

NATIONAL FRAMEWORK AGREEMENT

COLLECTIVE AGREEMENT BETWEEN

DHL EXPRESS CANADA (INC.)

(HEREINAFTER REFERRED TO AS “THE COMPANY”)

AND



UNIFOR UNION OF CANADA (UNIFOR CANADA)

Locals 114, 755, 4005, 4050, and 4457

(HEREINAFTER REFERRED TO AS “THE UNION”)

And specifically in the Regions of British Columbia, Alberta, Manitoba-Saskatchewan, Ontario and Nova Scotia.

Effective April 1, 2013 to December 31, 2016

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PREAMBLE

This Collective Agreement is made up of two parts:

- 1) National Provisions which have application to all Unifor represented employees and owner operators in Canada; and
- 2) Regional Appendices, which establish terms and conditions specific to Unifor represented employees and owner operators in each defined Region.

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 Hourly Employees and Owner Operators of the Company in the classifications as contained within this Agreement,

WHEREAS the parties agree that there will be no lockout by the Company, nor any strike, work stoppage or slowdown by the Hourly Employees and Owner Operators during the life 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.

No articles or clauses from the Regional Appendices (including any appendixes, schedules, business agreements, letters of understanding, intents or agreements) may be in direct conflict with the National Provisions of this Collective Agreement. In such situations the National Provisions of this Collective Agreement shall prevail.

NATIONAL PROVISIONS

ARTICLE N1 – UNION RECOGNITION

1.01 Bargaining Recognition

- (a) The Company recognizes the Union as the sole collective bargaining agent of the Employees and Owner Operators covered by this Agreement. Properly qualified officers and committeepersons of the Union shall be recognized by the Company in discussing any and all matters affecting the relationship between the Company and the Employees and the Owner Operators who are members of the Union and are affected by this Agreement.
- (b) The Union and the Company agree to request jointly that the CIRB amend the regional bargaining unit descriptions stated below to reflect instead that all existing bargaining units form one single bargaining unit. Such requests will be made no later than ninety (90) days following ratification.
- (c) Until such time as the Board declares otherwise under 1.01(b) above, the Employer recognizes Unifor as the bargaining agent for the following Regional units:
 - (i) Within the Province of British Columbia, Hourly Employees and Owner Operators working in and out of any division of DHL Express (Canada) Ltd., in British Columbia
 - (ii) Within the Province of Alberta, Hourly Employees and Owner Operators working in and out of any division of DHL Express (Canada) Ltd., in Alberta
 - (iii) Within the Provinces of Manitoba/Saskatchewan, Hourly Employees and Owner Operators working in and out of any division of DHL Express (Canada) Ltd., in Manitoba or Saskatchewan
 - (iv) Within the Province of Ontario, Hourly Employees and Owner Operators working in and out of any division of DHL Express (Canada) Ltd., in Ontario pursuant to the Memorandum of Agreement dated June 16, 2012.
 - (v) Within the Province of Nova Scotia, Employees and Owner Operators working in and out of any division of DHL Express (Canada) Ltd., in Nova Scotia

(“Hourly Employees” herein after referred to as “Employees”)

1.02 No Discrimination

The Company shall not discriminate against any of the Employees or Owner Operators for their union activity and/or for their activity in representing other Owner Operators or Employees.

1.03 Successor Rights

The provisions of Part 1, Chapter L-2, Sections 43 and 44 of the Canada Labour Code dealing with successor rights and obligations are recognized by the parties.

1.04 Bulletin Board

The Company agrees to provide a locking glass enclosed Bulletin Board of a suitable size at each of its terminals for the use by the Union for posting matters relating to Union meetings and other Union matters. The notice board shall not be located in any place where the general public has access. The size and location of the board will be determined by the Provincial Unit Chairperson and the facility manager. Requests to add additional boards in larger terminals shall not be unreasonably denied.

1.05 Union Membership

- (a) It is hereby agreed that all Owner Operators and Employees shall become members of the Union and shall as a condition of their employment or Business Agreement become and remain members of the Union.
- (b) The Company agrees to deduct from the pay of each Employee and 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 Union and forward the full amount so deducted to him, or such other person as may be officially designated. Said deductions to be made as directed by the National Secretary-Treasurer of the Union or such person as that Official may designate. The monthly dues remittance and information lists shall be remitted no later than the fifteenth (15th) of the month following the month in which the deductions were made and will be accompanied by a list of Employees and Owner Operators on the payroll for the pay period in which the deductions were made. A copy of said list only will be forwarded to the local union office as directed by the Union.
- (c) The Company shall show the amount of Union dues deducted on the employee's T-4 slip issued at the end of each calendar year and on Owner Operators' pay slips on a monthly basis as well as annual T4-As for Owner Operators at the end of each calendar year.

1.06 New Employees

- (a) The Company shall furnish to the Provincial Unit Chairperson a list of new Employees or casuals taken into employment by the Company within fourteen (14) calendar days of their being hired. For clarity, in Ontario, the parties consider "casuals" to be "Part-Time Unassigned".
- (b) 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 or Casual.
- (c) It shall be the responsibility of the Company, when hiring a new Employee, to have him/her sign a Union membership card and forward it to the Local Union Office within fourteen (14) calendar days of their being hired.
- (d) Also at the time of hiring / contracting, the Employee or Owner Operator shall be handed a copy of the present Collective Agreement and full details of the Health and Welfare Benefit Plan including union representative contact information as provided by the Local union.
- (e) Should an Employee or Owner Operator discontinue service or leave the employment of the Company before issuing the final cheque, the Local Union is to be notified.

1.07 Owner / Operator Agreements

- (a) The Company shall provide the local Union office with a copy of each Owner Operator Agreement, signed by the Company and the Owner Operator.
- (b) It shall be the responsibility of the Company, when contracting with a new Owner Operator, to have him/her sign a Union membership card and forward it to the Local Union Office within fourteen (14) calendar days of their being hired.
- (c) The Provincial Unit Chairperson and/or Designate will be present during all of the Owner Operator Business Agreement negotiations, sign as a witness to the negotiation and be given a copy of the signed Agreement.
- (d) The Provincial Unit Chairperson and the Regional Director, or their respective designates, will have the only signing authority for all Owner Operator Business Agreements. The Business Agreement shall be signed for the duration of the Collective Agreement.
- (e) It is agreed between both parties that during the negotiations of the Business Agreements, Schedules A & B and Appendix C shall be included as one document. This process shall also include the signing of Business Agreements with new Owner Operators. Owner

Operators' Business Agreements, Rules and Guidelines are shown in National Appendix "A" which forms part of the National Collective Agreement.

- (f) It shall be in direct violation of the Collective Agreement for an Owner Operator to allow his vehicle to be driven by another Driver for the purpose of evading the Collective Agreement.

1.08 Bargaining Unit Work

- (a) All storing, handling and delivering of merchandise or other goods and materials shall be carried on by Company Owner Operators and/or Employees, members of the Union, in the categories covered in this Collective Agreement where such work is under the control of the Company.
- (b) No Officer of the Company shall perform bargaining unit work on a regular on-going basis but may assist in a temporary, unforeseen overload or emergency situation. A Supervisor or Manager must advise the Shop Steward or Designate on shift when this clause is invoked and provide an explanation at that time.

1.09 Leasing Equipment / Driver

- (a) The Company agrees it will not use any leasing equipment/driver for the purpose of evading this Agreement.
- (b) It is understood that this section does not curtail the leasing out of equipment. Provided competent Employees are available in the local area, all suitable equipment can be leased or hired.
- (c) Leased Owner Operators will not be used for the purpose of depriving regular Employees of their regular hours of work on their regular shifts.

1.10 Contracting Out

The Company shall not contract out any bargaining unit work or use any lease operator, or lease vehicle other than established in this Collective Agreement.

1.11 No Individual Agreements

The Company agrees not to enter into any Agreement or Contract with an Owner Operator or Union Employee, individually or collectively, which in any way conflicts with the terms and provisions of the Agreement. Any such Agreement will be null and void.

1.12 Picket Lines

The Company shall not require an Employee or an Owner Operator covered by this Agreement, or his/her Relief Driver, to cross a legal picket line or to accept any product or 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 a picket or placard line around or against.

1.13 Union Label

All Company and Owner Operator vehicles will display an appropriate union logo to indicate the cooperative relationship between the Company and Unifor. The logo shall be placed on a side window and shall be no more than 4 inches in diameter.

1.14 Equipment Replacement

- (a) The Company shall not require, as a condition of continued hourly employment, that an Employee purchase a truck, tractor and/or trailer, or other vehicular equipment, or that an Employee purchase or assume any proprietary interest or other obligation in the Company business other than where applicable within attached appendices (conversion to owner operator).
- (b) Replacement of equipment for any reason will be guided by the principle that a Company operated unit will be replaced by a Company operated unit and Owner Operator unit may be replaced by another Owner Operator unit, or at the Company's option, with a Company unit.

1.15 Mutual Benefit

In the event of an ongoing problem with any Article or Clause in this Agreement, it shall be to the mutual benefit of the Company and the Union to meet and resolve the said Article or Clause.

1.16 Provision of Collective Agreements

The Company shall pay for all costs associated to print and distribute a new collective agreement to the membership in a Unifor print shop. The Company shall ensure that all Employees and Owner Operators are provided with a copy of the collective agreement as soon as they are printed or upon hire. The Local Union shall receive an additional allotment upon request.

1.17 Union Stewards and Chairpersons

- (a) Employees and Owner/Operators shall be represented by Stewards appointed and trained by the Union.
- (b) Stewards may at any time call upon the services of an accredited representative of the Union to assist them.

- (c) There shall also be an elected or appointed Provincial Unit Chairperson who will act as the Chair of the Stewards in each province. The Provincial Unit Chairperson shall be a DHL Employee or Owner Operator. The Provincial Unit Chairpersons will, together with the National Unit Chairperson, constitute the National Liaison Committee.
- (d) There shall also be an elected or appointed National Unit Chairperson as determined by the union who will act as the Chair of the National Liaison Committee. The National Unit Chairperson shall be a DHL Employee or Owner Operator and may also hold a Provincial Unit Chair position.
- (e) The Union shall promptly notify the Company in writing of the names of the Employees and Owner Operators who are elected or appointed Unit Chairpersons and Stewards, and of any changes in the personnel thereof. The Company shall inform the Union, in writing, of its designated representatives and any changes in personnel thereof.
- (f) The Provincial and National Unit Chairpersons (collectively "Unit Chairpersons") shall attend at Union business for the administration of the collective agreement and shall be given free access to all branches and depots and the Union office for these purposes. The Unit Chairpersons shall not be laid off or have any reduction or freezing in hours, pay, seniority or any other benefit during their term of office.
- (g) The Company agrees that the Union will be provided with the equivalent of three (3) FTE (i.e. equivalent to 40 hours per week at 52 weeks per year) paid releases for the duration of this Collective Agreement for the Unit Chairpersons. The Union will, once per calendar year, indicate in writing how it wishes to allocate these FTE of paid release time across the Unit Chairpersons. During such release time the Unit Chairperson shall be released from regular duties for the purposes above and will receive all existing benefits and pension as per classification of the amended agreement. The Unit Chairperson shall receive one hundred and twenty percent (120%) of the top hourly P&D non HQ driving wage rate for the time spent performing the above noted functions. The parties agree that this provision replaces all Paid Union Time provisions from the various Provincial Appendices save and except Ontario and Alberta. For clarity, Ontario shall be prorated in accordance with the Ontario Provincial Appendix and Alberta shall be paid in accordance with the existing Alberta LOU. The duties and rights of a Unit Chairperson, as identified in a Provincial Appendix, shall continue to be recognized to the extent that they do not conflict with the provisions set out herein.

- (h) If the Unit Chairperson is an Owner Operator they shall be allowed to either retain their run with a relief driver or elect to give up their run.
- (i) Employees and Owner Operators holding a Unit Chairperson position who are away from their workstation for a minimum period of six (6) months to fulfill these functions, will receive, if needed at the time of their return to work, sufficient on the job training in line with the training requirements of their classification and position in order to be re-familiarized and to perform their tasks adequately.

1.18 Union Activity

- (a) The Union agrees that there will be no Union activities carried out during the working hours, except those necessary in connection with the administration of this Agreement. 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.
- (b) In a situation which requires a Steward's attention during working hours, he/she shall not leave his/her regular duties without first obtaining permission to do so from his immediate Supervisor. It is understood that the taking of such time away from regular duties shall be kept to a minimum, and that permission will not be unreasonably withheld. The Steward shall return to these regular duties as expeditiously as possible. The Employer reserves the right to limit such time, if the time requested is unreasonable.
- (c) Any Owner Operator acting as a Steward on behalf of a Union member shall be paid at the hourly rate as set out for the regular Hourly rated Drivers on the basis of one-half (1/2) hour paid regardless of time spent and thereafter in fifteen (15) minute increments.
- (d) The Company will allow the use of its lunchroom for Union business at time convenient to both the Company and the Union provided it does not disrupt the normal business operation and such time will be scheduled and kept to a minimum.
- (e) Where a Steward makes a reasonable request for paid time off to attend to union business at another DHL location, such request shall not be unreasonably denied.

1.19 Union Leave

- (a) The Company shall grant a leave of absence without pay to any Employee who attends essential Union business. The Provincial Unit

Chairperson or designate will give a minimum of five (5) business days notice of such request for up to:

- (i) Four (4) individuals in British Columbia;
- (ii) Three (3) individuals in Alberta;
- (iii) Two (2) individuals in Manitoba/Saskatchewan
- (iv) Six (6) individuals in Ontario;
- (v) One (1) individual in Nova Scotia subject to the operations needs of the business. Such requests shall not be unreasonably denied;
- (vi) In addition to the above, a Provincial Unit Chair on leave may also attend.

Any Executive member, Stewards, WSIB / WCB representatives, and provincial joint health & safety representatives will be granted a leave of absence upon request.

- (b) Any Employee and/or Owner Operator elected or appointed to a full-time position within the National Union shall be granted an indefinite leave of absence without pay provided that thirty (30) days notice is given the Company prior to the beginning of such leave. During such leave, the Employee and/or Owner Operator's seniority shall accumulate, and welfare benefits shall be suspended thirty (30) days after such leave commences and annual vacation benefits shall be suspended immediately. They will both again be in effect the first day the Employee and/or Owner Operator returns to work.
- (c) An Owner Operator who is on Long Term Union Leave will exercise his/her seniority to any vacant route within his/her original Branch within six (6) months from the expiration of his/her Union duties.

1.20 Liaison Meetings

- (a) Provincial Union-Management Liaison Meetings

At least once every three (3) months, the Provincial Unit Chairperson, a steward from each facility within the region, a Representative from the Union Local and a National Representative will meet with the Employer's representatives to discuss DHL union issues. Any DHL employee who attends shall suffer no loss of pay as a result of the meeting.

The parties will establish an Agenda by no later than twenty four (24) hours prior to the start of the meeting and will seek to share supporting documentation for the purpose of

properly reviewing outstanding matters including grievances and other labour-management items.

(b) National Union-Management Liaison Meetings

At least once every year, the Provincial Unit Chairpersons and the National Unit Chairperson, accompanied by a National Representative of the Union, shall meet in person at a single location with the Employer's representatives to discuss DHL union issues. Any DHL employee who attends shall suffer no loss of pay as a result of the meeting.

The Company shall pay Employees and Owner Operators who attend these meetings all reasonable travel, hotel and meal expenses upon provision of receipt. The cost of additional in person meetings shall be discussed and agreed upon by the parties prior to scheduling those meetings.

The parties will establish an Agenda by no later than twenty four (24) hours prior to the start of the meeting and will seek to share supporting documentation for the purpose of properly reviewing outstanding matters of National importance and other labour-management items.

1.21 Company Policies

The Company agree to advise the Union at least fourteen (14) calendar days in advance when policies are created or changed.

1.22 Contact information

It shall be the responsibility of every Owner Operator and 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.

The Company shall provide to the local union office an updated list of all Employees and Owner Operators name, current address, and phone number, electronically on a quarterly basis.

ARTICLE N2 – MANAGEMENT RIGHTS

2.01 The Union recognizes, except to the extent Management Rights have been abridged or modified by specific terms and conditions in this Agreement, that it is the exclusive function of Management to:

- (a) Hire, classify, promote, demote, lay-off, suspend, discharge or otherwise discipline Employees or Owner Operators for just/reasonable cause.

- (b) Maintain order, discipline and efficiency; and establish and enforce rules and regulations governing the conduct of Employees and Owner Operators, and which will not be inconsistent with the provisions of this Agreement.
 - (c) The right to reduce overtime hours wherever and whenever possible.
 - (d) The right to determine the products to be handled, the methods of handling and processing and related scheduling of personnel and operations.
 - (e) The right to enter into a Business Agreement (National Appendix "A") with, reroute or terminate the Business Agreement for just cause.
 - (f) The right to assign work by the most economic means available to the Company.
- 2.02 The term "Management" shall refer to Management and Supervisors not covered under the certificate of the bargaining unit.
- 2.03 Only those defined as Management will have the authority to hire, classify, promote, demote, lay-off, suspend, discharge or otherwise discipline subject to the provisions of this Collective Agreement.
- 2.04 The above clauses shall not deprive Employees and Owner Operators of the right to exercise the grievance procedures as outlined in this Agreement.
- 2.05 During the term of this Agreement, there shall be no lock-out by the Company, nor any strike or work stoppage by the Employees or Owner Operators.
- 2.06 The Company agrees that these functions will be exercised in a manner consistent with the provisions of this Agreement.

ARTICLE N3 – GRIEVANCE PROCEDURES

3.01 Intent

It is the intention of the parties that this procedure shall 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 Grievance Defined

Any complaints, disagreement, or difference of opinion between the Company and the Union or the Employees or Owner Operators 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 Grievance Initiation

- (a) Any Employee, Owner Operator, the Union or the Company may present a grievance. Any grievance which is not presented within ten (10) working days after the affected individual knew or ought reasonably to have known of the event giving rise to the grievance shall be forfeited and waived by the aggrieved parties. A grievance filed on behalf of the Union or the Company shall be submitted at Step 3 of the grievance procedure.
- (b) A grievance concerning the dismissal of an Employee or the termination of an Owner Operator contract shall commence at Step 3 of the grievance procedure within fourteen (14) calendar days of the date of the dismissal.
- (c) A Company grievance, policy or group grievance shall commence at Step 3 of the grievance procedure within fourteen (14) calendar days after the affected individual knew or ought reasonably to have known of the event giving rise to the grievance.

3.04 Grievance Procedure

An Employee or Owner Operator having a complaint is encouraged to orally discuss the matter with a Supervisor.

Step 1: The Employee or Owner Operator and/or his/her Shop Steward shall submit his/her formal grievance in writing to his/her immediate Supervisor, who shall give his/her reply in writing within seven (7) working days and provide the reasons for same.

Step 2: Failing settlement at Step 1, and within seven (7) calendar days of receiving a Supervisor's response, a grievance may be filed by the Steward in writing with the Manager, who shall respond in writing within seven (7) working days and provide a reason for same.

Step 3: Within fourteen (14) working days of the Supervisor's or Manager's response, a Provincial Unit Chairperson, Representative of the National or Local Union may file a written grievance with the Vice President of Human Resources or designate within the department who shall reply in writing within fourteen (14) working days and provide a reason for same. The Company will keep the Union informed as to the person(s) designated by the Regional Area Director for his/her responses.

3.05 Time Limits

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

- (b) When the appropriate Officer of the Company fails to render a decision with respect to a claim for unpaid wages within the prescribed time limits, the claim will be paid. The application of this rule shall not constitute an interpretation of the Collective Agreement.
- (c) Where a technical error has been made in filing a grievance, through improperly citing the Article alleged to have been violated, an arbitration board shall have the power to allow for the amendment of the grievance, determine the substance of the matter in dispute and render a decision.
- (d) The time limitations prescribed in this Article may be extended, but only by mutual consent of the parties in writing.

3.06 Required Meetings

An Employee or Owner Operator who is required to attend any meeting on Company business shall be paid at his/her regular rate of pay for such meetings occurring during his/her regular shift or at applicable rates of pay for all such time spent outside of his/her regular shift.

Any meetings 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 Employee or Owner Operator concerned.

3.07 Disclosure of Information

It is agreed that disclosure of information necessary to assist in resolving grievances at the earliest possible opportunity is essential to good labour relations and resolving disputes as soon as possible without unnecessary expense and both parties agree to assist in that process.

3.08 Payment of Grievance Settlements

All monetary grievances that are mutually agreed upon shall be paid the following pay period on the Employee's regular pay deposit or, for Owner Operators, either by separate cheque or the Owner Operator's regular cheque. In all cases it will be accompanied by a written statement outlining the amount and the grievance settlement involved. The Company agrees further that a successful grievance concerning lost pay shall be paid out on the next pay period.

ARTICLE N4 – 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 a single Arbitrator authorized to deal with disputes under the Canada Labour Code.

- 4.02 Such notification of an intent to proceed to arbitration must be made in writing, within thirty (30) calendar days of receiving the response at Step 3. If the parties cannot agree on a single Arbitrator within fourteen (14) calendar days, they may request the Minister of Labour to appoint a single Arbitrator.
- 4.03 The Arbitrator shall receive and consider such material evidence and conditions as the parties may offer, and shall make such independent investigation as he or she deems essential to a full understanding and determination of the issues involved.
- 4.04 In reaching a 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.
- 4.05 The findings and decision of the single Arbitrator on all arbitrable questions shall be binding and enforceable on all parties.
- 4.06 The expense of the Arbitrator shall be borne equally by the Company and the Union.
- 4.07 The single Arbitrator must be prepared to render a decision within thirty (30) days of the completion of the Arbitration hearing. Should the parties agree prior to/during the hearing that this Clause is impractical, because of the nature of the Arbitration case, the above time provision shall not be operative.

ARTICLE N5 – HUMAN RIGHTS, ANTI-HARASSMENT AND VIOLENCE IN THE WORKPLACE

5.01 Workplace Human Rights Policy

Employees will not suffer any harassment or violence in the workplace nor will they be discriminated against by the Company and/or the Union, or any of the officers or agents acting on their behalf, with respect to terms or conditions of employment on the grounds of sex, race, colour, nationality, ancestry, place of origin, language ability, family relationship, place of residence, political affiliation, sexual orientation, disability, conviction for which a pardon (or equivalent) has been granted, or failure to act on a directive which is illegal or contrary to any provision of this Agreement. The Company will also comply with its responsibilities under the Canadian Human Rights Act (CHRA).

Violence in the workplace includes but is not limited to bullying, teasing as well as abusive and aggressive behaviour. The aggressor can be a co-worker, management staff, customer or member of the general public.

The Company and Union are committed to providing a harassment-free workplace. Harassment is defined as a course of vexatious comment or conduct that is known or ought to reasonably be known to be unwelcome, that denies individual dignity and respect on the basis or grounds such as gender, disability, race, colour, sexual orientation, conviction for which a pardon (or equivalent) has been granted or other

prohibited grounds as stated in the Canadian Human Rights Code. All employee, owner operators, supervisors and managers are expected to treat others with courtesy and consideration and to discourage harassment.

Harassment or bullying may take many forms, verbal, physical, or visual. It may involve a threat or an implied threat or be perceived as a condition of employment. The following examples could be considered as harassment but are not meant to cover all potential incidents:

Unwelcome remarks, jokes, innuendos, gestures or taunting about person's body, disability, attire or gender, racial or ethnic backgrounds, colour, place of birth, sexual orientation, citizenship or ancestry;

Practical jokes, pushing, shoving, etc. which cause awkwardness or embarrassment;

Posting or circulation of offensive photos, visual materials;

Refusal to work or converse with an employee because of their racial background, gender, etc.

Unwanted physical conduct such as touching, patting, pinching, etc.

Backlash or retaliation for the lodging of a complaint or participation in an investigation;

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. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

(a) Women's Advocate

The parties recognize that female employees and owner operators may sometimes need to discuss with another woman matters such as violence or abuse at home or workplace harassment. They may also need to find out about specialized resources in the community, such as counselors or women's shelters to assist them in dealing with these and other issues.

The parties agree that the Union can appoint a female member of the bargaining unit in each province as a Women's Advocate/Steward to deal with issues such as those outlined above or other female issues.

Should there be a requirement for a specific issue to be dealt with through the Joint Health and Safety Committee, the Committee would have the ability under its terms of reference to invite the Women's Advocate as a guest to deal with the specific issue.

(b) Violence Against Women:

The parties hereby recognize and share the concern that women uniquely face situations of violence or abuse in their personal lives that may affect their attendance or performance at work. A woman who is in an abusive or violent personal or domestic situation will not be subject to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement of intent is subject to a standard of good faith on the part of the Company, the Union and the affected employees, and will not be utilized by the Union or the employees to subvert the application of otherwise appropriate disciplinary measures.

5.02 Complaint Resolution Procedure

- (1) If an Employee or Owner Operator believes that he/she has been harassed and/or discriminated against on the basis of a prohibited ground of discrimination the individual may:
 - (a) Request a stop of the unwanted behaviour
 - (b) Inform the individual that is doing the harassing or the discriminating that the behaviour is unwanted and unwelcome.
 - (c) Document the events, complete with times, dates, location, witnesses, and details;
 - (d) If the harassment continues, bring the incident forming the basis of the complaint to the attention of the responsible human resources representative and/or the National Representative or the Local President.
- (2) The parties will review the complaint and form a committee to carry out a joint investigation upon request by either the Company or the Union.
- (3) The Joint Investigation 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.
- (4) It is the intention of the Union and the Company 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.
- (5) All matters brought before the committee will be dealt with the utmost confidentiality.
- (6) Any complaint not resolved through this process may be addressed by the Union pursuant to Article N3 – Grievance Procedure.

ARTICLE N6 – DISCIPLINE AND DISCHARGE PROCEDURES

6.01 Discipline for Just and Reasonable Cause

Employees and Owner Operators who have completed probation shall only be disciplined, suspended, or discharged for just and reasonable cause. All disciplinary action will be in writing. A copy of each disciplinary letter will be given to the Provincial Unit Chairperson or designate. All investigations and subsequent discipline will be carried out as expeditiously as possible.

6.02 Union Representation

- (a) No employee or Owner Operator shall enter the offices of a Supervisor and/or Manager for disciplinary purposes or receive a letter of warning from same without the presence of a Steward of their choice when available. If an Employee or Owner Operator is brought in without this representation, any resulting discipline shall be null and void.
- (b) Where a Steward of their choice is not available on shift, the investigative or disciplinary meeting will be re-scheduled to a later date, but not more than five (5) working days later. If there is a Steward on duty, the meeting will take place during the shift. Such requests shall not be unreasonably denied provided there shall be no additional costs to the Company as a result of the rescheduling and if the Company will not be prejudiced by the delay.
- (c) If there is no Steward appointed or elected in an area, the Provincial Unit Chairperson or designate will be directly contacted before any discipline meeting commences or is levied.
- (d) Serious infractions may result in immediate suspension pending investigation. The Provincial Unit Chairperson or designate will be notified at the earliest opportunity. If no discipline is levied, the Employee or Owner Operator shall be made whole for the time held out of service.

6.03 Personal File

Any Employee or Owner Operator shall be allowed to inspect his or her own personal file in the presence of the Company, during normal business hours. Any Officer of the Union, acting on behalf of the Employee or Owner Operator, may inspect an Employee or Owner Operator's disciplinary file, with the written authorization from the Employee or Owner Operator.

6.04 Removal of Discipline

Any reprimand notices or disciplinary measures will remain on the employee or owner operator's file for one year from the date of notice or reprimand unless there is a re-

occurrence of the same or similar infraction. At the completion of the one year period, the reprimand or disciplinary notice will be removed from the file. Said files to be removed shall not be considered to be removed but shall be physically removed and destroyed. If a repeat infraction occurs within the one year period, the original and subsequent notices or reprimands will remain on the file for a further year from the date of the most recent notice or reprimand.

Reprimand notices and disciplinary measures resulting from violations of a criminal or civil nature, including driving record, will remain part of the employee or owner operator's file indefinitely.

Whenever an employee or owner operator signs a document pertaining to discipline, he/she does so only to acknowledge that he/she has been notified accordingly.

ARTICLE N7 – PENSION PLAN

7.01 Pension Plan Enrolment

The Company and employees shall contribute to the National Automobile, Aerospace, Transportation and General Workers Union of Canada's Pension Trust Fund ("Pension Plan") or its successor on a mandatory basis in Alberta and on an elective basis in other agreements.

The effective date for eligibility to enrol in the Pension Plan in Alberta is the first day of the calendar month following one (1) year of hire for all Employees. For all other provinces, it is the first day of the calendar month following two (2) years of hire for all Employees.

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

7.02 Pension Plan Contributions

(a) Company Contributions

For each employee enrolled in the Pension Plan, the Company shall contribute the equivalent of three and a half percent (3.5%) in Alberta and Manitoba / Saskatchewan and three percent (3%) in all other agreements of his/her earnings as defined in the Collective Agreement.

(b) Employee Contributions

Every employee enrolled in the Pension Plan shall contribute three and a half percent (3.5%) in Alberta and Manitoba / Saskatchewan and three percent (3%) in all other agreements of his/her earnings as defined in the Collective Agreement, to be deducted from the first pay cheque of each fiscal month.

- (c) The Pension Plan 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 Plan Trust Fund Administrator as designated by Unifor.
- (e) The Union shall ensure that the Pension Plan Administrator will provide full disclosure regarding the Pension Plan and Pension Trust to a representative of the Company on a regular basis and at least annually upon request.

7.03 Pension Plan Information

The Pension Plan 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, including enrolment forms to participate in the Pension Plan, shall be provided at the date of hire in the hiring package for new Employees. Both parties acknowledge that the Employee is solely responsible for the completion of this paperwork and his or her enrollment. The Company's only responsibility regarding the Pension Plan is to deduct and remit Employee and Company contributions.

The Company agrees to add all of the current documentation regarding the Pension Plan to the hiring package for new Employees. Both parties acknowledge that the follow up for completion of this paperwork and enrollment of the Employee remains the responsibility of the Employee.

ARTICLE N8 – PAID EDUCATION LEAVE

8.01 Paid Education Leave Contributions

The Company shall contribute to a special paid education leave fund for Employees and Owner Operators for the purpose of upgrading skills in all aspects of union functions. Such monies will be paid on a quarterly basis into a trust fund established by Unifor. Contributions are as follows:

- 1) twenty (\$0.20) cents per service day per Hourly Employee and Owner Operator in Ontario;
- 2) twenty-five (\$0.25) cents per service day per Hourly Employee and Owner Operator in all other provinces.

This provision replaces any and all Paid Education Leave provisions in any Provincial Appendix.

Employer contributions will be sent to the following address:

UNIFOR Paid Education Leave Program
205 Placer Court
Toronto, ON M2H 3H9

8.02 Paid Education Leaves of Absence

Subject to notice and operational requirements, 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 and owner operators on said leave of absence will continue to accrue seniority and benefits during such leave.

ARTICLE N9 – HEALTH AND SAFETY

9.01 The Company shall apply the provisions of Part II of the Canada Labour Code and any other applicable regulations. These regulations shall be considered to be the minimum acceptable standard.

9.02 **Joint Health & Safety Committees**

- (a) There shall be a Joint Health & Safety Committee at each applicable facility with a Union co-chair and a Company co-chair. The size of the Committee shall consist of equal members of Management representatives and Union representatives. In smaller facilities, there shall be a Union appointed Safety representative.
- (b) The Committee shall meet to draft the terms of reference which shall be posted. The Joint Health & Safety Committee shall meet monthly and the minutes shall be posted and shall be promptly forwarded to Human Resources and the Provincial Unit Chairperson.
- (c) The duties of the Committee will be as per Part II of the Canada Labour Code.
- (d) The parties shall continue to maintain a Joint National Occupational Health and Safety Policy Committee in accordance with the provisions of the Canada Labour Code.

9.03 **Investigations**

- (a) All dangerous conditions, workplace injuries and motor vehicle incidents shall be investigated by a Union member of the Joint Health and Safety Committee or a designate in conjunction with the Company. If a Committee member determines that dangerous conditions exist, the Committee member will immediately advise the Company of same.

- (b) Employees and Owner Operators involved in an accident will be notified by the Joint Health and Safety Committee, through the Company, whether the accident was preventable or non-preventable.
- (c) Employees shall be paid for all time lost during the investigation period relating to an accident in which that Employee was not at fault.
- (d) Drivers will not be responsible for damage while towing or pushing a vehicle, if instructed to do so by the Company.
- (e) All accidents will be reviewed by the Joint Health & Safety Committee who shall provide the Company with a detailed report in writing of their recommendations for preventative measures. Any hourly employee involved in a preventable accident will be required to attend a Defensive Driving Course and the Company will cover the cost of their wages if the Driver is not on suspension.
- (f) Where deemed necessary by the Joint Health & Safety Committee after conducting a hazardous risk analysis, safety equipment will be supplied and paid for by the Company, except as amended by the Collective Agreement

9.04 **Refusal of Unsafe Work**

- (a) No Employee or Owner Operator shall be disciplined for acting in compliance with the Canada Labour Code and its regulations. An Employee or Owner Operator may exercise his/her right to refuse unsafe work in accordance with applicable legislation. There shall be no loss of pay during the period of refusal provided that the individual performs other duties within his job classification as directed by the Company if such work is available.
- (b) It will not be a violation of this Agreement when Employees refuse to operate unsafe equipment as prescribed by law. All unsafe equipment shall be locked out and red-tagged.
- (c) 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. Should said vehicle be certified by a mechanic as safe, then the employee who refused to take said vehicle out may be subject to discipline.

9.05 **Whistleblower Protection**

It is the responsibility of the Company and its Union members 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 Union Member shall be disciplined for performing this duty.

9.06 First Aid Rooms

- (a) Where applicable, the Company will provide and maintain a first aid room in keeping with applicable legislation. No person shall be allowed to enter said room unless accompanied by the Industrial First Aid Attendant.
- (b) Through the joint safety committees at each location, the Committees will review the first aid requirements to determine the most appropriate standards in keeping with regulatory requirements

9.07 Facilities and Lunch Rooms

- (a) Wherever possible and reasonable, the Company agrees to maintain at its terminals, clean sanitary washrooms having hot and cold running water, toilet paper and hand towels with toilet facilities available to terminal and shop employees, Owner Operators and line drivers. Where changing rooms are provided they shall be kept clean and sanitary.
- (b) The Company shall provide clean and adequate lunch rooms properly ventilated for its employees and Owner Operators at its terminals where such lunch rooms would be used by employees and/or Owner Operators.

9.08 Inadequately Packaged Articles

Employees and Owner Operators will not be required to handle articles which can readily be considered as inadequately packaged without the direction of a Supervisor and shall not be required to handle an inadequately packaged article that will pose a safety hazard to an individual. The Employee and/or Owner Operator must immediately report such items to his/her Supervisor.

9.09 Exposure to Hazardous Substances

The Company agrees that all WHMIS and Dangerous Goods standards will be followed for the purpose of protecting employees and Owner Operators from any exposure to hazardous substances or human blood and substitute waybills will be prepared when necessary.

9.10 Maintenance of Equipment

- (a) It is to the mutual advantage of both the Company, its Employees and Owner Operators to operate vehicles which are in a safe operating condition.

- (b) The Company will not require Employees or Owner Operators to operate equipment on public streets or thoroughfares that is not in compliance with the appropriate provisions of the law dealing with safety requirements on mobile equipment (i.e. brakes, steering, signal lights or other lighting equipment).
- (c) The Company shall not dismiss, suspend, lay off, demote, impose a financial or other penalty, or refuse to pay an Employee or Owner Operator in respect of any period that the Employee or Owner Operator would, but for the exercise of the Employee's or Owner Operator's rights under Part 2 of the Canada Labour Code (C.L.C.), have worked, or take any disciplinary action against or threaten to take any such action against an Employee or Owner Operator because the Employee:
 - (i) has testified or is about to testify in any proceeding taken or an inquiry held under Part 2 of the C.L.C;
 - (ii) has provided information to a person engaged in the performance of duties under Part 2 of the C.L.C regarding the conditions of work affecting the health or safety of the Employee or Owner Operator, or of any other Employee or Owner Operator of the Company; or
 - (iii) has acted in accordance with Part 2 of the C.L.C or has sought the enforcement of any of the provisions of Part 2 of the C.L.C.
- (d) The Company may, after all the investigations and appeals have been exhausted by the Employee or Owner Operator who has exercised rights under sections 128 and 129, Part 2 of the C.L.C, take disciplinary action against the Employee or Owner Operator who the Company can demonstrate has wilfully abused those rights.
- (e) It shall be the duty of the Employee to report in writing on the appropriate forms of the Company promptly but not later than the end of their shift, trip or tour, all safety and/or mechanical defects that they have noticed on the equipment which they have operated during that shift, trip or tour. One copy of the aforesaid report is to remain in the equipment, one (1) copy with the Employee and one (1) copy to the manager on duty.
- (f) It shall be the obligation of the Company to direct the repair, as necessary, to conform with the safe and efficient operation of that equipment. In the event the repairs cannot be effected immediately, the equipment will be correctly red tagged and kept out of service until repaired.

- (g) In order to provide adequate vision front and rear, Linehaul trucks and tractors will be equipped with heater, heated defrosters and heated mirrors. Said mirrors to be of a size not less than six inches by twelve inches (6" x 12") or the equivalent.
- (h) All Linehaul power shall have chains and pin hooks plus a compartment for storing tools in a safe location on that equipment.
- (i) The Company will use due diligence in seeing that equipment is kept clean and the Employees and Owner Operator will likewise do their share towards achieving cleanliness of the equipment.
- (j) Window cleaning material (e.g. cleaner, paper towels, etc) shall be provided upon request to each Hourly Driver.
- (k) All Company provided communications; scanning or other equipment shall be maintained by the Company.
- (l) The Company agrees that its trucks will have a protective barrier between drivers and their freight.
- (m) Company vehicles where required will be equipped with a hand cart.
- (n) The Company will not use gasoline-powered forklifts inside its terminals or into enclosed trailers except in an emergency.

9.11 **Proof of Driver's License**

Employees and Owner Operators performing driving duties, upon signed written request, will be required to provide to the Company proof of a current valid driver's license, not to exceed bi-annually. Cost will be borne by the Company.

9.12 **Protective Footwear**

- (a) Employees and Owner Operators shall wear protective footwear where such is determined to be necessary by Company after consultation with the Joint Health and Safety Committee.
- (b) Employees and Owner Operators required to purchase footwear under this Article will be reimbursed the purchase price up to a maximum of one hundred twenty dollars (\$120) per year upon proof of purchase of safety footwear.
- (c) Protective footwear re-imbusement will be done through the payroll system or through a voucher system as a non-taxable benefit upon request.

- (d) The Company will replace safety shoes or boots irreparably damaged in the course of the employee's duties.

9.13 Working Alone

The Company and the union shall together develop an action plan, as spelled out in the CCOHS, to address the issues of employees expected to work alone. Depending on the work and equipment they are required to operate determines the risk factor and each case shall be assessed on a case by case individual basis. The preceding shall be done jointly by the Company Health and Safety officer and the Chairperson of the Union Health and Safety Committee

9.14 Known Illegal Substances

No employee or Owner Operator will be expected to take part in the delivery or pick up of any known illegal substance or goods during the course of their duties. This must be done through corporate security and the proper police authorities.

ARTICLE N10 – HEALTH AND WELFARE AND SICK LEAVE

10.01 The Company shall provide a comprehensive Health and Welfare Plan, as outlined in the applicable Regional Appendices.

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

10.03 Benefit Cheques Remitted Directly to Employees.

The Company agrees that all benefit cheques that an eligible Employee is entitled to from the insurance carrier shall be sent directly to the eligible Employee from the insurance carrier and not through the Company.

10.04 Same Sex Recognition

The Company agrees to recognize same sex couples for the purpose of coverage through any negotiated benefit or clause.

10.05 Booklets

The Company shall within one hundred twenty (120) days of ratification produce a booklet that contains all needed forms relating to claiming on any of the insurances and benefit packages provided.

10.06 Doctor Notes

If requested by the Company, the cost of obtaining a doctor's note or the completion of physician forms will be fully covered by the Company upon provision of a receipt.

10.07 Drug/Alcohol Testing

There shall be no drug or alcohol testing of any Employees or Owner Operators under this Collective Agreement, unless required by law or a separate agreement between the Union and the Company.

10.08 Benefit Booklets

The Company will provide benefit booklets and forms in electronic format.

ARTICLE N11 – TRAINING

11.01 The Company may, from time to time, provide Employees and Owner Operators with a training program outside scheduled hours. On such occasion, attendance is compulsory (in other words, as if scheduled). The Company will provide two (2) weeks' notice. Any training hours or mandatory meetings that cause the Employee's hours of work to exceed eight (8) hours in a day or forty (40) hours in a week, he/she will be paid at one and a half (1 1/2) times the Employee's regular hourly rate of pay. However, training on an Employee's day off, vacation or a long weekend shall be avoided. In the event training sessions or meetings are required on a day off, the Employee shall be paid no less than four (4) hours.

11.02 Owner Operators who receive training shall be paid in accordance with the applicable provincial appendix.

11.03 In the event the Company proposes the introduction of equipment in its operations requiring specialized training, the Company agrees to give first opportunity to Employees then on the payroll by seniority and in the classification to operate the equipment and/or train to operate the equipment provided the Employee qualifies with the requirements. Training required by the Company shall be paid for by the Company.

Recognizing that the more Employees trained for various jobs at each facility is beneficial to both the Company and the Employees, the Company agrees to provide training opportunities as the work allows on the basis of seniority for Employees who express interest in being trained for certain jobs.

The Union agrees to the principle that employees will be provided two (2) opportunities to pass an applicable test after sufficient training in the same area to be successful, however, before a prohibition applies, the Company

shall reach a mutual agreement with the Union on how to handle the situation.

- 11.04 (a) As required by the Company, the Company shall pay tuition fees for an accredited defensive driving course and/or industrial first aid course taken and successfully completed by the Employee.
- (b) Should the Employee leave the employ of the Company within ninety (90) days of completion of the course, the Company shall recover the tuition fees from the Employee.

ARTICLE N12 – LEAVES OF ABSENCE

12.01 All leaves of absence shall be determined in accordance with applicable Regional Appendices.

12.02 Other Leaves of Absence

- (a) If an Employee desires a leave of absence for reasons other than those referred to in this Agreement, proper justification must be submitted in writing to the Company as soon in advance as possible. The Company agrees that no legitimate or reasonable request will be denied providing such leave of absence does not interfere with business operations.
- (b) Except as otherwise provided in this Agreement or agreed upon by the parties in writing, no leave of absence will be granted in excess of sixty (60) days exclusive of vacation.

ARTICLE N13 – PROBATIONARY PERIODS

Employees

13.01 All new Employees shall be considered on probation during the ninety (90) days following the beginning of their employment. After the completion of this ninety (90) day period, the Employees shall be placed on the seniority list and their seniority shall be established retroactively from their last date of hire.

Owner Operators

13.02 The parties agree that when a new Owner Operator is hired from outside of the bargaining unit that the following rules apply to their probation period:

- (a) A probationary Owner Operator shall be required to serve a ninety (90) day probationary period from their first day of work after which he/she shall deemed to be a regular Owner Operator.

- (b) A probationary Owner Operator shall not be required or mandated to purchase or lease their own vehicle until such time as they complete or pass their probationary period. Upon passing probation, the Owner Operator will secure the required vehicle and relevant documents within thirty (30) calendar days from the date probation completed.
- (c) A probationary Owner Operator may rent or short term lease a vehicle to service their route during the probationary period as long as it meets the capacity specifications for their route and the insurance requirements, under the current CBA.
- (d) A probationary Owner Operator who chooses to provide a vehicle they currently own or chooses to buy or lease or rent a new or used vehicle may do so but the company shall not be liable in any way should the Owner Operator be dismissed prior to completing their probationary period.
- (e) The company agrees to act in good faith when assessing probationary Owner Operators including providing coaching when issues arise with their performance as an Owner Operator.

ARTICLE N14 – COLLECTIVE AGREEMENT LANGUAGE

- 14.01 The parties agree to hold a quarterly meeting for each province during the life of this Agreement. At least one of these meetings each year shall be held in person at a single location. At these meetings the parties will review Articles of each of the Regional Appendices and seek to draft clear and commonly acceptable language on non-monetary issues as a basis for the next round of Collective Agreement negotiations. For each Article the parties will seek to generate a National and, if necessary, a series of Regional provisions showing “agreed upon” language and areas where there remain drafting disputes. The goal is to generate common and consistent language which is clear, accessible to employees and where there is no dispute as to the interpretation.
- 14.02 Unless the parties agree otherwise, the individuals attending these meetings shall include a National Unit Chairperson, the Provincial Unit Chairpersons, a Representative from the Local Union, National Representatives and at least one member of senior management. In the event that an Employee or Owner Operator is requested to attend a meeting of this nature, he or she shall suffer no loss of pay as a result. The Company shall pay all reasonable travel, hotel and meal expenses upon provision of receipt. The cost of additional in person meetings shall be discussed and agreed upon by the parties prior to scheduling those meetings.

ARTICLE N15 – UNIFORMS

15.01 The Company will pay for new uniforms when such new uniforms are necessary and will maintain and clean such uniforms. Employees and Owner Operators will be expected to keep same in good appearance at all times. All such uniforms will be returned to the Company at the time of or upon termination.

15.02 The Company shall provide each Employee and Owner Operator performing driving duties with the following standard uniform:

General issue:

Five (5) Golf Shirts (combination of shirt and long sleeves or as per Employee or Owner Operator choice)

Five (5) Trousers

One (1) Cap

Five (5) Shorts

Seasonal item:

One (1) Winter parka or bomber jacket

One (1) Rain jacket

One (1) Fleece Shirt One

One (1) Toque

15.03 Uniforms shall also be provided for the Warehousepersons, Customer Counter Specialist and Clerks including such winter clothes as may be reasonably required for the performance of their duties. Any clerical Employee working in the warehouse will be supplied with suitable clothing. Any warehouse Employee who wishes to wear coveralls will be supplied with three (3) pairs.

15.04 Winter coats will be supplied to Warehousepersons who require them to perform their duties. Full rain gear for airport ramp personnel will be provided by the Company.

15.05 Summer issue must be ordered by April 1 in order to meet the summer season. Winter issue must be ordered by September 1 to meet the winter season.

15.06 Uniforms must be worn during working hours.

- 15.07 All of the above uniform items shall be at no cost to the Employee. Also, it is understood that exchange shall be on a worn-out basis.
- 15.08 All uniform items shall be made available in styles and cuts suitable for female Employees upon request.

ARTICLE N16 – MEDICAL EXAMINATIONS / RETURN TO WORK

16.01 Return to Work Process

The parties recognize the importance of providing Employees and Owner Operators every reasonable opportunity to return to work at the earliest possible date from absence due to illness or injury. The parties also agree that early intervention is a necessary ingredient in a successful rehabilitation program. Should an Employee or Owner Operators request, or should the Company offer, a modified work program or a light duties program or a medical accommodation due to disability, or where an Employee or Owner Operators is returning to work from an absence due to injury or illness, the Company may require a medical report verifying the medical condition, suitability for work, prognosis and/or the limitations of the Employee or Owner Operator.

In applying this Article, it is the expectation of the parties that Employees and Owner Operators will:

- (a) seek medical attention immediately after sustaining an injury or illness which may prevent the Employee or Owner Operator from attending at work (the individual has the right to see his/her personal physician if available);
- (b) authorize the attending physician to immediately release to the Company whatever information relating to the injury or illness is necessary to allow the Company to make modified work or light duties available (such information to be released only to the Company Representative(s) responsible for disability management);
- (c) co-operate with the Company's return to work program, subject to WCB guidelines.

In applying this Article, the Company agrees that a medical report will only be sought from a physician unless approval is granted by either the Employee's or Owner Operator's attending Physician.

16.02 Situations of Accommodation

- (a) The Union shall be made aware of all current light duty, modified work or accommodation situations.
- (b) The Union shall be informed of all light duty modified work and accommodation arrangements.

- (c) All light duty, modified, or accommodation arrangements will have an individually agreed-upon mandatory review period.
- (d) No arrangements under this section shall be used to abrogate a worker's right to WCB, weekly indemnity, long-term disability, or any other benefit.
- (e) The company shall provide the Union with a list of all ongoing light duty and modified work positions.

16.03 Medical Examination

In the absence of a medical report from the Employee's or Owner Operator's doctor, or at the reasonable discretion of the Company's Human Resources Department, the Company may require an independent medical assessment be performed by a Physician to verify or provide the required medical assessment in Article 16.01.

Any reports or medical assessments required by the Company under Article 16.03 will be paid for by the Company.

16.04 Medical Examination Conditions

When a medical examination is required, in accordance with Article 16.03, the following conditions shall apply:

- (a) If an Employee or Owner Operator takes a medical examination during his normal working hours, he or she shall be paid for the time involved and thus not lose any pay as a result of his taking a medical examination and shall have all travel costs covered by the Company.
- (b) In addition to the above procedure on medical examinations, the Company agrees that where any Employee or Owner Operator who drives a motor vehicle in the course of employment coming under Sections 1 to 5 of the Motor Vehicle Classification Licenses, is required by any agency, insurance of other appropriate agency, to take a medical examination to verify his/her right to drive such motor vehicles coming under the aforesaid Sections 1 to 5 to operate a vehicle equipped with air brakes, the Company hereunder shall, where same is not paid for by any part of the Welfare Plan under which the Employee or Owner Operator is covered, pay for such medical examinations.

16.05 If following a medical examination in accordance with 16.03 any Employee or Owner Operator is deemed incapable of carrying out his/her regularly assigned duties, the following procedures shall be followed:

- (a) The Parties will make every effort possible to locate a suitable position for an Employee or Owner Operator deemed physically incapable of performing his/her regularly assigned duties. Should an Employee or

Owner Operator be reclassified as a result, he/she will be paid in accordance with the applicable Regional Appendix. All exceptions to the seniority provisions of the Collective Agreement must be mutually agreed to by the parties. An Employee or Owner Operator placed on a job because of a disability will have their status reviewed at least annually jointly by both parties. For the purposes of Article 16.05(a), the parties shall be the Provincial Unit Chairperson, National Representative, or Designate and the Manager, Human Resources, District Manager or Designate.

- (b) In the event that no position can be identified to accommodate the Employee or Owner Operator, he/she will be placed on a medical leave of absence without pay.
- (c) When an Employee or Owner Operator is cleared medically for light duty and there is nothing suitable available, the Employee or Owner Operator will be entitled to remain on Weekly Indemnity, if applicable, as per the time limits of the benefits contract.

Additionally, when an Employee or Owner Operator tries light duty and it is deemed unsuitable, he/she may return to the Weekly Indemnity with no impact on the plan.

16.06 If the medical clearance pertains to an Employee or Owner Operator in a WCB claim, the prevailing Board policy and practice on vocational rehabilitation shall govern. If the rehabilitation program is unsuccessful or gives rise to any dispute the appeal procedure under the applicable workers' compensation legislation will prevail.

16.07 All personal medical information required or provided pursuant to this Article shall be treated by the Company in strictest confidence. Any insurance carrier or other third party shall be required by the Company to maintain the same standard of confidentiality.

ARTICLE N17 – JOB DESCRIPTIONS

17.01 Job descriptions shall be developed in accordance with Provincial Appendices.

ARTICLE N18 – ROUTES AND RE-ROUTES

Routes and re-routes shall be conducted in accordance with the Provincial Appendices.

ARTICLE N19 – CORE ZONE REVIEWS

Owner Operators may request a route review at any time and these requests will be handled on an expedited basis through the following procedures:

- A Supervisor or Manager must arrange for a route ride-along or follow along within seven (7) working days of the request being received.
- Any agreed-upon adjustments to rates, volume, stops or area will be retroactive to the date of the request for a route review.
- The Company will ensure that a team of senior Management from the Operations Departments is assigned on an ongoing basis to assist in speedy resolutions of disputes arising out requests for route review.

ARTICLE N20 – ROUTE FLEXING

In the event it is determined that the Owner Operator is unable to make a delivery(s) or pickup(s) in his or her area, Senior Management reserves the right to assign these stops to surrounding routes in order to maintain customer service. This is not to be used on an ongoing basis but rather is intended for one-off or short-term solutions.

It is further understood that the Company's position is that all hourly rated Driver positions shall be flexible, in accordance with the operational needs of the Company and the service levels to customers. It is also understood that seniority will be respected in the application of this clause.

ARTICLE N21 – DAILY GUARANTEES/MINIMUMS

- 21.01 Owner Operators shall receive a daily guarantee at rates determined by the applicable Provincial Appendix.
- 21.02 This national daily guarantee shall replace all existing daily and bi-weekly guarantees and extend the daily guarantee to those provinces that do not currently have it.
- 21.03 The daily guarantee shall be based on a proration of the existing bi-weekly guarantee in each province or such higher amount as has been the practice. For example, a bi-weekly guarantee of \$2,000.00 in Ontario equals a daily guarantee of \$200.00 per day.

ARTICLE N22 – BENEFITS

- 22.01 Benefits shall be determined in accordance with the applicable Provincial Appendix save and except:
- (a) Vision/Optometrists: Employees will be entitled to optometric testing up to \$65.00 per annum where not covered by a provincial health insurance plan; and
 - (b) Life Insurance and AD and D: Employees will be entitled to life insurance at one and one-quarter (1.25%) percent of earnings up to a

maximum of \$50,000.00. For clarity, any province with a flat \$50,000.00 per Employee shall remain entitled to that amount.

ARTICLE N23 – NEGOTATING COMMITTEE

23.01 The Union agrees that its negotiating committee shall consist of 16 individuals, which shall be selected by the Union. The Company agrees that no Employee or Owner Operator shall suffer a loss of pay for those days spent bargaining with the Company.

ARTICLE N24 – EXTRA WORK

Each facility and department shall post bi-weekly two (2) extra work sign up sheets for the Union Members in their facility.

There shall be a short term extra work roster which is to be used for last minute and daily situations. All extra work shall be awarded on the basis of seniority only, understanding that the Union Member must possess the skills or licenses required for work being offered.

There shall be a long term extra work roster which is to be used for all extra work that can foreseeably run for five (5) days or more. The senior qualified applicant from the extra work roster will remain in the position for the duration of the absence unless that Employee chooses to bid on a permanent position or more preferred short or long term extra work.

In the event that a Union Member, for any reason other than capability, is not offered the work they would have been entitled to, the Company shall then pay the Union Member for the extra hours lost in the current or next pay period.

All extra work shall first be offered to part-time and part-time unassigned Union Members first to supplement their hours up to eight (8) hours in a day.

Employees that are on modified duties are also permitted to do extra hours provided that the work falls within their restrictions.

Once part-time and part-time un-assigned Union Member have been utilized as above, the work shall then be offered to all Employees on the basis of seniority.

The additional supplemental hours offered to Union Members on the short-term extra work roster cannot conflict with their regularly scheduled hours or shifts.

In the event that an individual that puts his/her name on the extra work roster and refuses offered work three (3) consecutive times, then the Company shall be under no obligation to call that individual in for extra work for the next sixty (60) days. In order for this to apply the individual shall be served a letter of notice with the presence of a Union Steward so as to determine a start date of the sixty (60) day denial period. The onus will be on the company to prove the calls were made.

Extra work that is not a continuation of a scheduled shift shall be paid at the prevailing rate of the work offered.

When regular bilingual Employees are absent from work for any reason the work will first be offered at the appropriate rate to qualified bilingual employees.

ARTICLE N25 – BUMPING

The Company respects the seniority principles outlined in each applicable Regional Appendix. The parties agree to cooperate fully in order to reduce the domino effect of bumping, to hasten the process and limit it to a maximum disruption of five (5) days overall after the required information has been fully provided. The parties also agree to implement a single (paper) bump in any situation involving multiple displacements.

ARTICLE N26 – DURATION OF AGREEMENT

26.01 Duration of Agreement

This collective agreement shall be in full force and effect from and including April 1, 2013, to and including December 31, 2016, and shall continue in full force and effect from year to year thereafter subject to the right of either party of this Agreement within four (4) months immediately preceding the expiry date, or immediately preceding the anniversary date in any year thereafter by written notice to party, to require the other party to commence collective bargaining with a view to conclusion or renewal of a Collective Agreement or a new Collective Agreement.

National Appendix A – Owner Operator Agreement

Owner / Operator Agreements are composed of THREE parts –(1) business agreement, (2) insurance appendix and (3) fees appendix.

BUSINESS AGREEMENT

AGREEMENT ENTERED INTO AT THE CITY OF _____ ON THIS ____

DAY OF _____, 200__.

BETWEEN: **DHL Express (Canada), LTD.**

Having its head office at DHL Express (Canada) Ltd.

18 Parkshore Drive

Brampton, ON L6T 5M1

Hereinafter called “DHL”

AND:

(full name)

(address and postal code)

Hereinafter called the “Owner Operator”

WHEREAS DHL, is a common carrier by motor vehicle which, in the regular course of its operations, requires the services of Owner Operators;

WHEREAS the Owner Operator 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 Owner Operator 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.
2. This Agreement may also be terminated, at the reasonable discretion of either party, by serving a written notice to that effect, thirty (30) days in advance.

FEES:

3. The schedule of fees is attached to this Agreement as Schedule A. Deposits shall be made to the Owner Operator every two (2) weeks.
4. The remuneration paid to the Owner Operators includes an indemnity for vacation, indemnity for fringe benefits, funeral leaves and statutory holidays. It is the responsibility of the Owner Operator to pay such an indemnity as required by law.

PURPOSE OF THE AGREEMENT:

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

OWNER OPERATOR'S OBLIGATIONS:

6. The Owner Operator agrees to:
 - (a) Maintain at all times valid permits and licenses as required by law, and abide by and operate within the limits of all related provincial and federal laws and regulations. This does not include Western Linehaul Owner Operators in the Province of Ontario.
 - (b) In the Province of Ontario, the parties agreed to Article A10 regarding Relief Drivers.
 - (c) Obtain and maintain insurance coverage, as more fully described in Appendix A of the business agreement.

- (d) Promptly report any accident or injury and any claim which could involve DHL to the appropriate insurance carrier and to DHL and fully cooperate with DHL and any other person or persons appointed by or on behalf of DHL in the investigation and settlement of any insurance claim.
 - (e) Ensure 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 Owner Operator.
 - (h) Where a replacement Driver or helper is employed, provide at all times, licensed, competent, qualified personnel and make appropriate deductions and payments, as required by law, including deductions at source.
 - (i) Recognize the right of DHL to modify areas of service from time to time, where necessary for service or efficiency in accordance with the Bargaining unit C.B.A.
7. The Owner Operator agrees that, in the performance of this Agreement, especially where he/she collects monies 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 Owner Operator or to third parties, for any services and/or supplies provided to the Owner Operator. In the event of a claim resulting from supplies or services so provided, the Owner Operator agrees to indemnify DHL and to plead in its stead.
9. DHL may require, from time to time, proof that the Owner Operator abides by any and all of his/her obligations. The Owner Operator will, upon demand, provide DHL a written authorization to verify his/her status and discharge of his/her contractual obligations with any government or person.
10. DHL hereby grants to the Owner Operator a license to use its trade name, trademarks and logo types, within his/her area of service and for as long as this Agreement will remain in force. The Owner Operator recognizes that he/she 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 Owner Operator agrees that, during the term of this contract and in any case on 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, for a period of three (3) months following termination.
12. The Owner Operator and any Employee, partner or associate of the Owner Operator, may not be entitled to any benefits or rights which would 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.
13. DHL and the Owner Operator hereby acknowledge and agree that this Agreement is a Contract for Services and the Owner Operator shall, for all purposes of this Agreement, be deemed a dependent contractor, solely for the purposes of the Canada Labour Code. This Agreement shall not be construed in any respect to create between DHL and the Owner Operator, a legal relationship of partnership, employer and Employee, or principal and agent.

SIGNED, SEALED AND DELIVERED:

DHL EXPRESS (CANADA), LTD.

By:

Witness:

Owner Operator:

Provincial Unit Chairperson

Liability and Damage 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 of damage to, or in the destruction of property belonging to DHL Express (Canada), Ltd. or its customers, including the loss of use thereof covering such perils as DHL Express (Canada), Ltd. deems necessary and in such amounts and with such terms and conditions 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.

- (c) Cargo liability insurance on terms and conditions reasonably satisfactory to DHL Express (Canada), Ltd. in an amount of not less than twenty-five thousand dollars (\$25,000). The current arrangements for coverage, whether obtained individually or through DHL deductions, shall be maintained throughout the life of the collective 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 Certificate of Insurance evidencing the coverages herein shall also contain the following provisions:


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 this Agreement.

- 1) The Owner Operator and the insurers further agree to waive all rights of subrogation as against DHL Express (Canada), Ltd.
- 2) The policies shall contain severability of interest and cross liability clauses.
- 3) The Insurers will provide DHL Express (Canada), Ltd. And the owner operator with thirty (30) days prior written notice of any cancellation or material change in the policies.

Schedule "A" – Fees

Owner / Operator fees will be addressed in each Region.


FOR THE COMPANY:



Greg Hewitt
President

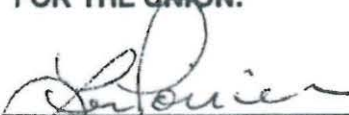


Patricia Vanelli
Senior Director Human Resources



Darryl Wettlaufer
Vice President Operations

FOR THE UNION:



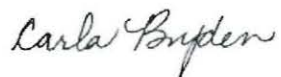
Len Poirier
National Representative




Todd Romanow
National Representative



Gavin McGarrigle
National Representative



Carla Bryden
National Representative




Ken Stuart
National Representative



Alex Tokhi
Unit Chairperson Alberta

Roger Bontkes
Committee Member Alberta

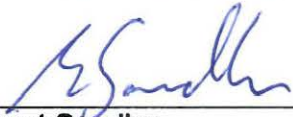
Jason Bryan
Committee Member Alberta




Gord McGrath
President Local 114 British Columbia




Kristian Nielsen
Committee Member British Columbia



Manpreet Sandhu
Committee Member British Columbia



Gary Dosanjh
Committee Member British Columbia



Gurvinder Badesha
Committee Member British Columbia



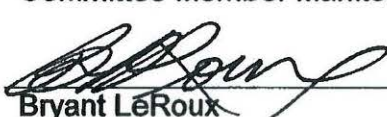
Gerry Lepage
President Local 755 Manitoba/Saskatchewan




Kevin Campbell
Unit Chairperson Manitoba/Saskatchewan



Don Dela Penna
Committee Member Manitoba/Saskatchewan



Bryant LeRoux
President Local 4457 Ontario



Joe Cannon
Unit Chairperson Ontario

Mike Lawrence
Committee Member Ontario

Gary Millen
Committee Member Ontario

Jaw Ahman Fundolay
Committee Member Ontario

Sivadas Santhosh
Committee Member Ontario

Scott Dulmage
Committee Member Ontario

Nigel D'Costa
Committee Member Ontario

Executed at Brampton, ON this 28 th day of August, 2014

COLLECTIVE AGREEMENT

Between

DHL EXPRESS (Canada) LTD.

And

UNIFOR UNION OF CANADA

LOCAL 4050

ALBERTA APPENDIX



Effective: April 1, 2013 to December 31, 2016

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ARTICLE A1: UNION RECOGNITION

- 1.01 (a) This includes but is not limited to involvement at any step of the grievance procedure.
- 1.17 (j) Should the Local Unit Chairperson be sent back to the regular work force by way of being removed by the Union or if they are not re-elected then the person may bump as per the collective agreement if they are a former hourly employee. Should the Local Unit Chairperson be a former Owner Operator then they shall assume their former position if they had elected to cover that route with a relief driver or elect to be placed on layoff status until a position comes open at which time they may exercise their rights as per the posting and seniority procedures.

The initial Local Unit Chairperson (or their replacement should that person quit or leave office) shall be elected from and by the existing CAW bargaining committee. Beginning in 2013 and all times after that the Local Unit Chairperson shall be elected from the broader membership in a way as devised by the Local Union.

The Company will provide the Union with an office space and facilities at either Edmonton or Calgary for the exclusive use of the Local Unit Chairperson or authorized Union officers and representatives. The Company will provide filing cabinets, desk, chairs, a phone line, and a secure high speed internet connection for the non-private use of the Union in this office.

The Local Unit Chairperson must work out of one of the two cities above but any employee may run for the elected position when it comes available.

The Local Unit Chairperson must fulfill all of the obligations and expectations as set out by the Local and National Union in regards to this position. The Local Unit Chairperson shall report directly to the CAW Local Union Representative, Local President and or National representative. The Local Unit Chairperson shall also be required to document their activities so as to provide updates to the Company. The Local Unit Chairperson shall be subject to all requirements of the CAW Constitution.

- 1.19 (b) Should the Hourly Employee or Owner Operator request a continuation of welfare benefits during such leave the premium will be remitted to the Company by the Hourly Employee or Owner Operator prior to the month(s) in question.
- 1.23 The Company may request that a Union representative, including the Local Unit Chairperson, 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 for an Hourly Employee or Owner Operator. The Company will assume all necessary expenses within Company policies, such policies in place as of March 2009 will be considered the minimum payable.

- 1.24 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.
- 1.25 No member of the Union shall use their personal vehicle to conduct any company business (excluding Owner Operators' regular DHL work vehicle, rentals, or other temporary route replacement vehicles).

ARTICLE A3: GRIEVANCE PROCEDURE

- 3.03 The following procedures will apply when discipline is contemplated.
- (a) The employee will be notified of the charges as soon as the Company is prepared to present them. The Unit Chairperson shall be notified at the same time.
 - (b) When the Union and the employee(s) are notified of the charge(s) as per A3.03 (a) above, an investigation into the allegations shall be scheduled within five (5) calendar days (excluding Saturdays, Sundays and Statutory Holidays) of the charge(s) being presented.
 - (c) When possible, the Union and the employee will be given at least twenty-four (24) hours notice of the hearing and in addition will be given a complete outline of all charges and evidence known at least twenty-four (24) hours prior to the hearing. After the initial hearing, further evidence relevant to the investigation or issues in dispute will be provided within twenty four (24) hours of the company becoming aware of such evidence.
 - (d) The employee may be held out of service for serious incidents, pending an investigation, until the time of the hearing. In determining whether to hold the employee out of service, the Employer will consider the nature of the alleged infraction(s). A decision to hold an employee out of service without pay is subject to the grievance procedure after either discipline is levied or the file is closed. 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 for an Hourly Employee, or, all lost income for an Owner/Operator. Such payment will be made within three (3) working days.

- (e) A Steward or designate will be present at the investigatory hearing along with the employee.
- (f) Any known witnesses and/or known evidence will be called by either party at the hearing and such witnesses will be paid for their attendance at applicable rates.
- (g) A decision will be rendered by the company within seven (7) calendar days following the hearing.
- (h) Either party may request an extension of the time limit(s) outlined above and such requests shall be in writing and shall not be unreasonably withheld.
- (i) Violations of this procedure may render any resulting discipline null and void.

ARTICLE A4: ARBITRATION

4.08 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 A5: ANTI-HARASSMENT AND DISCRIMINATION

- 5.01 (c) Anti-harassment and discrimination training will be provided to Management, Union representatives and will be delivered to all Hourly Employees and Owner Operators. The training will be the CAW program with the Company bearing the full costs.
- 5.02 (7) Any findings by a joint committee shall be used only to determine whether a situation or offence has actually occurred and not to determine any form of discipline.

ARTICLE A9: WORK CONDITIONS (HEALTH AND SAFETY)

9.02 Joint Health and Safety Committee:

- e) During all absences of the Union Co-Chairperson, the Company shall recognize an alternate Co-Chairperson designated by the Union.
- f) 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.

- 9.07 (c) Lunchrooms - 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.
- 9.10 (o) Automobile plug-ins wherever installed shall be available for Union Members use.
- 9.15 Where necessary to comply with Transportation of Dangerous Goods Regulations, the Company will have showers at the Edmonton, Calgary and Red Deer Branches.
- 9.17 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, or in use on Company business.
- 9.18 Substance abuse is recognized to be a serious medical and social problem that can affect Employees and Owner Operators. The Company and the Union have a strong interest in encouraging early treatment and assisting Employees and Owner Operators toward rehabilitation.

The Company will continue to provide a comprehensive approach to dealing with substance abuse and its related problems. Company assistance will include referral of Employees and Owner Operators to appropriate counseling services or treatment and rehabilitation facilities.

The Company also provides other services in conjunction with existing company policy and EAP program.

- 9.19 a) The Union and the Company will immediately form an Ergonomic sub-Committee of the Health and Safety Committee composed of the Unit Chair, the Union Co-Chair of the Health and Safety Committee, and at least two (2) additional Union representatives and an equal number of Company representatives. This Committee will meet on paid time at applicable rates at least four (4) times per year.
- b) The Ergonomic sub-Committee and the OH&S Committee will address ergonomic concerns and training on an ongoing and priority basis and will work progressively toward improving the workplace/employee and Owner Operator interface. When an ergonomic concern is beyond the scope and/or expertise of the OH&S Committee members, appropriate external consultants shall be used.
- c) The Ergonomic sub-Committee and the OH&S Committee will develop an ergonomics checklist which shall be used in job station designs and/or for the introduction of new processes and procedures.

ARTICLE A11: TRAINING

11.01 The Company may request the Hourly Employee or Owner Operator attend a defensive driving course.

11.02 When these hours fall on a scheduled work day,

- a) The Owner Operator will be paid as 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. For all hours after a normal days work, the Owner Operator shall be paid a rate of time and ½ (1.5) top rate Courier Driver classification.

When these hours fall on a non-scheduled work day,

- b) Training on an Owner Operator's day off shall be avoided, however, where such training is unavoidable, the Owner Operator will be paid a minimum of four (4) hours of pay at time and ½ (1.5) top rate Courier Driver classification.

11.05 Hourly Employees working split shifts shall be paid time and a half (1.5) for all hours spent training during their split if the total hours required for training puts the employee in an overtime position.

11.06 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.

11.07 New Employee Orientation:

- a) The Company shall provide a minimum one hour paid orientation for every new Hourly Employee and Owner Operator at their applicable rate prior to their first shift.
- (b) The Company shall also provide each new Owner Operator three (3) continuous days paid training at the commencement of their employment when required.

11.08 Hourly Employee Cross Training:

The Company agrees to institute a training program in the Edmonton and Calgary branches only to provide relief for Vacation, WCB, STD, LTD, and Emergency situations.

The training program shall be administered in the following manner:

- 1) During the first six (6) months following ratification of the Collective Agreement, Monthly, the Company shall post a list of positions that require

relief, and, employees who wish to be trained shall signify their intention by posting their name on a cross training list.

- 2) Employees shall be chosen by seniority on the list and trained on the positions requiring relief for a maximum of 5 days at their current classification rate.
- 3) When the Employee is transferred to the new positions for relief purposes, he/she shall be paid at the relief position classification rate.
- 4) The Company shall post a list of positions requiring relief on a monthly basis when required.

This article shall not limit or impinge on the rights of Employees to attain extra hours as per the existing Collective Agreement or for the need to train Casuals provided that the Employee meets his/her obligations to work in the relief positions schedule when required.

ARTICLE A15: UNIFORMS

- 15.09
- a) Alterations will be paid for by the Company for all alterations that are required for uniforms that do not fit at issue. All other alterations shall be the responsibility of the wearer.
 - b) The Hourly Employees and Owner Operators will be expected to properly care for and to keep all uniforms in good repair and condition at the employees' expense.

Article A23: Negotiating Committee

- 23.02
- a) Owner Operators 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.

For Hourly Employees 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.

ARTICLE A27: SENIORITY

- 27.01
- The purpose of seniority is to provide a policy governing preference for layoffs, postings, bumping and recalls. Each Union member will establish a Company seniority date. Where two or more employees are hired on the same day the order of seniority amongst them shall be determined by the employee's surname alphabetically.

For Hourly Employees and Owner Operators, company seniority means the length of continuous service in the bargaining unit, since the employee's or Owner Operator's last hiring.

The following Groups are recognized for the purposes of Company Seniority exercised within a group as provided for by this agreement:

- a) Warehouse/Hourly Driver
- b) Clerical
- c) Owner/Operators

- 27.02 The Company will issue and post a seniority list in each Branch showing position held and Company seniority for all Union members at the Branch or Depot. This list will be renewed every four (4) months with copies to the Shop Stewards, Local Union Office and Local Chairperson.
- 27.03 Any Union member may contest the seniority list by submitting his/her appeal in writing to the Company and the Union, within thirty (30) working days following its posting date. Where proof of error is shown, the seniority list will be corrected as agreed on. Afterwards, the list shall become official. There may be an exception to the above-mentioned rule in the event that an Hourly Employee or Owner Operator is absent for a period of at least thirty (30) days following the posting of the seniority list.
- 27.04 For the purposes of seniority, all existing and future locations in Edmonton and in Calgary will be considered one (1) branch in each of the respective cities.

ARTICLE A28 DEFINITIONS

- 28.01 **Seniority** - the length of continuous service in the bargaining unit since the Union Member's last hiring according to the provisions of clause A27.01. There is no allowance for service acquired before actually joining DHL Express Canada.
- 28.02 **Courier Driver / 3-5 Ton Driver** - A regular scheduled hourly Employee who holds a posted position as a defined route or who performs cleanup work.
- 28.03 **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.
- 28.04 **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 A-B31.02(b)).

- 28.05 **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 N1.05 (b) and (c) are applicable to casual workers.
- 28.06 **Relief Driver** - A regularly scheduled hourly Employee who is assigned to various routes as required to cover absent hourly drivers or Owner Operators. These positions shall be posted as per the Collective Agreement and shall be awarded based on required knowledge and qualifications. Where such knowledge and qualifications are reasonably equal seniority shall prevail.

There shall be a minimum of one position in Calgary and Edmonton.

- 28.07 **Position** - The assignment held by an Employee which in the case of regular drivers includes the regular route that an Employee normally works.
- 28.08 **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.
- 28.09 **Warehouse/Customs Specialist** – a regularly scheduled Employee who expedites the clearance of all inbound shipments.
- 28.10 **Owner Operator** - A Dependent Contractor who holds a valid Business Agreement (Schedule B) for services with the Company and is subject to the terms and conditions of that agreement.
- 28.11 **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 B).

Where a dispute arises in language interpretation between Collective Agreement and the Dependent Contractor's Business Agreement (Schedule B), the Collective Agreement interpretation will prevail.

- 28.12 **Stop** - The process of attempting or completing a delivery or pickup at a premise, or going off route, to carry out a transaction or transactions.
- 28.13 **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.
- 28.14 **Lead Hand** - A regularly scheduled Hourly Employee who directs, coordinates and supervises the work of Hourly 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 Hourly Employees. All leads provided for in this agreement shall be working leads. It is understood that a lead hand will participate in the working operation.

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, 2005, the Company agrees to pay:

- 1) Ten cents (\$0.10) per service day per Owner Operator and
- 2) One cent (\$0.01) per hour per hourly 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.

These funds will be held in trust by CAW Local 4050 and shall be used for the sole purpose of the payment of legitimate expenses incurred by the Local Unit Chairperson (except those expenses covered by Article 1.15) as authorized by the Local President or Local Service Representative. The Local Unit Chairperson shall be paid by Local 4050 through this fund when expenses' are submitted on the appropriate Local 4050 expense form, such payments shall conform to the Local Union Bylaws and or 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")

VEHICLE SECURITY POLICY

Outlined below are the vehicle security procedures that will be followed by Owner Operators and Hourly Drivers:

- Vehicles used in the transport of shipments must have secure doors (front, side and rear and roll-up doors).
- Vehicles must be locked at all times when shipments are being transported.
- Custodial control of the shipments while on route shall be the responsibility of the Owner Operator or hourly driver.
- Vehicles shall be locked at all times when unattended.
- Cargo vans require a pad lock on the back door and the Owner Operator is responsible to ensure this occurs and the lock is used.
- Cargo located on loading docks or ramps shall not remain unattended; where this is not feasible, the driver will inform the company.

When a situation occurs, as a result of circumstances outside the Employee's or Owner Operator's control that prevents the vehicle from being secured or the policy adhered to the employee shall not be held responsible or disciplined in any way.

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LINEHAUL

The Company commits to assessing all line haul lanes in Alberta to establish the most cost effective manner of operation.

Should line haul routes in Alberta become bargaining unit work in the future, the parties agree to meet and establish rates and language at that time.

LETTER OF UNDERSTANDING

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SURVEILLANCE AND SEARCHES

It is agreed that the Company will not use video surveillance to monitor performance. Access to video surveillance material will be restricted to a small number of Company officials.

In addition to the above, the Company is committed to submitting its current Internal Investigation policy (dated 01-01-05, revised on 09-13-05, number ED-15) to its legal counsel within ninety (90) days of ratification to ensure that it is in compliance in policy and practice with all applicable legislation and regulations relating to surveillance and searches of employees including but not limited to the Criminal Code of Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA), and the Canada Labour Code.

The Union has raised the following concerns and, without limiting the generality of the foregoing, the Company has committed to having these concerns reviewed by its legal counsel and senior national Management:

1. The Red Pass program is not random either in planning or in execution and is potentially in violation of the above-noted policy.
2. The Union raised the concern that the red pass sticker on personal belongings such as cell phones and MP3 players was an unnecessary step and that the sticker was not entirely secure.
3. The Union suggested that an area outside the secure zone be created for employees who did not want their personal belongings subject to a random search. We suggested a bank of lockers or something similar for the use of employees.
4. The Union requested clarification on what tasks related to security will be delegated to be handled only by DHL Management versus by DHL contracted security staff. For example, if an investigation commences, Management

would normally bring in a Union Steward. There have been no clear guidelines given in this area.

5. The Union requested some parameters on the declared intention to search internal bags including guidelines on when such a search might be requested, in what area would it be conducted, and on how Union representation and pay issues might be handled.
6. The DHL policy contemplates “requesting the employee to lift his or her upper garments to expose the waist band area” and that “employees who refuse a clothing search will be subject to disciplinary action up to and including termination.” The Union raised concerns that such intimate searches are not permitted by anyone other than law enforcement officials under the correct circumstances as set out in law. After its legal counsel and senior Management have reviewed the policy and the above issues, the Company will meet with the Union to discuss the findings and any proposed changes to the policy and practice prior to implementation. Disagreements will be handled through good faith discussion prior to either party advancing a grievance on the policy.

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SENIORITY

During the 2008/2009 bargaining process the parties agreed to change the seniority provisions of the collective agreement so as to establish a permanent Company seniority date for all current Casuals and future Employees.

In order to facilitate these changes, as of the date of ratification the casual hours seniority list will be frozen and the casual employees on that list will be assigned that date as their permanent Company seniority date, but will be placed in specific order of seniority by the hours that they have worked.

Existing Owner Operators, part-time and full-time Employees will retain their existing seniority date.

Any Employee or Owner Operator hired after that date will be assigned their date of hire as their Company seniority date.

NEW LETTER OF UNDERSTANDING
Summary of principles between DHL Canada and CAW Canada (Alberta)

During the latest round of negotiations in DHL proposed a number of changes to deal with massive losses that have occurred in different parts of the business.

The Parties have spent an extensive period of time discussing these issues and looking for solutions. It is recognized that each part of the country has its own uniqueness and the Company and Union agree to the following principles to be used as a guideline when the local bargaining committees resume discussions towards reaching a collective agreement.

Therefore the following items are in general agreement and will be part of a settlement in each location when the parties have an opportunity to deal with the local issues and other items that are raised during the course of the collective bargaining process.

1. Contracting Out

During the 2008 / 2009 collective bargaining, the Company advised the Union that it plans to restructure the business across Canada and tabled a list of locations that it intended to close or discontinue service with a plan to third-party / contract out these locations.

Whitecourt Brooks High Prairie

Peace River Manning Slave Lake

Athabasca Hinton Edson

Bonnyville High Level Vermillion (partial)

The Union recognizes that the express business is under severe pressure; however, any restructuring must be done ensuring that employees are fairly compensated for a layoff / termination from the Company as a result of this restructuring based on the provisions below. The Union also reserved the right to put forward an alternative strategy for future locations, and, if it can be demonstrated that such a strategy is viable, then the Company will consider such alternative.

The restructuring period will be in effect until all facilities identified to the Union have been closed down.

The following procedure will apply when a restructuring (facility closures or contracting out) is to be considered:

- (a) The Company will notify the Unit Chair or President of the Local Union and the National Representative in writing stating the reasons for such action.

- (b) The Company commits to continually monitor all contracted out work and agent usage to determine the economic viability of having the work transitioned back to the DHL brand and DHL employees and/or Owner Operators. The Company also agrees that any work formerly performed by CAW members which is again performed by a DHL employee, or in a DHL branded or painted truck will immediately become covered again under the collective agreement. The Company agrees to provide relevant information to the Union in writing including the financials in order to allow the Union to investigate. The Company will also provide any financial information to the Research & Benefit / National Representative of CAW to ensure an informed evaluation can be made. The Union agrees to sign any necessary confidentiality documents to receive this information.
- (c) Within fifteen (15) days, the Company and the Union will meet to review all of the relevant information including the implementation of a viable strategy jointly or otherwise.
- (d) The Company has committed that no line haul, warehouse or clerical position will be contracted out.

Major Centre Parameters

The major centres listed below will not be contracted out in their entirety during the life of the Agreement and will be protected from contracting out as per the collective agreement and the provisions listed below.

If there is a major loss of business in a major centre listed below that requires change, the Company will first pursue its ability to reroute, abolish runs, and apply facility consolidation. If these measures are instituted and there are still problems, the Company may contract out a route or routes in each major centre up to a maximum of ten percent (10%) of the total province's number of Owner Operators at the time (calculated every anniversary) unless otherwise mutually agreed with the Union in writing. The Company will not use this percentage to close or contract out an entire facility identified below.

The Company will justify each move outlined above to the Union using the procedure outlined in item #1 above.

Any P&D contractor must load and unload their freight to their vehicle at a DHL Unionized facility. The Company is in agreement with the principle that our warehouse staff will prepare the loads and unloads and the language may need to be revised for any HQ loads. The intent is that no contractor shall perform warehouse work at DHL facilities.

Major Centres for Alberta - Calgary * Edmonton * Red Deer *

* These areas will be protected from a complete closure over the life of the Agreement.

2. Bumping

The Company respects the Union seniority principles as outlined in each collective agreement. The Union and the Company agree to cooperate fully in order to change areas of the collective agreement in reducing the domino effect of bumping and to hasten the process and limit it to a maximum disruption of five (5) days overall after the required information has been fully provided unless agreed to otherwise.

In restructuring initiatives and facility re-routes, the Company and Union agree to the principles noted above, as well as, working together to develop a single move of Union members (a paper bump).

3. Route Flex

The Company and the Union agree to adopt the language noted below from the BC agreement and to have it written into all collective agreements:

“In the event it is determined that the Owner Operator is unable to make a delivery(s) or pickup(s) in his or her area, Management reserves the right to assign these stops to surrounding routes in order to maintain customer service.”

“The above is not to be used on an ongoing basis but rather is intended for one-off or short term situations.”

It is further understood that the Company’s position is that all hourly rated Driver positions shall be flexible, in accordance with the operational needs of the Company and the service levels to our customers. It is also understood that seniority will be respected in the application of this clause.

4. Three (3) Hour Minimum

It is agreed by the parties that the application of the casual language regarding minimum hours of work as applied in the Alberta CBA (casual warehouse) shall be applied in all collective agreements subject to current Local practices as to type of work performed.

Work Assignments - General

In the event that employees have not finished assigned work within their scheduled shifts or volunteered for extra work, employees will be required by reverse seniority to remain on shift until all work has been completed or they have been permitted to depart the work site by the Supervisor or Manager.

5. Payment Methodology for Owner Operators

The Company presented a new payment system for Owner Operators as it believes that the current system does not meet the needs of the Company or the Owner Operators.

The new payment methodology as outlined below will be implemented within sixty (60) days of ratification. The current fuel escalation formula outlined in each collective agreement shall remain in full force and effect. The Unit Chair and two (2) Owner Operator representatives selected by the Union from each province will form a Committee to be consulted on paid time on the implementation of the new methodology and to address any issues arising in an effort to make the transition as smooth as possible. In addition, the Company commits to extensive monitoring of this payment process and agrees to consult with individual Owner Operators on any and all issues that negatively impact their individual payments.

The parties will ensure that a minimum bi-weekly guarantee of two thousand dollars (\$2000) will apply to all Owner Operators provided this amount is greater than any guarantees already in place.

The Company commits to guarantee that at least eighty percent (80%) of all Owner Operator routes by location shall earn at least the same earnings on the route compared to current methodology in each agreement.

It is understood that the Company intends each route to be completed within ten (10) hours excluding lunch and breaks under the new payment methodology. Once new routes are implemented, the Company will not reroute an Owner Operator unless there are verifiable service failures within a route, as a result of decreased volumes, or a consistent failure to meet time definite or day definite services.

Owner Operators may request a route review at any time and these requests will be handled on an expedited basis through the following procedures:

- A Supervisor or Manager must arrange for a route ride-along or follow along within seven (7) working days of the request being received.
- Any agreed-upon adjustments to rates, volume, stops, or area will be retroactive to the date of the request for a route review.
- The Company will ensure that a team of senior Management from the Operations Department is assigned on an ongoing basis to assist in speedy resolutions of disputes arising out of requests for route review.

6. Severance

The severance benefits outlined in this document is a one time offer to Owner Operators and hourly employees for closures, contracting out, facility consolidation, and re-routes as per severance listed.

Severance benefits identified in each region's CBA may be nullified with the acceptance of this offer based on discussions in local bargaining where it can be shown that the overall total of severance provided under this Agreement meets or exceeds the severance in each Agreement. Situations falling outside of the current restructuring /

rerouting initiatives of the Company are not intended to be captured in this understanding.

Hourly Employees

If the termination is as a result of a closure or contracting out of an area or abolishment of hourly driver runs due to closure, facility consolidation or contracting out, then the Company agrees to offer severance pay based on the following:

- Two weeks per year of service (prorated) based on forty (40) hours per week at straight time for full time status employees on date of ratification. Severance for part-time employees shall be based on average earnings for the previous twelve (12) months active paid earnings.
- Extended benefits – Company will continue to provide benefits as per Company policy with salaried personnel for six (6) months following date of termination.

Owner Operators

Initial Restructuring and Reroutes

Under the initial major restructuring reroutes - \$11,500 total for 10+ years in a reroute, \$8000 total for 5-10 years in a reroute, and \$4500 total for 5 years and under in a reroute.

Other Initial Restructuring

Under the current major restructuring, those Owner Operators impacted by a facility closure, contracting out, facility consolidation will be paid severance calculated at two (2) weeks per year of service (prorated) at fifty (50) hours per week based on the straight time hourly P&D driver rates per region. This formula will also be offered to any re-route in an area already listed on the restructuring lists provided to the Union during the week of January 19-23, 2009.

Further Re-Routes

Owner Operators affected by a reroute after the initial major restructuring will be paid severance of \$10,000 total for 10+ years in a reroute, \$7000 total for 5-10 years in a reroute, and \$4000 total for 5 years and under in a reroute. This clause shall be in effect for two (2) years after the date of ratification of each collective agreement.

Further Restructuring

Those Owner Operators impacted by a facility closure, contracting out, facility consolidation will be paid severance calculated at two (2) weeks per year of service (prorated) at forty (40) hours per week based on the straight time hourly P&D driver rates per region.

7. Wages and Compensation

- The General Wage Increase (GWI) will be 2.5%, 2.5%, 2.5%, and 2.5% in each year of the Agreement effective on the ratification date of each Agreement.
- The GWI outlined above will be applied to all hourly wages retroactive from the expiry date of each collective agreement for all hours worked.
- For P&D Owner Operators, the GWI percentage increase will be applied retroactively from the expiry date of each collective agreement to all aspects of the current payment methodology as per past practise for increases to these classifications.
- For Heavy Equipment and Line Haul Owner Operators, the GWI percentage increase will be applied retroactively from the expiry date of each collective agreement as per past practise for increases to these classifications.
- For P&D Owner Operators, the GWI percentage increase applies to: Pieces, Stops, Core Zone, and Quality Payments.

8. Restructuring Issues

- The Company agrees to work with the Union on language to protect severance pay from EI claw backs.
- The Company agrees to provide the Union with \$500 per person in affected by contracting out or closures to put an Adjustment Committee funds. The Company will work with the Union in each province to provide office space to set up an Action Centre for the Adjustment Committee to perform its work.
- The severance packages may be put in escrow where possible provided there are no additional costs to DHL.

SCHEDULE A – FEES (NEW PAYMENT METHODOLOGY)

- It is understood that Schedule A – Fees will remain in place in its entirety as a result of the new payment methodology except for the following changes:
- Instead of the items in 1-10 (original waybills, non billable waybills, 9:00am's, dangerous goods, cash collects, over weights (per pound), residential, and security waybills), the following new methodology will be used based on the Framework agreement consultation and implementation provisions:

Owner Operator Minimum Rates will be as follows:

OWNER OPERATORS 2014- 2016

Alberta	Current	1-Jan-14	1-Jan-15	1-Jan-16
	Increase	2.00%	2.00%	2.75%
Stop	1.290	1.316	1.342	1.379
Piece	0.230	0.235	0.239	0.246
Quality Payment	48.45	49.42	50.41	51.79
Minimum (Calgary)	305.08	311.18	317.41	326.13
Minimum (Edmonton)	272.25	277.70	283.25	291.04

See Core Zone Tables

<u>Quality Payment</u>	01/01/14	01/01/15	01/01/16
Time Definite	\$16.47	\$16.80	\$17.26
Deliveries	\$16.47	\$16.80	\$17.26
Pick-ups	\$16.47	\$16.80	\$17.26

The Owner Operator shall receive remuneration based on the formula:

(Core Zone x # of stops) + (# of stops x rate) + (# of pieces x rate) + Quality Payment = Total + Bonuses

Density is based on kilometers/stop and will be used to calculate the Core Zone.

The Quality payment is calculated using the following criteria:

- Time Definite Deliveries
- Completing all assigned deliveries
- Picking up all assigned pick-ups

APPENDIX A – OWNER OPERATOR

ARTICLE A-A10: HEALTH AND WELFARE/W.C.B. COVERAGE

A10.01 (1) 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.

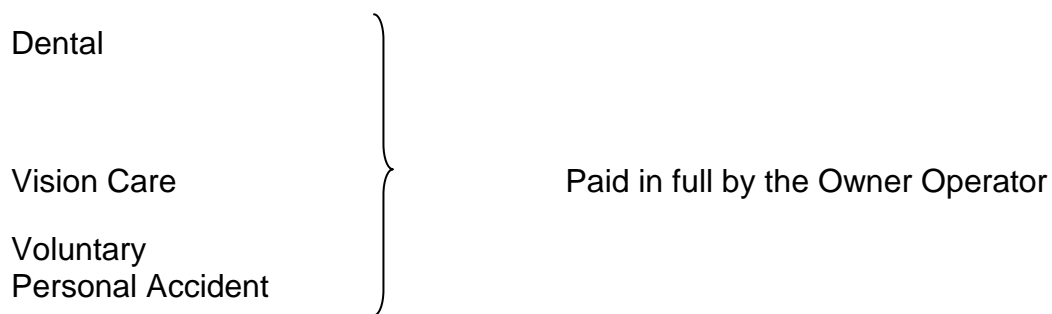
The Company will deduct cost of benefits opted for from the Owner Operator invoice.

- 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 \$65.00 yearly.

A10.01 (2) 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



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).

A10.01 (3) 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 two (2) year waiting period will be waived. Evidence of insurability will be required if employee life insurance is chosen at this time.

- A10.01 (4) 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 B).

- A10.01 (5) The Company shall not lower, change, modify or delete any benefits in place during the term of this agreement without the Union's agreement. Should it be necessary to change benefit providers, and the composition of the benefit package is unable to be maintained in its current form, the parties agree to meet to resolve the issue prior to any change being implemented.

ARTICLE A-A18: REROUTES

The Company will not reroute an Owner Operator unless there are consistent verifiable service failures within a route, as a result of decreased volumes, or a consistent failure to meet time definite or day definite services.

When reroutes are done they must be done so by area not on an individual customer basis unless that customer's service requirements are the issue behind the reroute.

Owner Operators shall be entitled to all customers within their route area plus any new customers that move into or start dealing with DHL in their route area.

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 125 working days immediately before the reroute, and that daily average to be the minimum earnings paid to the Owner Operator for the fifty (50) working days immediately following the start of the reroute or the loss of the stop(s), which shall be paid on the regular bi-weekly pay cheque.

The removal of an individual stop from an Owner Operator route as a result of a disciplinary measure or for service related issues will not be considered a reroute and will not trigger the compensation above.

Prior to any reroute, the Company will provide advance notice, as detailed in Article A-A27.09 and will provide the Owner Operator(s) the opportunity to discuss the reroute change(s) or to propose a resolve to the service issue(s). The Owner Operator(s) will have ten (10) calendar days to submit any recommendations, suggestions in writing which will be reviewed by the Company and if it resolves the service issue then that change will be implemented.

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(s).

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 linehaul.

ARTICLE A-A27: ROUTE BIDDING, REDUCTIONS

A27.01 When reducing Owner Operators at any location, the Company will reduce the junior Owner Operator according to company seniority at such location if it is practicable to do so.

A27.02 An Owner Operator who is affected by Article A-A27.01 may:

- (a) Elect to be placed on lay-off status, subject to recall, or
- (b) Accept any Owner Operator vacancy that arises within his/her branch or
- (c) In the event no Owner Operator vacancies exist within the Branch the Owner Operator may then displace the junior Owner Operator at their branch, seniority permitting, or failing that, the junior Owner Operator in the province.

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

A27.03 An Owner Operator who is awarded a vacant hourly rated position will retain their company seniority date. 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 change to hourly status.

A27.04 The Company will post Owner Operator vacancies for five (5) days at all locations and fill the vacancy with the senior applicant from that branch and then Province. All postings shall be numbered and dated as well as copied to the Local Union Chairperson and the Local Union office.

The successful applicant for an Owner Operator posting must provide documentation within thirty (30) calendar days of the posting being awarded in writing that the required vehicle has been secured.

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 thirty (30) calendar days of the position being offered.

Route postings will contain a full description of the route and its boundaries as well as any exceptions or anomalies for that route. All information provided will be based on historic factors and may be subject to change with the normal fluctuations of business.

All Owner Operators shall assume their new postings within thirty (30) calendar days.

The Company agrees to post the additional following information:

Daily average earnings based on the previous sixty (60) working days

Average kilometres travelled

Area

Vehicle size

Average estimated number of stops, pieces, route density and core zone payment

Outstanding termination grievances

(The above is subject to change based on normal business fluctuations)

A27.05 Company 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, seniority.

A27.06 Owner Operators will be given not less than thirty (30) calendar day's written notice cancellation of their Business Agreement (Schedule "B"), or pay in lieu of subject to all other provisions of this Collective Agreement. No notice is required if the Business Agreement is cancelled for just cause or default.

"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.

A27.07 Should the Company transfer a route or routes from one location to another the incumbent Owner Operator who transfers locations with his/her route will transfer with his/her Company seniority.

A27.08 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 is as per existing practice.

A27.09 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 forty-five (45) days will be given to the affected Owner Operator(s).

The Company will make every effort to provide forty-five (45) days advance written notice of all other major route alterations. The local Shop Steward will be copied on any such notice.

A27.10 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 A-A28: EQUIPMENT

A28.01 The Company assumes responsibility for supply and installation of the striping kit (decals). 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/decals on termination in accordance with the price available to the Company.

A28.02 The Company reserves the right to refuse to sign Business Agreements (Schedule "B"), or terminate present Business Agreements (Schedule "B") 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 seventy-five (75) days written notice to meet appearance standards.

A28.03 A second malicious occurrence causing a loss of or damage to a scanner shall not have discipline imposed but the Owner Operator shall be responsible to pay the company the full cost of replacement or repair of said scanner.

ARTICLE A-A29: OWNER OPERATOR LOANS

A29.01 An Owner Operator will be eligible for an interest free loan up to a maximum of \$1,500.00 towards vehicle operational costs or, as a new Owner Operator to defray start up expenses.

a) Loan application must be done in writing accompanied by proper documentation identifying the repairs/maintenance to be completed by a third party in the case of an operating loan.

No supporting documentation is required for a start up loan, however, if the new Owner Operator can not prove that he/she has an owned or leased vehicle at start up, the loan may be denied.

b) No loan application is approved unless and until DHL Finance has verified and accepted the loan request and supporting documentation. This process will be completed within 20 business days of the date of the loan.

c) Repayment will be a minimum of equal bi-weekly installments over a period no greater than 12 (twelve) months, auto deducted through the Company payroll system. This deduction will be held to a minimum of \$60 per pay unless otherwise agreed to with the Owner Operator.

d) If an Owner Operator's 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, and the resulting "top off" loan can be proven to be an emergency situation with supporting documentation.

A29.02 Any newly converted Owner Operator will be afforded an interest free credit limit of up to \$1,500.00 to defray startup expenses, etc. repayable over twelve (12) months.

A29.03 The Company shall reimburse to the new Owner Operator the cost of professional fees or licensing up to a maximum of \$250.00 specializing in the transportation industry, for assistance in setting up his/her business. Receipts are required.

ARTICLE A-A30: MISCELLANEOUS

A30.01 Owner Operators who's Business Agreements (Schedule "B") are terminated for just cause will have reasons for same confirmed in writing. Those Owner Operators who terminate their Business Agreements (Schedule "B") voluntarily shall have all monies owing them paid no later than the next scheduled payment day.

A30.02 **New Owner Operators must provide a valid driver's license and a Motor Vehicle Branch full search report at his/her own cost.**

A30.03 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.

A30.04 The Company will reimburse any Owner Operator the cost of Operating Authority, upon presentation of the appropriate receipt to a maximum of \$100.00.

A30.05 All Owner Operators shall only be allowed one route and one vehicle.

A30.06 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, however in no case shall the incurred expenses be more than the revenues generated.

A30.07 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.

A30.08 Owner Operators shall not be required to subsidize the cost of developing or maintaining any scanner or payment system.

A30.09 The Company will pay all Owner Operators by direct deposit by 9 a.m. or when the bank opens on payday Thursday. The Owner Operator pay week will be from Friday to Thursday.

Only shortages that have resulted due to a Company error and are equal to one day's average earnings or more will be paid by manual cheque, within 3 business days of the Company being notified.

Owner Operator invoices will be submitted by the end of the day when the work was performed. A shortage in pay that is the direct result of the failure to submit an invoice(s) will not be reimbursed through manual cheque.

From time to time, the Company may be required to close a pay period early in order to comply with payroll cutoffs imposed by the payroll provider. In these instances, full day estimates for all Owner Operators may be required and any resulting adjustments will be done on the following pay period.

A30.10 Owner Operators who obtain coverage through the Company's cargo insurance will be assessed a monthly charge of ten dollars (\$10.00).

A30.11 A person approved by the Local Union will be present during all of the Owner Operator Business Agreement signings as a witness to the negotiation and a copy of the signed Agreement shall be sent to the CAW Local Union office in Edmonton.

The Business Agreement shall be signed for the duration of the Collective Agreement unless changes occur during a reroute after which a new business agreement shall be signed.

The Regional Operations Director or designate shall have the only signing authority for all Owner Operator Business Agreements.

It is agreed between both parties that during the negotiations of the Business Agreements, Schedules A & B and Appendix C shall be included as one document. This process shall also include the signing of Business Agreements with new Owner Operators.

A30.12 The Company and the Union agree to the following Liability Waiver for use when a Company Representative is required to accompany an Owner Operator in their vehicle.

“The Company agrees to accept all liability for any or all persons that it authorizes to accompany any Owner Operator in their vehicle during the course of the business day while on their route, provided that the person is pre-authorized by the Company. This waiver is valid if the vehicle meets the mechanical safety standards as set out by the Province of Alberta.”

No person pre-authorized by the Company will be allowed to ride in any vehicle that does not have a legal passenger seat or restraining device.

A30.13 If an Owner Operator anticipates that a single stop will occupy too much time or that a stop will bulk out their vehicle thus causing the potential for a negative impact on the quality payment, the Owner Operator must contact their Direct Supervisor to request relief from the situation. The company will make alternate arrangements to complete the stop which in no way will negatively impact the quality payment paid to the Owner Operator. Such requests will not be unreasonably denied.

A30.14 Where an Owner Operator remains on his/her route under the Modified Work program, the Company agrees to reimburse the cost of a swamper up to a maximum of \$150/day.

A30.15 Owner Operators will, upon proof of payment, receive a reimbursement to a maximum of \$100 towards the premium paid for DG Insurance coverage.

Schedule A – FEES (NEW PAYMENT METHOLODOLOGY)

- It is understood that Schedule A – Fees will remain in place in its entirety as a result of the new payment methodology except for the following changes:
- Instead of the items in 1-10, and 13 (original waybills, non-billable waybills, 9:00am's, dangerous goods, cash collects, over weights (per pound), residential, security waybills, and rural mileage), the following new methodology will be used based on the Framework agreement consultation and implementation provisions:

Owner Operator Minimum Rates will be as follows;

OWNER OPERATORS 2014- 2016

Alberta	Current	1-Jan-14	1-Jan-15	1-Jan-16
	Increase	2.00%	2.00%	2.75%
Stop	1.290	1.316	1.342	1.379
Piece	0.230	0.235	0.239	0.246
Quality Payment	48.45	49.42	50.41	51.79
Minimum (Calgary)	305.08	311.18	317.41	326.13
Minimum (Edmonton)	272.25	277.70	283.25	291.04

<u>Quality Payment</u>	01/01/14	01/01/15	01/01/16
Time Definite	\$16.47	\$16.80	\$17.26
Deliveries	\$16.47	\$16.80	\$17.26
Pick-ups	\$16.47	\$16.80	\$17.26

The Owner Operator shall receive remuneration based on the formula:

Core Zone x # of stops) + (# of stops x rate) + (# of pieces x rate) + Quality Payment =
Total + Bonuses

Density is based on kilometres/stop and will be used to calculate the Core Zone.

The Quality payment is calculated using the following criteria

- Time Definite Deliveries
- Completing all assigned deliveries
- Picking up all assigned pick-ups

Owner Operators will be expected to make every effort to perform 9:00 am and Time Definite deliveries. If it is determined that the Owner Operator cannot perform said deliveries within the service requirement, they will be required to discuss with the appropriate Manager that alternate arrangements will need to be made for said deliveries where possible. For the purposes of 9:00am and Time Definite deliveries only, Owner Operators may deliver in another Owner Operator's are to successfully complete 9:00 am and Time Definite stops.

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.

12. Specials:

This is 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 top hourly rate.
- b) Driving Specials - Minimum rate equivalent to the top hourly rate for the Courier Driver Classification.

13. Rural Mileage:

(Based on point to point through miles originating at the branch does not include in town pickup and delivery mileage)

	<u>Oct 1/08</u>	<u>Oct 1/09</u>	<u>Oct 1/10</u>	<u>Oct 1/11</u>
3/4 ton van	\$0.27 km	\$0.27 km	\$0.27 km	\$0.27km
Dual Wheel Units	\$0.31 km	\$0.31 km	\$0.31 km	\$0.31km

Above mileage rates are minimums. Additional fuel escalation rates apply as per item #14.

14. Fuel Escalation Program:

Average daily kilometers 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 kilometers 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 .508/ltr. In addition, rates will increase for changes over this base pump price based on two separate averages.

The following process will be in effect for determining the average price of fuel for Alberta branches:

- a) All branches will report the posted price (which includes GST) in their location at the open of business on the 1st and 15th of the month (or the first business day from these dates).
- b) The price will be taken from the same establishment every month, the location of which will be mutually agreed upon by both parties.
- c) One average fuel price will be calculated for Edmonton and Calgary routes that operate directly out of the city branches (Edmonton International Airport location would be included in this category). This average price will be based solely on Edmonton and Calgary reported prices.

A separate average fuel price will be calculated for Rural AB branches, and depot locations where the route start and finish does not include the main branch. This average price will be based on reported prices from Medicine Hat, Lethbridge, Red Deer, Grande Prairie, and Vermilion.

\$0.01/km for changes in base fuel price as follows:

	<u>City</u>	<u>Rural</u>
Van	0.04	0.05
Cube	0.03	0.04
5Ton	0.03	0.035

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 recalculated and posted at all locations on the 1st and the 15th of the month (or the first subsequent business day from these dates).

15. DHL requested claims inspections:

Where a claims inspection is requested, a 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 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.

01/01/14	\$6.64
01/01/15	\$7.08
01/01/16	\$7.27

16. 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 12 above - Specials.

17. Unloading of trucks:

The company will continue the practice of unloading Owner Operator vehicles at its Edmonton and Calgary facilities.

It is further agreed that the Owner Operators will:

- 1) Segregate and tail load all envelopes and Express packages.
- 2) Segregate and tail load all Dangerous goods.

18. 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.

19. 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 ninety (90) days to acquire the new equipment. Time extensions will not be unreasonably denied.

20. In the event a change in equipment is required to meet mechanical worthiness standards (as determined by a licensed mechanic paid for by the company), 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.

21. In the event the Company introduces a Pager system, handheld or any other device cost any cost associated with this system shall be borne in full by the Company.

22. It is understood that any bi-weekly minimum implemented will be applicable to 10 working days within a pay period (9 in the case of a statutory holiday). Any Owner Operator required or requested to work additional days within the pay period will be compensated through a negotiated rate of pay.

SCHEDULE (B) - BUSINESS AGREEMENT

6. The owner-operator agrees to:

j) 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.

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")

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 ninety (90) days notice of the conversion to 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 (based on three (3) independent quotes paid for by DHL), 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) It is understood that any Owner Operator that takes an hourly driving position as a result of these provisions will be awarded a forty hour per week position. If no such position exists, then the Owner Operator may exercise their rights to bump in the new classification.
- 8) If, prior to the notice under paragraph one 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 Letter of understanding may be submitted to arbitration in accordance with Article 4 of the Collective Agreement.

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PAYMENT FROM ELECTRONIC DEVICES

During the term of this agreement, the Company intends to implement the paying of Owner Operators from the hand held device thereby eliminating paying from Owner Operator invoices.

The Company will work with the Union and Owner Operators to develop, test, and only if successful, implement the electronic payment.

It is agreed by both parties that a pilot project will be implemented at a branch of the Company's choice for a period of sixty (60) working days, in the province of Alberta. At the expiration of the sixty (60) working days the Company will meet with a committee of no less than three (3) Owner Operators appointed by the Union for the purposes of studying and resolving any issues related to the program.

This program will not be implemented without the Union's approval in writing.

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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 thirty one (31) days of ratification, they will be provided with a \$25.00 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.

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OWNER OPERATOR VACATION

The Company will investigate the Ontario model for vacation relief to determine the feasibility of implementing in AB. It is necessary to properly evaluate the rural nature of the routes as well as the price/availability of contractor options vs. relief driver use.

If feasible, a program could be developed for the year 2014

APPENDIX B – HOURLY EMPLOYEES

ARTICLE A-B9: EQUIPMENT

- B9.10 (e) 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.
- (j) Windshield washer solution and motor oil shall be made readily available at all times at the Company's expense for Company vehicles.
- (o) All new vehicles will be equipped with adequate heaters, air conditioning, am-fm radios, 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.
- B11.09 The Company will provide qualified competent people to move vehicles on company property when required who shall do so in a safe and proper manner.

ARTICLE A-B10: HEALTH AND WELFARE

- B10.01 (1) 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 shall not lower, change, modify or delete any benefits in place during the term of this agreement without the Union's agreement. Should it be necessary to change benefit providers, and the composition of the benefit package is unable to be maintained in its current form, the parties agree to meet to resolve the issue prior to any change being implemented.

- B10.01 (2) 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.
- B10.01 (3) The Company will provide the medical and hospital services plan for those eligible Employees who work a minimum of twenty (20) hours per week.
- B10.01 (4) 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.
- B10.01 (5) 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 five hundred dollars (\$500.00) per week for the first fifteen (15) weeks. 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.
- B10.01 (6) 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 five hundred dollars (\$500.00) per week. The total disability period shall be a maximum of eighteen (18) months calculated from the commencement of the short-term disability claim.
- B10.01 (7) 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).

B10.01 (8) 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 A-B12: LEAVES OF ABSENCE

B12.01 (1) **Bereavement Leave:**

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 four (4) 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.

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 the Employees' domicile.

B12.01 (2) **Jury Duty:**

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.

B12.01 (3) Leave of Absence:

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 mutually agreed to in writing between the Company and the Union.

B12.01 (4) Maternity/Paternity Leave:

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 A-B16: MEDICAL EXAMINATIONS

B16.05 (1) 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.

B16.05 (2) 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 A-B27: SCHEDULING WORKING HOURS AND OVERTIME

B27.01 The Company and the Union designates at a depot shall meet monthly to review all hours available for the purpose of maximization to determine future postings or increases to existing postings.

The Company shall maximize all hours at each depot to provide the most full time eight hour shifts possible.

The Company must also maximize shifts of less than eight (8) hours in length by combining all available hours to build shifts as close to eight (8) hours as possible. This will include casual hours.

B27.02 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 A-B27.07 and A-B27.08. 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.

The Company shall provide a minimum of two (2) hours notice for mandatory overtime except in the event of an emergency where employees will be required to work on short notice. Where it is proven that the Company did have two (2) or more hours notice but used the short notice requirement, then all overtime hours worked shall be paid at double time.

B27.03 Any regular full-time or part-time Hourly 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.

B27.04 Any full-time or part-time Hourly 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.

B27.05 The following employees will be grandfathered on the banked OT program:

Therese Slinger

Jason Bryan

B27.06 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.

B27.07 Regular part-time Hourly Employees will be given the first opportunity by company seniority and by classification to supplement their hours of work by indicating their desire in writing to be called for additional hours.

B27.08 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 Hourly 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 Hourly Employees by:

- a) Providing to the Union a monthly list of all temporary agency Hourly 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 Hourly Employees with the view of investigating ways and means to return this work to bargaining unit Hourly Employees, i.e. creation of seasonal temporary positions (vacation relief).

B27.09 All Hourly 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.

- B27.10
- (a) The Company, wherever practicable, will endeavor to utilize the qualified available Hourly Employee with the most company seniority in that classification for overtime assignments when those assignments are known in advance and involve four (4) or more hours of work.
 - (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 company 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 Clause A-B27.10 (a). In this situation, overtime will be voluntary down the seniority list for qualified Hourly Employees and mandatory up the seniority list for qualified Hourly Employees based on company seniority within the classification.
- (d) The maximum mandatory overtime will be twenty-five (25) hours per month.

B27.11 All Hourly 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.

B27.12 All shifts over five (5) consecutive hours shall have a one half (½) hour unpaid meal break, between the third (3rd) and sixth (6th) hour, unless otherwise mutually agreed to by the Company and the Employee.

B27.13 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 A-B28: HOLIDAYS

B28.01 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
First Monday in August	

*The Company may substitute lieu days for Family Day and/or Remembrance Day for all Hourly Employees or part of the Hourly Employees eligible for these holidays. Such lieu 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 lieu day.

B28.02 An Hourly Employee shall be paid for any statutory holiday falling during his/her vacation, in addition to vacation pay.

B28.03 If a recognized holiday occurs during an Hourly 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.

B28.04 Eligible Employees are those Hourly 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.

B28.05 Part-time Hourly Employees will be paid five percent (5%) of his/her previous thirty (30) days earnings for the holiday.

Full-time Hourly 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.

B28.06 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.

B28.07 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.

B28.08 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.

B28.09 In the event a statutory (general) holiday is proclaimed by the Federal or Provincial Government, such holiday shall also be observed if not already listed in the above holidays.

B28.10 In the case of a general holiday falling on a Monday, Hourly 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.

B28.11 It is agreed for the Statutory Holidays of Family 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 A-B29: VACATION AND VACATION PAY

B29.01 No later than the 15th of January of each year, the Company will post on the Union bulletin board a list of Hourly Employees in order of seniority using the Employee's respective Company seniority dates.

B29.02 Each Hourly 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.

Such approval or disapproval shall be given in writing within fourteen (14) calendar days of the request.

The completed vacation schedule shall be posted by April 15th and copied to the Local Chairperson and Local Union office.

B29.03 The Company shall permit at least ten percent (10%) of the Employees within each shift of each group at each depot and covered by this Agreement, to take vacation at the same time.

B29.04 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 A-B29.02.

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 ie. 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).

B29.05 Full-time and part-time Hourly 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 will be paid the greater of:

- all amounts accrued to their vacation bank from the preceding (12) months allocated over the number of hours of entitlement
- or the vacation weeks entitlement at their current rate of pay

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

- B29.06 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 A-B29.05 above.
- B29.07 Vacation pay shall be paid to the Employee by separate cheque with the pay immediately preceding his/her departure on vacation by request only. Otherwise, the Employee shall receive their pay as per the normal schedule.
- B29.08 Hourly 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.
- B29.09 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.
- B29.10 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.
- B29.11 Sixteen hundred (1600) 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.
- B29.12 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.

- B29.13 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.
- B29.14 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 A-B30: SICK LEAVE BENEFITS

- B30.01 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.
- B30.02 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. Unused sick leave days will be paid out at straight time rate at the end of each anniversary year.
- B30.03 There will be no loss of Company 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.
- B30.04 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.
- B30.05 Dependent Contractors who have transferred from hourly status will be paid out immediately upon signing.
- B30.06 Employees will be eligible to use their sick leave entitlements for day care conflicts, family emergencies, and dental/medical appointments.

ARTICLE A-B31: HOURLY SENIORITY

- B31.01 Under the following conditions an Employee shall have the right to exercise his/her Company seniority to any position within their Group to which his/her Company seniority will entitle them at their location:
- 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.

B31.02 Casual workers will be allotted work or called in for work in company seniority order by location. A casual employee who works no hours in a calendar month by their own choice by refusing hours or shifts or by making themselves unavailable shall lose their seniority and shall begin their seniority accumulation over again once they work new hours or shifts.

- (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 N1.05 (b) and (c) 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 B7.02 (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 for four (4) weeks in seven (7) or
- (ii) The work has, after the fact, resulted in an average of twenty (20) hours per week for four (4) weeks in seven (7).

In order to ensure the Company is able to schedule an adequate number of Hourly Employees on each shift, Casual Hourly Employees will provide the Company with their available dates on a bi-weekly basis.

- (c) 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 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.
- (d) 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.

B31.03 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 seniority shall be established retroactively from his/her date of last hire.

B31.04 An Employee shall lose his/her Company 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.

B31.05 An Employee shall forfeit his/her Company seniority if he/she does not notify the Company, 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.

B31.06 Employees and Owner Operators on leave of absence or vacation may apply for job postings, vacancies or positions while away by submitting written notification to their Supervisor or Manager prior to leaving or during the posting process.

B31.07 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 A-B31.02 Any subsequent reimbursement shall be provided every additional 2,080 hours of warehouse work performed.

ARTICLE A-B32: LAYOFFS

B32.01 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 Group shall be the first to be laid off in reverse order of company seniority; no casual shall be able to bump any part time or full time employee.
- (b) A part time or full time employee with the least Company seniority within the group 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 Company seniority to bump any junior employee within the same group at the depot, or

(ii) If no position is available at the depot, the employee may exercise his/her company seniority to bump an employee with less company seniority within the same group at any other location covered by this agreement. The employee in this case shall retain their company seniority upon transfer to the new location

(d) If the Employee does not obtain a position through the exercise of seniority rights, the Employee shall be laid off.

B32.02 When adding to the work force of Employees covered by this Agreement, any Employees previously laid off will be recalled on the basis of Company seniority by group and by depot 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.

Part time and full time employees will be recalled prior to any casual employee regardless of seniority.

B32.03 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.

B32.04 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.

B32.05 Technological Change:

The Definition of technological change to include operational and organizational change, the provisions of the Canada Labour Code to apply.

B32.06 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.

B32.07 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 A-B31.01 shall apply.

ARTICLE A-B33: JOB POSTING

B33.01 (a) When an Employee permanent vacancy occurs for any reason, the Company will post within five (5) days at all locations of the Company in the Province, 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 Local Chairperson and Local Union Office. 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. The posting will be awarded first by Company seniority within the Branch then the Province Employees shall assume their new postings within (30) calendar days

If an Employee or Owner Operator is qualified and awarded the vacancy, he or she must be willing and available to commence duties at the new Branch within thirty (30) days of the position being awarded.

(b) All existing Employees or Owner Operators who are awarded a posted position must serve a sixty (60) 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 sixty (60) 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.

B33.02 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.

B33.03 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 Local Chairperson and Local Union Office.

B33.04 Should a full- time or part 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 Company seniority by group 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.

- B33.05 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 forty eight (48) hours and will be awarded to the senior qualified Employee or Owner Operator as per A-B33.01 above.

When hourly positions are restructured and the result is less or the same amount of positions after such restructuring then the positions shall be posted and awarded by company seniority in the affected group only.

Should an employee not secure a posting due to restructuring then they may exercise their rights as per A-B32.01 (c) above.

Should the restructuring or movement of employees create a vacancy then A-B33.01 above shall apply.

- B33.06 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 A-B31.01 shall prevail.

ARTICLE A-B34: MISCELLANEOUS

B34.01 LAYOVERS –

- a) 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.
- b) 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.

During this off duty period the Employee is absolved of all responsibility for company property, as long as the agreed to security policy has been adhered to.

- B34.02 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.

B34.03 Employees employed in driving classifications shall be required to produce 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.

B34.04 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 A-B35: CLASSIFICATION AND WAGE

B35.01 FULL AND REGULAR PART-TIME HOURLY EMPLOYEES

Hourly Rates 2014 – 2016

Classification	Year 1 (Jan)				Year 2 (Jan)				Year 3 (Jan)			
	0-3 Months	4-10 Months	11-18 Months	19+ Months	0-3 Months	4-10 Months	11-18 Months	19+ Months	0-3 Months	4-10 Months	11-18 Months	19+ Months
Warehouseperson	\$16.91	\$18.76	\$19.18	\$20.62	\$17.25	\$19.14	\$19.56	\$21.03	\$17.72	\$19.67	\$20.10	\$21.61
Warehouse Customs Specialist	\$16.91	\$18.76	\$19.18	\$20.62	\$17.25	\$19.14	\$19.56	\$21.03	\$17.72	\$19.67	\$20.10	\$21.61
DG Warehouseperson	\$18.16	\$19.91	\$20.35	\$21.88	\$18.52	\$20.31	\$20.76	\$22.32	\$19.03	\$20.87	\$21.33	\$22.93
Sorter/Marker Warehouseperson	\$18.16	\$19.91	\$20.35	\$21.88	\$18.52	\$20.31	\$20.76	\$22.32	\$19.03	\$20.87	\$21.33	\$22.93
Lead Loader	N/A	\$20.57	\$20.79	\$22.36	N/A	\$20.98	\$21.21	\$22.81	N/A	\$21.56	\$21.79	\$23.44
Courier Driver	\$18.05	\$20.06	\$20.51	\$22.29	\$18.41	\$20.46	\$20.92	\$22.74	\$18.92	\$21.02	\$21.50	\$23.37
3 Ton Driver	N/A	\$21.04	\$21.51	\$23.38	N/A	\$21.46	\$21.94	\$23.85	N/A	\$22.05	\$22.54	\$24.51
Relief Driver	N/A	\$20.87	\$21.34	\$23.45	N/A	\$21.29	\$21.77	\$23.92	N/A	\$21.88	\$22.37	\$24.58
Tractor Driver	\$23.97	N/A	N/A	N/A	\$24.45	N/A	N/A	N/A	\$25.12	N/A	N/A	N/A
Clerical	\$15.76	\$16.49	\$17.40	\$18.12	\$16.08	\$16.82	\$17.75	\$18.48	\$16.52	\$17.28	\$18.24	\$18.99
Lead Hand Clerical	\$16.83	\$17.60	\$18.36	\$19.13	\$17.17	\$17.95	\$18.73	\$19.51	\$17.64	\$18.44	\$19.25	\$20.05

Dangerous Goods (DG) Warehouse and Sorter/Marker positions will exist in Edmonton and Calgary only.

Full and Regular Part-time Clerical Employees Include:

- Telephone Clerk (Dispatch)
- Sales Department Clerk
- Billing Clerk
- Audit Clerk
- Data Entry Clerk
- Accounts Receivable Clerk (Calgary,

Edmonton, Red Deer, Vermilion)

- Reception/Switchboard
- Office Clerk/Typist
- General Clerk (Tracing, Claims, Dispatch, Admin.)
- Route Data Entry Clerk
- Sales Coordinator
- Claims Clerk (Edmonton & Calgary)

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 .75 per hour.

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.

B35.02 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.

B35.03 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.

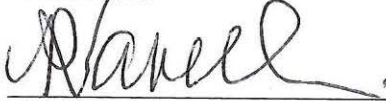
B35.04 At the request of an Employee, DHL Canada will make available a printout stating the actual hours swiped by an Hourly Employee on the Friday prior to the pay period close.

- B35.05 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.
- B35.06 All clerks currently performing split duties working outside of Edmonton and Calgary prior to date of ratification will receive the warehouse rate of pay for their clerical duties.

FOR THE COMPANY:



Greg Hewitt
President

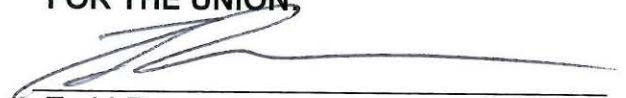


Patricia Vanelli
Senior Director Human Resources



Darryl Wettlaufer
Vice President Operations


FOR THE UNION:



Todd Romanow
National Representative



Alex Tokhi
Unit Chairperson



Jason Bryan
Committee Member



Roger Bontkes
Committee Member

Executed at Brampton, ON this 19 th day of June, 2014

COLLECTIVE AGREEMENT

Between

DHL EXPRESS (Canada) LTD.

And

UNIFOR UNION OF CANADA

LOCAL 4050

ALBERTA APPENDIX



Effective: April 1, 2013 to December 31, 2016

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ARTICLE A1: UNION RECOGNITION

- 1.01 (a) This includes but is not limited to involvement at any step of the grievance procedure.
- 1.17 (j) Should the Local Unit Chairperson be sent back to the regular work force by way of being removed by the Union or if they are not re-elected then the person may bump as per the collective agreement if they are a former hourly employee. Should the Local Unit Chairperson be a former Owner Operator then they shall assume their former position if they had elected to cover that route with a relief driver or elect to be placed on layoff status until a position comes open at which time they may exercise their rights as per the posting and seniority procedures.

The initial Local Unit Chairperson (or their replacement should that person quit or leave office) shall be elected from and by the existing CAW bargaining committee. Beginning in 2013 and all times after that the Local Unit Chairperson shall be elected from the broader membership in a way as devised by the Local Union.

The Company will provide the Union with an office space and facilities at either Edmonton or Calgary for the exclusive use of the Local Unit Chairperson or authorized Union officers and representatives. The Company will provide filing cabinets, desk, chairs, a phone line, and a secure high speed internet connection for the non-private use of the Union in this office.

The Local Unit Chairperson must work out of one of the two cities above but any employee may run for the elected position when it comes available.

The Local Unit Chairperson must fulfill all of the obligations and expectations as set out by the Local and National Union in regards to this position. The Local Unit Chairperson shall report directly to the CAW Local Union Representative, Local President and or National representative. The Local Unit Chairperson shall also be required to document their activities so as to provide updates to the Company. The Local Unit Chairperson shall be subject to all requirements of the CAW Constitution.

- 1.19 (b) Should the Hourly Employee or Owner Operator request a continuation of welfare benefits during such leave the premium will be remitted to the Company by the Hourly Employee or Owner Operator prior to the month(s) in question.
- 1.23 The Company may request that a Union representative, including the Local Unit Chairperson, 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 for an Hourly Employee or Owner Operator. The Company will assume all necessary expenses within Company policies, such policies in place as of March 2009 will be considered the minimum payable.

- 1.24 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.
- 1.25 No member of the Union shall use their personal vehicle to conduct any company business (excluding Owner Operators' regular DHL work vehicle, rentals, or other temporary route replacement vehicles).

ARTICLE A3: GRIEVANCE PROCEDURE

- 3.03 The following procedures will apply when discipline is contemplated.
- (a) The employee will be notified of the charges as soon as the Company is prepared to present them. The Unit Chairperson shall be notified at the same time.
 - (b) When the Union and the employee(s) are notified of the charge(s) as per A3.03 (a) above, an investigation into the allegations shall be scheduled within five (5) calendar days (excluding Saturdays, Sundays and Statutory Holidays) of the charge(s) being presented.
 - (c) When possible, the Union and the employee will be given at least twenty-four (24) hours notice of the hearing and in addition will be given a complete outline of all charges and evidence known at least twenty-four (24) hours prior to the hearing. After the initial hearing, further evidence relevant to the investigation or issues in dispute will be provided within twenty four (24) hours of the company becoming aware of such evidence.
 - (d) The employee may be held out of service for serious incidents, pending an investigation, until the time of the hearing. In determining whether to hold the employee out of service, the Employer will consider the nature of the alleged infraction(s). A decision to hold an employee out of service without pay is subject to the grievance procedure after either discipline is levied or the file is closed. 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 for an Hourly Employee, or, all lost income for an Owner/Operator. Such payment will be made within three (3) working days.

- (e) A Steward or designate will be present at the investigatory hearing along with the employee.
- (f) Any known witnesses and/or known evidence will be called by either party at the hearing and such witnesses will be paid for their attendance at applicable rates.
- (g) A decision will be rendered by the company within seven (7) calendar days following the hearing.
- (h) Either party may request an extension of the time limit(s) outlined above and such requests shall be in writing and shall not be unreasonably withheld.
- (i) Violations of this procedure may render any resulting discipline null and void.

ARTICLE A4: ARBITRATION

- 4.08 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 A5: ANTI-HARASSMENT AND DISCRIMINATION

- 5.01 (c) Anti-harassment and discrimination training will be provided to Management, Union representatives and will be delivered to all Hourly Employees and Owner Operators. The training will be the CAW program with the Company bearing the full costs.
- 5.02 (7) Any findings by a joint committee shall be used only to determine whether a situation or offence has actually occurred and not to determine any form of discipline.

ARTICLE A9: WORK CONDITIONS (HEALTH AND SAFETY)

9.02 Joint Health and Safety Committee:

- e) During all absences of the Union Co-Chairperson, the Company shall recognize an alternate Co-Chairperson designated by the Union.
- f) 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.

- 9.07 (c) Lunchrooms - 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.
- 9.10 (o) Automobile plug-ins wherever installed shall be available for Union Members use.
- 9.15 Where necessary to comply with Transportation of Dangerous Goods Regulations, the Company will have showers at the Edmonton, Calgary and Red Deer Branches.
- 9.17 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, or in use on Company business.
- 9.18 Substance abuse is recognized to be a serious medical and social problem that can affect Employees and Owner Operators. The Company and the Union have a strong interest in encouraging early treatment and assisting Employees and Owner Operators toward rehabilitation.

The Company will continue to provide a comprehensive approach to dealing with substance abuse and its related problems. Company assistance will include referral of Employees and Owner Operators to appropriate counseling services or treatment and rehabilitation facilities.

The Company also provides other services in conjunction with existing company policy and EAP program.

- 9.19 a) The Union and the Company will immediately form an Ergonomic sub-Committee of the Health and Safety Committee composed of the Unit Chair, the Union Co-Chair of the Health and Safety Committee, and at least two (2) additional Union representatives and an equal number of Company representatives. This Committee will meet on paid time at applicable rates at least four (4) times per year.
- b) The Ergonomic sub-Committee and the OH&S Committee will address ergonomic concerns and training on an ongoing and priority basis and will work progressively toward improving the workplace/employee and Owner Operator interface. When an ergonomic concern is beyond the scope and/or expertise of the OH&S Committee members, appropriate external consultants shall be used.
- c) The Ergonomic sub-Committee and the OH&S Committee will develop an ergonomics checklist which shall be used in job station designs and/or for the introduction of new processes and procedures.

ARTICLE A11: TRAINING

11.01 The Company may request the Hourly Employee or Owner Operator attend a defensive driving course.

11.02 When these hours fall on a scheduled work day,

- a) The Owner Operator will be paid as 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. For all hours after a normal days work, the Owner Operator shall be paid a rate of time and ½ (1.5) top rate Courier Driver classification.

When these hours fall on a non-scheduled work day,

- b) Training on an Owner Operator's day off shall be avoided, however, where such training is unavoidable, the Owner Operator will be paid a minimum of four (4) hours of pay at time and ½ (1.5) top rate Courier Driver classification.

11.05 Hourly Employees working split shifts shall be paid time and a half (1.5) for all hours spent training during their split if the total hours required for training puts the employee in an overtime position.

11.06 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.

11.07 New Employee Orientation:

- a) The Company shall provide a minimum one hour paid orientation for every new Hourly Employee and Owner Operator at their applicable rate prior to their first shift.
- (b) The Company shall also provide each new Owner Operator three (3) continuous days paid training at the commencement of their employment when required.

11.08 Hourly Employee Cross Training:

The Company agrees to institute a training program in the Edmonton and Calgary branches only to provide relief for Vacation, WCB, STD, LTD, and Emergency situations.

The training program shall be administered in the following manner:

- 1) During the first six (6) months following ratification of the Collective Agreement, Monthly, the Company shall post a list of positions that require

relief, and, employees who wish to be trained shall signify their intention by posting their name on a cross training list.

- 2) Employees shall be chosen by seniority on the list and trained on the positions requiring relief for a maximum of 5 days at their current classification rate.
- 3) When the Employee is transferred to the new positions for relief purposes, he/she shall be paid at the relief position classification rate.
- 4) The Company shall post a list of positions requiring relief on a monthly basis when required.

This article shall not limit or impinge on the rights of Employees to attain extra hours as per the existing Collective Agreement or for the need to train Casuals provided that the Employee meets his/her obligations to work in the relief positions schedule when required.

ARTICLE A15: UNIFORMS

- 15.09
- a) Alterations will be paid for by the Company for all alterations that are required for uniforms that do not fit at issue. All other alterations shall be the responsibility of the wearer.
 - b) The Hourly Employees and Owner Operators will be expected to properly care for and to keep all uniforms in good repair and condition at the employees' expense.

Article A23: Negotiating Committee

- 23.02
- a) Owner Operators 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.

For Hourly Employees 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.

ARTICLE A27: SENIORITY

- 27.01
- The purpose of seniority is to provide a policy governing preference for layoffs, postings, bumping and recalls. Each Union member will establish a Company seniority date. Where two or more employees are hired on the same day the order of seniority amongst them shall be determined by the employee's surname alphabetically.

For Hourly Employees and Owner Operators, company seniority means the length of continuous service in the bargaining unit, since the employee's or Owner Operator's last hiring.

The following Groups are recognized for the purposes of Company Seniority exercised within a group as provided for by this agreement:

- a) Warehouse/Hourly Driver
- b) Clerical
- c) Owner/Operators

- 27.02 The Company will issue and post a seniority list in each Branch showing position held and Company seniority for all Union members at the Branch or Depot. This list will be renewed every four (4) months with copies to the Shop Stewards, Local Union Office and Local Chairperson.
- 27.03 Any Union member may contest the seniority list by submitting his/her appeal in writing to the Company and the Union, within thirty (30) working days following its posting date. Where proof of error is shown, the seniority list will be corrected as agreed on. Afterwards, the list shall become official. There may be an exception to the above-mentioned rule in the event that an Hourly Employee or Owner Operator is absent for a period of at least thirty (30) days following the posting of the seniority list.
- 27.04 For the purposes of seniority, all existing and future locations in Edmonton and in Calgary will be considered one (1) branch in each of the respective cities.

ARTICLE A28 DEFINITIONS

- 28.01 **Seniority** - the length of continuous service in the bargaining unit since the Union Member's last hiring according to the provisions of clause A27.01. There is no allowance for service acquired before actually joining DHL Express Canada.
- 28.02 **Courier Driver / 3-5 Ton Driver** - A regular scheduled hourly Employee who holds a posted position as a defined route or who performs cleanup work.
- 28.03 **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.
- 28.04 **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 A-B31.02(b)).

- 28.05 **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 N1.05 (b) and (c) are applicable to casual workers.
- 28.06 **Relief Driver** - A regularly scheduled hourly Employee who is assigned to various routes as required to cover absent hourly drivers or Owner Operators. These positions shall be posted as per the Collective Agreement and shall be awarded based on required knowledge and qualifications. Where such knowledge and qualifications are reasonably equal seniority shall prevail.

There shall be a minimum of one position in Calgary and Edmonton.

- 28.07 **Position** - The assignment held by an Employee which in the case of regular drivers includes the regular route that an Employee normally works.
- 28.08 **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.
- 28.09 **Warehouse/Customs Specialist** – a regularly scheduled Employee who expedites the clearance of all inbound shipments.
- 28.10 **Owner Operator** - A Dependent Contractor who holds a valid Business Agreement (Schedule B) for services with the Company and is subject to the terms and conditions of that agreement.
- 28.11 **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 B).

Where a dispute arises in language interpretation between Collective Agreement and the Dependent Contractor's Business Agreement (Schedule B), the Collective Agreement interpretation will prevail.

- 28.12 **Stop** - The process of attempting or completing a delivery or pickup at a premise, or going off route, to carry out a transaction or transactions.
- 28.13 **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.
- 28.14 **Lead Hand** - A regularly scheduled Hourly Employee who directs, coordinates and supervises the work of Hourly 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 Hourly Employees. All leads provided for in this agreement shall be working leads. It is understood that a lead hand will participate in the working operation.

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, 2005, the Company agrees to pay:

- 1) Ten cents (\$0.10) per service day per Owner Operator and
- 2) One cent (\$0.01) per hour per hourly 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.

These funds will be held in trust by CAW Local 4050 and shall be used for the sole purpose of the payment of legitimate expenses incurred by the Local Unit Chairperson (except those expenses covered by Article 1.15) as authorized by the Local President or Local Service Representative. The Local Unit Chairperson shall be paid by Local 4050 through this fund when expenses' are submitted on the appropriate Local 4050 expense form, such payments shall conform to the Local Union Bylaws and or 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")

VEHICLE SECURITY POLICY

Outlined below are the vehicle security procedures that will be followed by Owner Operators and Hourly Drivers:

- Vehicles used in the transport of shipments must have secure doors (front, side and rear and roll-up doors).
- Vehicles must be locked at all times when shipments are being transported.
- Custodial control of the shipments while on route shall be the responsibility of the Owner Operator or hourly driver.
- Vehicles shall be locked at all times when unattended.
- Cargo vans require a pad lock on the back door and the Owner Operator is responsible to ensure this occurs and the lock is used.
- Cargo located on loading docks or ramps shall not remain unattended; where this is not feasible, the driver will inform the company.

When a situation occurs, as a result of circumstances outside the Employee's or Owner Operator's control that prevents the vehicle from being secured or the policy adhered to the employee shall not be held responsible or disciplined in any way.

LETTER OF UNDERSTANDING

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LINEHAUL

The Company commits to assessing all line haul lanes in Alberta to establish the most cost effective manner of operation.

Should line haul routes in Alberta become bargaining unit work in the future, the parties agree to meet and establish rates and language at that time.

LETTER OF UNDERSTANDING

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SURVEILLANCE AND SEARCHES

It is agreed that the Company will not use video surveillance to monitor performance. Access to video surveillance material will be restricted to a small number of Company officials.

In addition to the above, the Company is committed to submitting its current Internal Investigation policy (dated 01-01-05, revised on 09-13-05, number ED-15) to its legal counsel within ninety (90) days of ratification to ensure that it is in compliance in policy and practice with all applicable legislation and regulations relating to surveillance and searches of employees including but not limited to the Criminal Code of Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA), and the Canada Labour Code.

The Union has raised the following concerns and, without limiting the generality of the foregoing, the Company has committed to having these concerns reviewed by its legal counsel and senior national Management:

1. The Red Pass program is not random either in planning or in execution and is potentially in violation of the above-noted policy.
2. The Union raised the concern that the red pass sticker on personal belongings such as cell phones and MP3 players was an unnecessary step and that the sticker was not entirely secure.
3. The Union suggested that an area outside the secure zone be created for employees who did not want their personal belongings subject to a random search. We suggested a bank of lockers or something similar for the use of employees.
4. The Union requested clarification on what tasks related to security will be delegated to be handled only by DHL Management versus by DHL contracted security staff. For example, if an investigation commences, Management

would normally bring in a Union Steward. There have been no clear guidelines given in this area.

5. The Union requested some parameters on the declared intention to search internal bags including guidelines on when such a search might be requested, in what area would it be conducted, and on how Union representation and pay issues might be handled.
6. The DHL policy contemplates “requesting the employee to lift his or her upper garments to expose the waist band area” and that “employees who refuse a clothing search will be subject to disciplinary action up to and including termination.” The Union raised concerns that such intimate searches are not permitted by anyone other than law enforcement officials under the correct circumstances as set out in law. After its legal counsel and senior Management have reviewed the policy and the above issues, the Company will meet with the Union to discuss the findings and any proposed changes to the policy and practice prior to implementation. Disagreements will be handled through good faith discussion prior to either party advancing a grievance on the policy.

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- BETWEEN -

DHL EXPRESS (CANADA) LTD.
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- AND -

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
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LOCAL 4050**
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SENIORITY

During the 2008/2009 bargaining process the parties agreed to change the seniority provisions of the collective agreement so as to establish a permanent Company seniority date for all current Casuals and future Employees.

In order to facilitate these changes, as of the date of ratification the casual hours seniority list will be frozen and the casual employees on that list will be assigned that date as their permanent Company seniority date, but will be placed in specific order of seniority by the hours that they have worked.

Existing Owner Operators, part-time and full-time Employees will retain their existing seniority date.

Any Employee or Owner Operator hired after that date will be assigned their date of hire as their Company seniority date.

NEW LETTER OF UNDERSTANDING
Summary of principles between DHL Canada and CAW Canada (Alberta)

During the latest round of negotiations in DHL proposed a number of changes to deal with massive losses that have occurred in different parts of the business.

The Parties have spent an extensive period of time discussing these issues and looking for solutions. It is recognized that each part of the country has its own uniqueness and the Company and Union agree to the following principles to be used as a guideline when the local bargaining committees resume discussions towards reaching a collective agreement.

Therefore the following items are in general agreement and will be part of a settlement in each location when the parties have an opportunity to deal with the local issues and other items that are raised during the course of the collective bargaining process.

1. Contracting Out

During the 2008 / 2009 collective bargaining, the Company advised the Union that it plans to restructure the business across Canada and tabled a list of locations that it intended to close or discontinue service with a plan to third-party / contract out these locations.

Whitecourt Brooks High Prairie

Peace River Manning Slave Lake

Athabasca Hinton Edson

Bonnyville High Level Vermillion (partial)

The Union recognizes that the express business is under severe pressure; however, any restructuring must be done ensuring that employees are fairly compensated for a layoff / termination from the Company as a result of this restructuring based on the provisions below. The Union also reserved the right to put forward an alternative strategy for future locations, and, if it can be demonstrated that such a strategy is viable, then the Company will consider such alternative.

The restructuring period will be in effect until all facilities identified to the Union have been closed down.

The following procedure will apply when a restructuring (facility closures or contracting out) is to be considered:

- (a) The Company will notify the Unit Chair or President of the Local Union and the National Representative in writing stating the reasons for such action.

- (b) The Company commits to continually monitor all contracted out work and agent usage to determine the economic viability of having the work transitioned back to the DHL brand and DHL employees and/or Owner Operators. The Company also agrees that any work formerly performed by CAW members which is again performed by a DHL employee, or in a DHL branded or painted truck will immediately become covered again under the collective agreement. The Company agrees to provide relevant information to the Union in writing including the financials in order to allow the Union to investigate. The Company will also provide any financial information to the Research & Benefit / National Representative of CAW to ensure an informed evaluation can be made. The Union agrees to sign any necessary confidentiality documents to receive this information.
- (c) Within fifteen (15) days, the Company and the Union will meet to review all of the relevant information including the implementation of a viable strategy jointly or otherwise.
- (d) The Company has committed that no line haul, warehouse or clerical position will be contracted out.

Major Centre Parameters

The major centres listed below will not be contracted out in their entirety during the life of the Agreement and will be protected from contracting out as per the collective agreement and the provisions listed below.

If there is a major loss of business in a major centre listed below that requires change, the Company will first pursue its ability to reroute, abolish runs, and apply facility consolidation. If these measures are instituted and there are still problems, the Company may contract out a route or routes in each major centre up to a maximum of ten percent (10%) of the total province's number of Owner Operators at the time (calculated every anniversary) unless otherwise mutually agreed with the Union in writing. The Company will not use this percentage to close or contract out an entire facility identified below.

The Company will justify each move outlined above to the Union using the procedure outlined in item #1 above.

Any P&D contractor must load and unload their freight to their vehicle at a DHL Unionized facility. The Company is in agreement with the principle that our warehouse staff will prepare the loads and unloads and the language may need to be revised for any HQ loads. The intent is that no contractor shall perform warehouse work at DHL facilities.

Major Centres for Alberta - Calgary * Edmonton * Red Deer *

* These areas will be protected from a complete closure over the life of the Agreement.

2. Bumping

The Company respects the Union seniority principles as outlined in each collective agreement. The Union and the Company agree to cooperate fully in order to change areas of the collective agreement in reducing the domino effect of bumping and to hasten the process and limit it to a maximum disruption of five (5) days overall after the required information has been fully provided unless agreed to otherwise.

In restructuring initiatives and facility re-routes, the Company and Union agree to the principles noted above, as well as, working together to develop a single move of Union members (a paper bump).

3. Route Flex

The Company and the Union agree to adopt the language noted below from the BC agreement and to have it written into all collective agreements:

“In the event it is determined that the Owner Operator is unable to make a delivery(s) or pickup(s) in his or her area, Management reserves the right to assign these stops to surrounding routes in order to maintain customer service.”

“The above is not to be used on an ongoing basis but rather is intended for one-off or short term situations.”

It is further understood that the Company’s position is that all hourly rated Driver positions shall be flexible, in accordance with the operational needs of the Company and the service levels to our customers. It is also understood that seniority will be respected in the application of this clause.

4. Three (3) Hour Minimum

It is agreed by the parties that the application of the casual language regarding minimum hours of work as applied in the Alberta CBA (casual warehouse) shall be applied in all collective agreements subject to current Local practices as to type of work performed.

Work Assignments - General

In the event that employees have not finished assigned work within their scheduled shifts or volunteered for extra work, employees will be required by reverse seniority to remain on shift until all work has been completed or they have been permitted to depart the work site by the Supervisor or Manager.

5. Payment Methodology for Owner Operators

The Company presented a new payment system for Owner Operators as it believes that the current system does not meet the needs of the Company or the Owner Operators.

The new payment methodology as outlined below will be implemented within sixty (60) days of ratification. The current fuel escalation formula outlined in each collective agreement shall remain in full force and effect. The Unit Chair and two (2) Owner Operator representatives selected by the Union from each province will form a Committee to be consulted on paid time on the implementation of the new methodology and to address any issues arising in an effort to make the transition as smooth as possible. In addition, the Company commits to extensive monitoring of this payment process and agrees to consult with individual Owner Operators on any and all issues that negatively impact their individual payments.

The parties will ensure that a minimum bi-weekly guarantee of two thousand dollars (\$2000) will apply to all Owner Operators provided this amount is greater than any guarantees already in place.

The Company commits to guarantee that at least eighty percent (80%) of all Owner Operator routes by location shall earn at least the same earnings on the route compared to current methodology in each agreement.

It is understood that the Company intends each route to be completed within ten (10) hours excluding lunch and breaks under the new payment methodology. Once new routes are implemented, the Company will not reroute an Owner Operator unless there are verifiable service failures within a route, as a result of decreased volumes, or a consistent failure to meet time definite or day definite services.

Owner Operators may request a route review at any time and these requests will be handled on an expedited basis through the following procedures:

- A Supervisor or Manager must arrange for a route ride-along or follow along within seven (7) working days of the request being received.
- Any agreed-upon adjustments to rates, volume, stops, or area will be retroactive to the date of the request for a route review.
- The Company will ensure that a team of senior Management from the Operations Department is assigned on an ongoing basis to assist in speedy resolutions of disputes arising out of requests for route review.

6. Severance

The severance benefits outlined in this document is a one time offer to Owner Operators and hourly employees for closures, contracting out, facility consolidation, and re-routes as per severance listed.

Severance benefits identified in each region's CBA may be nullified with the acceptance of this offer based on discussions in local bargaining where it can be shown that the overall total of severance provided under this Agreement meets or exceeds the severance in each Agreement. Situations falling outside of the current restructuring /

rerouting initiatives of the Company are not intended to be captured in this understanding.

Hourly Employees

If the termination is as a result of a closure or contracting out of an area or abolishment of hourly driver runs due to closure, facility consolidation or contracting out, then the Company agrees to offer severance pay based on the following:

- Two weeks per year of service (prorated) based on forty (40) hours per week at straight time for full time status employees on date of ratification. Severance for part-time employees shall be based on average earnings for the previous twelve (12) months active paid earnings.
- Extended benefits – Company will continue to provide benefits as per Company policy with salaried personnel for six (6) months following date of termination.

Owner Operators

Initial Restructuring and Reroutes

Under the initial major restructuring reroutes - \$11,500 total for 10+ years in a reroute, \$8000 total for 5-10 years in a reroute, and \$4500 total for 5 years and under in a reroute.

Other Initial Restructuring

Under the current major restructuring, those Owner Operators impacted by a facility closure, contracting out, facility consolidation will be paid severance calculated at two (2) weeks per year of service (prorated) at fifty (50) hours per week based on the straight time hourly P&D driver rates per region. This formula will also be offered to any re-route in an area already listed on the restructuring lists provided to the Union during the week of January 19-23, 2009.

Further Re-Routes

Owner Operators affected by a reroute after the initial major restructuring will be paid severance of \$10,000 total for 10+ years in a reroute, \$7000 total for 5-10 years in a reroute, and \$4000 total for 5 years and under in a reroute. This clause shall be in effect for two (2) years after the date of ratification of each collective agreement.

Further Restructuring

Those Owner Operators impacted by a facility closure, contracting out, facility consolidation will be paid severance calculated at two (2) weeks per year of service (prorated) at forty (40) hours per week based on the straight time hourly P&D driver rates per region.

7. Wages and Compensation

- The General Wage Increase (GWI) will be 2.5%, 2.5%, 2.5%, and 2.5% in each year of the Agreement effective on the ratification date of each Agreement.
- The GWI outlined above will be applied to all hourly wages retroactive from the expiry date of each collective agreement for all hours worked.
- For P&D Owner Operators, the GWI percentage increase will be applied retroactively from the expiry date of each collective agreement to all aspects of the current payment methodology as per past practise for increases to these classifications.
- For Heavy Equipment and Line Haul Owner Operators, the GWI percentage increase will be applied retroactively from the expiry date of each collective agreement as per past practise for increases to these classifications.
- For P&D Owner Operators, the GWI percentage increase applies to: Pieces, Stops, Core Zone, and Quality Payments.

8. Restructuring Issues

- The Company agrees to work with the Union on language to protect severance pay from EI claw backs.
- The Company agrees to provide the Union with \$500 per person in affected by contracting out or closures to put an Adjustment Committee funds. The Company will work with the Union in each province to provide office space to set up an Action Centre for the Adjustment Committee to perform its work.
- The severance packages may be put in escrow where possible provided there are no additional costs to DHL.

SCHEDULE A – FEES (NEW PAYMENT METHODOLOGY)

- It is understood that Schedule A – Fees will remain in place in its entirety as a result of the new payment methodology except for the following changes:
- Instead of the items in 1-10 (original waybills, non billable waybills, 9:00am's, dangerous goods, cash collects, over weights (per pound), residential, and security waybills), the following new methodology will be used based on the Framework agreement consultation and implementation provisions:

Owner Operator Minimum Rates will be as follows:

OWNER OPERATORS 2014- 2016

Alberta	Current	1-Jan-14	1-Jan-15	1-Jan-16
	Increase	2.00%	2.00%	2.75%
Stop	1.290	1.316	1.342	1.379
Piece	0.230	0.235	0.239	0.246
Quality Payment	48.45	49.42	50.41	51.79
Minimum (Calgary)	305.08	311.18	317.41	326.13
Minimum (Edmonton)	272.25	277.70	283.25	291.04

See Core Zone Tables

<u>Quality Payment</u>	01/01/14	01/01/15	01/01/16
Time Definite	\$16.47	\$16.80	\$17.26
Deliveries	\$16.47	\$16.80	\$17.26
Pick-ups	\$16.47	\$16.80	\$17.26

The Owner Operator shall receive remuneration based on the formula:

(Core Zone x # of stops) + (# of stops x rate) + (# of pieces x rate) + Quality Payment = Total + Bonuses

Density is based on kilometers/stop and will be used to calculate the Core Zone.

The Quality payment is calculated using the following criteria:

- Time Definite Deliveries
- Completing all assigned deliveries
- Picking up all assigned pick-ups

APPENDIX A – OWNER OPERATOR

ARTICLE A-A10: HEALTH AND WELFARE/W.C.B. COVERAGE

A10.01 (1) 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.

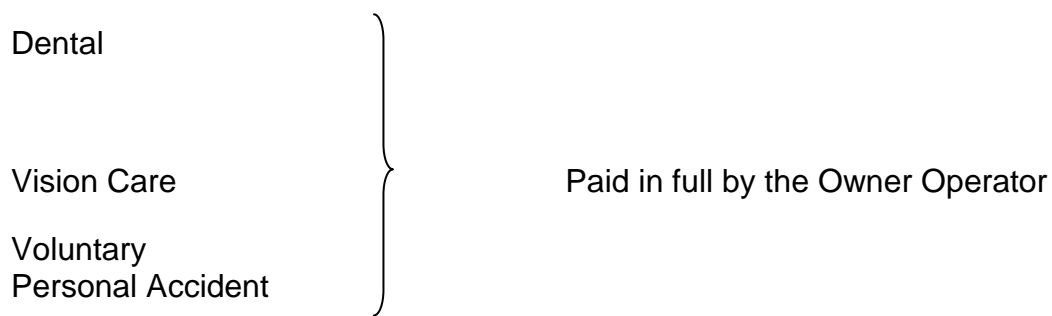
The Company will deduct cost of benefits opted for from the Owner Operator invoice.

- 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 \$65.00 yearly.

A10.01 (2) 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



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).

A10.01 (3) 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 two (2) year waiting period will be waived. Evidence of insurability will be required if employee life insurance is chosen at this time.

- A10.01 (4) 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 B).

- A10.01 (5) The Company shall not lower, change, modify or delete any benefits in place during the term of this agreement without the Union's agreement. Should it be necessary to change benefit providers, and the composition of the benefit package is unable to be maintained in its current form, the parties agree to meet to resolve the issue prior to any change being implemented.

ARTICLE A-A18: REROUTES

The Company will not reroute an Owner Operator unless there are consistent verifiable service failures within a route, as a result of decreased volumes, or a consistent failure to meet time definite or day definite services.

When reroutes are done they must be done so by area not on an individual customer basis unless that customer's service requirements are the issue behind the reroute.

Owner Operators shall be entitled to all customers within their route area plus any new customers that move into or start dealing with DHL in their route area.

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 125 working days immediately before the reroute, and that daily average to be the minimum earnings paid to the Owner Operator for the fifty (50) working days immediately following the start of the reroute or the loss of the stop(s), which shall be paid on the regular bi-weekly pay cheque.

The removal of an individual stop from an Owner Operator route as a result of a disciplinary measure or for service related issues will not be considered a reroute and will not trigger the compensation above.

Prior to any reroute, the Company will provide advance notice, as detailed in Article A-A27.09 and will provide the Owner Operator(s) the opportunity to discuss the reroute change(s) or to propose a resolve to the service issue(s). The Owner Operator(s) will have ten (10) calendar days to submit any recommendations, suggestions in writing which will be reviewed by the Company and if it resolves the service issue then that change will be implemented.

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(s).

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 linehaul.

ARTICLE A-A27: ROUTE BIDDING, REDUCTIONS

A27.01 When reducing Owner Operators at any location, the Company will reduce the junior Owner Operator according to company seniority at such location if it is practicable to do so.

A27.02 An Owner Operator who is affected by Article A-A27.01 may:

- (a) Elect to be placed on lay-off status, subject to recall, or
- (b) Accept any Owner Operator vacancy that arises within his/her branch or
- (c) In the event no Owner Operator vacancies exist within the Branch the Owner Operator may then displace the junior Owner Operator at their branch, seniority permitting, or failing that, the junior Owner Operator in the province.

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

A27.03 An Owner Operator who is awarded a vacant hourly rated position will retain their company seniority date. 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 change to hourly status.

A27.04 The Company will post Owner Operator vacancies for five (5) days at all locations and fill the vacancy with the senior applicant from that branch and then Province. All postings shall be numbered and dated as well as copied to the Local Union Chairperson and the Local Union office.

The successful applicant for an Owner Operator posting must provide documentation within thirty (30) calendar days of the posting being awarded in writing that the required vehicle has been secured.

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 thirty (30) calendar days of the position being offered.

Route postings will contain a full description of the route and its boundaries as well as any exceptions or anomalies for that route. All information provided will be based on historic factors and may be subject to change with the normal fluctuations of business.

All Owner Operators shall assume their new postings within thirty (30) calendar days.

The Company agrees to post the additional following information:

Daily average earnings based on the previous sixty (60) working days

Average kilometres travelled

Area

Vehicle size

Average estimated number of stops, pieces, route density and core zone payment

Outstanding termination grievances

(The above is subject to change based on normal business fluctuations)

A27.05 Company 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, seniority.

A27.06 Owner Operators will be given not less than thirty (30) calendar day's written notice cancellation of their Business Agreement (Schedule "B"), or pay in lieu of subject to all other provisions of this Collective Agreement. No notice is required if the Business Agreement is cancelled for just cause or default.

"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.

A27.07 Should the Company transfer a route or routes from one location to another the incumbent Owner Operator who transfers locations with his/her route will transfer with his/her Company seniority.

A27.08 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 is as per existing practice.

A27.09 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 forty-five (45) days will be given to the affected Owner Operator(s).

The Company will make every effort to provide forty-five (45) days advance written notice of all other major route alterations. The local Shop Steward will be copied on any such notice.

A27.10 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 A-A28: EQUIPMENT

A28.01 The Company assumes responsibility for supply and installation of the striping kit (decals). 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/decals on termination in accordance with the price available to the Company.

A28.02 The Company reserves the right to refuse to sign Business Agreements (Schedule "B"), or terminate present Business Agreements (Schedule "B") 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 seventy-five (75) days written notice to meet appearance standards.

A28.03 A second malicious occurrence causing a loss of or damage to a scanner shall not have discipline imposed but the Owner Operator shall be responsible to pay the company the full cost of replacement or repair of said scanner.

ARTICLE A-A29: OWNER OPERATOR LOANS

A29.01 An Owner Operator will be eligible for an interest free loan up to a maximum of \$1,500.00 towards vehicle operational costs or, as a new Owner Operator to defray start up expenses.

a) Loan application must be done in writing accompanied by proper documentation identifying the repairs/maintenance to be completed by a third party in the case of an operating loan.

No supporting documentation is required for a start up loan, however, if the new Owner Operator can not prove that he/she has an owned or leased vehicle at start up, the loan may be denied.

b) No loan application is approved unless and until DHL Finance has verified and accepted the loan request and supporting documentation. This process will be completed within 20 business days of the date of the loan.

c) Repayment will be a minimum of equal bi-weekly installments over a period no greater than 12 (twelve) months, auto deducted through the Company payroll system. This deduction will be held to a minimum of \$60 per pay unless otherwise agreed to with the Owner Operator.

d) If an Owner Operator's 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, and the resulting "top off" loan can be proven to be an emergency situation with supporting documentation.

A29.02 Any newly converted Owner Operator will be afforded an interest free credit limit of up to \$1,500.00 to defray startup expenses, etc. repayable over twelve (12) months.

A29.03 The Company shall reimburse to the new Owner Operator the cost of professional fees or licensing up to a maximum of \$250.00 specializing in the transportation industry, for assistance in setting up his/her business. Receipts are required.

ARTICLE A-A30: MISCELLANEOUS

A30.01 Owner Operators who's Business Agreements (Schedule "B") are terminated for just cause will have reasons for same confirmed in writing. Those Owner Operators who terminate their Business Agreements (Schedule "B") voluntarily shall have all monies owing them paid no later than the next scheduled payment day.

A30.02 **New Owner Operators must provide a valid driver's license and a Motor Vehicle Branch full search report at his/her own cost.**

A30.03 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.

A30.04 The Company will reimburse any Owner Operator the cost of Operating Authority, upon presentation of the appropriate receipt to a maximum of \$100.00.

A30.05 All Owner Operators shall only be allowed one route and one vehicle.

A30.06 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, however in no case shall the incurred expenses be more than the revenues generated.

A30.07 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.

A30.08 Owner Operators shall not be required to subsidize the cost of developing or maintaining any scanner or payment system.

A30.09 The Company will pay all Owner Operators by direct deposit by 9 a.m. or when the bank opens on payday Thursday. The Owner Operator pay week will be from Friday to Thursday.

Only shortages that have resulted due to a Company error and are equal to one day's average earnings or more will be paid by manual cheque, within 3 business days of the Company being notified.

Owner Operator invoices will be submitted by the end of the day when the work was performed. A shortage in pay that is the direct result of the failure to submit an invoice(s) will not be reimbursed through manual cheque.

From time to time, the Company may be required to close a pay period early in order to comply with payroll cutoffs imposed by the payroll provider. In these instances, full day estimates for all Owner Operators may be required and any resulting adjustments will be done on the following pay period.

A30.10 Owner Operators who obtain coverage through the Company's cargo insurance will be assessed a monthly charge of ten dollars (\$10.00).

A30.11 A person approved by the Local Union will be present during all of the Owner Operator Business Agreement signings as a witness to the negotiation and a copy of the signed Agreement shall be sent to the CAW Local Union office in Edmonton.

The Business Agreement shall be signed for the duration of the Collective Agreement unless changes occur during a reroute after which a new business agreement shall be signed.

The Regional Operations Director or designate shall have the only signing authority for all Owner Operator Business Agreements.

It is agreed between both parties that during the negotiations of the Business Agreements, Schedules A & B and Appendix C shall be included as one document. This process shall also include the signing of Business Agreements with new Owner Operators.

A30.12 The Company and the Union agree to the following Liability Waiver for use when a Company Representative is required to accompany an Owner Operator in their vehicle.

“The Company agrees to accept all liability for any or all persons that it authorizes to accompany any Owner Operator in their vehicle during the course of the business day while on their route, provided that the person is pre-authorized by the Company. This waiver is valid if the vehicle meets the mechanical safety standards as set out by the Province of Alberta.”

No person pre-authorized by the Company will be allowed to ride in any vehicle that does not have a legal passenger seat or restraining device.

A30.13 If an Owner Operator anticipates that a single stop will occupy too much time or that a stop will bulk out their vehicle thus causing the potential for a negative impact on the quality payment, the Owner Operator must contact their Direct Supervisor to request relief from the situation. The company will make alternate arrangements to complete the stop which in no way will negatively impact the quality payment paid to the Owner Operator. Such requests will not be unreasonably denied.

A30.14 Where an Owner Operator remains on his/her route under the Modified Work program, the Company agrees to reimburse the cost of a swamper up to a maximum of \$150/day.

A30.15 Owner Operators will, upon proof of payment, receive a reimbursement to a maximum of \$100 towards the premium paid for DG Insurance coverage.

Schedule A – FEES (NEW PAYMENT METHODOLOGY)

- It is understood that Schedule A – Fees will remain in place in its entirety as a result of the new payment methodology except for the following changes:
- Instead of the items in 1-10, and 13 (original waybills, non-billable waybills, 9:00am's, dangerous goods, cash collects, over weights (per pound), residential, security waybills, and rural mileage), the following new methodology will be used based on the Framework agreement consultation and implementation provisions:

Owner Operator Minimum Rates will be as follows;

OWNER OPERATORS 2014- 2016

Alberta	Current	1-Jan-14	1-Jan-15	1-Jan-16
	Increase	2.00%	2.00%	2.75%
Stop	1.290	1.316	1.342	1.379
Piece	0.230	0.235	0.239	0.246
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<u>Quality Payment</u>	01/01/14	01/01/15	01/01/16
Time Definite	\$16.47	\$16.80	\$17.26
Deliveries	\$16.47	\$16.80	\$17.26
Pick-ups	\$16.47	\$16.80	\$17.26

The Owner Operator shall receive remuneration based on the formula:

Core Zone x # of stops) + (# of stops x rate) + (# of pieces x rate) + Quality Payment =
Total + Bonuses

Density is based on kilometres/stop and will be used to calculate the Core Zone.

The Quality payment is calculated using the following criteria

- Time Definite Deliveries
- Completing all assigned deliveries
- Picking up all assigned pick-ups

Owner Operators will be expected to make every effort to perform 9:00 am and Time Definite deliveries. If it is determined that the Owner Operator cannot perform said deliveries within the service requirement, they will be required to discuss with the appropriate Manager that alternate arrangements will need to be made for said deliveries where possible. For the purposes of 9:00am and Time Definite deliveries only, Owner Operators may deliver in another Owner Operator's are to successfully complete 9:00 am and Time Definite stops.

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.

12. Specials:

This is 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 top hourly rate.
- b) Driving Specials - Minimum rate equivalent to the top hourly rate for the Courier Driver Classification.

13. Rural Mileage:

(Based on point to point through miles originating at the branch does not include in town pickup and delivery mileage)

	<u>Oct 1/08</u>	<u>Oct 1/09</u>	<u>Oct 1/10</u>	<u>Oct 1/11</u>
3/4 ton van	\$0.27 km	\$0.27 km	\$0.27 km	\$0.27km
Dual Wheel Units	\$0.31 km	\$0.31 km	\$0.31 km	\$0.31km

Above mileage rates are minimums. Additional fuel escalation rates apply as per item #14.

14. Fuel Escalation Program:

Average daily kilometers 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 kilometers 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 .508/ltr. In addition, rates will increase for changes over this base pump price based on two separate averages.

The following process will be in effect for determining the average price of fuel for Alberta branches:

- a) All branches will report the posted price (which includes GST) in their location at the open of business on the 1st and 15th of the month (or the first business day from these dates).
- b) The price will be taken from the same establishment every month, the location of which will be mutually agreed upon by both parties.
- c) One average fuel price will be calculated for Edmonton and Calgary routes that operate directly out of the city branches (Edmonton International Airport location would be included in this category). This average price will be based solely on Edmonton and Calgary reported prices.

A separate average fuel price will be calculated for Rural AB branches, and depot locations where the route start and finish does not include the main branch. This average price will be based on reported prices from Medicine Hat, Lethbridge, Red Deer, Grande Prairie, and Vermilion.

\$0.01/km for changes in base fuel price as follows:

	<u>City</u>	<u>Rural</u>
Van	0.04	0.05
Cube	0.03	0.04
5Ton	0.03	0.035

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 recalculated and posted at all locations on the 1st and the 15th of the month (or the first subsequent business day from these dates).

15. DHL requested claims inspections:

Where a claims inspection is requested, a 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 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.

01/01/14	\$6.64
01/01/15	\$7.08
01/01/16	\$7.27

16. 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 12 above - Specials.

17. Unloading of trucks:

The company will continue the practice of unloading Owner Operator vehicles at its Edmonton and Calgary facilities.

It is further agreed that the Owner Operators will:

- 1) Segregate and tail load all envelopes and Express packages.
- 2) Segregate and tail load all Dangerous goods.

18. 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.

19. 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 ninety (90) days to acquire the new equipment. Time extensions will not be unreasonably denied.

20. In the event a change in equipment is required to meet mechanical worthiness standards (as determined by a licensed mechanic paid for by the company), 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.

21. In the event the Company introduces a Pager system, handheld or any other device cost any cost associated with this system shall be borne in full by the Company.

22. It is understood that any bi-weekly minimum implemented will be applicable to 10 working days within a pay period (9 in the case of a statutory holiday). Any Owner Operator required or requested to work additional days within the pay period will be compensated through a negotiated rate of pay.

SCHEDULE (B) - BUSINESS AGREEMENT

6. The owner-operator agrees to:

j) 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.

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")

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 ninety (90) days notice of the conversion to 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 (based on three (3) independent quotes paid for by DHL), 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) It is understood that any Owner Operator that takes an hourly driving position as a result of these provisions will be awarded a forty hour per week position. If no such position exists, then the Owner Operator may exercise their rights to bump in the new classification.
- 8) If, prior to the notice under paragraph one 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 Letter of understanding may be submitted to arbitration in accordance with Article 4 of the Collective Agreement.

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PAYMENT FROM ELECTRONIC DEVICES

During the term of this agreement, the Company intends to implement the paying of Owner Operators from the hand held device thereby eliminating paying from Owner Operator invoices.

The Company will work with the Union and Owner Operators to develop, test, and only if successful, implement the electronic payment.

It is agreed by both parties that a pilot project will be implemented at a branch of the Company's choice for a period of sixty (60) working days, in the province of Alberta. At the expiration of the sixty (60) working days the Company will meet with a committee of no less than three (3) Owner Operators appointed by the Union for the purposes of studying and resolving any issues related to the program.

This program will not be implemented without the Union's approval in writing.

LETTER OF UNDERSTANDING

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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 thirty one (31) days of ratification, they will be provided with a \$25.00 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.

LETTER OF UNDERSTANDING

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OWNER OPERATOR VACATION

The Company will investigate the Ontario model for vacation relief to determine the feasibility of implementing in AB. It is necessary to properly evaluate the rural nature of the routes as well as the price/availability of contractor options vs. relief driver use.

If feasible, a program could be developed for the year 2014

APPENDIX B – HOURLY EMPLOYEES

ARTICLE A-B9: EQUIPMENT

- B9.10 (e) 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.
- (j) Windshield washer solution and motor oil shall be made readily available at all times at the Company's expense for Company vehicles.
- (o) All new vehicles will be equipped with adequate heaters, air conditioning, am-fm radios, 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.
- B11.09 The Company will provide qualified competent people to move vehicles on company property when required who shall do so in a safe and proper manner.

ARTICLE A-B10: HEALTH AND WELFARE

- B10.01 (1) 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 shall not lower, change, modify or delete any benefits in place during the term of this agreement without the Union's agreement. Should it be necessary to change benefit providers, and the composition of the benefit package is unable to be maintained in its current form, the parties agree to meet to resolve the issue prior to any change being implemented.

- B10.01 (2) 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.
- B10.01 (3) The Company will provide the medical and hospital services plan for those eligible Employees who work a minimum of twenty (20) hours per week.
- B10.01 (4) 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.
- B10.01 (5) 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 five hundred dollars (\$500.00) per week for the first fifteen (15) weeks. 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.
- B10.01 (6) 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 five hundred dollars (\$500.00) per week. The total disability period shall be a maximum of eighteen (18) months calculated from the commencement of the short-term disability claim.
- B10.01 (7) 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).

B10.01 (8) 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 A-B12: LEAVES OF ABSENCE

B12.01 (1) **Bereavement Leave:**

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 four (4) 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.

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 the Employees' domicile.

B12.01 (2) **Jury Duty:**

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.

B12.01 (3) Leave of Absence:

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 mutually agreed to in writing between the Company and the Union.

B12.01 (4) Maternity/Paternity Leave:

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 A-B16: MEDICAL EXAMINATIONS

B16.05 (1) 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.

B16.05 (2) 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 A-B27: SCHEDULING WORKING HOURS AND OVERTIME

B27.01 The Company and the Union designates at a depot shall meet monthly to review all hours available for the purpose of maximization to determine future postings or increases to existing postings.

The Company shall maximize all hours at each depot to provide the most full time eight hour shifts possible.

The Company must also maximize shifts of less than eight (8) hours in length by combining all available hours to build shifts as close to eight (8) hours as possible. This will include casual hours.

B27.02 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 A-B27.07 and A-B27.08. 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.

The Company shall provide a minimum of two (2) hours notice for mandatory overtime except in the event of an emergency where employees will be required to work on short notice. Where it is proven that the Company did have two (2) or more hours notice but used the short notice requirement, then all overtime hours worked shall be paid at double time.

B27.03 Any regular full-time or part-time Hourly 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.

B27.04 Any full-time or part-time Hourly 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.

B27.05 The following employees will be grandfathered on the banked OT program:

Therese Slinger

Jason Bryan

B27.06 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.

B27.07 Regular part-time Hourly Employees will be given the first opportunity by company seniority and by classification to supplement their hours of work by indicating their desire in writing to be called for additional hours.

B27.08 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 Hourly 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 Hourly Employees by:

- a) Providing to the Union a monthly list of all temporary agency Hourly 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 Hourly Employees with the view of investigating ways and means to return this work to bargaining unit Hourly Employees, i.e. creation of seasonal temporary positions (vacation relief).

B27.09 All Hourly 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.

- B27.10
- (a) The Company, wherever practicable, will endeavor to utilize the qualified available Hourly Employee with the most company seniority in that classification for overtime assignments when those assignments are known in advance and involve four (4) or more hours of work.
 - (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 company 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 Clause A-B27.10 (a). In this situation, overtime will be voluntary down the seniority list for qualified Hourly Employees and mandatory up the seniority list for qualified Hourly Employees based on company seniority within the classification.
- (d) The maximum mandatory overtime will be twenty-five (25) hours per month.

B27.11 All Hourly 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.

B27.12 All shifts over five (5) consecutive hours shall have a one half (½) hour unpaid meal break, between the third (3rd) and sixth (6th) hour, unless otherwise mutually agreed to by the Company and the Employee.

B27.13 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 A-B28: HOLIDAYS

B28.01 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 |
| First Monday in August | |

*The Company may substitute lieu days for Family Day and/or Remembrance Day for all Hourly Employees or part of the Hourly Employees eligible for these holidays. Such lieu 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 lieu day.

B28.02 An Hourly Employee shall be paid for any statutory holiday falling during his/her vacation, in addition to vacation pay.

B28.03 If a recognized holiday occurs during an Hourly 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.

B28.04 Eligible Employees are those Hourly 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.

B28.05 Part-time Hourly Employees will be paid five percent (5%) of his/her previous thirty (30) days earnings for the holiday.

Full-time Hourly 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.

B28.06 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.

B28.07 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.

B28.08 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.

B28.09 In the event a statutory (general) holiday is proclaimed by the Federal or Provincial Government, such holiday shall also be observed if not already listed in the above holidays.

B28.10 In the case of a general holiday falling on a Monday, Hourly 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.

B28.11 It is agreed for the Statutory Holidays of Family 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 A-B29: VACATION AND VACATION PAY

B29.01 No later than the 15th of January of each year, the Company will post on the Union bulletin board a list of Hourly Employees in order of seniority using the Employee's respective Company seniority dates.

B29.02 Each Hourly 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.

Such approval or disapproval shall be given in writing within fourteen (14) calendar days of the request.

The completed vacation schedule shall be posted by April 15th and copied to the Local Chairperson and Local Union office.

B29.03 The Company shall permit at least ten percent (10%) of the Employees within each shift of each group at each depot and covered by this Agreement, to take vacation at the same time.

B29.04 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 A-B29.02.

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 ie. 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).

B29.05 Full-time and part-time Hourly 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 will be paid the greater of:

- all amounts accrued to their vacation bank from the preceding (12) months allocated over the number of hours of entitlement
- or the vacation weeks entitlement at their current rate of pay

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

- B29.06 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 A-B29.05 above.
- B29.07 Vacation pay shall be paid to the Employee by separate cheque with the pay immediately preceding his/her departure on vacation by request only. Otherwise, the Employee shall receive their pay as per the normal schedule.
- B29.08 Hourly 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.
- B29.09 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.
- B29.10 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.
- B29.11 Sixteen hundred (1600) 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.
- B29.12 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.

- B29.13 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.
- B29.14 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 A-B30: SICK LEAVE BENEFITS

- B30.01 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.
- B30.02 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. Unused sick leave days will be paid out at straight time rate at the end of each anniversary year.
- B30.03 There will be no loss of Company 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.
- B30.04 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.
- B30.05 Dependent Contractors who have transferred from hourly status will be paid out immediately upon signing.
- B30.06 Employees will be eligible to use their sick leave entitlements for day care conflicts, family emergencies, and dental/medical appointments.

ARTICLE A-B31: HOURLY SENIORITY

- B31.01 Under the following conditions an Employee shall have the right to exercise his/her Company seniority to any position within their Group to which his/her Company seniority will entitle them at their location:
- 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.

B31.02 Casual workers will be allotted work or called in for work in company seniority order by location. A casual employee who works no hours in a calendar month by their own choice by refusing hours or shifts or by making themselves unavailable shall lose their seniority and shall begin their seniority accumulation over again once they work new hours or shifts.

- (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 N1.05 (b) and (c) 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 B7.02 (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 for four (4) weeks in seven (7) or
- (ii) The work has, after the fact, resulted in an average of twenty (20) hours per week for four (4) weeks in seven (7).

In order to ensure the Company is able to schedule an adequate number of Hourly Employees on each shift, Casual Hourly Employees will provide the Company with their available dates on a bi-weekly basis.

- (c) 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 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.
- (d) 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.

B31.03 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 seniority shall be established retroactively from his/her date of last hire.

B31.04 An Employee shall lose his/her Company 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.

B31.05 An Employee shall forfeit his/her Company seniority if he/she does not notify the Company, 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.

B31.06 Employees and Owner Operators on leave of absence or vacation may apply for job postings, vacancies or positions while away by submitting written notification to their Supervisor or Manager prior to leaving or during the posting process.

B31.07 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 A-B31.02 Any subsequent reimbursement shall be provided every additional 2,080 hours of warehouse work performed.

ARTICLE A-B32: LAYOFFS

B32.01 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 Group shall be the first to be laid off in reverse order of company seniority; no casual shall be able to bump any part time or full time employee.
- (b) A part time or full time employee with the least Company seniority within the group 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 Company seniority to bump any junior employee within the same group at the depot, or

(ii) If no position is available at the depot, the employee may exercise his/her company seniority to bump an employee with less company seniority within the same group at any other location covered by this agreement. The employee in this case shall retain their company seniority upon transfer to the new location

(d) If the Employee does not obtain a position through the exercise of seniority rights, the Employee shall be laid off.

B32.02 When adding to the work force of Employees covered by this Agreement, any Employees previously laid off will be recalled on the basis of Company seniority by group and by depot 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.

Part time and full time employees will be recalled prior to any casual employee regardless of seniority.

B32.03 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.

B32.04 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.

B32.05 Technological Change:

The Definition of technological change to include operational and organizational change, the provisions of the Canada Labour Code to apply.

B32.06 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.

B32.07 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 A-B31.01 shall apply.

ARTICLE A-B33: JOB POSTING

B33.01 (a) When an Employee permanent vacancy occurs for any reason, the Company will post within five (5) days at all locations of the Company in the Province, 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 Local Chairperson and Local Union Office. 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. The posting will be awarded first by Company seniority within the Branch then the Province Employees shall assume their new postings within (30) calendar days

If an Employee or Owner Operator is qualified and awarded the vacancy, he or she must be willing and available to commence duties at the new Branch within thirty (30) days of the position being awarded.

(b) All existing Employees or Owner Operators who are awarded a posted position must serve a sixty (60) 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 sixty (60) 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.

B33.02 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.

B33.03 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 Local Chairperson and Local Union Office.

B33.04 Should a full- time or part 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 Company seniority by group 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.

- B33.05 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 forty eight (48) hours and will be awarded to the senior qualified Employee or Owner Operator as per A-B33.01 above.

When hourly positions are restructured and the result is less or the same amount of positions after such restructuring then the positions shall be posted and awarded by company seniority in the affected group only.

Should an employee not secure a posting due to restructuring then they may exercise their rights as per A-B32.01 (c) above.

Should the restructuring or movement of employees create a vacancy then A-B33.01 above shall apply.

- B33.06 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 A-B31.01 shall prevail.

ARTICLE A-B34: MISCELLANEOUS

B34.01 LAYOVERS –

- a) 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.
- b) 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.

During this off duty period the Employee is absolved of all responsibility for company property, as long as the agreed to security policy has been adhered to.

- B34.02 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.

B34.03 Employees employed in driving classifications shall be required to produce 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.

B34.04 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 A-B35: CLASSIFICATION AND WAGE

B35.01 FULL AND REGULAR PART-TIME HOURLY EMPLOYEES

Hourly Rates 2014 – 2016

Classification	Year 1 (Jan)				Year 2 (Jan)				Year 3 (Jan)			
	0-3 Months	4-10 Months	11-18 Months	19+ Months	0-3 Months	4-10 Months	11-18 Months	19+ Months	0-3 Months	4-10 Months	11-18 Months	19+ Months
Warehouseperson	\$16.91	\$18.76	\$19.18	\$20.62	\$17.25	\$19.14	\$19.56	\$21.03	\$17.72	\$19.67	\$20.10	\$21.61
Warehouse Customs Specialist	\$16.91	\$18.76	\$19.18	\$20.62	\$17.25	\$19.14	\$19.56	\$21.03	\$17.72	\$19.67	\$20.10	\$21.61
DG Warehouseperson	\$18.16	\$19.91	\$20.35	\$21.88	\$18.52	\$20.31	\$20.76	\$22.32	\$19.03	\$20.87	\$21.33	\$22.93
Sorter/Marker Warehouseperson	\$18.16	\$19.91	\$20.35	\$21.88	\$18.52	\$20.31	\$20.76	\$22.32	\$19.03	\$20.87	\$21.33	\$22.93
Lead Loader	N/A	\$20.57	\$20.79	\$22.36	N/A	\$20.98	\$21.21	\$22.81	N/A	\$21.56	\$21.79	\$23.44
Courier Driver	\$18.05	\$20.06	\$20.51	\$22.29	\$18.41	\$20.46	\$20.92	\$22.74	\$18.92	\$21.02	\$21.50	\$23.37
3 Ton Driver	N/A	\$21.04	\$21.51	\$23.38	N/A	\$21.46	\$21.94	\$23.85	N/A	\$22.05	\$22.54	\$24.51
Relief Driver	N/A	\$20.87	\$21.34	\$23.45	N/A	\$21.29	\$21.77	\$23.92	N/A	\$21.88	\$22.37	\$24.58
Tractor Driver	\$23.97	N/A	N/A	N/A	\$24.45	N/A	N/A	N/A	\$25.12	N/A	N/A	N/A
Clerical	\$15.76	\$16.49	\$17.40	\$18.12	\$16.08	\$16.82	\$17.75	\$18.48	\$16.52	\$17.28	\$18.24	\$18.99
Lead Hand Clerical	\$16.83	\$17.60	\$18.36	\$19.13	\$17.17	\$17.95	\$18.73	\$19.51	\$17.64	\$18.44	\$19.25	\$20.05

Dangerous Goods (DG) Warehouse and Sorter/Marker positions will exist in Edmonton and Calgary only.

Full and Regular Part-time Clerical Employees Include:

- Telephone Clerk (Dispatch)
- Sales Department Clerk
- Billing Clerk
- Audit Clerk
- Data Entry Clerk
- Accounts Receivable Clerk (Calgary,

Edmonton, Red Deer, Vermilion)

- Reception/Switchboard
- Office Clerk/Typist
- General Clerk (Tracing, Claims, Dispatch, Admin.)
- Route Data Entry Clerk
- Sales Coordinator
- Claims Clerk (Edmonton & Calgary)

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 .75 per hour.

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.

B35.02 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.

B35.03 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.

B35.04 At the request of an Employee, DHL Canada will make available a printout stating the actual hours swiped by an Hourly Employee on the Friday prior to the pay period close.

- B35.05 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.
- B35.06 All clerks currently performing split duties working outside of Edmonton and Calgary prior to date of ratification will receive the warehouse rate of pay for their clerical duties.

FOR THE COMPANY:

FOR THE UNION:

Greg Hewitt
President

Todd Romanow
National Representative

Patricia Vanelli
Senior Director Human Resources

Alex Tokhi
Unit Chairperson

Darryl Wettlaufer
Area Operations Manager

Jason Bryan

Roger Bontkes

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Executed at _____ this _____th day of _____, 2014