will be convened to review the use of agency employees with the view of investigating ways and means to return this work to bargaining unit employees, i.e. creation of seasonal temporary positions (vacation relief).

ARTICLE 2: MANAGEMENT RIGHTS

- 2.01 The Union recognizes that it is the Company's right and exclusive function to manage and generally direct and operate its business activities to include:
- (i) The **right** to hire, transfer, promote, demote, classify, layoff, suspend, discharge, or otherwise discipline Employees for just cause.
 - (ii) The right to maintain order and establish and enforce just rules and regulations governing the conduct of Employees.
 - (iii) The right to reduce overtime hours wherever and whenever possible.
 - (iv) The right to determine the products to be handled and the methods of handling and processing and related scheduling of personnel and operations.
 - (v) The right to assign work by the most economical means available to the Company.
- 2.02 The Company agrees that these functions will be exercised in a manner consistent with the provisions of this Agreement.
- 2.03 The above clauses shall not deprive Employees of the right to exercise the grievance procedures **as** outlined in this Agreement.
- 2.04 During the term of this Agreement, there will be no lockout, by the Company, nor any **strike** or work stoppage, or slowdown by the Employees.
- 2.05 Management personnel will have the authority to hire, classify, promote, demote, **lay** off, suspend, discharge or otherwise discipline subject **to** the provisions of this Collective Agreement.

ARTICLE 3: GRIEVANCE PROCEDURE

- 3.01 It is the intention of the parties that this procedure provide a just and peaceful method of adjusting grievances and the parties agree to act in good faith in settlement of grievances in accordance with the provisions of this Article.
- 3.02 Any complaint, disagreement, or difference of opinion between the Company and the Union or the Employees covered by this Agreement which concerns the application or interpretation of the terms and provisions of this Agreement, shall be considered a grievance.
- 3.03 Any Employee, the Union or the Company may present a grievance. A grievance concerning a dismissal shall be submitted at Step 3. A policy grievance filed on behalf of the Union or the Company shall be submitted at Step 3 of the grievance procedure.

Any grievance which is not presented within ten (10) working days following the event giving rise to such grievance shall be forfeited and waived by the aggrieved parties.

- 3.04 Any Employee having a complaint may orally discuss the matter with a Supervisor. Should such discussion not result in a satisfactory resolution of the problem, the following steps will be followed:

Step 1: The Employee and his/her Shop Steward shall submit his/her formal grievance in writing to his/her immediate supervisor, who shall reply in writing within three (3) working days. If a satisfactory settlement cannot be reached, or if there is no supervisory position at the Branch then;

Step 2: Within five (5) working days of receiving the decision under Step 1, or in the absence of a supervisor, the Employee with his/her Shop Steward shall submit the grievance in writing to the Branch Manager or Hub Operations Manager, **who** shall give his/her reply within five (5) working days in writing. **If** a satisfactory settlement cannot be reached, then;

Step 3: Within ten (10) working days of receiving the decision under Step 2, the grievance shall be referred to the local chairperson/chief shop steward who shall submit it to the regional manager or designate in writing. If requested by either **party**, a meeting will be held to discuss the grievance **and** the national representative may be present at this meeting. The regional manager or designate will reply within ten (10) working days.

Failing a satisfactory settlement cannot be reached within ten (10) working **days**, then the grievance may then be referred to a **single arbitrator as** established in article 4 of this agreement.

- 3.05 The time limitations prescribed in Article 3 may be extended, but only by mutual consent of both parties in writing.

- 3.06 Where a grievance is not processed by the Union or the Company within the prescribed step or time limits, it shall be considered dropped and all rights of recourse will be forfeited.

Where a decision with respect to such grievance other than one for unpaid wages is not rendered by the appropriate Company Officer within the prescribed time limits, the grievance will be processed to the next step in the grievance procedure.

When the appropriate officer of the Company fails without valid reason to render a decision with respect to a claim for unpaid wages within the prescribed time limits, that claim will be paid within three (3) working days if the claim is greater than one (1) day's pay. The application of this rule shall not constitute an interpretation of the Collective Agreement.

- 3.07 Investigations in connection with any matters that may result in discipline will be held as quickly **as** possible. Investigations in connection with any matters that may result in a suspension or dismissal excluding those that are the result of progressive discipline will require that the employee be provided with written notification of the nature of the investigation. Said notice will be given within five (**5**) working days of the Company having knowledge of the incident occurring. In extenuating circumstances, the Company may request of the Union a time extension which will not be unreasonably denied. An Employee may be held out of service for investigation. **An** Employee may if he/she so desires, have the assistance of one or two fellow Employees, or Local Chairperson/Shop Steward or authorized committee person of the Union, at the investigation. Upon request, the Employee being investigated shall be furnished with a copy of his/her own statement, if it is made a matter of record at the investigation. The decision will be rendered within twenty-one (21) calendar days from the Company first becoming aware of the incident, unless the investigation cannot be completed in this period. In this event the Company will request agreement of the Union to an extension of the investigation period and such request shall not be unreasonably denied. An Employee may be held out of service pending the rendering of a decision. If it is determined there was no just cause to be held out of service, he/she will be paid for all time held out of service. Such payment will be made within three (**3**) working days.

- 3.08 Any Employee shall be allowed to inspect his/her own disciplinary file in the presence of the Company, during normal business hours. Any officer of the Union, on behalf of the Employee, may accompany the Employee to inspect his/her own disciplinary file subject to the Written authorization of the Employee.

With the Employee's consent the Company will forward relevant information from **an** employee's file **as** requested to the Local Chairperson.

- 3.09 **A** copy of all disciplinary notices to **any** Employee covered by this Agreement shall **be** forwarded to the Union **Chief** Steward for perusal.

- 3.10 Any reprimand notices or disciplinary measures will be withdrawn from the Employee's file after one (1) year except if there is a recurrence of a same or similar infraction within that one (1) year. Any violations concerning a criminal or civil offence will remain on disciplinary record indefinitely. Discipline on matters affecting driving records will be withdrawn after two (2) years.
- 3.11 Any meeting necessary to comply with the formal grievance provisions of this Article will be held during normal working hours at no loss of pay to the Employees concerned. The Shop Steward/Local Chairperson shall be compensated at his/her regular rate of pay for all time spent in excess of fifteen (15) minutes.
- 3.12 Any Employee, subject to discipline, will have the attendance of his/her Union representative. The Company will arrange for a representative to be present. If the employee does not want a Union Representative present, the employee will sign a waiver stating that they have waived their rights to Union representation.**

No Employee shall be required to enter the offices of a Supervisor for disciplinary purposes or receive a letter of warning from the same without the presence of a member of the Grievance Committee (i.e. Shop Steward or Local Chairperson).

ARTICLE 4: ARBITRATION

- 4.01 Failing a satisfactory settlement of a grievance at Step 3 of the grievance procedure, either party may request that the matter be referred to **Arbitration**. Such notification must be made in writing within twenty-eight (28) calendar days **of the decision being given at Step 3**.
- 4.02 **A single arbitrator will be designated by mutual agreement of the Company and the Union.**
- 4.03 Selection of the arbitrator will be made within fourteen (14) calendar days of receipt of notification of either party's desire to proceed to arbitration.

Failing agreement on the selection of an arbitrator as set out above, the matter shall be referred to the Department of Labour, who shall appoint an Arbitrator.

The arbitrator selected must, as a condition of engagement, be prepared to:

- a) hear the matter within ninety (90) calendar days of the request.
- b) render a decision within thirty (30) calendar days of completion of the hearing, unless, an extension is mutually agreed to between the Company **and** Union.

- 4.04 No person involved directly in the controversy under consideration shall be **an** Arbitrator.

- 4.05 The Arbitrator shall receive and consider such material evidence and contentions as the parties may offer, and shall make such independent investigations, as it deems essential to a full understanding and determination of the issue involved. In reaching its decision, the **Arbitrator** shall be governed by the provisions of this Agreement. **The Arbitrator** shall not be vested with the power to change, modify, or alter any of the terms of this Agreement.
- 4.06 The findings and decision of the **Arbitrator** on all arbitrable questions shall be binding and enforceable on all parties.
- 4.07 The expense of Arbitration shall be borne equally by the Company and the Union.
- 4.08 All monetary grievances that are mutually agreed upon, shall be paid the following pay period, either by a separate cheque or, in the alternative, the Employee's regular cheque shall be accompanied by a written statement outlining the amount and the grievance settlement involved.
- 4.09 The calculation of the payment of monies for all monetary grievances shall be limited to the lesser of the period in question or forty-five (45) working days preceding the date of the grievance.

ARTICLE 5: SCHEDULING WORKING HOURS AND OVERTIME

- 5.01 The work week will be Monday through Sunday, consisting of five (5) consecutive days of work, eight (8) hours per day, forty (40) hours per week for all regular full-time employees, except as provided in clauses 5.06 and 5.07. **All** time worked in excess of forty (40) hours per week and over eight (8) hours per day will be paid at one and one-half (1-1/2) times the basic rate.
- 5.02 Any regular full-time or part-time Employees working twenty (20) hours or more per week shall be entitled to the **full** or pro.-rated rights and benefits of this Collective Agreement.
- 5.03 Any Full-time or Part-time Employee ordered to report to work at a time specified by the Company, and who does report for work at the said time will be guaranteed a **minimum** of four (4) hours work or four (4) hours pay in lieu thereof; unless the Employee quits, or is discharged for just cause prior to the completion of four (4) hours. **Any** Full-time Employee who works beyond four (4) hours on his or her regularly scheduled **work** day will be paid according to the regular hours scheduled for that day unless the Employee quits, or is discharged for just cause prior to the completion of the **shift**.

- 5.04 Where an employee desires to bank his/her overtime, he/she shall request, in writing by January 1st indicating this, which shall be binding for one (1) year.
- (a) Overtime which is banked during the calendar year shall be credited in terms of hours, and when taken as time off, shall be paid out at the same hourly rate as banked. Banked overtime should be taken in scheduled eight (8) hour increments, or as locally arranged in writing, to a maximum of one (1) week per calendar year. Upon written request, banked overtime will be paid out on an employee's regular cheque.
 - (b) The Company shall keep a record of all banked overtime, which shall be available for perusal by the employee.
 - (c) Example of banked hours:
 - 1 hour accrued Overtime = 1½ hours paid time off
 - 2 hours accrued Overtime = 3 hours paid time off.
 - (d) Such time off will **be** taken at a mutually agreed date, consistent with the efficient operation of the Company. Time off requests will be considered after requests for vacation leave.
 - (e) When an employee leaves the Company, all banked hours accumulated shall be paid out in total.
 - (f) When an employee has accrued over forty (**40**) hours of banked overtime or has used the forty (40) hours of banked overtime leave, **as** provided in 5.04 (**a**), they may request in writing, any additional banked overtime to be paid out, in full or part, on their regular cheque.
- 5.05 Upon mutual agreement, in writing, between the Company and the Union, **a** shift comprising four (**4**) consecutive days and ten (10) consecutive hours per day, excluding lunch period shall be established.
- 5.06 Regular part-time Employees will be given the first opportunity by Group seniority and by classification to supplement their hours of work by indicating their desire in writing **to** be called for additional hours.
- 5.07 **All** Employees working **split** shifts with **a** break of two (**2**) hours or more excluding lunch period will receive **a** ten (10) dollar payment. No split **shift** shall exceed twelve (12) hours in duration excluding a lunch period of one (1) hour. Should it exceed twelve (**12**) hours, then the succeeding hours shall be **at** the overtime rate.

- 5.08 (a) The Company, wherever practicable, will endeavour to utilize the qualified available Employee with the most Group Seniority in that classification for overtime assignments when those assignments are known in advance and involve four (4) or more hours of work.

Any Employee who wishes to be considered for such assignments must advise the Company in writing and update the advice by the first (1st) working day of each month.

- (b) In instance of early call out involving less than four (4) hours overtime, and where the hours of overtime will be equal, and where practicable, the qualified Employee with the most Group Seniority within the classification is to be offered the overtime.
- (c) Additional hours which are a continuation of a regularly scheduled **run** or shift are exempt from the provisions of Clauses 5.07 and 5.08 (a). In this situation, overtime will be voluntary down the seniority list for qualified Employees and mandatory **up** the seniority list for qualified Employees based on Group seniority.
- (d) The maximum mandatory overtime will be twenty-five (25) hours per month.

5.09 All Employees covered by this Collective Agreement shall, for each four (4) hour period or major portion thereof, have a fifteen (15) minute Company paid rest period.

5.10 All shifts over five (5) consecutive hours shall have a one half (½) hour unpaid meal break, between the fourth (4th) and sixth (6th) hour, unless otherwise mutually agreed to by the Company and the Employee.

5.11 Employees scheduled on out of town routes requiring a short layover before returning to their home terminals will be paid \$3.75 per hour at the layover destination, excluding a one (1) hour meal period.

ARTICLE 6: HOLIDAYS

6.01 The following Statutory Holidays will be observed with pay:

| | |
|-----------------------|--------------------------|
| New Year's Day | Labour Day |
| *Family Day (Alberta) | Thanksgiving Day |
| Good Friday | *Remembrance Day |
| Victoria Day | Christmas Day |
| Canada Day | Boxing Day |
| 1st Monday in August | |

*The Company may substitute float days for Family Day and/or Remembrance Day for all Employees or **part** of the Employees eligible for these Holidays. Such float day to be

taken on a day selected by the Employee, providing the Employee gives the Company not less than one (1) week's notice of his/her intention to take this float day.

- 6.02 **An** Employee shall be paid for any statutory holiday falling during his/her vacation, in addition to vacation pay.
- 6.03 If a recognized holiday occurs during an Employee's vacation or on a regular day off, the Employee, by mutual consent, shall receive a day off with pay or a regular day's pay at straight time. Should the Employee choose a day off, it may be taken on the first working day following his/her vacation.
- 6.04 Eligible Employees are those Employees who are full-time and part-time Employees regularly scheduled to work a minimum of twenty (20) hours per week, and have been employed in excess of thirty (30) calendar days. **An** eligible Employee will be entitled to pay for the above noted holidays, although no work is performed, provided that on the regularly scheduled day preceding and the scheduled day following such holidays the employee is at work or on an approved leave of absence or vacation.
- 6.05 Part-time Employees will be paid five (**5**) percent of his/her previous thirty (30) days earnings for the holiday.

Full-time Employees will be paid their normal days pay if the holiday falls on their regularly scheduled day of work, and the same amount if the holiday falls on a non regularly scheduled day of work.

Casual workers will be entitled to vacation and statutory holiday benefits as outlined in the Canada Labour Code.

- 6.06 Holiday pay will be computed by multiplying the Employee's basic hourly rate of pay by the number of hours worked in the Employee's regularly scheduled work day.
- 6.07 Those Employees working under a long day, short week Agreement will receive their normal days pay if the holiday falls on their regularly scheduled day of work. If the holiday falls on a non-regularly scheduled day of work, the Employee will receive ten (10) hours pay at the basic rate for his/her classification.
- 6.08 If an Employee's normal **shift** starts prior to twelve (**12**) midnight of the day before the declared holiday, he/she will be paid at his/her regular scheduled rate. Any Employee commencing work before twelve (**12**) midnight of the declared holiday will be paid at time and one-half (1 ½ times) for the day worked in addition to the holiday pay but this **will** not apply if the Employee receives a day off in recognition of the holiday.
- 6.09 In the event a statutory (general) holiday is proclaimed by the Federal Government, such holiday shall also be observed **if** not already listed in the above holidays.

- 6.10 In the case of a general holiday falling on a Monday, Employees whose work week commences on Sunday, Sunday shall be their general holiday and their work week will then commence on Monday. In the case of a general holiday falling on a Friday, Employees whose shift commences on Thursday and ends on Friday, Thursday shall be their general holiday and their work week would then be completed on Thursday morning.
- 6.11 It is agreed for the Statutory Holidays of Family Day and Remembrance Day, to facilitate operational needs, there may be the occasion that some Employees' shifts may be altered to accommodate the fluctuations in business. In these cases, the Employees will be given the day before or the day following the holiday or on a day mutually agreed between the Employee and the Company.

ARTICLE 7: VACATION AND VACATION PAY

- 7.01 No later than the 15th of January of each year, the Company will post on the Union bulletin board a list of Employees in order of seniority using the Employee's respective Company seniority dates.
- 7.02 Each Employee will select his/her desired time for vacation, understanding that vacations cannot be taken until after his or her Company seniority date. **An** Employee shall be required to select his/her vacation dates prior to March 31st of each year. Any Employee failing to select his/her vacation date, except for bona fide sickness or injury where the Company is unable to contact, shall forfeit his/her Company seniority rights for vacation selection and will be required to wait until all other eligible Employees within the depot or Branch have selected their dates. Any Employee who wishes to change his/her selection after the 31st day of March will not be able to exercise his/her Company seniority rights on his/her revised selection, which shall require the Company's approval.
- 7.03 The Company shall permit at least ten percent (10%) of the Employees within any one classification and any one depot and covered by this Agreement, to take vacation at the same time.
- 7.04 Employees with more than three (3) years of service may split one week of their vacation per calendar year into days. Should **an** employee elect this option, selection **of** these days will *take* place within fifteen (15) calendar days after all other employees within the Branch have had their opportunity to elect vacations outlined in Article 7.02.

Employees may request to split up to five (5) additional days provided they are not utilized on consecutive weeks or between June 15 and September 15.

- 1) Understanding that seasonal lay-off period i.e., ~~Christmas~~ excluded in using up split days allotment.
- 2) Understanding that the additional 5 day split is not intended to be used on a consecutive basis to shorten the normal work week during the summer period (June 15 - September 15).

7.05 Full-time and part-time Employees who have completed one (1) year **as** regular Employees shall be entitled to vacation pay on or after their Company seniority dates. Regular full-time Employees only, to be paid choice of hours or percentage of gross earnings, whichever is greater, for the twelve (12) months preceding their anniversary date.

For Owner Operators that transfer to an hourly position, entitlement to vacation & vacation pay will coincide with the Owner Operator’s anniversary date of transfer to hourly status.

VACATION SERVICE REQUIREMENTS AND ENTITLEMENT:

| Years of Service | Entitlement Weeks | % of Earnings | Or entitlement in hours |
|-------------------------|--------------------------|----------------------|--------------------------------|
| One (1) | Two (2) | 4% | 80 |
| Three (3) | Three (3) | 6% | 120 |
| Seven (7) | Four (4) | 8% | 160 |
| Twelve (12) | Five (5) | 10% | 200 |
| Twenty (20) | Six (6) | 12% | 240 |

7.06 Regular part-time Employees will receive vacation pay to the percentage entitlement applied to their annual gross earnings for the anniversary year for which they are receiving their vacation in accordance with 7.05 above.

7.07 Vacation pay shall be paid to the Employee by separate cheque with the pay immediately preceding his/her departure on vacation.

7.08 Employees, while on vacation, cannot be called in to work unless the Employee agrees. When an Employee is called in, by mutual agreement, the Employee will have the right to negotiate his/her remaining vacation prior to returning to work.

7.09 Employees must take their earned vacation for which they are eligible, within twelve (12) months from the end of the anniversary year for which the vacation was earned. No Employee will be permitted to accumulate vacation from year to year.

7.10 For the purpose of determining when a full-time Employee qualifies for vacation **and** vacation pay, the parties agree that when a regular full-time Employee has worked a minimum of sixteen hundred(1600)hours in the first twelve (12) months following the anniversary date, the Employee will be eligible for vacations **as** set forth above.

7.11 Sixteen hundred (1 600) accredited hours will constitute one (1) years **service but no** Employee will be permitted to accumulate more than one (1) years service or additional fraction thereof in any single anniversary year.

- 7.12 Credited hours will be those hours actually worked or credited as follows including: recognized holidays, vacations, funeral leaves, jury duty, leave of absence due to Union business and hours lost by reason of accident or illness during an anniversary year for a period not to exceed sixty (60) days or four hundred and eighty (480) hours if the Employee has less than sixteen hundred (1600) hours of work in that anniversary year to qualify for a vacation herein stipulated.
- 7.13 Regular part-time and those regular full-time Employees who have been credited with less than sixteen hundred (1600) hours in their anniversary year, will be paid the appropriate percentage of their regular pay. That is, four (4) percent, six (6) percent, eight (8) percent, ten (10) percent, or twelve (12) percent based on their length of service, earned since their last completed anniversary year.
- 7.14 Any Employee who notifies the Company not later than March 31st, will be allowed to work any week or weeks of vacation entitlement at straight time, providing he/she takes not less than the minimum vacation required by Labour Canada.

ARTICLE 8: HEALTH AND WELFARE

- 8.01 The Company shall provide a comprehensive health and welfare plan, the cost of which, to the Employee, will be the equivalent of one percent (1%) per month of regular earnings.
- Major Medical – includes prescription card, **no** deductible
 - Dental Plan – includes reimbursement based **on** the Alberta Dental Fee Guide plus an inflationary protection.
 - Life Insurance
 - Accidental Death and Dismemberment
 - **Wage Indemnity:**
 - Short-term Disability
 - Long-term Disability
 - Felonious Assault Insurance
 - Personal Accident (Optional)
 - Vision Care - \$250.00 every 24 months for the employee and eligible dependents, **no** deductible. Eye examinations are covered over and above to a maximum **of \$40.00** yearly.

At the Employee's option, the Company will pay the Alberta Health Care Insurance premiums.

The Company agrees to provide all Employees with current details and information covering all Employee benefit programmes for which Employees covered by this Agreement are entitled to participate.

- 8.02 The Company will make available to all eligible Employees and their dependents a group accident insurance **plan** for those Employees who voluntarily enroll in the **plan and who** continue to pay the required monthly premiums.

- 8.03 The Company will provide the medical and hospital services plan for those eligible Employees who work a minimum of twenty (20) hours per week.
- 8.04 The Company will provide the dental plan for eligible Employees and their eligible dependents. The effective date of the dental plan is the first day of the calendar month following ninety (90) days after date of hire.
- 8.05 Short Term Disability benefit commences on the first day of accident/surgery and the fourth day of sickness. Benefit is based on seventy percent (70%) of average weekly earnings up to four hundred and fifty (\$450.00) dollars per week for the first fifteen (15) weeks. Effective December 14, 2004, the benefit maximum will increase to five hundred (**\$500.00**) dollars per week. Average weekly earnings will be based on the **six** weeks prior to disability. **An** increase in the maximum payment will be automatic in accordance with U.I.C. standard. Any decrease in the U.I.C. maximum shall not affect the average weekly earnings rate.
- 8.06 Wage Indemnity: Upon completion of ninety (90) days employment, the Company will make available to eligible Employees a Long Term Disability Group Plan (Salary Continuance). Eligibility commences after fifteen (**15**) weeks. The plan provides a disability income based on seventy (70) percent of average weekly earnings up to four hundred and **fifty** dollars (\$450.00) per week. Effective December **14, 2004**, the benefit maximum will increase to five hundred (**\$500.00**) dollars per week. The total disability period shall be a maximum of eighteen (18) months calculated **from** the commencement of the short-term disability claim.
- 8.07 The company will provide felonious assault insurance for all employees on the payroll from the date of employment in the amount of twenty thousand dollars (\$20,000.00).
- 8.08 Dependent coverage of Major Medical / Dental / Vision

Any new eligible dependents (spouse, unmarried children), must be enrolled within the thirty-one (31) day eligibility period. Eligibility is defined **as** the first thirty-one (31) days from which an employee acquires a dependent.

Eligible dependents include: the Employee's spouse (including a married spouse or a common-law spouse of the same or opposite sex), and the Employee's children (including a natural child, adopted child, stepchild, and child under a guardianship order).

Declaration of Common-law Status for Benefit Eligibility

The employee must complete a Declaration of Status document in order to qualify for health & welfare benefits. Eligibility commences after one (**1**) year of common-law status.

A spouse is deemed to be:

- A person married to the employee as a result of a valid civil or religious ceremony, including a person separated from the employee.
- A person of the opposite sex, or same gender partner with whom the employee has a common-law relationship for at least twelve (12) consecutive months prior to the date on which the claim arose. (Common-law relationship means continuous cohabitation and public representation of married status.)

ARTICLE 9: RETIREMENT AND PENSION

9.01 **RETIREMENT:** The retirement date for all Employees will be the first day of the month following the Employee's sixty-fifth (65th) birthday unless the Employee was born on the first day of the month, in which case his/her retirement date is his/her sixty-fifth (65th) birthday.

Three (3) months prior to the scheduled retirement date, the Administrator will provide the opportunity for a full discussion on all matters relevant to retirement benefits.

9.02 (a) The Company shall contribute to the National Automobile, Aerospace, Transportation and General Workers Union of Canada's Pension Trust Fund.

The effective date of the pension plan is the first day of the calendar month following one (1) year of hire for all Employees.

(b) **CONTRIBUTIONS - BY COMPANY**

For each Employee covered by the Pension Plan the Company shall contribute the equivalent of three percent (3%) of his/her earnings as defined in the Collective Agreement.

Effective December 14, 2004 the contribution by the Employer will increase to three and a half percent (3.5%).

CONTRIBUTIONS - BY EMPLOYEE

Every Employee covered by the Pension Plan shall contribute three percent (3%) of his/her earnings as defined in the Collective Agreement, to be deducted from the first pay cheque of each fiscal month.

Effective December 14, 2004 the contribution by the Employer will increase to three percent and a half (3.5%).

(c) **The contributions are payable to the Trustees of the Pension Trust Fund by the fifteenth (15th) of the month following the work month completed. The payment will include the Employee's contributions.**

- (d) The contributions are to be forwarded to the Pension Trust Fund Administrator as designated by the National Automobile, Aerospace, Transportation and General Workers Union of Canada.
- (e) The Pension Plan Administrator agrees to provide full disclosure to a representative of the Company on a regular basis (minimum one (1) year).

9.03 The Administrator agrees to provide those eligible Employees with current details and information covering all Employee benefits and programs, in which the Employees covered by this Agreement are entitled to participate. This information shall be provided at the date of hire.

ARTICLE 10: SICK LEAVE BENEFITS

- 10.01 Employees who work sixteen hundred (1600) hours or more per year in the previous year shall, upon each anniversary year of employment, have six (6) days, forty-eight (48) straight time hours sick leave with pay placed in their sick leave bank. Unused sick leave days will be paid out at straight time rate at the end of each anniversary year providing that the bank does not go below six (6) days. **All** sick leave entitlement previously granted will be required for sick leave or paid out within the maximum cash out of eight (8) days per year. Maximum cumulative sick days in the bank cannot exceed thirty-six (36) days.
- 10.02 Regular part-time Employees will be credited with sick leave based on hours worked for each anniversary year of employment multiplied by a factor of .023. Maximum cumulative sick days in the bank cannot exceed thirty-six (36) days.
- 10.03 There will be no loss of Company, Branch, or Group seniority for Employees on medical leave of absence, illness, workers' compensation, except as may be mutually agreed upon in writing between the Company and the Union.
- 10.04 In the event of a disabling injury on the job, an Employee will be paid for the number of hours for which the Employee was scheduled to work on the date of injury.
- 10.05 Dependent Contractors who have transferred **from** hourly status is eligible to cash out his/her sick leave bank entitlement after sixty (60) days activity **as** a Dependent Contractor, or upon signing, whichever comes first, at the ratio of **fifty** percent (50%) of the value of each sick leave day not previously utilized or eight (8) days, whichever **is** greater.

ARTICLE 11: ANTI-HARASSMENT AND DISCRIMINATION

- 11.01 All employees are expected to treat all persons with courtesy **and** consideration **and** must not engage in discrimination or harassment because of a prohibited **ground**

contrary to the Canadian Human Rights Act (the “Act”). Prohibited **grounds** are race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability or conviction for an offence for which a pardon has been granted.

11.02

- a) It is understood that both the Company and the Union shall cooperate in every way to reduce or eliminate any type of harassment in the workplace.
- b) Harassment is in no way to be construed as properly discharged supervisory responsibilities including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual.
- c) Complaint Resolution Procedure: If an employee believes that he or she has been harassed and/or discriminated against on the basis of a prohibited ground of discrimination the employee may:
 - i) Tell the person involved as soon as possible, how you feel, and request that he/she stop the conduct you find offensive.
 - ii) If you feel uncomfortable approaching the person, or if the harassment continues, bring the incident forming the basis of the complaint to the attention of the Manager, Human Resources and/or the national Representative or Local President. Be prepared to provide a written summary of your complaint.
 - iii) The parties will review the complaint and where warranted, will strike a committee and carry out a joint investigation.
 - iv) The joint committee will consist of equal members of Management and the Union. The actual composition of the joint committee will be determined by the parties on a case by case basis.
 - v) It is the intention of the Company and the Union that where practical, the joint investigation will begin within five **(5)** working days of the lodging of the written complaint and shall be completed within fifteen **(15)** calendar days after the lodging of the written complaint.
 - vi) All matters brought before the committee will be dealt with in as confidential a manner as possible.
 - vii) **Any** complaint not resolved through this process may be addressed by the Union pursuant to Article 3.
- d) Anti-harassment and discrimination training will be provided **to** management, union representatives and will be delivered to all employees.

ARTICLE 12: **SENIORITY**

- 12.01 The purpose of seniority is to provide a policy governing preference, layoffs, and recalls. Company seniority means the length of continuous service in the bargaining unit, since the employee's last hiring.

Branch seniority of an Employee means the duration of continuous service in the Employee's current Branch.

Group seniority of an Employee means the duration of continuous service in the Employee's current Group at the Branch. The following Groups are recognized for the purposes of Group Seniority

- | | |
|-----------------------------|------------------------------|
| (a) Warehouse/Hourly Driver | (c) Owner/Operators |
| (b) Clerical | (d) Messenger Owner Operator |

Casual Employees will have Group seniority only for the purposes of Clause 12.04 (c).

- 12.02 The Company will issue and post a seniority list in each Branch showing position held, Company, Branch, and Group seniority for Employees at the Branch or Depot. The list will be renewed every four (4) months with copies to the Shop Stewards and Local Chairperson.

For the purposes of Group and Branch seniority, all existing and future locations **in** Edmonton and in Calgary **will be considered one (1) branch in each of the** respective cities.

- 12.03 Under the following conditions an Employee shall have the right to exercise his/her Group seniority to any position within their Group to which his/her Group seniority will entitle them in their Branch:

- i) When his/her hours of work are reduced,
- ii) When his/her start or finish times are changed one and one half (1-1/2) hours or more except where a split shift is involved where the shift is changed one hour or more.

In the event a case of personal hardship can be substantiated the employee may by mutual agreement between the Company and the Union, exercise their seniority rights for a shift schedule change greater than fifteen (15) minutes.

- 12.04 Casual workers will not accumulate Company, Branch, or Group seniority except for the purposes of Clause 12.04 (c).

- (a) Casuals shall be employed to relieve in positions occupied by regular full-time and part-time Employees or during overload or peak periods of work subject to item (b) below.

Without limiting the foregoing, the Company may call casual workers to relieve positions normally occupied by regular or part-time Employees **who are absent from** work for any reason. Casuals will be utilized to perform work outside of scheduled work periods and during overload or peak periods of activity, but shall not be used to circumvent the **hiring** of regular full-time or part-time Employees.

Clauses 1.09 and 1.10 are applicable to casual workers. The above conditions include but are not limited to:

- (i) Vacation relief,
 - (ii) Sick leave relief (W.C.B., weekly indemnity),
 - (iii) Leave of absence - education, maternity, compassionate,
 - (iv) Work that cannot be made part of an existing position except as provided in Clause 12.04 (a).
- (b) Casual work shall be posted as a regular part-time or full-time position when any of the following applies:
- (i) The work involves a minimum of twenty (20) hours per week on a continuing basis for a minimum of a three (3) month period, or....
 - (ii) The work has, after the fact, resulted in an average of twenty (20) hours per week for the previous three (3) months.
- (c) Casuals will accrue Group seniority for the purpose of establishing the senior qualified casuals right of first refusal to regular positions that become available if the regular position is not filled by a Full-time or Part-time Employee from that Seniority Group, provided the Casual Employee has the required minimum qualifications in that classification.
- (i) Casuals will accrue Group seniority based on hours worked (ie. 8 hours worked) resulting in the credit of one full day for seniority purposes.
 - (ii) When a casual becomes a regular Employee, he/she will be credited with one-half of their casual Group seniority **up to a maximum** of one (1) **year**. One year is equal to 2080 hours.
- (d) **A** regular Employee who is laid off for lack of work may, at his/her option, have his/her name placed first on the casual call list. Such declaration shall **be** made in writing within five **(5)** calendar days of actual lay off. Regular Employees who elect to protect casual work shall maintain and accumulate Company, Branch, **and** Group seniority and benefits. Benefits will consist of continuous health **and** welfare items, i.e.: Provincial Medical **and** Dental for a maximum period of sixty **(60)** days following the month of layoff.
- (e) The Company shall provide to the Union, a monthly report of all casual workers showing Branch, classification and number of hours worked during each pay period for the previous **six (6)** month period of this Agreement.

- 12.05 **All** new Employees shall be considered on probation during the ninety (90) days following the beginning of their employment. In the event that a casual worker secures a part-time or full-time position, he/she will be required to serve a probationary period of 514 hours with the Company which will include hours worked as a Casual Employee, If found unsuitable during this period, such Employee will not be retained in the service. Following completion of this ninety (90) day period, the Employee shall be placed on the seniority list and his/her Company, Branch, and Group seniority shall be established retroactively from his/her date of last hire.
- 12.06 **An** Employee shall lose his/her Company, Branch, and Group seniority in any of the following events:
- (a) He/she is discharged for cause or during the probationary period;
 - (b) He/she voluntarily leaves the employ of the Company;
 - (c) He/she fails to report for work after a lay-off within five (5) working days following the recall date of return to work and notification by registered mail;
 - (d) He/she fails to report to work for three (3) working days without notifying the Company, except for a bona fide emergency;
 - (e) He/she is promoted and remains outside the bargaining unit for sixty (60) calendar days or longer;
 - (f) He/she has been on lay-off for a period of twelve (12) months or longer;
 - (g) He/she transfers to another district or terminal with the Company but outside the bargaining unit.
 - (h) He/she fails to provide ongoing proof of disability every three (3) months while on a medical leave of absence (not WCB) or as otherwise required by the insurance carrier.
- 12.07 **An** Employee shall forfeit his/her Company, Branch, and Group seniority if he/she does not notify the Company and the Branch Shop Steward, in writing, of his/her choice to accept the layoff or to exercise their bumping rights within one (1) calendar week from the date the Employee is given notice of actual displacement or abolition of his/her position.
- 12.08 **An** Employee may contest the seniority list within thirty (30) working days following its posting. Afterwards, the list shall become official. There may be an exception to the above-mentioned rule in the event that an Employee is absent for a period of at least thirty (30) days following the posting of the seniority list.
- 12.09 Employees on leave of absence may not exercise seniority for job vacancies posted during this period.

12.10 Clerical Employees who have the desire and ability to work extra hours in the warehouse will be allowed to, provided they are aware of the required safety equipment and provide same at their own expense, and this opportunity will be given after all other Employees in the Warehouse Group, including casuals, are given the opportunity as per the Collective Agreement.

Clerical employees who perform or have performed warehouse duties in excess of four hundred (400) hours in the previous twelve (12) months, will upon application be provided the reimbursement identified in Article 19.03. Any subsequent reimbursement shall be provided every additional 2080 hours of warehouse work performed.

ARTICLE 13: LAYOFFS

13.01 The Company and the Union accept the principle of seniority in lay-offs and recalls and agree that seniority will govern if the Employee possesses the required qualifications and ability, according to the following steps.

- (a) Casual Employees within a Seniority Group shall be the first to be laid off.
- (b) The Employee with the least Group seniority within the Department affected by the layoff shall have the option of accepting the layoff or exercising his or her seniority rights as follows.
- (c) The Employee may:
 - (i) Exercise his/her group seniority to bump any junior employee with the same status (i.e. full-time or part-time) and within the same group at the branch, or
 - (ii) If no position is available at the branch, the employee may exercise his/her company seniority to bump an employee with less company seniority within the same group at any branch covered by this agreement. The employee in this case shall retain their company seniority and group seniority upon transfer to the new branch.
- (d) If the Employee does not obtain a position through the exercise of seniority rights, the Employee shall be laid off.

13.02 When adding to the force of Employees covered by this Agreement, any Employees previously laid off will be taken on the basis of Group seniority if the Employee possesses the required minimum qualifications and ability to perform the job. Employees who wish to be considered for recall to a different **Group** at the Branch must submit a written standing application.

These Employees will be considered based on Company seniority if the position is not filled from within the Group at the Branch.

- 13.03 The Company will notify such Employees at their last known address by registered mail. If such Employees fail to report within five **(5)** working days after notification, the standing as an Employee of any such person failing to report within five **(5)** days will be forfeited.
- 13.04 In the event of a lay-off, Employees employed more than three **(3)** consecutive months will receive two **(2)** weeks notice of such layoff or two **(2)** weeks pay in lieu of notice.
- 13.05 **Technological Change:** The Definition of technological change to include operational and organizational change. The provisions of the Canada Labour Code to apply.
- 13.06 **Severance Pay:** All employees who have completed one **(1)** year of company service shall receive a separation allowance of **two (2) weeks** of regular pay for each completed (or major portion thereof) year of service.

If the employee accepts the severance pay, then they will be stricken from the seniority list and will no longer be considered an employee of the company.

- 13.07 **An** Employee returning from vacation or leave of absence (including illness, injury, workers' compensation, maternity/paternity leave) shall resume his/her former position at his/her former Branch. Should this position be altered, then the rules outlined in Clause 12.03 shall apply.

ARTICLE 14: INJURY AND BEREAVEMENT LEAVE

- 14.01 If a regular Employee suffers a death in the immediate family such Employee, upon request, will be granted such time off with pay **as** is necessary to make arrangements for the funeral, and to attend, not to exceed three **(3)** working days. If necessary, in case of members of the immediate family, funeral leave may be extended by an extra two **(2)** days. The extra *two (2)* days so granted are to be deducted from the employee's sick leave bank. This provision does not apply if the death occurs during the Employee's paid vacation or while the Employee is on leave of absence **or** lay **off**.
- 14.02 For the purposes of this provision, the immediate family will be restricted to spouse **(included is the spouse of an alternative lifestyle couple)**, parents, children, sisters, brothers, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandparent, grandchildren, step-parents, brother-in-law, sister-in-law and **any** relative in Employee's domicile.

ARTICLE 15: JURY DUTY

15.01 When a full-time or part-time Employee is required to serve on a jury or is subpoenaed as a witness, the Employee will be paid the wages he/she would normally have earned at work, but the Employee shall reimburse the Company the amount of fees he/she will have received for the period served while on jury or witness duty.

ARTICLE 16: LEAVE OF ABSENCE

16.01 If an Employee desires an unpaid leave of absence for reasons other than those referred to in this Agreement, proper justification, in writing, must be submitted to the Company **as soon as** possible. The Company agrees that no legitimate or reasonable request will be denied. A leave of absence for a period of sixty (60) days or less shall not be deemed a loss of Company, Branch, or Group seniority. Extensions beyond sixty (60) days must be mutually agreed to in writing between the Company and the Union.

16.02 **An** employee will be granted a leave of absence from employment for the purpose of maternity, paternity and adoption leave as per the parental benefits in the Employment Insurance Act.

ARTICLE 17: JOB POSTING

17.01 (a) When an Employee permanent vacancy occurs for any reason, the Company will post within five (5) days at the appropriate depot or Branch, the said vacancy for five (5) working days, in order that the Employees may bid for the vacancy in writing. Such notice shall provide information regarding the classification, route number if applicable, service area and scheduled hours. **A** copy of such notice will be forwarded to the Shop Steward. Selection will be on the basis of the Employee's seniority and qualifications. The senior qualified applicant will be awarded the position within five (5) working days of the closing of the posting. Seniority will be first by Group Seniority then next by Branch seniority. If the vacancy is not filled first **from** within the Group and an Employee is selected from another Group, this Employee's Group seniority in the new Group shall be equal to the Employee's Branch Seniority. However this Employee shall not be eligible to bid on another posted vacancy for a period of three (3) months from the date of his or her transfer to the new Group.

The Company will make every reasonable effort to ensure that postings shall be occupied by the successful employee within thirty (30) calendar days of the date **of** awarding the posting.

(b) The Company shall accept standing applications from Employees or Owner/Operators outside the Branch where the vacancy exists. These

applications will remain valid and on file for a period of one (1) year. These applications will be considered based on Company seniority only if no qualified Employee or Owner/Operator applies from within the Branch where the vacancy exists. If an Employee or Owner/Operator is qualified and selected for the vacancy, he or she must be willing and available to commence duties at the new Branch within two (2) weeks of the position being offered.

- (c) **All** existing Employees or Owner/Operators who are awarded a posted position must serve a ninety (90) day trial period in their new position. Unless requirements have changed, Employees or Owner/Operators who have previously qualified, will not be required to repeat the ninety (90) day trial period. Any Employee the Company determines does not qualify for an awarded position after a trial period will revert to their former position and rate of pay.

17.02 **A** work schedule change of one and a half (1.5) hours or less will not require job posting. In an emergency one-time situation a work schedule may be changed by more than one and a half (1.5) hours without the required one (1) week posting.

17.03 Eligible Employees who apply for posted job vacancies shall be notified in writing of the name of the successful bidder. **A** copy of this notification will be given to the Shop Steward.

17.04 Should a full-time Employee be absent **from** work for thirty (30) working days or more for legitimate reasons, his/her position will be posted **as** a temporary vacancy and awarded to Employees in order of **Group** seniority within that Depot. **To be** eligible to fill such a posted position, an Employee must be qualified for the position and in the case of a Full-time Employee, he/she must have worked or trained in the position prior to the posting.

This procedure will apply for the duration of the full-time Employee's absence. **Upon** his/her return, those filling the vacancies created by the absence will return to their pre-absence positions.

17.05 This entire Article will apply only to the filling of the original vacancy created, and the next vacancy thus created. All other resulting vacancies will be posted **for** twenty-four (24) hours and will be awarded to the senior qualified employee who submits a timely bid.

17.06 The Company agrees to follow this posting procedure, but reserves the right to implement changes to the position. Altering of work hours may be done, in which case 12.03 shall prevail.

ARTICLE 18: SAFETY AND EQUIPMENT

18.01 Company Duties

The Company shall institute and maintain all precautions to provide every employee a safe and healthy workplace. The Company shall comply in a timely manner with the Canada Labour Code, its regulations, codes of practice, and guidelines and all relevant environmental laws, regulations, codes of practice and guidelines. All standards established under the laws shall constitute minimum acceptable practice. The Joint Health and Safety Committee shall be known throughout the following Articles as the "Committee."

18.02 Joint Health and Safety Committee

- a) The Company and the Union agree to maintain the established Joint Health and Safety Committee in accordance with Canada Labour Code, its regulations, codes of practice and guidelines. Committee membership shall constitute an equal number of Company and Union representatives. Where there are insufficient volunteers from the Union membership for this committee, shop stewards and other elected representatives from the union, who are employees, will be required to attend the meetings.

The health and safety committee shall meet monthly and the minutes of the meeting will be posted, and copies sent to the Local 4050 President, the Manager **and the Health and Safety Manager.**

- b) Two co-chairpersons shall be selected from and by the members of the Committee. One of the Co-Chairpersons shall be a Union member chosen by the Union members of the Committee. The other Co-chairperson shall be a Company member.
- c) During all absences of the Union Co-chairperson, the Company shall recognize an alternate Co-chairperson designated by the **Union.**
- d) The Committee shall assist in creating a safe and healthy place to work, shall recommend actions which will improve the effectiveness **of** the health and safety program, and shall promote compliance with appropriate laws, regulations, code of practice, and guidelines. The Company shall consider recommendations **of** the Committee.

18.03 Members of the Committee may investigate dangerous conditions; workplace injuries and motor vehicle incidents. If a committee member determines that dangerous conditions exist, the Committee member will utilize the Internal Complaint **Resolution** Process to seek resolution.

18.04 No employee shall be disciplined for acting in compliance with the Canada Labour Code and its regulations. **An** employee may exercise his/her right to refuse unsafe

work. There shall be no loss of pay during the period of refusal providing the Employee performs other duties within his job classification as directed by the Company if such work is available.

- 18.05 It is the responsibility of the Company and its Employees to notify the appropriate authorities if there is a reportable release of a hazardous substance to the air, land or water systems. Said notification is to be according to conditions of the applicable acts and regulations. No Employee shall be disciplined for performing this duty.
- 18.06 Through the joint safety committees at location, the committees will review the first aid requirements to determine the most appropriate standards in keeping with regulatory requirements.
- 18.07 The Company will not require Employees to operate any vehicle on the streets or highways that is not in a safe operating condition or equipped with safety appliances prescribed by law or that has not been passed by the Safety Inspection Board of the Department of Motor Vehicles, where applicable. It will not be a violation of this Agreement when the Employees refuse to operate unsafe vehicles or those not properly equipped as prescribed by law. **All** unsafe vehicles shall be locked out and red tagged.
- 18.08 Employees will immediately, or at the end of their respective shifts, report all vehicle malfunctions and defects of equipment. Such reports will be made on a suitable form furnished by the Company and will be made in multiple copies; one (1) may be retained by the Employee.
- 18.09 The Company will not ask any Employee to take out a vehicle until same **has** been approved **as** being safe by the Company. **In** the event of a dispute over the condition of a vehicle, the matter shall be resolved after consultation between a member of Management and a certified mechanic. Such Certificate shall be in writing.
- 18.10 Employee operated vehicles will be equipped with a handcart.
- 18.11 It is the responsibility of the Company to maintain Company vehicles and equipment in good running condition.
- 18.12 **All** vehicles will be equipped with adequate heaters, wipers and defogger. These will be kept in good operating condition at all times. The driver's area will include a protective barrier between the driver and the freight.
- 18.13 Windshield washer solution and motor oil shall be made readily available at all times at the Company's expense for Company vehicles.
- 18.14 Employees will not be required to handle articles which can readily be considered **as** inadequately packaged. The Employee must immediately report such items to his/her supervisor.

- 18.15 Employees involved in an accident will be notified by the Safety Committee, through the Company, whether the accident was preventable or non-preventable.
- 18.16 Drivers will not be responsible for damage while towing or pushing a vehicle, if instructed to do so by the Company.
- 18.17 Employees shall be paid for all time lost during the investigation period relating to an accident in which that Employee was not at fault.
- 18.18 The Company will include the Union in the development of the Partners in Injury Reduction Program and its implementation through the Workers' Compensation Board.
- 18.19 The Company will work with the Union on a joint advisory basis regarding the Company's modified work program and the Company will make its best efforts to resolve any concerns the Union has with the modified work program.

ARTICLE 19: UNIFORMS

- 19.01 The Company will pay for new uniforms when such uniforms are required. All uniforms are and will remain the sole property of the Company. The Employees will be expected to properly care for and keep same in good repair and condition at the Employee's expense. All uniforms will be returned to the Company upon termination of employment, and when requesting replacement as required.
- 19.02 The Company will provide Clerical Employees with smocks where required in the performance of duties. All smocks remain the property of the Company.
- 19.03 (a) It is a condition of employment that safety boots or shoes be worn where required. The Company will refund the cost of such boots or shoes up to a maximum of **one hundred ten dollars (\$110.00) effective date of ratification** upon the submission of a sales receipt. This provision may cover one or two pairs of boots or shoes in a twelve (12) month period. The Company will replace safety shoes or boots irreparably damaged in the course of the Employee's duties.

Effective December 14, 2003, the maximum will be one hundred-fifteen (\$1 15.00) dollars upon submission of a sales receipt.. This provision may cover one or two pairs of boots or shoes in a twelve (12) month period.

Effective December 14, 2004, the maximum will be one hundred-twenty (\$120.00) dollars upon submission of a sales receipt. This provision may cover one or two pairs of boots or shoes in a twelve (12) month period.

Any dispute regarding the application of this section may be referred to the Health & Safety Committee **for** final resolution.

(b) Warehouse Employees during probationary period will be provided for as in 19.03 (a). In the event the Employee does not successfully complete the probationary period, advances forwarded as per 19.03 (a) above will be deducted from final pay.

19.04 Any Employee working in the warehouse will be supplied with three (3) pairs of coveralls. Responsibility for cleanliness and repair will be that of the Employee. Coveralls and gloves will be provided on a replacement basis.

19.05 As a condition of employment, it is agreed that the issued uniform will be worn while on duty.

19.06 Loaders and warehousemen will be provided with a uniform if they are required to wait on customers.

19.07 Warehousemen will be allowed to wear shorts provided they conform to Company requirement, and providing they supply same at their own expense.

ARTICLE 20: TRAINING

20.01 The Company will pay 100% of course fees for any accredited defensive driving course and/or industrial first aid course taken and successfully completed by the Employee and approved by the Company.

20.02 The Company may request the Employee *to* attend a defensive driving course.

20.03 From time to time, employees will be required to attend training courses and/or educational meetings outside their scheduled hours, When these hours fall on a scheduled **work** day they shall be paid at straight time within their designated classification. When these hours fall on a non-scheduled work day, the individual will be paid a minimum of four (**4**) hours pay at straight time within their designated classification. The Company shall provide two (**2**) weeks notice of such meetings.

20.04 The Company will ensure that each and every driver is properly trained to meet his/her full responsibilities and duties, including training **as** required by dangerous goods regulations.

ARTICLE 21: DEFINITIONS

21.01 “Seniority” of an employee means the length of continuous service in the bargaining unit since the employee’s last hiring according to the provisions of clause 12.01 respecting company, branch and group seniority. There **is** no allowance for service acquired before actually joining DHL Courier Service.

- 21.02 **"Lead Loader/Lead Driver"** - A regularly scheduled Employee who directs, coordinates and supervises the work of Employees under the direction of his/her supervisor within his/her particular unit or section. However, he/she shall not have the authority to hire, suspend, dismiss or discipline Employees.
- 21.03 **"Regular Full-Time Employees"** - For the Warehouse/Hourly Driver Group, any Employees regularly scheduled to work forty (40) hours per week shall be considered full-time Employees. For the Clerical Group, any Employees regularly scheduled to work thirty seven and one half (37 ½) hours per week shall be considered full-time Employees.
- 21.04 **"Regular Part-Time Employees"** - Part-time Employees shall be those who work on average less than forty (40) hours and not less than twenty (20) hours per calendar week at the rate established for their respective classifications (subject to 12.04 (b)).
- 21.05 **"Casual Workers"** - Casuals may be employed to relieve positions normally occupied by regular or part-time Employees who are absent from work for any reason. Casuals will be utilized to perform work outside of scheduled work periods and during overload or peak periods of activity, but shall not be used to circumvent the hiring of regular full-time or part-time Employees. Clauses 1.09 and 1.10 are applicable to casual workers.
- 21.06 **"Relief Driver"** - A regularly scheduled Employee who is assigned to various routes as required.
- 21.07 **"Position"** - The assignment held by an Employee which in the case of regular drivers includes the regular route that an Employee normally works.
- 21.08 **"Sorter Marker"** – a regularly scheduled employee who performs internal marking on freight and internal and external mail. This would apply to employees working in Edmonton and Calgary.
- 21.09 **"Warehouse/Customs Specialist I, II, III"** – a regularly scheduled employee who expedites the clearance of all inbound shipments.

ARTICLE 22: MISCELLANEOUS

- 22.01 **LAYOVERS** - During the period layover, the Employee is relieved of all responsibility for the vehicle and cargo and is free to come and go as he/she desires. The Employee is in no way regarded to be on duty during such layovers. The vehicle will be parked/secured in a designated secured parking area.
- 22.02 **SUNDRY** - It shall be the responsibility of every Employee to keep the Company and the Union informed of any and all changes of address or telephone numbers. **Such** information will be supplied in writing within three (3) working days of such change.

- 22.03 PERSONAL PROPERTY - The Company shall not be responsible for the loss, damage or destruction of Employee's personal property while such property is on the Company's premises, in vehicles or equipment.
- 22.04 HIRING - The Company will provide each Employee a copy of the Collective Agreement, at the time of hire.
- 22.05 Employees scheduled on out-of-town routes requiring a non scheduled layover due to acts of God will be paid five dollars (\$5.00) per hour for each hour of layover outside their scheduled shift.
- 22.06 The Company agrees that Union negotiating members who would have normally been working during contract negotiations shall suffer no loss in pay while involved in negotiations. Payment will not include premiums such as overtime and shift differential. If a Data Entry Clerk is a member of the committee, he/she shall be paid \$0.50 per hour in lieu of the one-half cent per entry premium. This provision will only apply to four (4) members representing hourly Employees.
- 22.07 Employees who are discharged for cause will have their discharge, and reasons for same, confirmed in writing. These Employees as well as Employees who terminate their employment voluntarily shall have all monies owing them paid per Canada Labour Regulations.
- 22.08 Employees employed in driving classifications shall be required to produce a valid drivers license and a Motor Vehicle Branch full search report upon request. Whenever the Company requires an hourly rated Employee to submit a driver abstract (not new hires) the Company will be responsible for any cost for that abstract charged by the Motor Vehicle Branch.
- 22.09 The customer service counter positions at the main Branches in Calgary and Edmonton shall remain part of the Warehouse section. Wherever practical, the Company will follow this same practice in other Branches.

ARTICLE 23: MEDICAL EXAMINATIONS

- 23.01 Any medical examination requested by the Company shall be promptly complied with by the Employee, provided, however, that the Company shall pay for such examination.
- 23.02 (a) When a medical examination is required by the Company, other than a medical for pre-employment, for W.C.B. or Wage Indemnity, the Employee shall be paid for actual time involved not to exceed four (4) hours if during working hours.

- (b) Any Employee who drives a motor vehicle in the course of employment, must take a medical examination to verify his/her right to drive such motor vehicle. Such examination not paid for under the Provincial Health Plan will be paid for by the Company.

23.03 If, following a Company requested medical examination, any Employee is deemed physically incapable of carrying out his/her regularly assigned duties, the following procedures shall be followed:

- (a) The Company shall notify the Employee of the medical findings in respect to the Employee. Should the Union or the Employee disagree with the said findings, the Employee, at his/her own expense, if such expenses are not covered by the Provincial Health Plan, shall have the right to be examined by his/her personal physician.
- (b) Where there is no agreement between the Company's physician and the Employee's physician on the condition of the Employee, the two (2) physicians shall select a medical consultant to examine the Employee with respect to the dispute.
- (c) The findings of the consultant shall be final and binding on all parties.
- (d) The remuneration of the consultation shall be borne by the Company if the decision is for the Employee and against the Company and by the Union if the decision is against the Employee.
- (e) Should the consultant deem the Employee to be capable of carrying on with his/her assigned duties, then the Employee shall not suffer any loss of earnings caused by his/her having been removed from, or temporarily suspended from his/her regularly assigned duties.

- 23.04**
- a) The Parties will make every effort possible to locate a suitable position for an employee deemed physically incapable of performing his regularly assigned duties. Should an employee be reclassified as a result, he/she will be paid at the then existing rate of his new classification. All exceptions to the seniority provisions of the Collective Agreement must be mutually agreed upon in writing by the Parties. An employee placed on a job because of a disability will have their status reviewed at least annually, jointly by both parties. For the purpose of this Article, the parties shall be the Local President, National Representative and the Manager, Human Resources or designate.
 - b) In the event that no position can be identified to accommodate the employee, they will be placed on medical leave of absence without pay.
 - c) When an employee is cleared medically for light duty work, and there is no suitable position for the employee, the employee will be entitled to remain on Weekly Indemnity, as per the time limits of the benefits contract. In the event

an employee is placed on a light duty position and is subsequently determined to be medically unsuitable, he/she may return to Weekly Indemnity with no impact on the plan.

- d) an employee who is incapacitated as a result of on the job illness or injury will be entitled to Workers compensation and the prevailing WCB policy and practice regarding vocational rehabilitation shall govern.

23.05 Furthermore, the Company shall advise the Employee at least two (2) working days in advance, wherever possible, of such medical examination. The time and date of examination to be mutually agreed upon.

ARTICLE 24: WORK CONDITIONS

24.01 The Company agrees to maintain at its terminal, clean sanitary washrooms having hot and cold running water with toilet facilities available to the Employees.

24.02 Employee Lunchroom - The Company shall allow the Union to provide soft **drink**, coffee and similar vending machines, on the Company's premises, subject to approval of the Company as to location.

24.03 Maintenance of the Employee's lunchroom will be the responsibility of the Company, however, Employees agree to observe common courtesy, manners and rules of cleanliness in the use thereof.

24.04 The Company shall provide clean and adequate lunch rooms properly ventilated **for its** Employees at its terminals where such lunch rooms would be used by Employees.

24.05 Automobile plug-ins wherever installed shall be available for Employee's use.

24.06 Where necessary to comply with Transportation of Dangerous Goods Regulations, the Company will have showers at the Edmonton, Calgary, and Red Deer Branches.

ARTICLE 25: CLASSIFICATION AND WAGES

25.01

FULL AND REGULAR PART-TIME WAREHOUSE EMPLOYEES

| <u>Year 1 - Dec 14, 2002</u> | 0-3 months | 4-10 months | 11-18 months | 19-24 months | 25-59 months | +60 months |
|---------------------------------|----------------------|-----------------------|------------------------|------------------------|------------------------|----------------------|
| <u>CLASSIFICATION</u> | | | | | | |
| Courier Driver | 14.55 | 16.05 | 16.40 | 16.93 | 17.29 | 17.53 |
| 3 Ton Driver | | 16.93 | 17.23 | 17.83 | 18.19 | 18.43 |
| Warehouseperson | 13.58 | 15.01 | 15.37 | 15.95 | 16.32 | 16.55 |
| Warehouse Customs Specialist I | 9.50 | 10.51 | 10.76 | 11.17 | 11.42 | 11.59 |
| Warehouse Customs Specialist II | 11.54 | 12.76 | 13.06 | 13.56 | 13.87 | 14.07 |

| | | | | | | |
|----------------------------------|-------|-------|-------|-------|-------|-------|
| Warehouse Customs Specialist III | 13.58 | 15.01 | 15.37 | 15.95 | 16.32 | 16.55 |
| DG Warehouseperson | 14.61 | 16.04 | 16.40 | 16.98 | 17.35 | 17.58 |
| Sorter/Marker Warehouseperson | 14.61 | 16.04 | 16.40 | 16.98 | 17.35 | 17.58 |
| Lead Loader | | 16.47 | 16.77 | 17.37 | 17.66 | 17.96 |
| Lead Driver | | 16.70 | 17.23 | 17.83 | 18.19 | 18.49 |
| Tractor Driver | 18.92 | | | | | |

Year 2 - Dec 14, 2003

| | 0-3 | 4-10 | 11-18 | 19-24 | 25-59 | +60 |
|----------------------------------|------------|--------------|--------------|--------------|--------------|------------|
| | months | months | months | months | months | months |
| <u>CLASSIFICATION</u> | | | | | | |
| Courier Driver | 14.99 | 16.53 | 16.89 | 17.44 | 17.81 | 18.06 |
| 3 Ton Driver | | 17.44 | 17.75 | 18.36 | 18.74 | 18.98 |
| Warehouseperson | 13.98 | 15.46 | 15.83 | 16.43 | 16.80 | 17.05 |
| Warehouse Customs Specialist I | 9.79 | 10.82 | 11.08 | 11.50 | 11.76 | 11.94 |
| Warehouse Customs Specialist II | 11.89 | 13.14 | 13.45 | 13.97 | 14.28 | 14.49 |
| Warehouse Customs Specialist III | 13.98 | 15.46 | 15.83 | 16.43 | 16.80 | 17.05 |
| DG Warehouseperson | 15.04 | 16.52 | 16.89 | 17.49 | 17.87 | 18.11 |
| Sorter/Marker Warehouseperson | 15.04 | 16.52 | 16.89 | 17.49 | 17.87 | 18.11 |
| Lead Loader | | 16.96 | 17.27 | 17.89 | 18.19 | 18.50 |
| Lead Driver | | 17.20 | 17.75 | 18.36 | 18.74 | 19.04 |
| Tractor Driver | 19.49 | | | | | |

Year 3 - Dec 14, 2004

| | 0-3 | 4-10 | 11-18 | 19-24 | 25-59 | +60 |
|----------------------------------|------------|-------------|--------------|--------------|--------------|------------|
| | months | months | months | months | months | months |
| <u>CLASSIFICATION</u> | | | | | | |
| Courier Driver | 15.44 | 17.02 | 17.40 | 17.96 | 18.35 | 18.60 |
| 3 Ton Driver | | 17.96 | 18.28 | 18.92 | 19.30 | 19.55 |
| Warehouseperson | 14.40 | 15.92 | 16.30 | 16.93 | 17.31 | 17.56 |
| Warehouse Customs Specialist I | 10.08 | 11.15 | 11.41 | 11.85 | 12.12 | 12.29 |
| Warehouse Customs Specialist II | 12.24 | 13.53 | 13.86 | 14.39 | 14.71 | 14.93 |
| Warehouse Customs Specialist III | 14.40 | 15.92 | 16.30 | 16.93 | 17.31 | 17.56 |
| DG Warehouseperson | 15.49 | 17.01 | 17.40 | 18.02 | 18.40 | 18.65 |
| Sorter/Marker Warehouseperson | 15.49 | 17.01 | 17.40 | 18.02 | 18.40 | 18.65 |
| Lead Loader | | 17.47 | 17.79 | 18.42 | 18.74 | 19.06 |
| Lead Driver | | 17.71 | 18.28 | 18.92 | 19.30 | 19.61 |
| Tractor Driver | 20.07 | | | | | |

Dangerous Goods (DG) Warehouse and Sortermarker positions will exist in Edmonton and Calgary only.

FULL AND REGULAR PART-TIME CLERICAL EMPLOYEES:

- Telephone Clerk (Dispatch)
- Sales Department Clerk
- Billing Clerk
- Reception/Switchboard
- Office Clerk/Typist
- General Clerk (Tracing, Claims, Dispatch, Admin.)
- Audit Clerk
- Data Entry Clerk
- Accounts Receivable Clerk (Calgary, Edmonton, Red Deer, Vermilion)
- Route Data Entry Clerk
- Sales Coordinator
- Claims Clerk (Edmonton & Calgary)

(HOURLY RATES)

Year 1 - Dec 14, 2002

| | <u>0-3</u> <u>months</u> | <u>4-12</u> <u>months</u> | <u>13-24</u> <u>months</u> | <u>24-47</u> <u>months</u> | <u>48+</u> <u>months</u> |
|--------------------|-----------------------------|------------------------------|-------------------------------|-------------------------------|-----------------------------|
| Clerical | 12.65 | 13.21 | 13.85 | 14.24 | 14.50 |
| Lead Hand Clerical | 13.47 | 14.04 | 14.68 | 15.07 | 15.33 |

Year 2 - Dec 14, 2003

| | <u>0-3</u> <u>months</u> | <u>4-12</u> <u>months</u> | <u>13-24</u> <u>months</u> | <u>24-47</u> <u>months</u> | <u>48+</u> <u>months</u> |
|--------------------|-----------------------------|------------------------------|-------------------------------|-------------------------------|-----------------------------|
| Clerical | 13.03 | 13.61 | 14.27 | 14.67 | 14.94 |
| Lead Hand Clerical | 13.88 | 14.46 | 15.12 | 15.52 | 15.79 |

Year 3 - Dec 14, 2004

| | <u>0-3</u> <u>months</u> | <u>4-12</u> <u>months</u> | <u>13-24</u> <u>months</u> | <u>24-47</u> <u>months</u> | <u>48+</u> <u>months</u> |
|--------------------|-----------------------------|------------------------------|-------------------------------|-------------------------------|-----------------------------|
| Clerical | 13.42 | 14.02 | 14.70 | 15.11 | 15.39 |
| Lead Hand Clerical | 14.29 | 14.89 | 15.57 | 15.99 | 16.26 |

Casual Workers – working less than twenty (20) hours per week shall be paid at the 0 – 3 month payment category for their classification.

Shift Differential – All hours worked between 2200 hrs. (10:00 p.m.) and 0600 hrs. (6:00 a.m.) are subject to a premium payment of **fifty-five (\$0.55) cents per hour effective December 14, 2003, and sixty cents (\$0.60) per hour effective December 14, 2004.**

Route Data Entry Clerk positions to be paid one-half cent (\$0.005) per entry.

Route Data Entry Clerks hired prior to December 14, 1993 shall have the option to be paid **an** additional fifty (50) cents per hour premium in lieu of the one-half cent per entry premium (not subject to be increased beyond fifty (50) cents when working overtime). Those receiving the **fifty (50) cent** premium may elect, at any time, to switch to the one-half (\$0.005) cent formula, however, they may not revert back once this election has been exercised.

25.02 Any Employee temporarily assigned to a higher rated position for a minimum of three (3) hours or **fifty percent (50%)** of their scheduled **shift**, whichever is less, shall receive the higher rate of pay for his/her entire shift, including **any** overtime hours worked.

Any Employee temporarily assigned to a lower rated position shall not have his/her rate of pay reduced.

25.03 **All** Employees will be paid **by** direct deposit.

If an error occurs in the **payroll** computation of **an** Employee's **pay** cheque **and** the amount is equal to one **(1)** day's **pay** or more, he/she shall be entitled, on request, to receive same **as** soon **as** practicable but not later than three (3) working **days** after the error was reported; if the Employee **is** overpaid then he/she shall return said cheque **or** the overpaid amount within three (3) working days. **In** the event that the same

shortage of any amount occurs on two (2) consecutive paydays, then on request, the money will be paid within three (3) working days.

25.04 When new categories of employment for which rates of pay are not established by this Agreement, are put into use or effect, rates governing such categories of employment shall be subject to negotiations between the parties. The rate established shall be retroactive to the date of implementation. Should the parties not be able to reach an agreement, it is understood that the parties will defer the decision to an arbitrator, in accordance with Article 4.

25.05 The Company agrees that the hourly Drivers listed below will not be required to convert to Owner/Operator status for the life of the Agreement. However, it is understood that it is the individual wage and not the job or route that is protected.

The following are the protected names:

| | Year 1 | Year 2 | Year 3 |
|-------------|---------------|---------------|---------------|
| B. Corcoran | 17.53 | 18.06 | 18.60 |
| G. Goble | 18.43 | 18.98 | 19.55 |
| B. Barton | 17.53 | 18.06 | 18.60 |
| J. Mackay | 17.53 | 18.06 | 18.60 |

If a protected driver is assigned to a different position, his/her hours and rate of pay **are** guaranteed. If a protected driver voluntarily moves to a position of lesser pay, his/her protected rate of pay does not apply. If a protected driver is assigned to a lesser rated position but then chooses to take a shift with fewer hours, then the protected rate will apply only to the actual hours worked.

ARTICLE 26: DURATION OF AGREEMENT

26.01 This Agreement shall be in full force and effect from and including **December 14, 2002** to and including **December 13, 2005** and shall continue in full force and effect from year to year thereafter, subject to the right of either party to this Agreement within four (4) months immediately preceding the expiry in any year thereafter by written notice to require the other party to commence collective bargaining with the view to conclusion or renewal of a Collective Agreement or a new Collective Agreement.

Dated at Edmonton, Alberta this 14 day of Jan, 2004.

FOR THE COMPANY

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

FOR THE UNION

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

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LETTER OF UNDERSTANDING
- BETWEEN -

DHL EXPRESS (CANADA) LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

- AND -

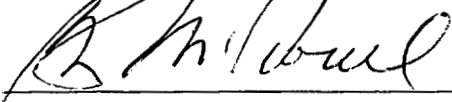
NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
LOCAL 4050
(HEREINAFTER REFERRED TO AS THE "UNION")

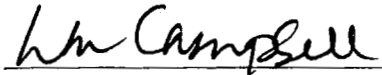
PAID UNION TIME

Effective December 14, 2001, the Company agrees to pay one cent (\$0.01) per hour per employee for all compensated hours for the purpose of providing paid union time. Such monies will be paid to Local 4050 on a quarterly basis.

Dated at Edmonton, Alberta this 14th day of Jan 2003. 2003.

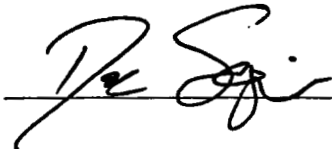
FOR THE COMPANY



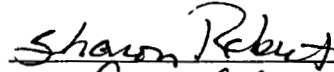


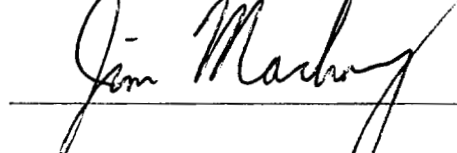




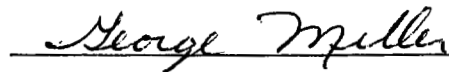



FOR THE UNION


















LETTER OF UNDERSTANDING
- BETWEEN -

DHL EXPRESS (CANADA) LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

- AND -

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
LOCAL 4050
(HEREINAFTER REFERRED TO AS THE "UNION")

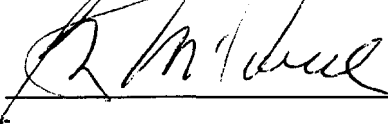
PAID EDUCATION LEAVE

The Company agrees to pay a total of \$25,000 per year into the Paid Education fund, for each year of this agreement. This money will be paid in quarterly installments into a trust fund established by the National Union, CAW - Canada. This total annual payment reflects monies for both the hourly and owner operator groups.


The Company further agrees that members of the bargaining unit, selected by the union to attend such courses, will be granted a leave of absence without pay for twenty (20) days class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Employees on said leave of absence will continue to accrue seniority and benefits during such leave.

Dated at Edmonton, Alberta this 17 day of Jan ~~2003~~. 2004

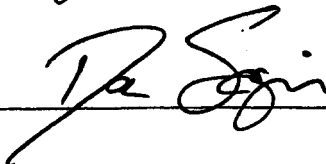
FOR THE COMPANY




Law Campbell



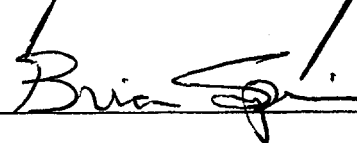
Mike

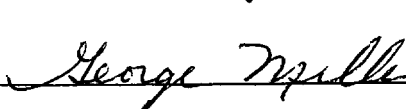


FOR THE UNION

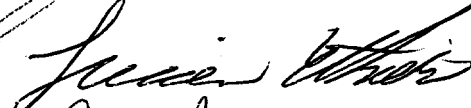













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LETTER OF UNDERSTANDING
- BETWEEN -

DHL EXPRESS (CANADA) LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

- AND -

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
LOCAL 4050
(HEREINAFTER REFERRED TO AS THE "UNION")

SMALL DEPORT CLERICALS

The parties agree that the two clerk positions discussed at negotiations (one in Peace River and one in Fort McMurray) **will** be made Lead Hand positions effective date of ratification. These positions will remain Lead Hand Clerical positions unless a management role is added to the facility.

Dated at Edmonton, Alberta this 14 day of Jan ~~2003~~, 2004

FOR THE COMPANY

[Signature]

[Signature]

[Signature]

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[Signature]

FOR THE UNION

[Signature]

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Owner/Operators

APPENDIX "A"

- BETWEEN -

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

-AND-

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)**
(HEREINAFTER REFERRED TO AS THE "UNION")

EFFECTIVE DECEMBER 14, 2002
EXPIRES DECEMBER 13, 2005

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APPENDIX "A"

BETWEEN:

DHL EXPRESS (CANADA), LTD.
in the PROVINCE OF ALBERTA
(hereinafter referred to as the "Company")

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)**
(hereinafter referred to as the "Union")

WHEREAS it is the desire of the Company and the Union **to** enter into a Collective Agreement to prevent strikes, lockouts, and other work stoppages **and/or** slowdowns during the term **of** the Collective Agreement.

WHEREAS the parties to this Collective Agreement desire to cooperate in establishing and maintaining conditions which will promote harmonious relations and provide methods for a fair and amicable adjustment of disputes which may arise between them.

AND WHEREAS both parties are pledged to cooperate and assist to the fullest extent in promoting safety and efficiency within business operations.

ARTICLE 1: UNION RECOGNITION

1.01 The Company recognizes the Union **as** the sole and exclusive bargaining agent for all Owner/Operators.

Properly qualified officers of the Union shall be recognized by the Company in discussing any and all matters affecting the Collective Agreement between the Company and the Owner/Operators who are members of the Union.

1.02 The provisions of ~~Part~~ **Part** I, Chapter L-2, Section 44 of the Canada Labour Code dealing with successor rights **and** obligations is recognized by the parties.

1.03 The Company shall not discriminate against any of the Owner/Operators who are Union Stewards and who from, time to time, represent other Owner/Operators.

1.04 The Union shall promptly notify the Company in writing of the names of the Owner/Operators comprising the Union Stewards and of any changes in the personnel thereof. The Company shall inform the Union, in writing, of the Supervisors with whom said accredited Representatives shall deal and any changes in personnel thereof.

1.05 The Union agrees that there will be no Union activities carried out during working hours, except those necessary in connection with the administration of this Collective Agreement. Accredited Representatives of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Collective Agreement is being adhered to, provided however, that there is no interruption of the Company's working schedule.

The Company will allow the use of the lunchroom to conduct Union business at a time convenient to both the Company and the Union provided it does not disrupt the normal business operation and such time to be scheduled and kept to a minimum.

1.06 It is hereby agreed that all Owner/Operators shall become members of the Union and shall as a condition of employment become and remain members of the Union.

1.07 The Company agrees to deduct from the pay of each Owner/Operator who is a member of the Union or covered by this Collective Agreement, an amount of union dues or their equivalent **as** specified by the National Secretary Treasurer of the CAW, and forward the full amount so deducted to him or such person as may be officially designated. Said deductions to be made from the last Owner/Operator invoice in each and every month. Deductions so made will be forwarded to the Secretary Treasurer of the Union or such person **as** that official may designate. The monthly dues remittance shall be accompanied by a list of Owner/Operators for the period in which the deductions were made.

1.08 The Company shall furnish to the Union a list of all new Owner/Operators contracted by the Company. The Union will supply the Company with deduction authorization forms and membership applications which shall be signed by all new Owner/Operators on the date of contract. It will be the responsibility of the Company to ensure that all forms and membership fees are forwarded to the Union Treasurer **within fourteen (14) calendar days** from the date of contract.

1.09 The Company shall not require an Owner/Operator covered by this Collective Agreement to cross a legal picket line or to accept **any** product goods from any person or Employees of any person with whom a Union has a legal picket or placard line around or against, **or** to deliver any product or goods to any person, or Employees of any person with whom a Union has legal picket or placard line around or against, subject to discussion between the parties.

- 1.10 The Company shall grant a leave of absence to an Owner/Operator who is a Steward attending essential Union business, Provided the Owner/Operator has secured, or arranged for with the co-operation of the Company, an acceptable replacement. The Union will give a minimum of fifteen (15) days notice of such request.
- 1.11 It is understood that the Company's officers, managers, supervisors, dispatchers, sales staff shall not perform the work of the regular Owner/Operators except in an emergency situation where no Owner/Operators are readily available to be called to perform such work. Should such a situation arise the Supervisor will advise the Shop Steward or Lead Hand in their absence of their intention to exercise this clause.
- 1.12 When a formal re-route is to take place involving some or all of the routes at a Branch or Depot, advance written notice of at least thirty (30) days will be given to the affected owner-Operator(s).
- The Company will make every effort to provide thirty (30) days advance written notice of all other major route alterations. The Local Shop Steward will be copied on any such notice.
- 1.13 Owner/Operators shall be represented by a Union Committee which shall consist of persons elected at each centre of operation of the Company. The Chairperson of this committee shall act as the liaison between the Owner/Operators and the Company. The committee and/or Shop Steward may at any time call upon the services of an accredited representative of the Union to assist them. The Company shall designate an individual representative to act in liaison between the Shop Steward and the Company.
- 1.14 Where mutually agreed upon, the Company or the Union, may request that a **Union** representative be sent to another Branch for consultation, up to a maximum of normal shift hours. The Company will assume all necessary expenses.
- 1.15 It is agreed by the Company and the Union that in carrying out their obligations under this Collective Agreement there shall be no discrimination, harassment, **or** stronger disciplinary action exercised or practised with respect to an employee by reason **of** age, race, creed, colour, national origin, political or religious affiliation, sex, sexual orientation, marital status, **family status, disability, conviction for which a pardon has been granted** or membership or activity in the Union.
- 1.16 The Company agrees not to enter into any Agreement or contract with Owner/Operators, individually or collectively, which in any way conflicts with the terms and provisions of this Collective Agreement. Any such Agreement **will** be null and void.

- 1.17 A Dependent Contractor (Owner Operator) is deemed to be an “Employee” of the Company as defined by the Labour Code of Canada, ~~Part~~ I. Rules and guidelines and applicable articles are located in this Appendix of the Collective Agreement.

ARTICLE 2: MANAGEMENT RIGHTS

- 2.01 The Union recognizes that it is the Company’s right and exclusive function to manage and generally direct and operate its business activities to include:
- (i) The right to enter a Business Agreement (Schedule “C”) with, re-route, or terminate the Business Agreement (Schedule “C”) for just cause.
 - (ii) The right to maintain order and establish and enforce just rules and regulations governing the conduct of Owner/Operators.
 - (iii) The right to assign work by the most economical means available to the Company.
 - (iv) The right to determine the products to be handled and the methods of handling and processing and related scheduling of operations.
- 2.02 The Company agrees that these functions will be exercised in a manner consistent with the provisions of this Collective Agreement.
- 2.03 The above clauses shall not deprive Owner/Operators of the right to exercise the grievance procedures as outlined in this Collective Agreement.
- 2.04 During the term of this Collective Agreement, there will be no lockout, by the Company, nor any strike or work stoppage, or slowdown by any Owner/Operator.

ARTICLE 3: GRIEVANCE PROCEDURE

- 3.01 It is the intention of the parties that this procedure provide a just and peaceful method of adjusting grievances and the parties agree to act in good faith in settlement of grievances in accordance with the provisions of this Article.
- 3.02 Any complaint, disagreement, or difference of opinion between the Company and the Union or the Owner/Operator covered by this Collective Agreement which concerns the application or interpretation of the terms and provisions of ~~this~~ Collective Agreement, shall be considered a grievance.

3.03 Any Owner/Operator, the Union or the Company may present a grievance. **A** grievance concerning a termination of contract shall be submitted at Step 3. **A** policy grievance filed on behalf of the Union or the Company shall be submitted at Step 3 of the grievance procedure.

Any grievance which is not presented within ten (10) working days following the event giving rise to such grievance shall be forfeited and waived by the aggrieved parties.

3.04 Any Owner/Operator having a complaint may orally discuss the matter with a Supervisor. Should such discussion not result in a satisfactory resolution of the problem, the following steps will be followed:

Step 1: The Owner/Operator and his/her Shop Steward shall submit his/her formal grievance in writing to his/her immediate supervisor, who shall reply in writing within three(3) working days. If a satisfactory settlement cannot be reached, or if there is no supervisory position at the Branch then....

Step 2: Within five (5) working days of receiving the decision under Step 1, or in the absence of a supervisor, the Owner/Operator with his/her Shop Steward shall submit the grievance in writing to the Branch Manager or Hub Operations Manager, who shall give his/her reply within five (5) working days in writing. If a satisfactory settlement cannot be reached, then....

Step 3: Within ten (10) working days of receiving the decision under Step 2, the grievance shall be referred to the local chairperson/chief shop steward who shall submit it to the regional manager or designate in writing. If requested by either party, a meeting will be held to discuss the grievance and the National Representative may be present **at** this meeting. The regional manager or designate will reply within ten (10) working days.

Failing a satisfactory settlement cannot be reached within ten (10) working days, then the grievance may then be referred to a **single arbitrator as** established in article 4 of this agreement.

3.05 The time limitations prescribed in Article 3 may be extended, but only by mutual consent of both parties in writing.

3.06 Where a grievance is not processed by the Union or the Company within the prescribed step or time limits, it shall be considered dropped and all **rights** of recourse will be forfeited.

Where a decision with respect to such grievance other than one for unpaid invoices is not rendered **by** the appropriate **Company** Officer within the prescribed time limits, the grievance will be processed to the next **step** in the grievance procedure.

When the appropriate officer of the Company fails without valid reason to render a decision with respect to a claim for an unpaid invoice amount within the prescribed time limits, that claim will be paid within three (3) working days if the claim is greater than one (1) day's invoicing. The application of this rule shall not constitute an interpretation of the Collective Agreement.

- 3.07 Investigations in connection with any matters that may result in Business Agreement (Schedule "C") violations, Business Agreement (Schedule "C") terminations, or warnings will be held as quickly as possible. **An** Owner/Operator may be held out of service for investigation. Written notice of an investigation, (including the nature of the investigation), in connection with any matters that may result in Business Agreement (Schedule "C") termination will be given within five (5) working days of the Company having knowledge of the incident occurring. In extenuating circumstances, the Company may request of the Union a time extension which will not be unreasonably denied. **An** Owner/Operator may if he/she so desires, have the assistance of one or two fellow Owner/Operators or employees, or Local Chairperson/Shop Steward or authorized committee person of the Union, at the investigation. Upon request, the Owner/Operator being investigated shall be furnished with a copy of his/her own statement, if it is made a matter of record at the investigation. The decision will be rendered within twenty-one (21) calendar days from the Company first becoming aware of the incident, unless the investigation cannot be completed in this period. In this event the Company will request agreement of the Union to an extension of the investigation period and such request shall not be unreasonably denied. **An** Owner/Operator may be held out of service pending the rendering of a decision. If it is determined there **was** no just cause **to** be held out of service, he/she **will** be paid for all lost income net of operating cost. Such payment will be made within three (3) working days.
- 3.08 Any Owner/Operator shall be allowed to inspect his/her own file in the presence of the Company, during normal business hours. Any officer of the Union, on behalf of the Owner/Operator, may accompany the Owner/Operator to inspect his/her own file subject to the Written authorization of the Owner/Operator.
- 3.09 A copy of all contract violations, contract terminations, or warnings to any Owner/Operator covered by this Collective Agreement shall be forwarded to the Union Chief Steward for perusal.
- 3.10 Correspondence concerning contract violations will be withdrawn **from** the Owner/Operator's file after one (1) year except if there is a recurrence **of** a same or similar violation within that one (1) year. Documents concerning a criminal or civil matter may affect continuation of the Business Agreement, and will be retained **as a** matter of record. Discipline on matters affecting driving records will be removed after two (2) years.

3.11 Any meeting necessary to comply with the formal grievance provisions of this article will be held during normal working hours at no loss of pay to the Owner/Operators concerned. The Shop Steward/Local Chairperson shall be compensated at his/her regular rate of pay for all time spent in excess of fifteen (15) minutes.

3.12 **Any** Owner/Operator, subject to discipline, will have the attendance of his/her Union representative. The Company will arrange for a representative to be present. **If the Owner/Operator does not want a Union representative present, the employee will sign a waiver stating that they have waived their rights to Union representation.**

No Owner/Operator shall be required to enter the offices of a Supervisor for disciplinary purposes or receive a letter of warning from the same without the presence of a member of the Grievance Committee (i.e. Shop Steward or Local Chairperson).

ARTICLE 4: ARBITRATION

4.01 Failing a satisfactory settlement of a grievance at Step 3 of the grievance procedure, either **party** may request that the matter be referred to **Arbitration**. Such notification must be made in writing within twenty-eight (28) calendar days **of the decision being given at Step 3.**

4.02 **A single Arbitrator will be designated by mutual agreement of the Company and the Union.**

4.03 Selection of the arbitrator will be made within fourteen (14) calendar days of **receipt** of notification of either party's desire to proceed **to** arbitration.

Failing agreement on the selection of an arbitrator **as** set out above, the matter shall be referred to the Department of Labour, **who shall** appoint **an** arbitrator.

The arbitrator selected must, as a condition of engagement, be prepared to:

- a) hear the matter within ninety (90) calendar days of the request.
- b) render a decision within thirty (30) calendar days of completion **of** the hearing, unless, an extension **is** mutually agreed to between the company and **Union.**

4.04 No person involved directly in the controversy under consideration shall be **an** Arbitrator.

- 4.05 The Arbitrator shall receive and consider such material evidence and contentions as the parties may offer, and shall make such independent investigations as it deems essential to a full understanding and determination of the issue involved. In reaching its decision, the Arbitrator shall be governed by the provisions of this Collective Agreement. The Arbitrator shall not be vested with the power to change, modify, or alter any of the terms of this Collective Agreement.
- 4.06 The findings and decision of the Arbitrator on all arbitrable questions shall be binding and enforceable on all parties.
- 4.07 The expense of Arbitration shall be borne equally by the Company and the Union.
- 4.08 All monetary grievances that are mutually agreed upon, shall be paid the following invoice period, either by a separate cheque or, in the alternative, the Owner/Operator's regular cheque shall be accompanied by a written statement outlining the amount and the grievance settlement involved.
- 4.09 The calculation of the payment of monies for all monetary grievances shall be limited to the lesser of the period in question or forty-five (45) working days preceding the date of the grievance.
- 4.10 In the event an Owner-Operator is terminated and a grievance is filed by the Union, the Company will cover the vacant route pending completion of the initial grievance process excluding arbitration.

ARTICLE 5: OWNER/OPERATOR SENIORITY. BIDDING. REDUCTIONS

- 5.01 The purpose of seniority is to provide a policy governing preference, layoffs, and recalls. Each Owner/Operator will establish a Company seniority date, **using** the greater of:
- (a) the date of hire **as** an Owner/Operator and continuously working since then; or,
 - (b) his/her hourly rate Company seniority date, if he/she is a transfer from an hourly rated position.

Branch seniority of **an** Owner/Operator means the duration of continuous service at the Owner/Operators current Branch.

Group seniority of an Owner/Operator means the duration of continuous service in the Owner/Operator Group at the Branch. Messenger Owner/Operators are considered a separate **group**.

- 5.02 When reducing Owner/Operators at any location, the Company **will** reduce the **junior** Owner/Operator according to Group seniority **if** it is practicable to do **so**.

5.03 An Owner/Operator who is affected by Article 5.02 shall be required to:

- a) first accept any Owner/Operator vacancy that arises within his/her branch
- b) in the event no Owner/Operator vacancies exist within the Branch the O/O may then displace the junior Owner/Operator at their branch, seniority permitting, or failing that, the junior Owner/Operator in the province, or may elect to forgo a) & b) above, electing to be placed on lay-off status, subject to recall.
- c)

Owner/Operators who wish to be considered for recall to a different Group at the Branch must submit a written standing application. These Owner/Operator's will be considered based on Company seniority if the position is not filled ~~from~~ within the Group at the Branch.

5.04 **An** Owner/Operator who transfers to a vacant hourly rated position will be granted a Group seniority date in the new Group equal to his or her Owner/Operator Branch Seniority. Eligibility for all benefits and vacation will be based on the Owner/Operator's Company seniority date. Entitlement to vacation and vacation pay will coincide with the Owner Operator's anniversary date of transfer to hourly status. However he or she shall not be eligible to bid on another posted vacancy for a period of three (3) months from the date of transfer into the new Group.

5.05 The Company will post Owner/Operator vacancies for five (5) days at a location where a vacancy occurs and fill the vacancy with the senior qualified Owner/Operator applicant ~~from~~ that location who will have the required vehicle on commencement of the run. **In** the event an Owner/Operator from a different location transfers in, he/she will commence a new Branch and Group seniority date according to the date the Owner/Operator starts at the new location.

The Company shall accept standing applications from Employees or Owner/Operators outside the Branch where the vacancy exists. These applications will remain **valid** and on file for a period of one (1) year. These applications will be considered **based** on Company seniority only if no qualified Owner/Operator or Employee applies ~~from~~ within the Branch where the vacancy exists. If an Employee or Owner/Operator is qualified and selected for the vacancy, he or she must be willing and available to commence duties at the new Branch within two (2) weeks of the position being offered.

Route postings will contain a brief description of the route and **an** approximate daily dollar value.

Any Owner/Operator or Employee who **fills** an Owner/Operator **vacancy as** a result of a posting will not be eligible to apply on another posting for **a** period of three (3) months. **This** requirement does not apply in any reroute process.

This entire Article will apply only to the filling of the original vacancy created, and the next vacancy thus created. All other resulting vacancies will be posted for twenty-four (24) hours and will be awarded to the senior qualified Owner Operator who submits a timely bid.

- 5.06 Company, Branch, and Group seniority is lost on termination except if an Owner Operator is laid off and recalled within twelve (12) months of layoff. In this event, the Owner/Operator shall retain his or her Company, Branch, and Group seniority.
- 5.07 The Company will post a seniority date list at each Branch showing Company, Branch and Group seniority, each four (4) months. Any Owner/Operator objecting to his/her dates, must submit his/her appeal in writing to the Company and the Union within thirty (30) days of such posting. Where proof of error is shown, the seniority list will be corrected as agreed on.
- 5.08 Owner/Operators will be given not less than thirty (30) calendar days written notice of cancellation of their Business Agreement (Schedule "C"), or pay in lieu of. Owner/Operators whose Business Agreements (Schedule "C") are cancelled for just cause or default, will be given not less than seven (7) calendar days written notice, or pay in lieu of, except notice is not required for criminal action related to DHL.
- "Pay in lieu of" to consist of average daily income from the last thirty (30) calendar days, less operating costs (rural allowance or fuel), multiplied by the number of days outstanding.
- 5.09 **An** Owner/Operator who transfers locations with his/her route, will transfer with his/her Company, Branch, and Group seniority.
- 5.10 Notwithstanding any other clause in the Collective Agreement, at the time the Company converts **an** hourly driver route to an Owner/Operator route, it **is** agreed the hourly driver on that route has the first **opportunity** to assume the new Owner/Operator route and transfers to the Owner/Operator seniority Group with full Company, Branch and Group seniority. **This as** per existing practice.
- 5.11 For the purposes of Group and Branch Seniority, **all existing and future locations in Edmonton and Calgary will be considered one (1) Branch in each of the respective cities.**
- 5.12 To operate on Alberta Family Day or Remembrance Day, on a reduced basis, it is understood routes could be merged, cancelled, or performed by hourly Employees at the Company's discretion. However, no Owner/Operator will be required to work unless he is paid a mutually agreed upon payment **as** agreed to in advance.

ARTICLE 6: HEALTH AND WELFARE/W.C.B. COVERAGE

6.01 The Company agrees to provide those eligible Owner/Operators with current details and information covering all Owner/Operators benefits and programs, in which the Owner/Operators covered by this Collective Agreement are entitled to participate. This information shall be provided at the date of hire as an Owner/Operator.

The Company will provide each Owner/Operator with the option of participating in a selected health and welfare package as detailed below.

Dental, Voluntary Personal Accident Insurance and Vision Care are to be provided on a voluntary basis at 100% Owner/Operator cost.

The Company will deduct cost of benefits opted for from the Owner/Operator invoice.

- Dental plan – includes reimbursement based on the Alberta Dental Fee Guide plus an inflationary protection.
- Voluntary Personal Accident Insurance
- Vision Care - \$250.00 every 24 months for the employee and eligible dependants, no deductible. Eye examinations are covered over and above to a maximum of \$40.00 yearly.

6.02 Monthly costs to Owner/Operators (subject to change by insurers upon thirty (30) days written notice)

| | Single | Family |
|---|------------------------------------|--------|
| Life Insurance) | | |
| Accidental Death & Dismemberment) | | |
| Major Medical *) | Paid in full by the Company | |
| * includes prescription card, no deductible | | |
| Dental) | | |
| Vision Care) | Paid in full by the Owner Operator | |

Voluntary Personal Accident

Dependent Coverage of Major Medical/Dental/Vision

Any new eligible dependants (spouse, unmarried children) must be enrolled within the thirty-one (31) day eligibility period. Eligibility is defined as the first thirty-one (31) days from which an Owner Operator acquires a dependent.

Eligible dependants include: the Employee's spouse (including a married spouse or a common-law spouse of the same or opposite sex), and the Employee's children (including a natural child, adopted child, stepchild, and a child under a guardianship order).

Declaration of Common-law Status for Benefit Eligibility

The Owner Operator must complete a Declaration of Status document in order to qualify for health and welfare benefits. Eligibility commences after one (1) year of common-law status.

A spouse is deemed to be:

- A person married to the Owner Operator as a result of a valid civil or religious ceremony, including a person separated from the Owner Operator.
- A person of the opposite sex, or same gender partner with whom the Owner Operator has a common-law relationship for at least twelve (12) consecutive months prior to the date on which the claim arose. (Common-law relationship means continuous cohabitation and public representation of married status)

6.03 If an Owner/Operator refuses initial entry to the above benefit plans or if he/she terminates participation in the plans, the Owner/Operator shall not be eligible to rejoin the plans for a period of two (2) years from the date coverage was declined or terminated. In this event, life insurance coverage may also be subject to medical evidence of insurability satisfactory to the insurance carrier.

In the event of a change in status, the 2 year waiting period will be waived. Evidence of insurability will be required if employee life insurance is chosen at this time.

6.04 The Company agrees to pay individual assessments of the Worker's Compensation Boards of the Province of Alberta, for the Owner/Operators. If allowed by the Workers' Compensation Act of the Province mentioned above, the Company will be responsible for coverage of replacement drivers for those Owner/Operators not registered as a limited or holding company. Such Owner/Operators are responsible for WCB coverage for all other persons they may have in their employ.

Should the Worker's Compensation Board of Alberta require an Owner/Operator who is registered as a Limited or Holding Company, to maintain his/her own W.C.B. account, such account will be opened by the Owner/Operator, and must be maintained in good standing during the life of his/her Business Agreement (Schedule "C").

ARTICLE 7: EQUIPMENT

7.01 The Company assumes responsibility for supply and installation of the striping kit (decal). Where the Company is changing the required colour scheme, the Company assumes full cost of painting in accordance with painting price available to the Company.

Repainting: and repainting of replacement vehicles to be shared fifty percent (50%) by the Company in accordance with painting price available to the Company (Not new Owner/Operators, and not body work).

Based on the above prices the Owner/Operator is free to get his/her work done elsewhere as long as it is done satisfactorily.

The Company will be responsible for the cost incurred in removing the striping/decal on termination in accordance with the price available to the Company.

7.02 It shall not be a violation of this Collective Agreement for any Owner/Operator to post the CAW - Canada Union label in a conspicuous place in the cab of the vehicle or equipment he/she is operating. The positioning of the label shall be in accordance with Company policy. The standard position shall be the driver's side no draught window.

7.03 The Company reserves the right to refuse to sign Business Agreements (Schedule "C"), or terminate present Business Agreements (Schedule "C") with Owner/Operators whose equipment does not meet the appearance standards as set by the Company. Reasonable standards to apply. The Company must first give the Owner/Operator not less than ninety (90) days written notice to meet appearance standards.

7.04 All Owner Operators shall be required to submit a security deposit for the use of DHL owned communication equipment, scanning equipment or other equipment required in the performance of their services in the amount of eight hundred dollars (\$800.00).

Such security deposit shall be forfeited in the event of loss or damage to such equipment resulting from the negligence of the Owner Operator. A further security deposit shall be required with respect to any replacement equipment.

The security deposit shall not apply to Owner Operators who have a contract for service with DHL Express (Canada), Ltd. as of December 14, 2000.

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ARTICLE 8: UNIFORMS

8.01 The Company will pay for new uniforms when such uniforms are required. All uniforms are and will remain the sole property of the Company but the Owner/Operators will be expected to properly care for and keep same in good repair and condition at the Owner/Operator's expense. All uniforms will be returned to the Company upon termination of the contract, and when requesting replacement as required.

8.02 As a condition of the Collective Agreement, it is agreed that the issued uniforms will be worn while on duty.

8.03 The Company will *make* available to any Owner/Operator required to load or unload the line haul trailer, a coat or smock at no cost.

The Company will sell, at Company cost, to any Owner/Operator a coat or smock to be used for loading/unloading their own vehicle.

8.04 **Safety Boots** - It is a condition of employment that safety boots or shoes be worn where required. The Company will refund the cost of such boots or shoes up to a maximum of **one hundred ten dollars (\$110.00) effective date of ratification** upon the submission of a sales receipt. This provision may cover one or two pairs of boots or shoes in a twelve (12) month period. The Company **will** replace safety shoes or boots irreparably damaged in the course of the Owner-Operator's duties.

Effective December 14, 2003, the maximum will be one hundred-fifteen (\$115.00) dollars upon submission of a sales receipt. This provision may cover one or two pairs of boots or shoes in a twelve (12) month period.

Effective December 14, 2004, the maximum will be one hundred-twenty (\$120.00) dollars upon submission of a sales receipt. This provision may cover one or two pairs of boots or shoes in a twelve (12) month period.

ARTICLE 9: DEFINITIONS

9.01 **"Owner/Operator"** - A dependent contractor who holds a valid Business Agreement (Schedule "C") for services with the Company and **is** subject to the terms and conditions of that Agreement.

9.02 **"Business Agreement"** - **An** Agreement, between the individual Owner/Operator and the Company, which details specific terms, conditions, and methods **of** payment, for services provided. (Schedule "C").

Where a dispute arises in language interpretation between Collective Agreement and the dependent contractor's Business Agreement (Schedule "C"), the Collective Agreement interpretation will prevail.

9.03 **"Stop"** - The process of physically entering a business premise, or going off route, to carry out a transaction or transactions.

9.04 **"Swamper"** – an individual that assists an Owner Operator in performing his/her route responsibilities. The swamper may work alongside the Owner Operator, but is not authorized to perform delivery and pickup work on behalf of the Owner Operator.

ARTICLE 10: MISCELLANEOUS

10.01 The Company agrees to provide space for a bulletin board at each of its terminals for use by the Union for posting matters relating to Union meetings and other Union business, provided that they are authorized and signed by an officer of the Union. The said bulletin board shall not be located in any place where the general public has access.

10.02 It shall be the responsibility of every Owner/Operator to keep the Company and the Union informed of any and all changes of address or telephone numbers. Such information will be supplied in writing within three (3) working days of such change.

10.03 Owner/Operators whose Business Agreements (Schedule "C") are terminated for just cause will have reasons for same confirmed in writing. Those Owner/Operators who terminate their Business Agreements (Schedule "C") voluntarily shall have all monies owing them paid no later than the next scheduled payment day.

10.04 The Company shall not be responsible for the loss, damage or destruction of the Owner/Operator's personal property while such property is on the Company's premises, in vehicles or equipment, or in use on Company's business.

10.05 The Company will provide each Owner/Operator with a copy of the Collective Agreement.

10.06 The Company agrees that Union negotiating members who would have normally been working during contract negotiations shall be remunerated for out-of-pocket expense of a replacement driver while involved in negotiations. This provision will only apply to three (3) Union negotiating members representing Owner/Operators.

10.07 Owner/Operators shall be required to produce a valid drivers license and a Motor Vehicle Branch full search report on request. Any cost will be absorbed by the Company, except for new Owner/Operators who **must** provide these documents at his/her own cost.

- 10.08 Automobile plug-ins wherever installed shall be available for Owner/Operator use.
- 10.09 In application of required payment for attending meetings or negotiations as agreed elsewhere in this Collective Agreement, the Owner/Operator will be paid the regular Courier Driver hourly rate of pay up to a maximum of eight (8) hours per day or the out-of-pocket expense of a replacement driver, whichever is applicable.
- 10.10 The Company will reimburse any Owner/Operator the cost of Operating Authority, upon presentation of the appropriate receipt to a maximum of \$100.00.
- 10.11 All Owner/Operators shall only be allowed one route and one vehicle.
- 10.12 Owner/Operators are normally required to provide their own relief drivers and vehicle for purposes including sickness, injury, bereavement, and vacation coverage. However, on an emergency basis, where all reasonable efforts by the Owner/Operator to provide relief driver and/or vehicle coverage have been exhausted, the Company will provide for coverage of the route on the first day or partial day. In this event, the Owner/Operator will be paid for any revenue generated (in the event of a partial day) and the Company will assume all related costs for coverage. In the further event that the Owner/Operator's vehicle is used in these situations, the Company will reimburse the Owner/Operator for his or her vehicle operating costs.
- Should the Company have to provide coverage beyond the first day or partial day, the Owner/Operator will be credited with all revenues generated during the additional period and the Company **will** deduct all related expenses incurred.
- 10.13 **An** Owner/Operator summoned to jury duty will be compensated for any out of pocket expenses, minus any monies received **from** court, should he/she supply a relief driver. Intent is the Company will pay for the cost of the relief driver. If the Company supplies an hourly driver and Company vehicle, then the Owner/Operator forfeits all revenue for that day(s) **from** his/her route.
- A** suitable replacement driver may be used by any Owner/Operator so **as** to have personal leaves, vacation, etc.
- 10.14 Owner/Operators shall not be required to subsidize the cost of developing or maintaining the new scanner system presently called "**ORBITT.**"

ARTICLE 11: TRAINING/MEETINGS

- 11.01 The Company may, from time to time, provide Owner/Operators with a training programme outside scheduled hours. On such occasions, attendance **is** compulsory (in other words, **as if** scheduled). The Company will provide two (2) weeks notice and pay shall be straight time wages. However, training on **an** Owner/Operator's day off shall be avoided. Where such training **is** unavoidable, the owner-operator **will** be

paid a minimum of four (4) hours of pay at straight time.

- 11.02 The Company shall pay tuition fees for a Company approved and requested defensive driving and/or industrial first aid course taken and successfully completed by an Owner/Operator.
- 11.03 The provisions of Clause 3.11 will apply in the event of Company requested meeting(s).
- 11.04 When an Owner/Operator is called in for training, the Owner/Operator will be paid the regular Courier Driver at a straight-time hourly rate of pay for all hours spent in training or the out-of-pocket expense of a replacement driver, whichever is applicable.

ARTICLE 12 ANTI-HARASSMENT AND DISCRIMINATION

- 12.01 All Owner Operators are expected to treat all persons with courtesy and consideration and must not engage in discrimination or harassment because of a prohibited ground contrary to the Canadian Human Rights Act (the "Act"). Prohibited grounds are race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability or conviction for an offence for which a pardon has been granted.
- 12.02 It is understood that the Company and the Union shall cooperate in every way to reduce or eliminate any type of harassment in the workplace and as per the Company Anti-Harassment and Discrimination policy.
- a) Harassment is in no way to be construed as properly discharged supervisory responsibilities including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual.
 - b) Complaint Resolution Procedure: If an employee believes that he or she has been harassed and/or discriminated against on the basis of a prohibited ground of discrimination the employee may:
 - i) Tell the person involved as soon as possible, how you feel, and request that he/she stop the conduct you find offensive.
 - ii) If you feel uncomfortable approaching the person, or if the harassment continues, bring the incident forming the basis of the complaint to the attention of the Manager, Human Resources and/or the National Representative or Local President. Be prepared to provide a written summary of your complaint.
 - iii) The parties will review the complaint and where warranted, will strike a committee and carry out a joint investigation.
 - iv) The Joint Committee will consist of equal members of Management and the Union. The actual composition of the joint committee will be determined by the parties on a case by case basis.

- v) It is the intention of the Company and the Union that where practical, the joint investigation will begin within five **(5)** working days of the lodging of the written complaint and shall be completed within fifteen **(15)** calendar days after the lodging of the written complaint.
- vi) All matters brought before the committee will be dealt with in as confidential a manner as possible.
- vii) Any complaint not resolved through this process may be addressed by the Union pursuant to Article 3.
- c) Anti-harassment and discrimination training will be provided to management, union representatives and will be delivered to all employees.

ARTICLE 13 DURATION OF AGREEMENT

13.01 This Agreement shall be in full force and effect from and including **December 14, 2002 to and including December 13, 2005** and shall continue in full force and effect from year to year thereafter, subject to the right of either party to this Agreement within four (4) months immediately preceding the expiry in any year thereafter by written notice to require the other party to commence collective bargaining with the view to conclusion or renewal of a Collective Agreement or a new Collective Agreement.

Dated at Edmonton, Alberta this 14 day of Jan 2003. 2004

FOR THE COMPANY

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

FOR THE UNION

[Signature]
[Signature]
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SCHEDULE "A" - OWNER/OPERATOR STANDARD FEE SCHEDULE

| | <u>Dec 34/02</u> | <u>Dec 14/03</u> | <u>Dec 14/04</u> |
|---|------------------|------------------|------------------|
| 1. stop | \$1.44 | \$1.46 | \$1.50 |
| 2. Additional- NB/T | \$0.42 | \$0.42 | \$0.42 |
| 3. Additional- WB/T | \$0.42 | \$0.42 | \$0.42 |
| 4. Additional-Cash Collect WB or transaction | \$1.00 | \$1.00 | \$1.00 |
| 5. Additional-Dang Goods WB or transaction | \$1.00 | \$1.00 | \$1.00 |
| 6. Additional for each residential waybill attempted and/or transaction | \$0.75 | \$1.00 | \$1.00 |
| 7. APW- per stop | \$1.44 | \$1.46 | \$1.50 |
| APW per piece no weight | \$0.51 | \$0.52 | \$0.53 |
| 8. Overweight:over 20 lbs per shipment 3/4 ton van | \$0.01 | \$0.01 | \$0.01 |
| Duel Wheel Units | \$0.02 | \$0.02 | \$0.02 |
| 9. 9 am Service | \$1.00 | \$1.00 | \$1.00 |

Owner Operators will be expected to make every effort to perform 9:00 a.m. deliveries where such deliveries will not affect service to other customers on their route. **If** it is determined that the Owner Operator cannot perform said delivery within the service requirement, they will be required to advise the appropriate manager that alternate arrangements will need to be made for said delivery. The premium shall apply only to deliveries completed prior to 9:00 a.m.

10. **All** scannable waybills, laser waybills, shippers own bar-coded labels must be scanned, **as** per Company policy, in order to receive compensations outlined above. In the event **of a** malfunction of the handheld scanning unit, there will be no reduction in aforementioned compensation, except when the malfunction prevents a delivery scan and the **Owner** Operator fails to get the waybill (**or sub** waybill) signed, timed and dated for receipt **of** shipment.

11. Specials

This to include warehouse and/or Janitorial duties. Specials may be reviewed at any time, or a special may be requested at any time.

- a) Loading/Unloading-Warehouse - Warehouse Sixty + (60+) month hourly rate.
- b) Driving Specials - "Driving Specials will be paid a minimum rate equivalent to the Sixty + (60+) month hourly rate for the Courier Driver Classification.
- c) Dedicated Runs: (Including Lyreco / APW / International)
 - Effective December **14, 2002**, increase **\$6.00** per day
 - Effective December **14, 2003**, increase an additional \$6.00 per day
 - Effective December **14, 2004**, increase an additional \$6.00 per day

12. Rural Mileage

(Based on point to point through miles, does not include in town pickup and delivery mileage)

| | <u>Dec 14/02</u> | <u>Dec 14/03</u> | <u>Dec 14/04</u> |
|------------------|------------------|------------------|------------------|
| 3/4 ton van | \$0.25 km | \$0.25 km | \$0.26 km |
| Dual Wheel Units | \$0.29 km | \$0.29 km | \$0.30 km |

Above mileage rates are minimums. The base fuel price for this program will be the unleaded fuel price of \$0.508 / litre. In addition, rates will increase for changes over this base pump price based on two separate averages.

One average fuel price based on pump prices in Edmonton and Calgary will apply for the Calgary and Edmonton Owner Operators.

A separate average price will be calculated for the Owner Operators in all other branches (including the following depots: Fort McMurray, Athabasca, Whitecourt, and Hinton). This fuel price will be calculated based on the average pump prices in Medicine Hat, Lethbridge, Red Deer, Vermilion, and Grande Prairie.

- ¾ ton van - \$0.01 per kilometre for every **\$0.05** change
- Dual Wheel Units - \$0.01 per kilometre for every **\$0.04** change

Decreases in the rates **will** occur when the **fuel** price falls below the same price triggers that have generated a price increase, but cannot **go below** the minimum mileage rate.

These average prices **will** be posted at all locations at the **first of** the month.

This program **is** to be effective December 1, 2003.

13. City Fuel Escalation Program

Average daily kilometres are based on work driving only and does not include mileage incurred for travel to/from work or other personal business. Those individuals found padding their mileage will be permanently excluded from this program. Changes to average kilometres will only be adjusted with a re-route or significant geographic change. The base fuel price for this program will be the unleaded fuel price of \$0.508 / litre. In addition, rates will increase for changes over this base pump price based on two separate averages.

One average fuel price based on pump prices in Edmonton and Calgary will apply for the Calgary and Edmonton Owner Operators.

A separate average price will be calculated for the Owner Operators in all other branches (including the following depots: Fort McMurray, Athabasca, Whitecourt, and Hinton). This fuel price will be calculated based on the average pump prices in Medicine Hat, Lethbridge, Red Deer, Vermilion, and Grande Prairie.

¾ ion van - \$0.01 per km for every \$0.04 change in base fuel price
Dual Wheel Units - **\$0.01** per km for every \$0.03 change in base fuel price

Decreases in the rates will occur when the fuel price falls below the same price triggers that have generated a rate increase, but cannot go below the base price.

These average prices will be posted at all locations at the first of the month.

This program is to be effective December 1, 2003.

14. DHL requested claims inspections

Where a claims inspection is requested, a five dollar (\$5.00) standard payment will be made when a properly completed Claims Inspection Report is filed with the Company.

If a claims inspection is made and no other transaction is performed, the \$5.00 payment will cover the **STOP** and the Claims Inspection.

If the damaged goods are to be returned to the DHL branch, the regular waybill rates and rules will apply.

| | | |
|------------------|------------------|------------------|
| <u>Dec 14/02</u> | <u>Dec 14/03</u> | <u>Dec 14/04</u> |
| \$6.00 | \$6.00 | \$6.00 |

15. Loading/Unloading of Linehaul Trailer

As per negotiation with the individual Owner/Operator. DHL commits to payment to any Owner/Operator required to load or unload the Linehaul to be established consistent with provision 9 above - Specials.

16. Unloading of trucks

The Company will continue the existing practice for the unloading of Owner-Operator vehicles at its' Edmonton and Calgary facilities. It is further understood that a joint review will take place in the event a major time savings could be implemented at Edmonton or Calgary.

17. 3 Ton and Larger Rate

The Company agrees to negotiate with the Union and Owner/Operator, on an individual basis, the rate for specific runs, when the need arises to institute the run. Should the parties fail to agree on the rate, they will submit the dispute to Grievance Mediation **as** per the Federal Mediation Conciliation Services of the Human Resources Department Canada or arbitration.

18. In the event a change in equipment is required to satisfy the needs of a route, discussions will be held with the Owner/Operator prior to the change and he/she will have thirty (30) days to acquire the new equipment. Time extensions will not be unreasonably denied.
19. In the event a change in equipment is required to meet mechanical worthiness standards, discussions will be held with the Owner Operator prior to the change and he/she will have thirty (30) days to acquire the new equipment. Time extensions will not be unreasonably denied.
20. Except for competitive reasons and upon agreement in writing between the Owner/Operator and the Company, all freight will be considered cubeable for Owner/Operator billing proposes. However, failure by the Owner/Operator to cube eligible customer freight may result in disciplinary action and/or loss **of** the customer without re-route compensation. The Company will provide a standard cube calculation, which shall be **as** follows:

$$1 \text{ cu. ft.} = 15 \text{ lbs}$$

21. The current charge of a max \$30.00 per month will continue. In **the** event the Company introduces a Pager system any cost associated with this system shall be borne in **full by** the Company.

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22. **An** owner-operator will receive the compensation outlined in Items 4,5, and 6 only if the waybill has been marked to indicate the special service. Where said waybill does not have a space to indicate the special service, the Owner-Operator should write the service on the face of the waybill. The most logical place for this is in the “Instruction **Box**”.
23. Messenger Owner-Operator’s rate of compensation will be increased to

| | | |
|------------------|------------------|------------------|
| <u>Dec 14/02</u> | <u>Dec 14/03</u> | <u>Dec 14/04</u> |
| 69% | 69% | 70% |

Messenger Owner Operators will not be required to pick up and deliver dangerous goods.

SCHEDULE "B" - OWNEWOPERATOR PROGRAM

1. **Any** Owner/Operator will be afforded an interest-free loan of \$1,200.00 for special operational costs repayable over twelve (12) months. If an Owner/Operators balance owing against this loan is in excess of \$500.00, no additional funds will be loaned under this provision until the balance falls below \$500.00.
2. Any newly converted Owner/Operator will be afforded an interest free credit limit of up to \$1,200.00 to defray start up expenses, etc. repayable over twelve (12) months.
3. The Company shall reimburse to the new Owner/Operator the cost of a chartered accountant up to a maximum of \$250.00 specializing in the transportation industry, for assistance in setting **up** his/her business. Receipts are required.

4. **Reroute**

Re-routes will be implemented only when required by management to enhance or retain required service standards or to accommodate a significant gain or loss of business. Reroutes will not be used for the sole purpose of eroding owner operator revenue to offset the compensation of a subsidized route, to build a new route, or to transfer the revenue to an hourly route, although such may be the effect of the reroute.

In the event a reroute is required, the Company agrees to measure the Owner-Operators pay. Period of measurement for comparison to be used to determine average days earnings, is to be the daily average of the six (6) month period immediately before the reroute, and that daily average to be the minimum earnings paid to the Owner/Operator for the forty-five (45) working days immediately following start of reroute.

The reroute formula will not apply to situations where the owner-operator cannot properly service one or more of his/her customers.

The above is a one time payment only. Prior to any reroute, the Company will provide advance notice, **as** detailed in Article 1.12 and will provide the Owner-Operator(s) the opportunity to discuss the reroute change(s). The Owner-Operator(s) will have five (5) calendar days to submit any recommendations, suggestions in writing which will be given full consideration by the Company.

In the event the above does not satisfy the service concern, then the Company will:

- 1) finalize its reroute **plans**;
- 2) meet with the affected Owner-Operator(s) to discuss the impending change and the effective date of the change;
- 3) in the event of a major reroute the effective date of the re-route will be implemented no earlier than seven (7) calendar days after the meeting with the affected owner-operator@).

Where the reroute involves only one Owner-Operator and a new Owner-Operator route is created, the owner operator will have his/her choice of the two routes. In the event the Owner-Operator chooses the route that produces the lower revenue of the two routes, the reroute payment will be based on the route with the higher revenue.

Where the reroute involves more than one Owner Operator, the following process will be utilized to determine route retention, bid pool routes, posting and bidding:

- 1) Route Retention / Bid Pool
 - a) Any route, where the revenue has been increased by twenty-five **(25%)** or more, must be included in the Bid Pool. **The Company will provide the relevant data to substantiate to the Owner Operator the increase of the revenue.**
 - b) If the reroute results in a decrease in the overall numbers of routes, the routes currently occupied by the Junior Owner Operators (of equivalent numbers) must be included in the Bid Pool.
 - c) **Only routes that have been impacted by the reroute may be volunteered into the Bid Pool by the Owner Operator.**
 - d) Once the mandatory elements of the Bid Pool have been determined (a&b) then the Bid Pool detail will be posted. Those Owner Operators who are in the route pool (c) will then have two (2) working days to review the posting and subsequently volunteer their route to the Bid Pool in writing.
 - e) "Specials" (revenue) will be included in the above scenarios to determine inclusion in the Bid Pool, but will not be included in the reroute compensation formula.

- 2) Bidding and Posting
 - a) Upon final determination of the Bid Pool a posting will be generated outlining all routes and Owner Operators included in the Bid Pool. **The seniority of the Owner Operators and specific route information will be detailed in the posting.**
 - b) The duration of the posting will be five **(5)** working days.
 - c) **All** Owner Operators included in the Bid Pool will be required to submit a bid, in writing, that clearly identifies their order of preference on every route in the Bid Pool.
 - d) **Upon completion of the bid process any remaining routes will be posted and filled in accordance with the Collective Agreement.**

Reroutes will not take place by reason of service standards adversely affected by temporary delays with air or line haul.

5. The Company will pay all Owner/Operators by direct deposit by 9 a.m. or when the bank opens on payday Thursday.

6. Owner/Operators who obtain coverage through the Company's cargo insurance will be assessed a monthly charge of ten dollars (\$10.00).

SCHEDULE "C" - BUSINESS AGREEMENT

AGREEMENT ENTERED INTO AT THE CITY OF _____ ON THIS _____
DAY OF _____, 200____ .

BETWEEN:

DHL EXPRESS (CANADA), LTD., having its head office at 90 Matheson Boulevard West,
Suite 111, Mississauga, Ontario, L5R 3R3;

Hereinafter called the "DHL "

AND :
(full name)

(address and postal code)

Hereinafter called the "DEPENDENT CONTRACTOR"

WHEREAS DHL a common carrier by motor vehicle which, in the regular course of its operations, requires the services of dependent contractors:

WHEREAS the dependent contractor has applied to DHL to enter into an agreement to supply transportation services with his/her own equipment on the terms and conditions hereinafter set out;

WHEREAS the dependent contractor warrants that he/she has the permits, equipment, skills and expertise necessary to operate commercial motor vehicles for the benefit of DHL

THE **PARTIES** DO MUTUALLY AGREE AS FOLLOWS:

TERM

1. **This** agreement shall take effect on the date of its signature and shall continue in full force and effect until terminated by either party **as** a result of a breach of contract or for justifiable business reasons.
2. **This** agreement may also be terminated, by either party, by serving a Written notice to that effect, thirty days in advance.

PAYMENT

3. The schedule of rates is attached to this agreement as annex A. Payments shall be made to the dependent contractor every two (2) weeks or as otherwise agreed by the parties.
4. The remuneration paid to the dependent contractors includes an indemnity for vacation, indemnity for fringe benefits, funeral leaves and statutory holidays.

PURPOSE OF THE AGREEMENT

5. This agreement outlines the terms and conditions related to the provision of services in relation with customers of DHL, to ensure that those services will be sufficient and to the satisfaction of DHL and its customers.

DEPENDENT CONTRACTOR'S OBLIGATIONS

6. The dependent contractor agrees to:
 - a) Maintain at all times valid permits as required by law, and abide by and operate within the limits of all related provincial and federal laws and regulations.
 - b) Accept sole responsibility for the operation of any and all vehicles supplied, freight handled, any and all personnel used to provide services, claims, fines, costs and legal expenses related to any infraction to the applicable laws.
 - c) Obtain and maintain insurance coverage, as more fully described in Schedule D of the collective agreement.
 - d) Promptly report any accident and any claim which could involve DHL and fully cooperate with DHL and any other person involved, for the settlement of any insurance claim.
 - e) Insure that the best interests of DHL and its customers are maintained through a safe, efficient and professional operation.
 - f) Provide, on a consistent and reliable basis, safe equipment and sufficient and satisfactory services to meet the business requirements of DHL and its customers.
 - g) Make every reasonable effort to meet established delivery times unless otherwise prevented by severe weather, operational or other extraordinary circumstances beyond the control of the dependent contractor.
 - h) Owner-Operators upon **notification to the company** will be permitted to take Leave of Absence of up to thirty (30) calendar days to provide for holidays,

vacation or authorized leave. **This provision does not apply to the regular use of a relief driver for up to one day per week.**

Leave of Absence may be extended upon mutual agreement between the Company and the Union.

- i) Where a replacement driver **or swamper** can be employed, provide at all times, licensed, competent and qualified personnel and make appropriate deductions and payments, as required by law, including deductions at source and worker's compensation.
 - j) Recognize the right of DHL to modify areas of service from time to time, where necessary for service or efficiency.
7. The dependent contractor agrees that, in the performance of this contract, especially where he/she collects moneys on behalf of DHL, he/she shall assume all the legal obligations of a person charged with administration of the property of others.

GENERAL

8. It is expressly agreed between the parties that DHL shall, in no **way**, be responsible to the dependent contractor or to third parties, for any services and/or supplies provided to the dependent contractor. In the event of a claim resulting from supplies or services so provided, the dependent contractor agrees to indemnify DHL and to plead in its stead.
9. DHL may require, from time to time, proof that the dependent contractor abides **by** any and all of his/her obligations. The dependent contractor will, upon demand, give DHL a written authorization to verify his/her status and the discharge of his/her contractual obligations with any government or person.
10. The dependent contractor recognizes that he/she cannot obtain more rights than those **of a registered user of** DHL 's trade name, trademarks and logo-types and, as such, has no proprietary interest in same and where the equipment is **withdrawn from** service for any reason, all DHL symbols, insignias, decals or other identification will be removed, prior to the release of final payments owing to the carrier.
11. The dependent contractor agrees that, during the term of this contract **and in any** case of termination thereof, he/she will not solicit any of DHL 's customers nor will he/she compete directly or indirectly with DHL, with respect to DHL 's customers. In the event of termination by either DHL or the dependent contractor, the dependent contractor will not solicit any of DHL 's customers directly for a period **of** three months following termination.

12. The dependent contractor and any employee, partner or associate of the dependent contractor may not be entitled to any benefits or rights which would not be afforded to an employee of DHL, including but not limited to benefits such as company pension, Governmental pension contributions, dental or medical insurance, life insurance, or unemployment or disability insurance.

SIGNED, SEALED AND DELIVERED:

DHL EXPRESS (CANADA),LTD.

By:

WITNESS

WITNESS

DEPENDENT CONTRACTOR

SCHEDULE "D"

Liability Insurance:

The Owner Operator shall, at their own expense and without cost or expense to DHL EXPRESS (CANADA), LTD., obtain and maintain during the term of this Agreement the following insurance in respect to the vehicle and in relation to the performance of services under this Agreement:

- (a) Motor vehicle third party liability insurance in an amount of not less than two million dollars (\$2,000,000) per occurrence on any vehicle utilized by the Owner Operator in providing services to DHL EXPRESS (CANADA), LTD. under the terms of this Agreement together with any further statutory motor vehicle liability or other insurance which may be required under applicable laws or regulations;
- (b) Comprehensive general liability insurance in an amount not less than two million dollars (\$2,000,000) per occurrence against claims arising out of bodily injury or death or loss or damage to, or the destruction of property belonging to DHL EXPRESS (CANADA), LTD. or its customers, including the loss of use thereof covering such **perils as** DHL deems necessary and in such amounts and with such terms and conditions as are reasonably acceptable to DHL EXPRESS (**CANADA**), LTD. The Policy referenced herein shall contain an endorsement specifically covering the contractual liability of the Owner Operator under the terms of this Agreement.

The foregoing insurance must be placed with an insurer reasonably acceptable to DHL EXPRESS (CANADA), LTD. The Owner Operator must further provide DHL EXPRESS (CANADA), LTD. with a Certificate of Insurance evidencing the foregoing insurances prior to services being commenced. Said Certificates of Insurance evidencing the coverages herein shall also contain the following provisions:

- 3) DHL EXPRESS (CANADA), LTD. will be added to said policies as **an** additional insured but only with respect to liability that may result from the performance of the Agreement;
- 2) The Owner Operator and the insurers further agree to waive all rights of subrogation **as** against DHL EXPRESS (CANADA), LTD.;
- 3) The policies shall contain severability of interest and cross liability clauses;
- 4) The Insurers will provide DHL EXPRESS (CANADA), LTD. with thirty (30) days prior written notice of **any** cancellation or material change in the **policies**.

LETTER OF UNDERSTANDING

BETWEEN:

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)**
(HEREINAFTER REFERRED TO AS THE "UNION")

Re: Conversion

In the event that the Company decides to convert any Owner Operator route(s) to hourly, the following shall apply:

- 1) The Company will provide at least 90 days notice of the conversion to the Union and the Union and the affected Owner-Operator(s).
- 2) The Company will meet with the Union **and** the affected Owner Operator(s) to discuss any issues of mutual concern relating to the conversion.
- 3) The affected Owner Operator(s) will be given the first opportunity to accept any hourly route(s) resulting **from** the conversion or may exercise their seniority rights pursuant to the Collective Agreement or may elect to resign and accept a severance payment equivalent to two (2) weeks per year of service at the prevailing hourly driver rate. These options will also be available to any Owner Operator who is bumped by another Owner Operator as a direct result of the conversion. **An** Owner Operator **who**, by accepting **an** hourly route or otherwise exercising his/her seniority rights to bump into an hourly position, will be given credit for all continuous service since her/her original date of service for the purposes of the collective agreement.

- 4) If the Owner Operator requests, the Company will either assume responsibility for the vehicle leases of affected Owner Operator(s), or, if the Owner Operator(s) owns his/her vehicle, the Company will purchase it at fair market value, provided the vehicle was acquired or committed to by the Owner Operator prior the date of notice under paragraph 1 above.

If the vehicle is leased and there remains residual equity in the lease, the Owner Operator will be compensated accordingly.

- 5) The Company will indemnify the affected Owner Operator(s) for any reasonable and customary business expenses already incurred or committed to for the current year which are not otherwise recoverable by the Owner Operator, including insurance, benefits, permits and cancellation fees, provided such costs were incurred prior to the date of notice under paragraph 1 above.

- 6) The Company will indemnify the affected Owner Operator(s) for any legal or accounting fees reasonably incurred as a result of the conversion, to a maximum of \$1,000 per Owner Operator.

- 7) If, **as** a result of conversion, an Owner Operator incurs an unexpected income ~~tax~~ liability because of the inability to claim a reserve under the Income **Tax Act** with **respect to** the deferred income, the company will provide the Owner Operator with reasonable financing assistance relating to such tax liability including, if necessary a loan, subject to the following conditions:

- the Owner Operator must provide satisfactory proof that such loan is required for the above purpose;
- the loan will be **to a maximum** of \$20,000 for a 3/4 ton vehicle, \$25,000 for a one ton vehicle, \$30,000 for a five ton vehicle, and \$35,000 for a tractor.
- the Owner Operator shall sign a promissory note for the loan;
- the interest rate shall be 2% above the prime rate **as** at the date the promissory note is signed;
- the repayment schedule shall be based on an equal number of monthly installments of \$500. per month, unless the parties agree otherwise, provided the loan is repaid in full not later than December 31, 2009;
- the Owner Operator must have elected to become **an** hourly rated employee and must continue to be **an** employee of the company; if his/her employment is terminated prior to **full** repayment, the outstanding balance shall become due and payable upon termination.

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- 8) If, prior to the notice under paragraph 1 above, the Owner Operator has incurred indebtedness directly related to the operation of his/her vehicle which exceeds the equity in the vehicle, the Company will provide the Owner Operator with reasonable financing assistance relating to such indebtedness including, if necessary, a loan to a maximum of \$5,000 subject to the conditions set out in paragraph 7) above.
- 9) **Any** dispute over the application of this L.O.U. may be submitted to arbitration in accordance with Article 4 of the Collective Agreement.

Dated at Edmonton, Alberta this 14 day of Jan ~~2003~~ 2004

For the Company

[Signature]
[Signature]
[Signature]
Mahe
[Signature]

For the Union

[Signature]
[Signature]
[Signature]
George Miller
[Signature]
[Signature]
Roger Sirmachsky
[Signature]

LETTER OF UNDERSTANDING

BETWEEN:

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)**
(HEREINAFTER REFERRED TO AS THE "UNION")

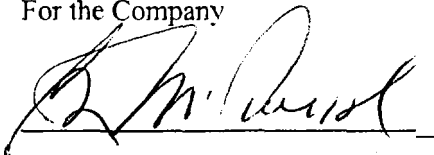
Re: Compensation

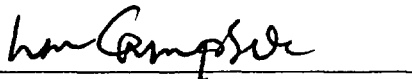
The Company and the Union agree to strike a Committee during the life of the Collective Agreement to explore changes to the method by which O/O are currently compensated.

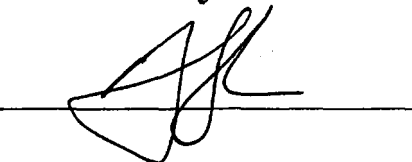
The Company will reimburse employees or O/O who participate in this Committee for all reasonable out of pocket expenses and wages.

Dated at Edmonton, Alberta this 14 day of January, 2004

For the Company







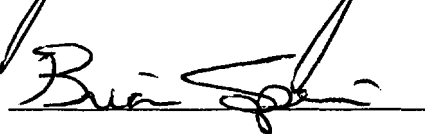


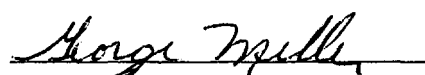


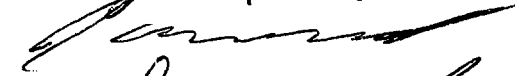
For the Union



















LETTER OF UNDERSTANDING

BETWEEN:

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO **AS** THE "COMPANY")

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)**
(HEREINAFTER REFERRED TO AS THE "UNION")

PAID UNION TIME

Effective December 14, 2001, the Company agrees to pay ten cents (\$0.10) per service day per Owner Operator for the purpose of providing paid union time. **Such** monies will be paid to **Local 4050** on a **quarterly** basis.

Dated at Edmonton, Alberta this 14 day of January ~~2003.~~ 2004

For the Company

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

For the Union

[Signature]

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[Signature]

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LETTER OF UNDERSTANDING

BETWEEN:

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)**
(LOCAL 4050)
(HEREINAFTER REFERRED TO AS THE "UNION")

RURAL MILEAGE - FIVE TON

The following fuel escalation program will apply to the three (3) rural five-ton routes (Peace River, Lethbridge & Drumbeller) based on point to point through miles, excluding in town pick-up and delivery mileage.

Rates will increase for changes over the Calgary fuel price of \$0.508/litre (unleaded fuel) as follows:
\$0.01 per kilometer for every \$0.035 change in base fuel price

Decreases in the rates will occur when the fuel falls below the same price triggers that have generated a rate increase, but cannot go below the base price. Fuel prices to be posted at all locations at the first of each month.

Dated at Edmonton, Alberta this 14 day of January ~~2003~~ 2004

For the Company

[Signature]

For the Union

Sharon Roberts

Jon Mahony

Brian [Signature]

[Signature]
Mahe

De Sji

George Miller

[Signature]

Lucien [Signature]

Proper Siermachedy

De Housplead

LETTER OF UNDERSTANDING

BETWEEN:

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

AND:

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)
(HEREINAFTER REFERRED TO AS THE "UNION")

Owner/Operator Orbit System:

DHL EXPRESS (CANADA), LTD. has the goal of continuing to enhance the systems used to provide our customers with leading Customer Service through a superior track and trace system, "Orbit".

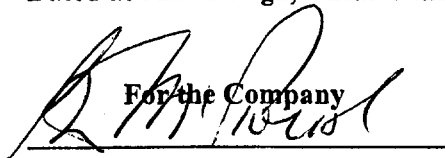
In recent years, the Orbit System has been introduced and has achieved this goal. It is further anticipated that DHL EXPRESS (CANADA), LTD. will continue to provide enhancements to the Orbit System which will allow for the payment to the Owner Operators through this System.

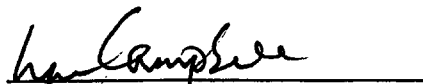
The Company agrees to meet with the Union to discuss the New System, three (3) months prior to its installation. At this meeting the Company would review the process within Orbit and any changes that may be required to allow for the payment of the Owner Operators fees though the New System.

It is understood that should the new system fail after it has been launched, the Company will revert to a manual system for the period in question.

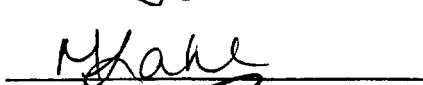
Dated at ^{Edmonton AB} ~~Mississauga~~, Ontario this 14 day of January, ~~2003~~ 2004

For the Company









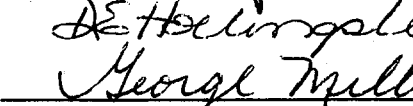


For the Union

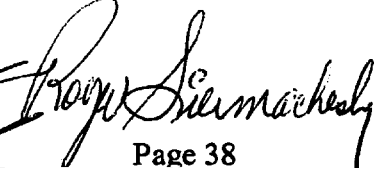












LETTER OF UNDERSTANDING

BETWEEN:

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

AND:

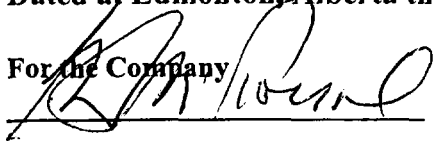
NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)
(HEREINAFTER REFERRED TO AS THE "UNION")

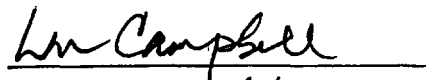
Re: Communication

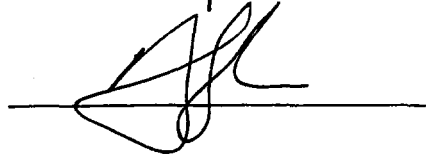
This will confirm the parties' agreement on a resolution to the issue for Owner Operators in Alberta. The Company will be reviewing alternatives to provide either pagers or other communication devices for the current Owner Operators that have not been provided with a Company-issued communication device. In the event that we are unable to provide an alternative to these Owner Operators within 31 days of ratification, they will be provided with a \$20.00 per month payment as compensation for cellular phone expenses, provided that the drivers will be contactable during working hours. This payment will cease when a pager or other communication solution is provided to these Owner Operators for receiving customer pick up requirements and other operational communications.

Dated at Edmonton, Alberta this 14 day of January ~~2003~~ 2004

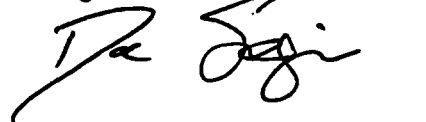
For the Company



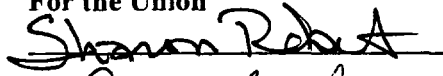








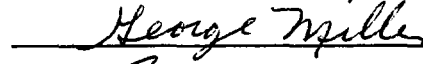
For the Union


















LETTER OF UNDERSTANDING

- BETWEEN -

DHL EXPRESS (CANADA) LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

- AND -

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
LOCAL 4050
(HEREINAFTER REFERRED TO AS THE "UNION")

PAID EDUCATION LEAVE


The Company agrees to pay a total of \$25,000 per year into the Paid Education fund, for each year of this agreement. This money will be paid in quarterly installments into a trust fund established by the National Union, CAW - Canada. This total annual payment reflects monies for both the hourly and owner operator groups.

The Company further agrees that members of the bargaining unit, selected by the union to attend such courses, will be granted a leave of absence without pay for twenty (20) days class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Employees on said leave of absence will continue to accrue seniority and benefits during such leave.

Dated at Edmonton, Alberta this 14th day of Jan 2003. 2004

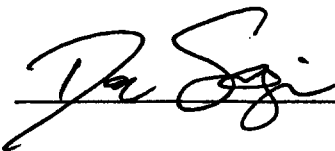
FOR THE COMPANY



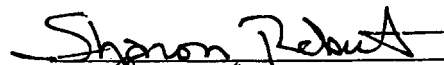


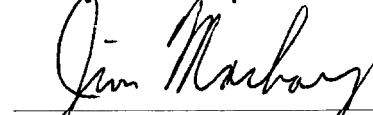


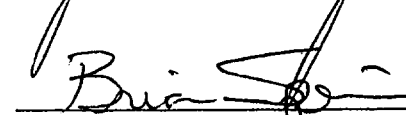


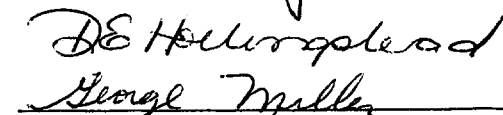


FOR THE UNION
















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