

TABLE OF CONTENTS

PURPOSE.....1
CLARIFICATION OF TERMS.....2
RECOGNITION.....2
MANAGEMENT RIGHTS.....2-3
UNION SECURITY.....3-6
UNION DUES CHECK OFF.....6-7
PROMOTION AND SENIORITY.....7-11
LAYOFFS AND RECALLS.....12-14
HOURS OF WORK AND OVERTIME.....14-16
VACATIONS.....16-18
STATUTORY HOLIDAYS.....18-20
LEAVE OF ABSENCE.....20-21
GENERAL.....22-27
GRIEVANCE PROCEDURE.....27-30
PAYMENT OF WAGES.....30-31
STRIKES OR LOCKOUTS.....31
HEALTH AND SAFETY.....31-32
DURATION OF AGREEMENT.....33
APPENDIX "A" – WAGES34
RED CIRCLED EMPLOYEES.....35
TOPLIFT GRID.....35
MILEAGE RATE.....35
DROP RATE.....35
MOUNTY PREMIUM.....35
OIL PREMIUM.....36
DISPATCH PREMIUM.....36
LEAD HAND PREMIUM.....36
NEW HIRE WAGES.....36
WAREHOUSE/LEAD HAND QUALIFICATIONS.....36
LETTER OF UNDERSTANDING #1.....37
LETTER OF UNDERSTANDING #2.....37
LETTER #3 – CP CONTRACT EMPLOYEES.....37

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THIS AGREEMENT MADE AND ENTERED INTO THIS 16th DAY OF JANUARY, A.D., 2003.

BETWEEN: DIRECT INTEGRATED TRANSPORTATION INC. o / a DIRECT EXPRESS AND DIRECT DISTRIBUTION CENTERS (REGINA BRANCH). (hereinafter referred to as the "Company").

AND: Chauffeurs, Teamsters and Helpers, Local Union 395, Chartered by the International Brotherhood of Teamsters, (hereinafter referred to as the "Union").

ARTICLE 1- PURPOSE

1.01 The purpose of this Collective Agreement shall be to record the Agreement of the parties arrived at through negotiation as to the terms and conditions of employment relating to rates of pay, hours of work and other working conditions of employees; to provide a method of negotiating settlements of disputes and grievances; and to establish a harmonious relationship between the Company and the employees.

2.01 This Agreement shall cover all employees of Direct Integrated Transportation Inc. working in and out of the City of Regina, Saskatchewan excluding the branch manager, dispatcher, shipper/receiver, office supervisor, operations manager, sales staff, warehouse administrator, casual employees and owner operators as set forth in the order of the Canadian Industrial Relations Board dated May 11, 1999, A.D.

ARTICLE 3 - CLARIFICATION OF TERMS

3.01 In this Agreement, whenever the word "she", "her", or "hers" or the word "he" "him", or "his" appear, it shall be construed as any employee, male or female.

3.02 The word employee or employees shall mean any person or persons covered by this Agreement.

ARTICLE 4 - RECOGNITION

4.01 The Company recognizes the Union as the sole collective bargaining agency for the employees covered by this Agreement, and hereby consents and agrees to negotiate with the Union through its designated bargaining representatives on all matters relating to rates of pay, hours of work, and other working conditions of employees covered by this Agreement.

ARTICLE 5 - MANAGEMENT RIGHTS

5.01 The Union acknowledges that it is exclusively the right of the Company to:

- a) Maintain order, discipline and efficiency;
- b) Hire, direct and classify employees;
- c) Promote ,demote, transfer, lay-off; suspend or discharge employees for just and sufficient cause;
- d) Determine the suitability of probationary employees;
- e) Make and alter, from time to time, rules and regulations to be observed by employees provided such rules and regulations are not inconsistent with the terms of this Agreement or applicable Government Legislation;

- f) Generally manage the enterprise in which the Company is engaged and, without limiting the generality of the foregoing, determine the number of employees required and the methods, procedures, materials, and equipment to be used, schedules of work and all other matters concerning the administration and operation of the business not otherwise dealt with elsewhere in this Agreement.

5.02 The Company agrees these rights will be exercised in a manner consistent with the provisions of this Agreement.

5.03 Management shall not perform duties that are normally performed by the employees they supervise except where the work is:

- a) For the purpose of instruction or coping with an emergency.
- b) To overcome difficulties caused by the unforeseen absence of an employee(s).

5.04 The Company agrees to furnish all employees with a copy of the current Company rules and regulations. The Company shall forward the Company rules and regulations to the Union upon request.

ARTICLE 6 - UNION SECURITY

6.01 Every employee who is covered by this Agreement now or hereafter shall make application for Union membership and maintain Union membership as a condition of employment.

- 6.02 New employees shall within thirty (30) days after commencement of employment, make application for Union membership and maintain Union membership as a condition of employment.
- 6.03 The Company agrees to deduct initiation fees, monthly dues and assessments as determined by the Union on a monthly basis from the salaries or wages of each and every employee covered by this Agreement, whether a Union member or not.
- 6.04 The Company agrees to deduct each month, from the earnings of each employee coming within the scope of this Agreement, who has earnings in any portion of the calendar month, an amount equal to the monthly dues of the Union as determined by its By-laws and Constitution.
- 6.05 The Company agrees that the aforesaid deductions shall continue during the life of this Agreement and, after the expiry date thereof, during the entire period that any negotiations are preceding with a view of concluding a new Agreement.
- 6.06 The Union agrees to advise the Company in writing of the amount of initiation fees, monthly dues and assessments to be deducted and all amounts to be deducted.
- 6.07 In consideration of the premises and of the Company making the compulsory deductions of initiation fees, monthly dues and assessments herein provided, the Union agrees to and does hereby indemnify and save the Company harmless from all claims, demands, actions and proceedings of any kind and from **all** costs which may arise or be taken against the Company by reason of the Company making the compulsory check off of initiation fee, monthly dues, and assessments provided for in this Article.

- 6.08 The Union shall notify the Company and employees in writing of any changes in the amount of initiation fees, monthly dues and assessments at least one (1) month in advance of the end of the pay period in which the deductions are to be made, provided that such changes shall not occur more than twice in any calendar year.
- 6.09 The Company agrees that there shall be no discrimination against any employee because of Union activity, or for exercising any right under this Agreement or for reporting an alleged violation of this Agreement to the Union.
- 6.10 The Union shall supply the name of its Job Steward to the Company in writing. With the Company's permission, the Job Steward shall be allowed reasonable time, without **loss** of pay, during regular working hours to conduct Union business and such permission shall not be unreasonably denied.
- 6.11 An authorized Representative of the Union shall have access to the employees on Company premises only for the purpose of conducting Union business provided prior permission to do so has been granted by the Branch Manager, such permission shall not be unreasonably denied.
- 6.12 Once per calendar year, the Company shall, upon written request from an employee, allow the employee to review his personnel file. The employee may request and shall be given copies of documentation contained therein.
- 6.13 Employees are required to take direction from the Branch Manager, or designate, or, their immediate supervisor only.
- 6.14 (a) An employee will receive a copy of any written reprimand, warning letter, or suspension notice placed on his file, with a copy to be sent to the Union simultaneously.

(b) **All** disciplinary records will be removed from an employee's personnel file after fifteen (15) months of maintaining a clear performance record. Items once removed from a personnel file will not be used in disciplinary proceedings.

6.15 Where an employee is required to meet with a Company representative for the purpose of applying discipline to said employee, or investigating a disciplinary measure, the employee shall, should he desire, be entitled to have a Union representative, steward, or designated alternate, present during such meeting, and the Company will inform the employee of that right; the Union shall appoint an alternate steward to handle the duties of the regular steward, when unavailable, and shall advise the Company of the appointment.

ARTICLE 7 - UNION DUES CHECK OFF

7.01 (a) The Company agrees to deduct from wages due to each employee the initiation fees, regular monthly dues and assessments as directed by the Union, and shall remit the deductions to the Secretary-Treasurer of the Union on or before the 15th day of the following month. - 6 -

(b) The deductions shall be accompanied by a list of names, addresses, classifications, and phone numbers of the employees from whom the deductions have been made.

7.02 The Company will furnish the Union each month with a written list of:

(a) Names of the employees from whom deductions have been made, and the amount of such deductions.

(b) Names of employees whose employment has been terminated.

(c) Names of employees who have been hired.

(d) Home addresses of all new employees who have been hired.

7.03 The Company shall include yearly Union dues on T4 slips for income tax purposes.

ARTICLE 8 - PROMOTION AND SENIORITY

8.01 The probationary period shall be three (3) months for warehouse workers and CSR's, and nine hundred and thirty (930) hours worked for drivers; an employee shall not attain seniority until the expiration of the probationary period, when the employee's seniority shall be effective from the original date of employment.

8.02 During the probationary period provided for in Article 8.01 an Employee is entitled to the advantages provided for in the Agreement except as otherwise provided; however, it is acknowledged that in the case of discharge, an employee on probation may not avail himself of the grievance and arbitration procedure.

8.03 The seniority list shall be prepared covering the employees of the Company covered by this Agreement as defined in Article 2 of the Agreement. The seniority list shall contain the names and hiring dates of each of the employees, along with their respective work classifications. The seniority list shall be posted on the bulletin board every three (3) months, and a copy sent to the Union office. The onus shall be on the particular employee involved to bring to the attention of the Company and to have any alleged errors on the seniority list corrected and any such alleged errors must be brought to the attention of the Company within thirty (30) days of the posting of the seniority list, otherwise any alleged errors shall be deemed to be waived; once any dispute has been dealt with, it will be considered conclusively settled.

- 8.04 a) The Company shall have the right to fill any vacant positions for up to ten (10) working days without regard to the seniority list, as the situation requires; the ten (10) day period may be extended by the Company for bona fide business purposes, in which case the Company shall discuss the matter with the Union and any affected employees.
- b) An employee desiring to terminate employment shall give notice of the date on which employment is to terminate; the period between the date on which notice to terminate and date of termination shall not be shorter than five (5) working days.
- 8.05 Seniority shall accumulate during such periods as the employee is employed by the Company, including employees who are on a bona fide leave of absence or on Workers' Compensation.
- 8.06 An employee shall **lose** all seniority, shall be removed from the seniority list, and shall cease to be an employee in any of the following circumstances:
- (a) If the employee quits;
 - (b) If the employee is discharged and not reinstated through the grievance or arbitration procedure;
 - (c) If the employee retires;
 - (d) If an employee is placed on layoff, and is not recalled for a period of nine (9) months, during the first eighteen months of employment, and twelve (12) months thereafter;
 - (e) If the employee:
 - (i) fails to return to work at the expiration of an authorized leave;
 - (ii) fails to respond to a recall notice within twenty-four (24) hours of receipt of the notice; or

(iii) fails to return to work within fifteen (15) calendar days after receipt of the notice,

without providing an explanation satisfactory to the Company;

(9) An employee accepts a position outside the bargaining unit, and remains there for a period in excess of ninety (90) calendar days.

8.07 Seniority shall operate on a bargaining unit wide basis.

8.08 Positions covered by this Agreement which become vacant and are determined to be required by the Company – after consultation with the Union - shall be posted within two (2) working days from the date the vacancy occurs, for a period of three (3) consecutive working days. This in no way restricts the Company from eliminating and/or modifying positions which become vacant. The information which shall appear on the posting is:

- the classification;
- complete description of the position;
- the work schedule, including the duration and time when lunch is normally taken;
- the wage scale;
- the qualifications required for the position.

8.09 a) Employees wishing to apply for a posted position must do so within the three (3) working day posting period, using the form provided by the Company. Positions are awarded on the basis of qualifications and seniority. Where qualifications are equal, seniority shall prevail.

- b) All employees may apply for a posted vacancy, including employees on layoff status or absent due to illness or injury. An employee absent due to illness or injury, who was awarded the position, must provide medical documentation to the Company indicating that he will be medically fit to perform the regular duties of the position within five (5) working days following the end of the posting period, failing which the vacancy will be filled from amongst the applicants of the original posting who are able to immediately fill the vacancy.

- c) When an employee is on leave a steward may submit an application for a posted vacancy on the employee's behalf, provided the employee has requested the steward to act on his behalf. It is the employee's responsibility to advise the steward of the specifics of the desired position.

8.10 Within the two (2) working days immediately following the end of the posting period, the Company will post the name of the successful candidate. The successful candidate will be placed into the position within three (3) working days, failing which the Company will meet with the Union and any affected employee to discuss the reason for any delay.

8.11 a) In the event the successful applicant fails to demonstrate sufficient skill and ability to meet the requirements of the position during a fifteen (15) working day trial period, or if the employee is unwilling to perform the duties of the new position, the employee(s) shall revert to the position held just previous to the appointment.

b) It is further agreed that twenty (20) working days will apply for employees moving into a tractor driver position.

- 8.12 An employee who accepts a position outside of the bargaining unit continues to accumulate his seniority for a period of ninety (90) calendar days from the effective date of his move into the new position. During this period Union dues will continue to be deducted, and the employee may return to his position within the bargaining unit. At the end of this period of ninety (90) calendar days, the employee loses his seniority and all rights and advantages provided for in this Agreement.
- 8.13 a) Temporary vacancies, excluding vacations, that are known to be more than ten (10) working days but less than six (6) consecutive months, shall be filled in accordance with the job posting procedure outlined in Articles 8.08 to 8.11 of this Agreement.
- b) A temporary vacancy that is more than six (6) consecutive months shall be posted as a permanent vacancy, in accordance with Articles 8.08 – 8.11 of this Agreement.
- 8.14 Employees returning from an absence of less than six (6) months shall return to their prior position.
- 8.15 Employees will not be forced to move from their posted positions to fill temporary vacancies unless they agree to do so.
- 8.16 The exercise of seniority rights in accordance with Article 8 shall not unduly disrupt or interfere with the efficient business operations of the Company, which include legitimate requests of the Company's customers.

ARTICLE 9 - LAYOFFS AND RECALLS

- 9.01 The Company reserves the right to reduce staff and recall laid-off employees, when business conditions warrant (of which conditions the Company shall be sole judge) in which case, seniority shall prevail, providing that the senior employee has the demonstrated skill and ability, without the need for additional training, to perform the work efficiently.
- 9.02 a) In the instances of staff reduction, five **(5)** working days notice will be given to an employee whose position is abolished. The shop steward will be supplied with a copy of such written notice.
- b) In the case of an employee absent from work, the notice shall be sent by courier service or mail seventy-two (72) hours prior to the effective time of the layoff, and will be sufficient to respect the above-mentioned time period.
- 9.03 Any employee having completed his probationary period, whose position is eliminated, or who is laid off from his position, or an employee returning from a six (6) month authorized leave of absence, may exercise his bumping rights within his classification, wherever his seniority permits, provided he possesses the qualifications required and according to the following procedure:
- (a) the first employee so affected may bump the most junior employee within his classification;
 - (b) the most junior incumbent in the classification may elect to exercise his bumping rights in other classifications, except for the CSR classification;
 - (c) should the employee elect not to bump or be unable to exercise his right to bump, he is then laid *off*;
 - (d) the employee who has exercised his bumping rights, must demonstrate sufficient skill and ability to meet the requirements of the position within a

reasonable period of up to thirty (30) working days, the length of time dependent on the character of work, failing which he shall be entitled to displace a junior employee for whose position he is qualified.

9.04 The bumping procedure for employees in the CSR classification shall be the same as outlined in Article 9.03 of this Agreement, within that classification only.

9.05 The laid-off employees shall be placed on a recall list and offered “casual” work while on layoff.

9.06 a) The Company shall recall laid-off employees to work by method of courier service or certified mail, by decreasing order of seniority and by classification, subject to the qualifications required for the position.

b) It will be the employee’s sole responsibility to immediately advise the Company of any temporary or permanent change in his address and telephone number.

c) An employee on layoff, who has worked five (5) full or part days or more, obtained in accordance with Article 9.05 of this Agreement, in a consecutive four (4) week period, will be considered to have been recalled solely for the purposes of Article 8.06 of the Collective Agreement, and the periods referred to in Article 8.06 shall be considered to restart as of the last day worked.

9.07 An employee is not obliged to report to work after having received a recall notice, following his layoff, in the following cases:

(a) if he is prevented from doing so by illness or accident which is supported by medical documentation;

(b) if he is an employee who was working full time before his layoff, and the recall is for a part time position;

(c) if he is recalled to a position outside his classification.

For any of the above cases, the employee must immediately advise the Company in writing, upon receipt of the notice of recall to work, that he does not wish to be recalled.

9.08 A new employee shall not be hired in a classification until those on layoff in that classification have been given an opportunity to be recalled.

9.09 The exercise of seniority rights in accordance with Article 9 shall not unduly disrupt or interfere with the efficient business operation of the Company, which includes legitimate requests from the Company's customers.

ARTICLE 10 - HOURS OF WORK AND OVERTIME

10.01 (a) It is understood and agreed that the work week is intended to be 40 hours on 5 consecutive days; the Company does not provide employees with a guarantee of hours, which may fluctuate due to customer demand.

(b) When scheduling employees, the most available hours of work on a weekly basis (on average in a floating one (1) month period) shall be assigned on the basis of seniority, provided the employee has sufficient skill and ability to perform the work.

10.02 (a) Time worked in excess of sixty (60) hours per week for highway drivers; forty (40) hours per week for city drivers and swamper; and eight (8) hours per day or forty (40) hours per week for warehouse workers Groundmen, Toplift Operators and CSR's shall be paid at the rate of time and one-half (1%) of the employee's regular hourly rate of pay. Employees who are called out on assigned days off will be paid time and one-half (1%) on all hours worked with a minimum of four (4) hours.

- (b) A highway driver, for the purposes of this Agreement will be defined as a motor vehicle operator outside a 16-kilometer radius of his/her home terminal.

10.03 Regular and overtime hours shall be calculated in fifteen (15) minute intervals to the nearest quarter (1/4) hour.

10.04 Overtime shall be authorized in such manner and by such persons as the Company may from time to time designate.

10.05 (a)

- (i) Drivers will not generally be forced to work overtime, but it is understood and agreed that any job commenced prior to the employee's normal quitting time on any working day, will be completed once undertaken.

- (ii) Drivers shall not be permitted to refuse to accept work dispatched to them for performance prior to the end of the shift (8 hours after the shift began). Provided, however, a senior driver may refuse an assignment if a qualified junior driver is available.

- (b) Warehouse employees and CSR's shall be notified not later than three (3) hours prior to their normal quitting time of any overtime that may be required that day. Where such notice is not given, such overtime shall be completely voluntary on the part of the employee.

10.06 All overtime shall be offered to employees normally performing the work on the basis of seniority, ability and qualifications being sufficient to handle the work to be performed, however, operational efficiency will take precedent in determining employee selection.

10.07 An unpaid meal period of not more than one (1) hour, and not less than one-half ($\frac{1}{2}$) hour, shall be allowed employees as soon as possible after four (4) hours of work; provided always that where Company customers require a specified time and/or time period for a break, the employee will abide by the specified time and/or time period. On any day an employee takes less than the required one (1) hour meal period, he will obtain authorization from the Company officer responsible and the said Company officer will note on the employee's time card the time involved.

10.08 Employees will not be required to suspend work during working hours for the purpose of absorbing overtime.

10.09 In the event of mixed employment, Federal Labour Standards will apply for determining daily and weekly hours of work.

10.10 The Company and the Union agree that modified work schedules may be implemented by mutual consent of the Company and the Union.

10.11 Any employee who reports for regularly scheduled shift, and for whom there is no work, shall be paid a minimum of three (3) hours.

ARTICLE 11 - VACATIONS

11.01 a) In assignment of vacations, an employee's anniversary date of last hire shall be considered as the qualifying date for annual vacation purposes, after which date annual credits commence for vacation purposes. Separate departmental lists based on seniority shall be prepared, completed and posted by the Company no later than April 30th of each year.

- b) It is understood and agreed that the number of employees away on vacation from any classification may be limited to a ratio of one in four **(1:4)**, except that the Company may further limit the number in order to comply with customer requirements.
- b) An employee entitled to annual vacation during the calendar year shall take such vacation as scheduled during that calendar year unless prevented by sickness or a bona fide reason. It is also understood and agreed that employees will notify the Company in writing of their choice of vacation dates, a minimum of sixty (60) days prior to such chosen vacation date. Employees must take vacation in blocks of not less than 5 days at a time, except with permission of the Company, not to be unreasonably withheld.
- c) In the event of illness, injury and/or leave of absence in excess of thirty (30) days, vacation pay will be calculated based on the percentages set out below.

11.02 Any employee dismissed for cause or an employee who leaves the service of the Company at a time when an unused portion of vacation with pay stands to his credit, shall be paid all unpaid accrued vacation wages.

11.03(a) New employees will qualify for ten **(10)** working days vacation with pay upon completion of twelve **(12)** months continuous service, with vacation pay of four percent **(4%)** of gross wages. Vacations shall be at a time convenient to the Company and not more than ten **(10)** months from the date of qualification.

- (b) Any employee having five (5) years of continuous service with the Company shall be entitled to fifteen (15) working days vacation with pay of six percent (6%) of gross wages.
- (c) Any employee having 12 years of continuous service with the Company shall be entitled to eighteen (18) working days vacation with pay at seven and two-tenths (7.2%) percent of gross wages.

11.04 In assignment of vacations, senior employees within each classification will be given preference of assignment. After vacation dates have been selected and the list prepared as herein provided, no change in dates shall be allowed unless mutually agreed to by the Company and the employees concerned.

11.05 The appropriate amount of vacation pay for the vacation taken shall be paid either on the pay day immediately before the vacation, or the pay day immediately following the vacation, at the option of the employee.

ARTICLE 12 - STATUTORY HOLIDAYS

12.01 The Company recognizes the following as paid holidays:

New Year's Day	Labour Day
Thanksgiving Day	Remembrance Day
Good Friday	Victoria Day
Christmas Day	Canada Day
Boxing Day	August Civic Holiday

12.02 A full day's holiday (i.e. eight (8) working hours at the regular hourly rate) shall be granted to each regular full time employee for the days as set out in Article 12.01 herein, provided the employee:

- (a) Has earned wages for part or all of each day at least fifteen (15) days during the thirty (30) calendar days immediately preceding the Holiday.
- (b) Was not on leave of absence granted by the Company at the request of the employee.

- 12.03
- (a) All warehouse employees, city drivers, swampers and CSR's who do not work on the above holidays shall receive holiday pay equal to eight (8) hours pay.
 - (b) All highway drivers who are paid mileage and drop rates who do not work on the above holidays shall receive holiday pay equal to 1/20 of their gross pay for the four (4) week period preceding the day on which the holiday occurs.

12.04 Employees required to work on any one of the Holidays listed in Article 12.01 shall be paid at time and one-half (1 ½) for all hours worked, with a minimum of three (3) hours. Subject to Article 12.02(a-b), it is agreed and understood that Statutory Holiday pay at the employee's regular rate of pay (as set out in Article 12.03) will be paid in addition to the time and one-half (1½) for all hours worked with a minimum of three (3) hours.

12.05 Employees absent on any of the mentioned Holiday(s) due to bona fide illness (not covered by Workers' Compensation) commencing not more than thirty (30) days prior to said Holiday, shall be entitled to such Holiday pay, less the amount of insurance compensation received for the said day. Bona fide illness shall be proven to the Company's satisfaction by the production of a proper certificate from a duly qualified medical practitioner.

12.06 Employees on vacation during a period in which one of the above Holiday(s) is observed shall receive an additional day(s) vacation with pay.

12.07 The work week shall be reduced by the appropriate number of hours in accordance with Federal Labour Standards for each Statutory Holiday(s), as set out in Article 12.01.

ARTICLE 13 - LEAVE OF ABSENCE

13.01 Recognizing that circumstances may arise whereby an employee is required to serve or work on behalf of the Union, the Company agrees, on receipt of reasonable advance notice in writing, to grant leave without pay and benefits to such employee.

13.02 Court Leave

Leave of absence with pay shall be granted to an employee who on a day he/she would have otherwise worked, is required to serve on a jury or attend court as a witness under subpoena. Where an employee is summoned for jury duty or subpoenaed as a witness on a normal working day, the Company agrees to pay the employee the equivalent of a regular day's earnings, less any amount received for jury duty or witness fees. The above shall not apply if an employee is on a leave of absence, receiving benefits under Workers Compensation or on vacation leave.

13.03 Bereavement Leave

Bereavement leave in the amount of three (3) days with pay shall be granted in the event of a death of a father, mother, spouse (including common law), child, sister, brother, father/mother-in-law (including common law), and grandparents,

as well as any relative permanently residing in the employee's household, or with whom the employee resides.

(a) One (1) day paid leave will be granted to attend the funeral of a brother/sister/son/daughter-in-law, and grandchildren.

(b) Should the employee require, a further two (2) days without pay shall be granted.

13.04 Leave for Other Reasons

(a) Upon written application with supporting documentation where applicable, special leave without pay, up to a maximum of thirty (30) days, may be granted when circumstances not directly attributable to the employee, including, but not limited to, illness in the immediate family, prevent the employee from reporting for duty. The granting of such leave shall not be unreasonably withheld.

(b) Any employee hereunder on a leave of absence engaged in gainful employment without prior written permission of the Company and the Union, shall forfeit his seniority and his name shall be stricken from the seniority list, and he shall no longer be considered an Employee of the Company.

13.05 Maternal/Paternal Leave

Employees shall be granted leave in accordance with Part III of the Canada Labour Code.

ARTICLE 14 – GENERAL

14.01 Employees shall be entitled to two paid fifteen **(15)** minute rest breaks per shift, one break will be in the first half of the shift, one break will be in the second half of the shift.

14.02 The Company will provide a bulletin board to be used for the sole purpose of posting Union notices and information.

14.03a) Should the Company deem it necessary for an employee to wear a uniform during the course of his employment, he will wear same, keeping it clean and in good repair. The cost of such uniform, or portion thereof is to be shared as follows:

Company Portion	60%
Employee Portion	40%

to a maximum of once every twelve months. A uniform shall consist of one jacket, one vest, two pairs of pants and four shirts. Where required for outside work, the uniform will include coveralls. Failure to comply may result in disciplinary action.

b) All employees shall be provided with gloves or mitts where required, with the cost to be borne by the Company. When the replacement thereof is necessary, the employee will return his old mitts or gloves to the Company and receive new replacements at no cost to the employee.

c) Where safety boots are required to perform the work assignments, the Company will contribute up to seventy-five (\$75.00) dollars once per year, upon satisfactory proof of purchase.

- 14.04 It shall not be considered a violation of his employment that an employee shall refuse to cross a legal picket line recognized by the Union at a place where a legal strike is in process.
- 14.05 It is understood and agreed that employees will be required to give notice to the Company of any intended absence from duty and, except where requiring immediate medical or dental treatment, such notice shall be given as soon **as** the employee involved becomes aware of such impending absence from duty, and in no event shall such notice be given less than ninety (90) minutes prior to the employee's scheduled work time. Employees who have a pre-arranged doctor or dentist appointment will notify the company at least **24** hours in advance of the impending absence from duty.
- 14.06 No unauthorized person will be allowed to ride in any Company vehicle.
- 14.07 Employees failing to report any accidents or claims to the Company within twenty-four (**24**) hours, unless reasonably unable to do **so**, may be subject to disciplinary action and/or dismissal.
- 14.08 Whenever it becomes necessary for an employee to undertake medical tests or for the renewal of licenses on the Company's request, the Company shall upon request, provide appropriate equipment for this purpose. Time taken off for such purpose shall be paid for by the Company at the employee's regular rate of pay to a maximum of two (2) hours.

- 14.09 Employees covered by this Agreement will not be required to operate mechanical equipment when making deliveries or pickups at any other firm's premises save and except, where it is required on certain contracts held by the Company.
- 14.10 Employees in a higher rated classification shall not have their rates of pay reduced when assigned to work in a lower rated classification on an interim basis. Employees in a lower rated classification and assigned to work in a higher rated classification shall be paid the higher rate for hours worked in that classification.
- 14.11 Employees will be required to supply written authorization to enable the Company to obtain drivers abstracts. The employees will be responsible for one – half (50%) of the costs incurred for one abstract per year. If the Company requires more than one abstract per year, it will pay the costs of the additional abstracts. The Company will be responsible for all administration costs.
- 14.12 Employees shall not be required to pay any assessment or monies to the Company for a cargo claim or breakage of goods.
- 14.13 Should a driver lose his licence for any reason, at the discretion of the Company, he will be permitted to work in another classification, provided there is work available, and without the right to bump.
- 14.14 When a driver incurs reasonable out-of-pocket expenses, which have been approved by the Company, he will be reimbursed as soon as possible after returning to the terminal. Such approval will not be unreasonably withheld. When drivers are required to be away from their home terminal, they shall be

reimbursed upon proof of payment, the cost of a hotel room to a maximum of fifty dollars (\$50.00) for the third night and every second night thereafter.

14.15 Wherever this Agreement is silent or inferior to the employees, Federal Government Legislation and/or Regulations shall govern and be part of this Collective Agreement.

14.16 Drivers who fail to fuel at designated Company fuel stops will be responsible for the difference in fuel prices. This provision is subject to reasonable extenuating circumstances.

14.17 Fuel, oil and water levels of equipment operated by drivers are to be checked regularly, and kept at proper levels. Drivers will be expected to keep their trucks in a clean and neat condition; The Company will supply the necessary materials.

14.18. Drivers shall be liable for payment of all fines relating to any violations that are their responsibility;

14.19 In the event a driver's operator licence has been called under review suspended, or invalidated for any reason the Company must be notified by the Employee in writing within forty-eight **(48)** hours of the notice. The Employee must make the Company aware in writing, of the results of any hearing or review, within forty-eight **(48)** hours. Failure to comply may result in disciplinary action. A Driver shall not operate a Company vehicle at any time that his license is suspended or invalidated.

14.20 The parties agree that the Company may use Owner Operators as follows.

(a) Current

The Company may use owner operators, providing it maintains a ratio of not greater than 1 owner operator for every Company Driver (1:1).

(b) Transitional

In the event of any circumstance that requires the Company to increase its owner operator fleet such that there would be more owner operators than Company Drivers (IE exceed the 1:1 Ratio), then, upon notice to the Union, the current ratio would immediately be replaced by the ratio contained in the Chart below, and the following language will immediately become effective:

The Company and the Union agree the Company may use owner operators on a required basis subject to the following conditions:

- a) to supplement the regular work force
- b) The Company agrees, based on the Chart below, and subject to (c) below, to employ no fewer than ten (10) Company drivers.
- c) In the event the number of Company drivers falls below that set out in (b) above or the ratio listed below the Company will have up to three months to correct the situation. Provided, however, if either situation occurs due to:
 - i) a loss of work
 - ii) the voluntary termination of a Company driver
 - iii) the termination of a Company driver for just cause

then the three (3) month period will be extended indefinitely while the Company makes its best efforts to repair the situation by replacing the Company driver or obtaining additional work.

For the purpose of determining the number of owner operator positions in this article, it is agreed that the courier fleet is excluded. The term courier fleet shall mean all vehicles with a rim size of twenty (20) inches or less.

Transitional Ratio

OWNER OPERATORS

COMPANY DRIVERS

20-21	10
22-23	11
24-25	12
26-27	13
28-29	14
30-31....	15

ARTICLE 15 – GRIEVANCE PROCEDURE

15.01 Employee or Union Grievance

Should controversy arise between the Company and the employees or the Union concerning interpretation, application, meaning, operation or an alleged violation of this Agreement, including the question of whether a matter of grievance is arbitrable or not, the parties to this Agreement shall settle the matter as herein provided.

15.02 (a) Unless dismissed or suspended by the Company with a specific direction to remain away from work, the employees shall continue to work in accordance with the Agreement until such time that such controversy is settled by means of negotiations between the representatives of the Company and of the Union.

- 15.03 The employee or the Union, as the case may be, shall, within seven (7) working days of the occurrence of the incident bringing about the controversy, and not later, report such incident in writing to the Branch Manager of the Company. If not reported within seven (7) working days the controversy will not be subject to the grievance procedure contained herein. The Branch Manager shall give his decision in writing within five (5) working days, or at a time mutually agreed upon.
- 15.04 If the controversy is not settled within five (5) working days of the same being referred to the Branch Manager of the Company, then the employee or the Union as the case may be, shall within fourteen (**14**) working days and not later, set out the grievance in writing and file same with the General Manager of the Company.
- 15.05 If the controversy is not settled within fourteen (**14**) working days from the date that the controversy is set out in writing and filed with the General Manager of the Company or his designate, then it may at any time within seven (7) working days thereafter but not later, be referred by either party to Arbitration. The party referring the matter shall submit two (2) names of possible arbitrators for the other party's consideration. If within ten (10) working days of the referral, the parties have been unable to agree on an arbitrator, then the Minister of Labour, Government of Canada will be requested to appoint a neutral arbitrator whose decision will be final and binding.
- 15.06 The expenses of the arbitrator shall be shared equally between the Company and the Union.
- 15.07 The arbitrator shall not be authorized to alter, modify, or amend any part of this Agreement, or to render any decision incompatible with the provisions of this Agreement.

15.08 Policy Grievance

Where a dispute involving a question of general application or interpretation occurs, or where a group of employees, or the Union, has a grievance, Article 15.03 may be bypassed.

15.09 The Union and its representatives shall have the right to originate a grievance on behalf of an employee, or group of employees, and to seek adjustment with the Company in the manner provided for in this Article. Such a grievance shall commence at Article 15.04.

15.10 Employer Grievance

If a satisfactory settlement cannot be reached, the Company shall state the nature of its complaint in writing and submit a signed copy of same to the Union requesting a meeting thereof within three (3) days.

15.11 If settlement cannot be reached at the aforesaid meeting with the Union or any subsequent meeting which might be mutually agreed upon at the time, either party to this Agreement may request that the matter be submitted to arbitration. Such request must be made within seven (7) days of the last meeting of the parties.

15.12 The procedure to be followed in arbitration is the same as previously set forth under Employee and Union Grievance.

15.13 Extension of Time Lines

The time lines outlined in Article 15 may be extended by mutual consent of the parties.

ARTICLE 16 - PAYMENT OF WAGES

16.01 Job classifications and schedule of wage rates for all employees shall be in accordance with appendix A, annexed hereto and forming part of this Agreement. The Company shall on Friday of every second week, pay to each employee covered by this Agreement, all wages, overtime and other entitlement earned by the employee up to and including the previous Saturday.

16.02 All wages, overtime and other entitlement owing to an employee may be paid to an employee by Company pay cheque or direct deposit to an account of the employee's choice in a Bank, Treasury Branch, Credit Union, Trust Company or other corporation insured under the Canada Deposit Insurance Corporation Act (Canada).

16.03 When payday falls on a holiday, wages, overtime and other entitlement will be paid on the last working day prior to the holiday.

16.04 An itemized statement indicating rate of pay, accumulated vacation pay, overtime and specific deductions, etc. for each pay period shall be provided to each employee on the Friday of every second week

16.05 Employees who are laid off, terminated or quit shall receive wages, holiday pay, vacation pay, and other entitlement due; a statement of earnings and deductions; and a record of employment within five (5) working days of termination.

16.06 The Company and the Union agree that the Company may remunerate employees in a manner other than by the hourly rate. The rate of remuneration and method of implementation shall be by mutual consent of the Company and the Union, with the concurrence of the employee. The employee must receive no less than the hourly rate as indicated in this Agreement.

ARTICLE 17 – STRIKES OR LOCKOUTS

17.01 During the term of this Agreement, the Union agrees it will not call, authorize, or encourage a strike, walkout or slowdown or interruption of the production or operation of the Company by any employee and the Company agrees that there will be no lockout.

ARTICLE 18 - HEALTH AND SAFETY

18.01 A health and safety committee shall be established in accordance with the appropriate legislation.

18.02 No driver shall be held responsible for any accident occurring to a Company vehicle being towed at the direction of the Company.

18.03 Employees shall not be directed by the Company to take out on the streets or highways, any Company vehicle which is considered unsafe by the driver; the employee shall complete the necessary defect forms supplied by the Company

regarding the defects. No more than two defect reports will be written up before the vehicle will be pulled out of service to fix the defects.

18.04 No employee will be directed to drive a vehicle unless it is properly registered.

18.05 It is agreed between the Union and the Company, having regard for safety and driver health, that all power units will have adequate heaters, windshield wipers, and defrosters installed and kept in suitable operating condition. In temperatures that are extreme, where heaters do not heat the cab adequately, the Company will make the necessary alterations to retain adequate heat.

18.06 The Company will keep speedometers in proper working order.

18.07 The picking up, handling and transporting of hazardous goods shall be in accordance with the Dangerous Goods Act.

18.08 Employees shall not be directed by the Company to take any Company vehicle out on the highways in adverse/dangerous weather conditions.

18.09 The Company will provide proper protective clothing for the handling of dangerous goods.

18.10 In the interest of safety, the Company agrees that where warehouse work is required on the weekends, and, only one warehouse worker is doing the work, the Company shall ensure that, in addition to the bargaining unit employee, there shall be at least one other Company representative on the premises while any warehouse work is being performed.

ARTICLE 19 - DURATION OF AGREEMENT

19.01 This Agreement shall become effective the 16th day of January 2003, and shall continue in full force and effect until the 15th day of January 2006, and thereafter from year to year, unless terminated or amended as herein provided.

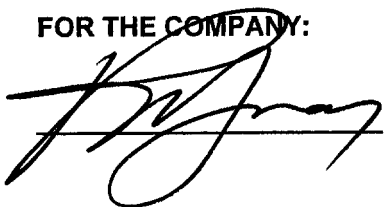
19.02 If either party to this Agreement should desire to renew, revise or terminate this Agreement, then not more than one hundred and twenty (120) days prior to the expiry date of this Agreement, such party shall give written notice to the other party, together with the particulars relating thereto.

19.03 Within twenty (20) days following receipt of written notice to renew or revise this Agreement, together with the particulars relating thereto or at such other time as may be mutually agreed upon, the parties shall meet and commence negotiations.

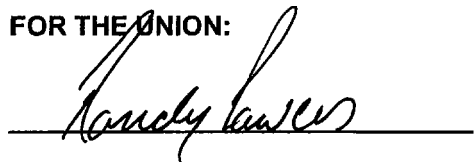
19.04 If notice has been given under this Article, this Agreement shall remain in full force and effect during any period of negotiations, even if the negotiations extend beyond the expiry date of this Agreement, until the procedures set out in the Canada Labour Code have been exhausted. The parties to this Agreement shall make every effort to comply with the procedures and time lines set out in the Code, and conclude an Agreement prior to the expiry date .

SIGNED THIS DAY OF JULY 2003.

FOR THE COMPANY:



FOR THE UNION:



APPENDIX "A"

WAGES AND PREMIUMS

	Current Wage	16/01/03	16/01/04	16/01/05
TRACTOR	11.10	11.50	11.80	12.15
TRUCK	10.20	10.60	10.90	11.25
WAREHOUSE LEAD HAND	9.85	10.25	10.55	10.90
WAREHOUSE B	8.62	9.02	9.32	9.67
SWAMPER	8.30	8.70	9.00	9.35
CSR	8.37	8.77	9.07	9.42
TOPLIFT	15.25	15.25	15.55	15.90
GROUNDMAN	9.50	9.50	9.80	10.15

Retroactivity based upon pay (hours/mileage /drops) since January 16, 2003.

Red Circled Employees

	Current Wage	16/01/03	16/01/04	16/01/05
Gerry Peters	10.60 total	10.75 +.25 LH Premium	11.05 +.25 LH Premium	11.40 +.25 LH Premium
Bob Wog	11.10	Tractor rate	Tractor rate	Tractor rate
Gerry Zatylny	13.70	13.70	13.95	14.25

Toplift Grid

< 1000 hrs.	-	12.50
< 2000 hrs.	-	13.45
< 3000 hrs.	-	14.35
< 5000 hrs.	-	14.80
> 5000 hrs.	-	Classification top rate

Mileage Rate

\$0.17 starting rate
\$0.175 after 1 year of employment effective January 16, 2003
\$0.1775 January 16, 2005

Drop Rate

\$7.50 per drop

Mouny Premium

\$0.50 per hour for all hours operating a vehicle with Mouny attached outside the Direct yard

Oil Premium

All new drivers will receive a \$0.50 premium over the truck rate

Dispatch Premium

CSRs will be paid a premium of \$0.30 per hour for training to become a qualified backup dispatcher; once qualified by the Company, the premium will be increased to \$0.60 per hour for all hours worked performing (backup) dispatch functions.

Lead Hand Premium

Where the Company designates an employee as a Lead Hand, other than the Warehouse Lead Hand, the employee will be paid a premium of \$0.50 per hour for all hours worked / paid.

New Hire Wages:

For straight truck and tractor drivers:

- a) first six months of employment, \$1.00 less per hour than classification rate
- b) the following six months of employment, \$0.50 less per hour than classification rate
- c) For CSR's, Warehouse workers, Groundmen, and Swampers, the first six months of employment, \$0.50 per hour less than classification rate

Warehouse / Lead Hand: Qualifications

- Must be capable, in the opinion of the Company, of exercising authority necessary to be a lead hand
- Company reserves the right to hire or promote to Warehouse Lead Hand at any time.

LETTER OF UNDERSTANDING#1

The Company agrees that for the term of this Agreement, and so long he is employed, employee Peters shall be entitled to four weeks vacation with pay under Article 11, based on 8%.

LETTER OF UNDERSTANDING#2

The Union recognizes that the bargaining unit employees in the CSR classification have access to certain confidential Company information, relating to customers, pricing / rates, and other similar confidential business information. The Union hereby undertakes and agrees not to request particulars of such information from its members, and, that to the extent such information is made available to it by its members, it shall not disclose any such information to any third party, nor shall it make any use of such information, whether in negotiations with the Company or otherwise.

Letter #3: CP Contract Employees

- (a) Employees D. Nickel, and J. Zatylny will be entitled to 3 weeks paid vacation in each year of the term of this Agreement, with pay at 6% of wages paid.
- (b) For seniority and all other purposes, these employees will have a seniority date of March 20, 2003.