COLLECTIVE AGREEMENT

BETWEEN

ISLAND PACIFIC TRANSPORT LIMITED WEST DECKS TRANSPORT LTD.

P. 2/02/03/03

AND

TEAMSTERS LOCAL UNION NO. 31

JANUARY 1, 2003

TO

DECEMBER 31, 2011

12486 (02)

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BRITISH COLUMBIA

MASTER FREIGHT AND CARTAGE AGREEMENT

MEMORANDUMOF AGREEMENT made this 1'' day of January, 2008

BETWEEN: ISLAND PACIFIC TRANSPORT LIMITED.

WEST DECKS TRANSPORTLTD.

(hereinafter called the "Company")

OF THE FIRST PART

AND: TEAMSTERS LOCAL UNION NO. 31

(hereinafter called the "Union")

OF THE SECOND PART

Gender: Whereverthe use of the male gender is used herein, it shall also apply to the female gender where applicable.

ARTICLE 1

Section 1 - Recognition

It is recognised by this Agreement to be the duty of the Union, the Company or its bargaining agent and the employees to fully co-operate individually and collectively, for the advancement of conditions.

Section2 - Union Co-operation

The Parties agree at all times as fully as it may be within their power to further the interests of the industry.

ARTICLE2

Section 1 - Certificate of Bargaining Authority

This agreement shall relate only to employees and categories of employees referred to in the certificate of bargaining authority held from time to time by the union, save as hereinafter expressly provided.

Section 2 - Bargaining Authority

All members of the Union shall receive a copy of this Agreement which **is** binding upon the bargaining authority and every employee in the unit for which the Union **has** been certified **or** where no certification exists as recognised by this Agreement. The Union shall be responsible for the printing of these Collective Agreements and the Company **will** purchase such agreements so that each and every employee **of** the Company will receive a copy.

- Local Union No. 31. If it becomes necessary for the Company to dry lease equipment, said equipment shall be operated by members of the Teamsters Local Union No. 31.
- The Company agrees not to contract out any work normally performed by employees covered by this Agreement if any employee is on lay-off for lack of work at **the time** such contracting out is introduced or if the contracting out would cause the lay-off of any employee.
- Provided capable employees are available, all suitable equipment must be in use before additional equipment can be leased or hired.

<u>ARTICLE4</u> <u>DEPENDENT CONTRACTORS</u>

Section 1 - Definition

A dependent contractor (which for the purposes herein, shall include owner/ operator) is the owner and/or purchaser and, except as permitted herein the exclusive operator of equipment supplied for the Company's services pursuant to this article and appendix "C".

The title to the equipment shall be in the name of *the* Company for registration and licensing purposes only, and the Company has no financial interest other than as required by the Motor Carrier Act.

Section 2 - Retaining Services

The Company may engage the services of dependent contractors provided the **following** conditions are complied with.

- Dependent Contractor's Agreement, as provided in appendix "C" attached hereto and forming part of this Agreement, is entered into between the Company and the dependent contractor prior to the dependent contractor performing any services for the Company and, in respect to those dependent contractors **now** engaged by the Company not later than fifteen (15) days following the signing of **this** Agreement. Signed copies of appendix "C" shall be forwarded to the Union forthwith.
- (b) The dependent contractor shall become and remain a member of the Union in accordance with article 3, sections 2 and 3 herein. He shall be identified on a checkoff list as a dependent contractor, either as a fine driver, local cartage or a combination of both.
- A separate seniority list shall be posted at the terminal showing the names and truck numbers of all dependent contractors. A copy of such list shall be forwarded to the Union forthwith in accordance with article 7, section 7.
- The dependent contractor shall personally and exclusively operate the equipment supplied pursuant to this agreement with the Company, excepting that such equipment shall be operated by an employee of the Company in instances where the equipment requires more than one operator and upon the request of the dependent contractor in instances where the dependent contractor is absent because of vacations, illness, accident or on leave of absence for reasons acceptable to the Company. On written demand from the Union the Company must produce proof of ownership or equipment lease agreement by said dependent contractor.

Section 3 - Increases, Decreases in Services

- In the event the Company increases or reduces the number of operational units within a branch, such increases or reductions shall be made on the basis of one Company unit to one dependent contractor unit. However, the foregoing shall not compel the Company to engage or retain the services of dependent contractors, nor shall the replacement of a dependent contractor with another dependent contractor be a consideration2
- (b) In the application of (a) of this section the branch shall be defined **as** follows:

ARTICLE 5

Section 1 - Regular Employee

A regular employee shall be considered as such an employee of the Company when:

- (a) he has completed his probationary period;
- (b) he makes himself available to the Company for full time employment;
- he has **no** other outside employment, except where such employment may be specifically permitted under the provisions of this Agreement;
- it shall not be a cause for discipline or discharge for an employee to seek and/or accept gainful employment while on lay-off, provided the employee complies with sub-section(b) herein;
- when a Company tries to contact any regular employee who is either on lay-offin excess **at** two weeks or has failed to report for duty within twenty-four (24) hours of contact, and cannot be contacted by telephone regarding his availability for employment, the Company will then make final contact by registered mail, with copy to the **Union.** Failure to then contact the Company with sufficient justification may then constitute grounds for dismissal.

Section 2 - Casual Employees

A Casual Employee shall:

- (a) be hired on an incidental and temporary basis to provide for additional manpower;
- (b) be carried **on** a regular casual employee's **seniority** list in a branch or division not serviced by a Union Hiring Hall as provided under article 3, section 3 (b), paragraph 1;
- (c) **be** given first opportunity to qualify **as** a regular employee as openings become available, providing he meets all Company qualifications and requirements:
- not be covered under the provisions of the Health and Welfare Plan until such time as he becomes a regular employee; and
- (e) only be hired by the Company, providing a Union member cannot be supplied and such employee must be cleared or replaced by the **Union** Hall before startinghis third shift.

Section 3 - Regular Employee Reverting

Notwithstanding the provisions of section 1 of this Article, the company may employ a regular employee as a part time employee provided the employee has been on layoff five (5) or more consecutive working days. Such employee may be called into work and paid wages for less than eight (8) hours excepting that if he is called and reports for work on two (2) consecutive days he shall be a regular employee on the second day. However, it is understood a reverting employee shall be subject to all conditions herein, i.e. health and welfare, pension, etc.

On the line-haul, seniority shall prevail for the purpose of bidding, brit there will be no job bumping privileges.

Section 3 - Seniority

Group #1: All employees employed as drivers.

Group #2: Owner-operators

When an employee is laid-off for lack of wark, he will then have the right to fill, if qualified and capable in all respects, provided he has been given the opportunity to demonstrate his capability any position to which his seniority will entitle him.

Section 4

All newly hired employees shall be considered as probationary employees for the first sixty (60) calendar days. There shall be no responsibility on the part of the Company in respect of the employment of probationary employees should they be laid-off for lack of work or discharged during the probationary period. However, the Company shall inform the probationary employee as to whether he has been discharged or laid-off and the reasons therefor with written notification to the Union Dispatcher.

Section 5

In the event of a terminal closure, partial closure or the expiration of a recall period that results in the termination of employment of an employee, the Company agrees to pay such employee severance as stipulated in the Canada Labour Code, regardless of age.

Section 6

Casual employees will not be used to deprive any of the regular employees the conditions of this Agreement.

Section 7

The Company will post and maintain seniority listings. Such up-to date listings will be posted as of January and July of each year. Copies of current lists will be provided to the Union. Such lists to state starting date of employee.

Section 8

When an employee's employment is terminated by the Company for proper cause or he leaves by his own choice, he will automatically be struck from the seniority list. If an employee on his own volition obtains a withdrawal card from Local 31 he shall be struck From the Company seniority list.

Section 9

in the event that the Company purchases a business or **any** part thereof, the employees of which are covered by a Collective Agreement with a Local **Union** of the International Brotherhood of **Teamsters**, the seniority of such employees shall be computed from the date that they respectively first become employees of the business aforesaid.

Section 10

Any employee who has been on lack of work lay-off for one (1) year or more shall be removed **from** the seniority list and the Company shall be under no further obligation *to* such employee except in **the** case where **a** lay-off is a direct result of **a** labour dispute involving another company or when the laid-off employee has accrued five **(5)** years or more seniority in which case seniority **will be** carried for eighteen (18) months.

bargaining unit. In such appointments seniority shall be a consideration. The successful appointee shall not have the right to hire and fire during the ninety (90) day leave of absence.

Not later than on the ninetieth (90) calendar day of this period, the employee must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the employee return or be returned to the bargaining unit for any reason, he must remain within the unit for a minimum period of one hundred and twenty (120) calendar days prior to exercising such privilege again.

ARTICLE 8

Section 1 - Meal Period

The employee shall, except by mutual agreement between the parties hereto, take at least one (I) continuous period for meals at not less than thirty (30) minutes **or** more than one (1) hour in any one day. Wherever reasonably possible, meal periods will be thirty (30) minutes. Further, no employee shall be required to take more than a thirty (30) minute period, except between the hours of 11:30 a.m. and 1:30 p.m. No employee shall be compelled to take more than one (1) continuous hour during such period, nor compelled to take any part of such continuous hour, before **he** has been on duty three and one-half (3 1/2) hours or after he has been on duty five (5) hours. However, any employee directed by the Company to stay with or operate equipment during his meal period will be paid at the regular rate of pay.

Where an employee is required to work in excess of **two** (2) hours overtime, he shall be entitled to paid time off for the purpose of eating at the end of his regular shift, except in a situation where interruption of **work** is not practical in which event the period **may** be staggered or postponed. Such meal period shall be paid at the applicable overtime rate of pay **as** provided in article 24, section 2 of this Agreement.

Section 2 Rest Breaks

Any employee shall be entitled to one (I) break of fifteen (15) minutes during both the first half and second half of any shift and, where practical, during each two (2) hour period of overtime, excepting during that period where a meal period is provided under section 1 above. A rest break shall be provided if the overtime worked is to exceed thirty (30) minutes. The commencement of this break may be staggered, but not beyond one half hour.

ARTICLE9 ·

Section 1 - Safety Conditions

- Maintenance of Equipment it is to the mutual advantage of both the Company and the employee that employees **shall** not operate vehicles which are not hi safe operating condition. No employee **will** be required to operate equipment on public streets and thoroughfares that is not in compliance with the appropriate provisions of the law dealing with safety requirements for mobile equipment; i.e. brakes, steering, adequate mirrors, signal lights or other lighting equipment.
 - (b) 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 the shift, trip, or tour all safety and/or mechanical defects on the equipment which they have operated during that shift, trip or tour. All line-haul trucks and tractors to be equipped with trouble sheets in *triplicate* book form, and the book with one (I) copy to remain in the vehicle at all times.
 - **The** Company shall designate the person to whom all defects reports of mobile equipment are submitted, and all employees will be notified the name of such person.
 - (d) In the event essential repairs cannot be effected to make the equipment safe, the equipment will be correctly identified and kept out of service until repaired and it shall not be considered a violation of his employment when a Company employee refuses to operate such identified equipment. Identification red tags shall be supplied and made available by the Company.

from the gross amount of wages. Pay cheques shall be made available before an employee starts his shift except under circumstances beyond the control of the Company. Pay cheques are paid on a semi-monthly basis. One thousand dollars (\$1000) is payable on the fifteenth (15") of the month, with remaining wages paid on the last day of the month.

Except where otherwise mutually agreed immediately prior to **an** employee leaving on annual vacation, he shall be entitled to receive vacation pay by separate cheque in accordance with article 25 of this Agreement, for that period **of** time that he will be absent from work. However, if the employee fails to exercise this entitlement, such vacation pay will be **paid** to him on the first regular pay day following his return to work.

Section 2

Casual employees will be paid on the fifteenth (15th) of each menth. Remaining wages to be paid on the last day of the month.

Section 3

If an error occurs in an employee's pay cheque and the amount is equal to one (1) day or more, he shall be entitled on request to a cheque being issued in favour of such employee within two (2) working days.

Section 4 - **Separation of** Employment

Except as elsewhere herein provided, upon termination or quitting, the Company shall pay all money due to the employee as soon as possible, but not later than seven (7) calendar days thereafter.

ARTICLE 11

Section 1 - Paid for Time

- (a) All employees covered by this Agreement shall be paid for all time spent in the service of the Company. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work or registers in, whichever is later, until he is effectively released ti-om duly,
- (b) When employees are required to ride ocean ferries with their equipment on ferry trips that exceed eight (8) hours (i.e. Part Hardy-Prince Rupert and Alaska ferries), they shall be Compensated at **their** straight time hourly rate for one-half the total hours spent in making the **trip**. It is understood that the paid hours will not be used in the calculation of overtime.
- (c) Employees required to travel on public transportation or Company equipment in **a** deadhead manner shall be paid in accordance with article 24, section 1 (a) (b) and (c).

Section 2 - Bereavement Leave

An employee shall be granted a maximum of two (2) regularly scheduled work days leave, without loss of pay or benefits, in the case of death of a parent, spouse, brother, sister, child, parent-in-law, sister-in-law, brother-in-law, step-children, legal guardian and grandparents which include spouses grandparents and grand-children.

Funeral leave is not compensable when the employee is on leave of absence, bona fide lay-off; or annual vacation.

Upon giving twenty-four **(24)** hours notice, an employee shall be granted time **off** without pay for the purpose of attending a funeral provided that the granting of such time off shall not be inconsistent with the efficient operation of the business.

When an employee returns to work, the Company shall deduct from his earnings any monies the Company has paid out in respect of his contributions.

In the event any employee does not return to work, and the employee refuses or neglects on demand at **his** *last* known address to make restitution for such monies paid out, the Union shall then reimburse the Company for said amount.

Section 6 - Licence Tests

- (a) Whenever it becomes necessary for **an** employee to undertake tests for renewal of licences or tickets, **the** Company shall upon request provide appropriate equipment for this purpose. Time taken off **for** such purpose shall be paid for at the employee's straight time rate.
- Any driver with one (1) or more years of seniority who is required under the Motor Vehicle Regulations to undertake a physical examination as **a** condition **of** continuing to hold a valid driver's licence shall receive a Company contribution to a maximum of forty dollars (\$40.00) to the cost of the examination, provided a receipt **is** submitted to the Company.

Section 7 - Sick Leave

The sick leave plan does not form a part of the Health and Welfare Plan.

- (a) All regular employees who have one (1) continuous year's service or more shall thereafter accumulate paid sick leave at the rate of one-half (1/2) day per employed month to a maximum of thirty (30) days. The accumulation of paid sick leave shall be based on the following provisions.
 - (i) The employee shall begin accumulation of sick leave at the **start** of the pay period immediately following the date he completes one (1) year **of** continuous employment.
 - (ii) The employee must be paid **for** not less **than** one hundred and twenty-eight (128) hours in a four (4) week period to be credited for a half (1/2) day in that month including vacation and general holidays.
 - (iii) Employees absent **from work** due to leave of absence for any reason, or sickness and compensation, will not accumulate **sick** leave during **this** absence.
- (b) Where any absence, occasioned by sickness or accident is not covered for payment for either the Teamsters Transport Health and Welfare Trust **Plan** or Workers' Compensation, paid sick leave shall be applied as follows:
 - (i) 1/2 day's pay for first day of absence provided that day is a regular work day.
 - (ii) One (1) full day's pay for each of the second (2nd) and third (3rd) days of sickness, provided those days are regular work days.
 - (iii) A day's pay for employees will be eight (8) hours pay at the regular hourly rate for his classification.
 - (iv) It shall be the responsibility of the employee to claim for accredited sick leave on such forms as the Company may prescribe.
- (c) Any proven abuse of the Sick Leave Provision will subject the employee to immediate dismissal without recourse to the Grievance Procedure.
- (d) A medical certificate may be required to claim benefits under this provision.

Section 4

It is mutually agreed that there shall be no strike, lockout, or slowdown whether sympathetic or otherwise during the term that this Agreement shall be in force.

ARTICLE 15 TECHNOLOGICAL AND MECHANICAL CHANGES

Definition: Technological and mechanical changes shall be defined to mean the introduction and utilization of vehicular and other equipment changes which have not previously been used with the bargaining unit **by** the Company and the use of which results in the termination or the laying off of regular employees.

Recognition by Parties: All Parties to this Agreement recognize that technological and mechanical changes that result in the increased efficiency and productivity must be encouraged and further that all Parties have a direct responsibility to reduce to a minimum the adverse effects that may result from such changes.

Prior Notification: The Company shall advise the Union as far in advance as possible, and not less than thirty (30) calendar days prior to the introduction of technological or mechanical changes and the matter shall immediately become the topic of general discussion and consultation between the Company and the Union and particularly in regard to:

- (a) the effect such changes will have on the number of employees within the bargaining unit;
- (b) the probable effect on working conditions; and
- (c) any changes in job classifications.

Dislocated Employees: In the event technological or mechanical changes result in a reduction in the work force or the demotion or promotion of employees, such reductions, demotions or promotions shall be done in accordance with the provisions of article 7, seniority as contained herein.

Re-training and Upgrading: The Parties jointly and individually will undertake with **the** assistance of Canada Manpower and through recognised provincial or local adult training programs if necessary to re-train and upgrade regular employees to enable them to become qualified and capable of performing new jobs resulting from or created by the technological mechanical changes.

ARTICLE 16

Section 1 - Inspection Privileges

Authorized agents of the Union will request and have access to the Company's establishments during working hours for the purpose of investigating conditions related to this Agreement and shall in no way interrupt the Company's working schedule.

Section 2 - Shop Stewards

- (a) The Union shall elect or appoint shop stewards from among its members in the bargaining unit and shall notify the Company in writing forthwith of such appointments and deletions of those employees so elected or appointed. The Company will recognize shop stewards and not discriminate against them for lawful Union activity. The Company will notify the Union forty-eight (48) hours prior to dismissal of a shop steward.
- (b) Grievances shall be processed during the normal working hours of the shop steward. A steward shall receive his regular rate of pay when grievances or pending grievances are processed with the Employer on Employer property or at any other place which is mutually agreed upon by both the Union and the Employer.

- Maintenance shop employees shall be provided with **clean** coveralls and the cost and maintenance shall be borne by the Company. The Company shall supply at their expense to maintenance shop employees good quality safety-toedboots and after the initial issue on **an** annual exchange basis if required.
- Where the Company makes it a condition of employment for all employees to wear safety-toed boots, the Company will supply same.

ARTICLE 19

Hourly rated employees shall be notified before quitting time the day previous to their not being required for duty except as otherwise mutually agreed by the Parties hereto. Time shall be posted and remain posted until 9:00 a.m. the following day.

ARTICLE 20

- (a) If an employee after starting work meets with an accident which incapacitates him from carrying on his duties, he shall be paid his full day's wages for the day of his injury, provided he is not in receipt of compensation from the Workers' Compensation Board for that day.
- Union Committees: The company shall allow time off with pay to any employee who is serving on the Union bargaining committee to a maximum of one (1) employee and shall allow time off without pay to any employee who is serving as a delegate.

ARTICLE21

Section 1 - Pay For Change in Classification

When an employee from a higher rated classification is requested to work temporarily or **util** permanently reclassified at a lower-rated classification, **he** shall continue to be paid at the rate paid **for** the higher-rated classification.

Where an employee from a lower-rated classification is requested to work in a higher-rated classification for (a) one hour and up to two hours, he shall be paid for the period worked at the higher rate and (b) for two or more hours, he shall be paid for the entireday at the rate paid for the higher-rated classification.

An employee who is required, as a condition of employment, to be the holder of **a** valid and subsisting license **shall** receive the appropriate rate of pay for whichever license he **is required** to hold. This clause shall not apply **if** an employeeexercises his seniority into a different classification.

Section 2 - Pay For Change in Jurisdiction

In the event that the Company **should** require any employee covered by this Agreement to engage in **work** on construction or demolition or in the confines of a construction or demolition site **corning** within the jurisdiction of an agreement which has established more favourable wage rates than those herein contained, such employee shall be entitled to be paid at the more favourable wage rate while he **is** so engaged.

Section3

Any employee temporarily assigned by the Company to a terminal or operation located beyond reasonable commuting distance shall be reimbursed by the Company for reasonable expenditures for room and board.

ARTICLE 22

The regular hourly and percentage rates paid shall be those set out in appendix "A" attached hereto and forming part of this Agreement.

- Any employee called to work by the Company on any of the General Holidays shall be paid **two** and one-half (2 ½) times his regular rate of pay in addition to his straight time holiday pay and shall be paid a minimum of four (4) hours pay at two and one-half (2 ½) times the regular rate.
- (e) Shift Differential: Any hourly employee who commences work at 2:00 p.m. or later or prior to 6:00 a.m. shall be paid thirty-fivecents (35¢) shift differential over regular late of pay.
- (f) Record of Employment Any employee on lay-off who requests his Record of Employment shall not be considered terminated.

Section 3 - General Holidays

Pay for holidays when not worked shall be as follows:

Employees shall be paid for time not worked at the regular rate on New Year's Day, Good Friday, Victoria Day, Dominion Day, B.C. Day, Labour **Day**, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and in the event **a** general holiday is proclaimed by the Federal or Provincial Government, such holiday shall be observed as **a** general holiday. The rates of pay for these general holidays will be at the regular applicable work time rate. Percentage drivers pro-rated back thirty (30) days.

Employees entitled to those paid holidays shall have been on the payroll thirty (30) calendar days previous to the holiday.

Employees absent from work by reason of accident or **illness** not in excess of **six** (6) months shall receive full pay for general holidays as designated herein. Employees in receipt **of** Workers' Compensation Wage **Loss** Benefits **shall not** be paid for **the** general holidays **as** designated herein.

Employees absent by reason of leave of absence, discharge, quit or suspension shall not be entitled to general holiday Pay-

The employee **who** is terminated or discharged for **just** cause within the thirty (30) calendar day period shall not be entitled to general holiday pay. If an employee who has been laid off temporarily is returned to work within thirty (30) calendar days after the holiday, he shall be entitled to the paid general holiday.

When a general holiday falls on a regular employee's **regular** day **off**, then such employee will be granted a day off in lien of such general holiday on either the last working day preceding *or* the first working day following such general holiday.

ARTICLE 25

Section 1 - Two Weeks Vacation

Upon completion of one year's service **employees** shall receive two (2) consecutive weeks vacation with **eighty** (80) hours pay at their hourly rate of pay in effect at the time they take their vacation or **four** percent **(4%)** of annual gross earnings, whichever is the greater. Vacation pay at four percent **(4%)** shall be paid to **all** employees **with** less **than** one (1) year of service.

Section 2 - Three Weeks Vacation

Any employee completing three (3) years of continuous service shall thereafter receive **six** percent (6%) or one hundred and twenty (120) hours at their hourly rate **of** pay in effect at the time they take their vacation, whichever **is** the greater.

June 1st - September 30th inclusive
December 15th - January 15th inclusive
Spring Break - When it occurs

- (b) Employees entitled to three (3) **weeks** vacation, but whose seniority **is** such that they would not otherwise qualify for a vacation in the prime season, shall be given one week in that season.
- Employees, with the exception of those described in (b) above, requesting a vacation during the prime season shall receive two (2) weeks in one (1) continuous period. The remainder of the vacation to which such employee is entitled shall be given during the off-season.
- Employees shall be granted their vacation dates, in order of their seniority, consistent with the efficient operation of the business. Vacation lists shall be posted and remain posted on or before January 31st of each year.
- (e) Vacation period to start on completion of employee's normal work week, and end on the first day of his normal work week on the completion of his vacation.
- (f) Where an employee has less than fifteen hundred (1500) hours and is terminating employment, voluntarily or otherwise, **he** shall receive 4%, 6%, 8%, 10% or 12% **of** his earnings in lieu **of** the holidays to which he is entitled.
- Unless otherwise mutually agreed between the Company and the employee, every employee shall be notified at least fourteen (14) days prior to being required to take **any** vacation period. Once vacation periods are established the time **shall** not be changed except where mutually agreed between the employee and the Company.
- (h) Any employee who accepts gainful employment while on vacation may be terminated,.
- (i) Any regular employee receiving a differential or premium pay on a regular basis, this differential or premium will become part of his regular hourly rate of pay, and shall be paid on all general holidays and annual vacations.
- In the event a general holiday falls during an employee's vacation, the employee will be allowed a day off without pay in lieu of such general holiday, either immediately preceding or immediately following his vacation period. Such day off without pay in lieu of a general holiday will be designated **on** the final vacation schedule.

General holidays that fall within the vacation periods that are not designated on the final vacation schedule, the day in lieu of such general holiday will be designated at the time the vacations are booked and approved.

ARTICLE26 - LINEHAUL OPERATIONS

Section 1 - Mileage Guide

The Rand-McNally Trip Maker shall **be** used to determine miles driven. The Company may adopt other accurate software for such purposes upon prior notification to the Union. It is agreed that where an error is established in any such software actual miles shall govern.

ARTICLE 27

The Company agrees that all conditions of employment relating to wages, hours **of** work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of signing **of** this Agreement.

representatives of the Company. The representatives of the Union and the Company shall exchange statements in writing setting forth their respective positions relative to the matter(s) in dispute not later than at their initial meeting.

Step 4: Failing settlement under Step 3, either Patty may refer the matter to an agreed upon neutral arbitrator who will meet with the authorized representatives of the Union and the Company to hear both sides of the case.

Section 2 - Minister of Labour

If the Parties fail to agree upon **a** neutral arbitrator within five **(5)** days (excluding Saturdays, Sundays and General Holidays) after one **Party has** served written notice on the other Party of its intention to refer the matter to a neutral arbitrator, the Minister of Labour **will** be requested to appoint a neutral arbitrator.

Section 3 - Arbitrator's Decision

The arbitrator shall be required to hand down his decision within fourteen (14) days (excluding Saturday, Sunday and General Holidays) following completion of the hearing, and his decision will be final and binding on the **two** Parties to the dispute and shall be applied forthwith.

The decision of the arbitrator shall be specifically limited to the matter submitted to him, and he shall have no authority in any manner to amend, alter, or change any provisions of this Agreement.

Section4 - Costs

The cost of the arbitrator **will** be **borne** equally by the **Union** and by the Company.

Section 5 - Meeting Chairman and Minutes

Under step 3, the Company will act as recording secretary and will furnish the Union with a copy of any such minutes. All copies of minutes will be signed by both the Union and the Company representative(s). Under step 3, the meeting chairman will be rotated between the Union and the Company.

ARTICLE 31

Section 1 - Term of Agreement

This Agreement shall be for the period from and including January 1, 2003 to and including December 31, 2011. Either Party to this Agreement may, within four months immediately preceding December 31, 2011 give to the *other* Party written notice to commence collective bargaining.

Section 2

After expiry of the term **of** this Collective Agreement, and subject to the limitations necessarily resulting **from** the **exercise** of the rights of the Parties under part 5 of the Labour Relations Code including the right to strike or lockout the terms and conditions of employment as set out in this Agreement will be observed and not varied except by the Parties mutual consent during the period that the Union remains the bargaining agent for employees identified in this Agreement.

DATED THIS 22 DAY OF June 2008 2007

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

A	APPE	NDIX	''A''	- W	AGE	SCHE	DULE

CLASSIFICATION	JA		JAN. 1/2010	EDCLE	
Hourly drivers	\$20	0.00	\$20.50		
Trip Rates (round trip)	Aug. 1/08	Aug.	1/09	Aug. 1/10	Aug. 1/11
APD-Seaspan APD-Nan, Dock APD-Duke Point (includingMIR) APD-Chemainus	\$60.00 \$65.00 \$70.00	\$61.00 \$66.00 \$71.00 \$76.00)))	\$62.00 \$67.00 \$72.00 \$77.00	\$63.00 \$68.00 \$73.00 \$78.00
APD-Crofton	\$80.00	\$81.00	J	\$82.00	\$83.00_
<u>Origin</u>	Destinatio	<u>n</u>		Rate for Au	<u>ıg. 1/08</u>
Cassidy Yard OR Seaspan	Nanaimo Parks Port Albert Courtenay Campbell I			\$30.00 \$40.00 \$65.00 \$75.00	
Extra Drop (on island only)				\$10.00	
APD To Vancouver (Live)				\$120.00	
Backhauls in Vancouver to Seaspan Delta				\$65.00	
Live Backhauls to the Island From Van (if delivered)	Parksville Victoria Nanaimo Duncan Courtenay			\$100.00 \$100.00 \$90.00 \$100.00 \$120.00	

1. Preloads from Port Alberni to the destinations fisted above will be fifteen dollars (\$15.00) for local loads (delivery on Vancouver Island). The rates for preloads for deliveries on Vancouver Island will increase on August I, 2010 to sixteen dollars (\$16.00) and August 1, 2011 to seventeen dollars (\$17.00).

All preload deliveries to Vancouver will be at twenty dollars (\$20.00) for the life of the agreement.

APPENDIX "B" - HEALTH AND WELFARE

Section 1 - Participation

It is agreed that the Company will participate throughout the life of the agreement in the Teamsters - Transport Health and Welfare Trust Plan (the Plan) as amended from time to time.

Section 2 - Board of Trustees

A Board of Trustees will be constituted of those persons provided for in the Trust Agreement.

Section 3 - Trust Agreement

The plan and the activities of the Board of Trustees will be governed by an Agreement and Declaration of Trust (the Trust Agreement), established July 1, 1971 and revised on November 26, 1990.

The company agrees that it shall be bound by the terms and conditions of the Trust Agreement.

Section 4 - Plan Administration

The terms of the **Plan** and its administration shall be entirely the responsibility **of** the Board of Trustees, provided the Plan **is** administered in accordance with the Collective Agreement, the Trust Agreement and any applicable government law or regulation. Benefits provided will be determined by the Trustees and **will** be subject to such rules, limitations **and** exceptions contained in Pian documents and insurance contracts **as** are established and accepted by the Trustees from time to time.

Section 5 - Eligibility Conditions

- (a) Any member of the union, employed pursuant to **this** agreement, shall join the plan on the first day **of** the month coincident with or immediately following the date on which the employee becomes a regular employee.
- Notwithstanding subparagraph "(a)" above, **any** member **o** f the union, employed pursuant to this agreement, **who** has been covered under this plan within *the* 30 day period immediately prior to the date on which he commences **work** with the company, and who becomes a regular employee, shall join the Plan on the later **of** his date **of** hire or the following termination **of** his previous coverage.
- If an employee whose coverage has been terminated due to layoff or any other temporary interruption of work, is recalled and works a minimum of one shift, coverage for the weekly indemnity and long term disability benefits will commence on the date of return to work, and all other benefits will be reinstated as of the first day f the month in which return to work occurs.
- For the purpose of **this** Appendix "B", a regular employee or member of the union hired pursuant to this agreement, shall include a dependent contractor **as** defined in the appropriate section(s) of this agreement.
- When a covered employee goes off work due to disability for which **weekly** indemnity and/or long term disability benefits are payable under this plan, of **if** due to disability for which the employee has applied for benefits under the Worker's Compensation **Act**, or **if a** grievance is invoked on his discharge, the Company shall continue to pay contributions for his health and welfare coverage and **his** Union dues so that the employee hall be protected **to** the utmost, provided:
 - (i) The period of such coverage shall exceed 12 months only by mutual agreement of the two Parties to this Agreement.
 - (ii) When an employee returns to work, the Company shall deduct from his earnings any monies the **Company** has paid out normally paid by the employee with respect to his health and welfare coverage.

Section 9 - Payment of Contributions

- (a) Contributions will be made on a calendar month basis for each eligible employee and the Company shall remit the total contribution to the Plan not later than the twentieth (20th) day of the month for which coverage is being provided.
- (b) The Company agrees to hold in trust, until remitted, all amounts payable in respect of the plan pursuant to this Agreement and shall be liable, as such, for the failure to remit for any reason including, but not limited to liquidation, assignment or bankruptcy of the Company.
- (c) The Company agrees that the Trustees of the Plan shall have the right to take legal action against the Company to obtain payment of all contributions and interest thereon due pursuant to this agreement.
- (d) The Company agrees that, if contributions are not received by the plan Administrator within the agreed time period (or postmark on the envelope enclosing the contributions is not within the agreed time period), then the Company shall be liable for the payment of such contributions plus interest on the contributions at a rate determined by the Trustees but not to exceed 2% per month from the date such contributions were due to the date of receipt by the union or the Plan Administrator.
- (e) The company agrees that, if the Union or the Trustees of the Plan incur any legal or other costs to recover contributions due and payable by the Company, the Company shall be liable to reimburse the Union or the applicable Trustees for such costs.

Section 10 - Termination of Coverage

Except as provided under Section 5, subparagraph (e), hereunder,

- (a) All coverages under the Plan will terminate at the end of the month in which lay-off or any other temporary interruption of employment commences.
- (b) If employment is terminated, coverage for the weekly indemnity and long term disability benefits will terminate immediately upon termination of employment and all other coverages will terminate at the end of the month in which termination of employment occurs.
- (c) It shall be the responsibility of the Company to advise the Administrator of the Plan in a timely fashion of termination of a member's coverage and the Company will be held responsible for any costs incurred by the Board of Trustees that result from late notification of termination of coverage.

Section 10 - Failure to Remit Contributions

It is agreed that, if the Company fails to remit contributions due to reasons other than clerical error, to remit contributions due under this Agreement on behalf of any eligible employee, the Company shall be liable for the payment of all benefits the employee does not receive from the Health and Welfare Plan but would have received had the Company remitted the required contributions. In the event of clerical error, the Company shall be liable for the payment of any benefits for which the Trustees are unable to obtain insurance due to late application.

Section 11 - General

- (a) It shall be the responsibilities of the Trustees of the **Plan** to provide all necessary enrolment and administrative forms to the Company.
- (b) It shall be the responsibility of the Company to provide the employee the necessary forms to **enrol** and make claim under the Plan.
- (c) It shall be the responsibility of the employee to cause such forms to be completed.

- 3. The Company and the dependent contractor shall each maintain adequate insurance coverage appropriate to their areas of responsibility as required by statute and each **shall** file with the other proof of insurance coverage.
- 4. The dependent contractor shall display the name of the Company on the vehicle and have it painted as required by the Company, plus whatever is required by the Motor Carrier Commission and/or Motor Vehicle Regulations.
- 5. The dependent contractorshall be responsible for any expenditures made by the dependent contractor in the name of the Company subject to the dependent contractor having received authorization from the Company prior to the making of such expenditures. Such expenditures on his own equipment shall be subject to deduction by the Company from the dependent contractor.
- 6. This Agreement shall expire on the date that the B.C. Master Freight and Cartage Agreement expires, however, this **Agreement** may be cancelled by either the Company or the dependent contractor on giving thirty (30) days prior notice or such longer period as mutually agreeable to the Company and the dependent contractor, excepting that this Agreement may be cancelled immediately by either **the** Company or the dependent contractor for reasons of default, violation of Company policy or violation **of this** Agreement.
- 7. Except where otherwise mutually agreed in writing by the Union and the Company, the Company shall pay to the dependent contractor for service rendered, not less often than once every calendar month, the following revenue:
 - (a) The Company shall not pay less than 70/30 split during the term of this Agreement, plus the Company's contributions under section 8 (a) to (f) herein.
 - (b) All fuel surcharges where applicable.
 - (c) Rates of revenue grossing in excess of 100,00 G.V.W. shall be mutually agreed between the Parties.
 - Allowing for an alternative method **of** payment agreed to between the Union, Company and dependent contractor and allowing for existing Agreements in effect **at** date of signing of this Agreement, said methods or Agreements must at least equal to minimums in appendix "C", section 7 (a) herein. Copies of said Agreement to **Local Union**. Any dispute shall be resolved under article 30 of the grievance procedure.
- 8. In addition to compensation provided for under section 7 herein, the Company shall assume complete financial responsibility for the following:
 - (a) Contributions normally assessed against an Employer for the Health and Welfare **Plan** and Workers' compensation.
 - **(b)** The painting of the Company signs on the equipment.
 - (c) The bonding **of** the dependent contractor.
 - (d) Cargo insurance and trailer insurance.
 - (e) Any administration fees incurred as a result of engaging the services of the dependent contractor.
 - (f) Operating Authorities certificates.
- **9.** The dependent contractor shall assume complete financial responsibility for the following:

APPENDIX "D" TEAMSTERSLOCAL NO. 31 UNION/INDUSTRY ADVANCEMENT FUND

The Teamsters Local **No.** 3I Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by Teamsters Local Union No. 31.

The Employer shall make contributions of five cents (\$.05) per hour for which wages are payable hereunder for each employee and dependent contractor covered by this Collective Agreement.

Payment of said funds shall **be** made to the Teamsters Local No. 31 Union/Industry Advancement Fund by the 15th of the month following that **to** which they refer.

This payment will be independent and separate from any other payment made to Teamsters Local Union No. 31.

