

**PROPOSED
AGREEMENT**

Between

PENSKE LOGISTICS, INC.

And

***National Automobile, Aerospace, Transportation and
General Workers Union of Canada (CAW-Canada),
Local 4268***

Mississauga, Ont.

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August 15, 2001

TABLE OF CONTENTS

	<u>PAGE</u>
Article 1	1
Article 2	1
Article 3	1
Article 4	1
Article 5	2
Article 6	3
Article 7	4
Article 8	5
Article 9	6
Article 10	6
Article 11	6
Article 12	7
Article 13	8
Article 14	8
Article 15	9
Article 16	9
Article 17	9
Article 18	9
Article 19	10
Article 20	10
Article 21	10
Article 22	11
Article 23	11
Article 24	12
Article 25	12
Article 26	13
Article 27	13
Article 28	13
Article 29	14
Article 30	14
Article 31	14
Article 32	16
Article 33	17
Schedule B	
Appendix A	

AGREEMENT

THIS AGREEMENT entered into on August 15, 2001 by and between **Penske Logistics, Inc.** hereinafter referred to as "Employer" and the **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), Local 4268**, hereinafter referred to as the "Union".

ARTICLE 1 RECOGNITION

The Employer recognizes the Union as the sole and exclusive bargaining representative for all employees of Penske Logistics working out of its Mississauga, Ontario domicile for the purpose of collective bargaining with respect to rate of pay, wages, hours of employment and other terms and conditions of employment, excluding all office clerical employees, dispatchers, owner operators, security personnel, supervisors and those above the rank of supervisors.

ARTICLE 2 TRANSFER OF COMPANY TITLE OR INTEREST

The Employer shall give notice of the existence of the Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy sent the Local Union, at the time the seller, transferor, or lessor executes a contract or transaction as herein described. The Local Union shall also be advised of the transaction, not including financial details.

ARTICLE 3 UNION SHOP

It shall be a condition of continued employment that all employees of the Company covered by the Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on the thirty-first (31st) day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement who are hired on or after its effective date, shall on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union.

ARTICLE 4 RECOGNITION AND CHECKOFF

SECTION 1. The Company will checkoff monthly dues and initiation fees each as designated by the Union as membership dues in the Union on the basis of individually signed voluntary checkoff authorization cards on the attached form.

At the time of his/her employment, the Company will suggest that each new employee voluntarily execute an authorization card for the checkoff of Union dues on the form

attached, A copy of such authorization card for the checkoff of Union dues shall be forwarded to the local Secretary/Treasurer of the Union along with the membership application of such employee

All dues and initiation fees deducted must be remitted to the Local Union Financial Secretary by the fifteenth day of the following month along with a list of names and the amount of each deduction.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of this Article.

The following information shall be given in writing by the Company to the Union on all new employees after the new employees have successfully completed their probationary period:

- A) Name and Home Address
- B) Date Employed

Minimum amount of Union Dues shall be:
Two hours twenty minutes straight time per month

The dues shall be based on the amount earned per straight time hours in the payroll period worked, in which dues are deducted.

Dues are payable when a member receives benefits in lieu of work such as vacation pay, holiday pay and bereavement leave.

Dues are not payable when a member receives Sick and Accident Benefits or Workers Compensation benefits.

ARTICLE 5 UNION REPRESENTATION

SECTION 1: AUTHORITY The Union shall elect or appoint and the Company shall recognize a unit committee consisting of two members from the Mississauga Terminal which will include a Unit Chairperson.

The Union will notify the Company in writing of the names of the Unit Chair person and Committee person. The Unit Chair person or his Committee person shall be permitted reasonable time to investigate, present and process grievances on the Company property, provided it does not interfere with Company operations.

The Union shall not conduct union business or activities on Company time or premises without the permission of the Company. On prior notification, the President of the Local

and the National Representative of the Union shall be granted admission to the location provided that there shall be no interference with normal operations of business.

SECTION 2: NEW ORIENTATION. The Company agrees that a Union representative will be given an opportunity to meet with each new employee within regular working hours, without loss of pay, for fifteen minutes, during the first thirty days of employment for the purpose of acquainting the new employee with the benefits and duties of union membership and the employee's responsibilities and obligations to the company and the Union.

ARTICLE 6 SENIORITY

SECTION 1. Employees will be regarded as probationary employees for the first ninety (90) days of their employment, including part worked days. Upon completion of this probationary period, their seniority will be retroactive to the first day worked and their name will appear on the seniority list in order of their respective date of hire.

SECTION 2. Seniority by classification shall prevail in the layoff and recall of employees provided they have the requisite ability to perform the work. For the purposes of this Article, hourly rated drivers and mileage rated drivers are considered the same classification.

SECTION 3. There shall be one (1) seniority list. The Employer shall post this list of the employees arranged in order of their respective driver seniority. The list shall be posted in a conspicuous position at the place of employment, and any disputes must be reduced to writing within twenty (20) days of the posting.

SECTION 4. The Employer shall be responsible for contacting laid off employees to return to work. A laid off employee who is notified to return to work must respond and present themselves for work not later than seven (7) days after such notification. Employees on layoff will continue to accumulate seniority for up to one (1) year for the purpose of vacation pay.

SECTION 5. Seniority rights shall terminate for any of the following reasons:

- 1) if an employee is discharged for just cause
- 2) if an employee is laid off and not recalled within twelve (12) months
- 3) if an employee voluntarily quits the employ of the Company
- 4) an employee who absents himself from his employment and does not notify the employer within three working days shall be deemed to have voluntarily quit his employment.

SECTION 6. All jobs will be bid twice annually to be effective in the months of January and July. The job bids will be posted for ten (10) working days in a place where all employees will have an opportunity to view and select a bid. All bidding will be in accordance with seniority. Once completed, bids will take effect not later than ten (10) working days following the bid. Once bidding is complete, employees must remain on their bid choices until the next bid. In the event that a route is eliminated, either temporarily or permanently, the person on that route may displace the junior most employee in the unit on whose route he is qualified until the next bid provided they have the requisite ability to perform the work or until the route is restored.

ARTICLE 7
GRIEVANCE PROCEDURE

SECTION 1. A Grievance is a protest by an employee against the Employer because of an alleged violation of a specific provision of this Agreement. Unless mutually agreed, failure to follow the procedures and steps outlined or the failure to follow the time limits shall be an absolute bar to the further processing of grievances or the arbitration thereof. Every effort shall be made to settle and grievance as expeditiously as possible in accordance with the following procedure.

SECTION 2

Step 1. Any employee who has a dispute, may, at their option, discuss the same with their supervisor, with a committee person to resolve the matter before reducing it to writing.

Step 2. If the complaint is not settled in Step 1 above, then the union must put the complaint in writing and submit it to the Manager (LCM) within seven calendar days of the alleged violation or knowledge of said violation. The LCM will give his written answer within seven calendar days from the date the grievance was presented to him in writing.

Step 3. If the Union decides to process the grievance further, it shall be taken up by the National Representative of the Union, President or Vice President and Steward, provided that the Company will pay for only one to be present, and employee, with the Manager (LCM) within ten calendar days from the date the LCM in Step 2 gives his written answer. The LCM will give his written answer within ten calendar days after receipt of the second step.

Step 4. If the Union decides to arbitrate the grievance after having been fully processed according to the provisions of this contract, it shall be submitted to arbitration as follows:

- A. Within 14 calendar days after receipt of the Employer's written answer in the third step, the Union shall notify the

employer in writing of its intention to submit the grievance to arbitration.

B.i In the event that the matter has not been settled, either party may, within fifteen (15) working days following the aforesaid meeting, refer the matter to arbitration by giving to the other party a written notice of its intention to proceed to arbitration and this notice shall state the specific matter to be dealt with at arbitration and the specific relief sought by the party. The party referring the matter to arbitration shall suggest three arbitrators to hear the matter in such notice. The other party shall accept one of the suggested arbitrators or reject all of the suggested arbitrators. In the event the other party rejects all the suggested arbitrators, such party will suggest other arbitrators within five (5) working days after receiving the notice.

B.ii Within five (5) working days from the last five (5) working days mentioned in Article 7.2 Step 4 B.i, if the parties are not able to agree on an arbitrator, they shall request the Minister of Labour for Canada, to make the appointment of an arbitrator.

C. The parties will all agree that the dispute will be presented to the Arbitrator as expeditiously as possible.

Section 3. The arbitrator shall not have the power to alter or amend any of the terms of this agreement or any agreements supplemented hereto.

Section 4. Each party shall bear its own expense with respect to the preparation and presentation of the matter to the arbitrator, but the cost or expense of the arbitrator and the conference room shall be borne equally by the Employer and the Union.

Section 5. The decision of the arbitrator shall be binding upon the Employer and the Union.

Section 6. The time limits of the grievance procedure are mandatory and may not be waived except by mutual written agreement.

ARTICLE 8 NO LOCKOUT - NO STRIKE - PICKET LINES

There shall be no strikes or lockouts during the term of this Agreement. The words "strike" and "lockout" as used herein are agreed to have the meaning defined for those words in the Canada Labour Code.

ARTICLE 9
UNIFORMS

At the option of the Company, employees may be required to wear a full set of Company provided uniforms while on duty. The Company shall furnish and repair all uniforms.

The Employer has the right to establish and maintain reasonable standards for wearing apparel and personal grooming.

ARTICLE 10
PASSENGERS

No driver shall allow anyone, other than employees of the Employer, who are on duty, to ride on his truck except by written authorization of the Employer, except in cases of emergency arising out of disabled commercial equipment or an Act of God. No more than two (2) people shall ride in the cab of a tractor unless required by government agencies or the necessity of checking of equipment. This shall not prohibit drivers from picking up other Penske drivers, helpers or other Penske employees in wrecked or broken down motor equipment and transporting them to the first available point of communication, repair, lodging or available medical attention.

ARTICLE 11
EQUIPMENT AND SAFETY

SECTION 1: SAFE EQUIPMENT The Company, the Union and employees in the bargaining unit will make every effort to comply in a timely manner with all applicable legislation pertaining to the health and safety of the employees at the Company. The Union, the Company and employees in the bargaining unit agree to actively promote measures to assure the health and safety of all employees. The Employer shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition, including but not limited to acknowledged overweight vehicles or vehicles not equipped with the safety appliances prescribed by law. All equipment which is not mechanically sound or properly equipped, shall be appropriately tagged so that it cannot be used by other drivers until the maintenance department has adjusted the complaint. The Vehicle Inspection Report will be placed in the cab.

SECTION 2: DANGEROUS CONDITIONS Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work or danger to person or property or in violation of any applicable statute or court order, or in violation of a government regulation relating to safety of person or equipment. The term "Dangerous conditions of work" does not relate to the type of cargo which is hauled or handled.

SECTION 3: ACCIDENT REPORTS Any employee involved in any accident shall immediately report said accident and any physical injury sustained. When required by his Employer, the employee, before starting his next shift, shall make out an accident report in writing on forms furnished by the Employer and shall turn in all available names and

addresses of witnesses to the accident. The employee shall receive a copy of the accident report that he submits to his Employer. Before any discipline is imposed for an accident, the LCM or his designee will talk with the employee about his statement or the accident. The employee may have the Union Steward or a Union Officer present during the discussion.

SECTION 4: EQUIPMENT REPORTS Employees shall immediately, or at the end of their shift, report all defects of equipment.

A. Such reports shall be made on a suitable form furnished by the employer and shall be made in multiple copies, one copy to be retained by the employee and one copy to be made available for inspection by the next driver operating such unit, subject to agreement between the Employer and Local Union. The Employer shall not ask or require any employee to take out equipment that has been reported by any other employee as being in an unsafe operating condition until same has been approved as being safe by the mechanical departments.

B. When the occasion arises where an employee gives written report on forms in use by the Employer of a vehicle being in an unsafe working or operating condition, and receives no consideration from the Employer, he shall take the matter up with the officers of the Union who will take the matter up with the Employer.

SECTION 5: QUALIFICATION ON EQUIPMENT If the Employer requests a regular employee to qualify on equipment requiring a special license or in the event an employee is required to qualify (recognizing seniority) on such equipment in order to obtain a better job opportunity with his Employer, the Employer shall allow such regular employee the use of the equipment in order to take the examination.

ARTICLE 12 COPIES OF THE AGREEMENT

SECTION 1. Each employee will receive a copy of the Collective Bargaining Agreement.

SECTION 2: UNION BULLETIN BOARDS The Employer agrees to provide a suitable locked, enclosed Union bulletin board in each terminal or place of work, provided the Company will have a key. -Posting by this Union on such boards are to be confined to official business of the Union.

ARTICLE 13 MANAGEMENT RIGHTS

SECTION 1- Subject to the provisions of this Agreement, it is agreed that the Employer retains the sole and exclusive right to manage the business and to direct the working forces of the Employer. Such functions of management include, but are not limited to the

right to hire, enforce rules of safety, promote, discharge or discipline for just cause, subject to the grievance and arbitration procedure, layoff employees, and maintain efficiency of employees. The Employer has the right to alter, rearrange or change, extend, limit or curtail its operations or any part thereof, to decide the number of its operations or any part thereof, to decide the number of employees that may be assigned to work on any job or shift the equipment to be employed in the performance of such work.

SECTION 2: RULES AND REGULATIONS The Employer shall have the right to establish, maintain and enforce reasonable rules and regulations to assure orderly and safe operations, it being understood and agreed that such rules and regulations shall not be inconsistent or in conflict with the provisions of this Agreement. The Employer shall furnish the Union with a written or printed copy of all such rules and regulations and all changes therein. Changes in existing rules and regulations, as well as new rules and regulations promulgated by the Employer, shall not become effective until five (5) regular work days after copies thereof have been furnished to the Union. The Union reserves the right to dispute changes in work rules in existence at the time of the execution of this Agreement, and those which may subsequently be implemented, that affect wages, hours and working conditions.

SECTION 3: ASSIGN WORK The Employer may assign to an employee work, which is not normally performed by the employee in accordance with operational need.

ARTICLE 14 LEAVE OF ABSENCE

SECTION 1. Personal Leaves of Absence: A leave of absence may be granted for personal reasons for a period not to exceed sixty (60) days upon application of the employee to and approval by his supervisor. Such leaves of absence may be renewed at the discretion of the Company and seniority will accumulate during the leave. Benefits will be continued to the end of the month in which the leave commences.

SECTION 2. All leaves (maternity, adoption, parental, sick leave, etc.) shall be provided in accordance with the Canada Labour Code. Benefits will be continued as required, pursuant to the Code.

SECTION 3. All of the above leaves of absence are granted subject to the following conditions:

1. The return of any employee to work before the expiration of his/her leave of absence is at the option of the Employer, however the Employer shall not reasonably deny the Employees wish to return.
2. Any employee who fails to report for work within three (3) working days **after** date of expiration of the leave shall be considered as having voluntarily quit unless he/she has a satisfactory reason.

ARTICLE 15
SUBCONTRACTING

The Company will not contract out bargaining unit work under any circumstances that would result in the lay off of bargaining unit employees.

ARTICLE 16
LOSS OF LICENCE

SECTION 1: SUSPENSION OR REVOCATION OF LICENCE In the event an employee receives a traffic citation for a moving violation which would contribute to a suspension or revocation or suffers a suspension or revocation of his right to drive the Employer's equipment for any reason, he must promptly notify his Employer in writing. Failure to comply will subject the employee to disciplinary action up to and including discharge.

ARTICLE 17
PARKING

The Company will make available a suitable parking area for all employees at no cost to them.

ARTICLE 18
DISCHARGE OR SUSPENSION

SECTION 1. The Employer shall not discharge or suspend any employee who has completed his probationary period without just cause. Discharge or suspension must be by proper written notice to the employee and the Union.

SECTION 2 A Union representative will be present at any time when a warning, suspension or discharge is issued, except under circumstances which make it inadvisable to retain an employee in the terminal whereby a meeting will be held within three days of the suspension.

ARTICLE 19
EXAMINATION AND IDENTIFICATION FEES

SECTION 1. Physical, mental or other examinations required by a governmental body or the Employer shall be promptly complied with by all employees, provided however, the Employer shall pay for all such examinations. The Employer shall not pay for any time spent in the case of applicants for jobs.

SECTION 2. Should the Employer find it necessary to require employees to carry personal identification or picture I.D., such requirements shall be complied with by the employees. The cost of such personal identification shall be borne by the Employer.

ARTICLE 20
PAY PERIOD

All regular employees covered by this Agreement shall be paid in full each week. Not more than one (1) week's pay shall be withheld on behalf of an employee. Each employee shall be provided with an itemized statement of gross earnings and an itemized statement of all deductions made for any purpose. Payroll shortages are to be paid in the week following the shortage.

ARTICLE 21
VACATIONS

SECTION 1. The following vacations shall apply:

< 1 Year service	-	4% of gross earnings to date	No vacation
> 1 year < 5 years	-	4% of gross previous years earnings	Two (2) weeks
5+ years	-	6% of gross previous years earnings	Three (3) weeks

It is strongly recommended that vacations are taken during Automotive industry shutdowns. These periods are historically during the first 2 weeks of July and the week of Christmas.

SECTION 2. All vacations earned must be taken by employees and no employee shall be entitled to vacation pay in lieu of taking a vacation, except as stated in Section 5 below. In the event of a customer disruption of operations, the Company will consider requests for vacation pay in lieu of vacation, which will not be unreasonably denied.

SECTION 3. A vacation board will be managed by the employer. Each employee will bid for their earned vacation weeks by selecting several weeks listing them in order of preference. All employees must turn in to the company their preferred weeks by January 31st of each year. The company will allow a maximum of two (2) drivers to schedule vacations during any given week except during shutdown periods, when the number will be increased, provided it does not disrupt operations. Discrepancies will be discussed with employees immediately for the purpose of completing the vacation board by the end of February of each year. Vacation weeks will be granted in order of seniority. Should any employee decide to cancel a vacation week selected after the vacation board is complete and choose a different week, or opt to not select a week during bidding, the vacation week later selected by the employee will be granted in accordance with the language above except that this employee cannot bump a lower seniority employee. All requests for vacations taken after a cancellation will require one week (7 calendar days) notice.

SECTION 4. If an employee's paid vacation accrues or is payable during a period in which he is otherwise entitled to unemployment compensation, the employee's right to payment will be deferred until after the termination of the unemployment period.

SECTION 5. If an employee has at least three weeks vacation, he has the option to take one week of pay in lieu of vacation.

ARTICLE 22 HOLIDAYS

SECTION 1. Regular employees shall be paid a day's pay for the following ten (10) holidays: New Year's Day, Good Friday, Memorial Day, Canada Day (as observed), Fourth of July, Labor Day, Remembrance Day (to be celebrated the day after Thanksgiving), Thanksgiving Day, Christmas Eve and Christmas; the day the holiday is recognized will be based on customer requirements. A day's pay for purposes of this Article shall equal an average of the last twenty day's wages prior to the holiday.

SECTION 2. Regular employees called to work on any of the above-listed holidays shall be paid one and a half (1-1/2) times their regular rate of pay for all hours worked (minimum of eight (8) hours), in addition to the day's pay referred to above.

SECTION 3. In the event a holiday falls within an employee's vacation period, he shall be granted an additional day's vacation with pay, unless otherwise mutually agreed. In order to qualify for the day's pay for a holiday not worked, it is required that regular employees must work the regular scheduled work day which immediately precedes as well as the regular scheduled work day which follows the holiday, except in cases of proven illness or unless the absence is mutually agreed to.

SECTION 4. Employees who are serving their ninety (90) day probationary period are not entitled to holiday pay for holidays falling within the first thirty days of their probationary period.

SECTION 5. Each employee will have two (2) personal holidays each year, which must be scheduled on a date mutually agreed to by the Company and the employee. If any days are not taken by the end of the year, the employee will be paid for the unused days.

ARTICLE 23 BEREAVEMENT LEAVE

Every employee is entitled to and shall be granted, in the event of the death of a member of the employee's immediate family (defined as spouse, including a common law spouse, the father and mother of the employee and the spouse of the father or mother, including a common law spouse; the children of the employee, the brothers and sisters of the employee; the father-in-law and mother-in-law of the employee and the spouse of the mother-in-law or father-in-law, including a common law spouse; and any relative of the employee who resides permanently in the employee's household or with whom the employee permanently resides) bereavement leave on any of the employee's normal working days that occur during the three days immediately following the day of the death.

ARTICLE 24
HEALTH AND WELFARE & PENSION

Employees covered under the terms of this Agreement shall be covered by the Penske Healthcare Plan commencing on the first of the month following completion of the probationary period. Any changes to the Plan will be implemented for bargaining unit at the earliest feasible date not later than six (6) months from the date of the change. Employees on the payroll as of 8/1/01 will receive an additional \$.48 per straight time hour worked (to a maximum of \$1000 annually) through December 31, 2003. Effective 1/1/04, employees who were on the payroll as of 8/1/01 and who are actively employed will receive a lump sum payment of \$665.00.

Employees covered under the terms of this Agreement will be covered by the Company's RRSP Program. Employees on the payroll as of 8/1/01 will be provided an additional employer contribution of 4% of gross wages through December 31, 2003.

ARTICLE 25
WAGES

It is understood that the following rates of pay are based upon the work performed on the General Motors Account out of Mississauga.

<u>SECTION 1. Rates:</u>	Upon Ratification *	9/1/02	9/1/03
Driver Hourly:	\$16.70	Increase 2 %	Increase 2 %
Single Miles	\$0.400	Increase 2 %	Increase 2 %
stops:	\$11.50	Increase 2 %	Increase 2 %
Rates (Con't)	Upon Ratification	9/1/02	9/1/03
Pre / Post – D&H:	\$16.70	Increase 2 %	Increase 2 %
'Delay:	\$16.70	Increase 2 %	Increase 2 %

* Employees on payroll will receive a lump sum payment of \$1500.00

Bid routes of 249 miles or less will be paid hourly. Bid routes of 250 miles or more shall be paid on a stop/mileage basis.

SECTION 2. Overtime: All hourly paid bid run employees shall be paid one and one-half times their regular rate of pay for hours worked in excess of forty (40) hours in any seven (7) day work week. Employees who are on city runs or mileage runs will be paid one and one-half times their regular rate of pay for earnings on the 6th consecutive workday in any seven day work week or in excess of 60 hours in any workweek. There shall be no pyramiding of overtime. The Company will allow an individual eight hours off between shifts.

SECTION 3. Stops: Stops will be defined as any combination of pick-ups and/or deliveries at a single customer's physical location.

SECTION 4. Drop & Hook: In order to be eligible for a Drop & Hook, a driver must drop a trailer and pickup a trailer at the same time.

SECTION 5. Delay Time: Delay time will be defined as:

- Delay time will be paid after the first 60 minutes at each scheduled stop
- Delay caused due to breakdown will be paid at the applicable hourly rate provided the breakdown is not due to driver actions or negligence.
- Delay time caused due to weather or accidents will be paid at the hourly rate provided either there is a road closing verified by the Company, or the name and badge number of the police officer who orders the truck to shut down is obtained by the driver.

SECTION 6. Call-in Time: Regular employees shall be guaranteed four (4) hours work or pay at the rate specified in this Agreement for their classification, if they are called in or report as scheduled.

ARTICLE 26 WORKWEEK

SECTION 1. It is understood that because of the unusual nature of the Employer's business, the operation shall be on a seven (7) day workweek basis. It is further understood that the Employer shall have the right to establish various shifts, whether it be day or night, Saturday, Sunday, etc. in order to cover all phases of its business. The basic workweek shall be Sunday through Saturday.

ARTICLE 27 BARGAINING UNIT WORK

No supervisor or other non-bargaining unit employees shall perform work ordinarily and customarily performed by bargaining unit employees except, to protect the company's property; to assure the safety of employees; or in the case of an emergency which is beyond the control of the management.

ARTICLE 28 ADJUSTMENT PROPOSAL

In the event of a permanent discontinuance of business, the Company and the Union agree to follow the relevant Joint Planning Committee provisions set out in Section 214 of the Canada Labour Code.

ARTICLE 29
DRUG TESTING AND SUBSTANCE ABUSE

Substance abuse is recognised to be a serious medical and social problem. Substance abuse not only affects the well-being of the individual employee, but in the logistics and transportation industry. It may affect the safety of fellow employees and the public in general. The Company and the Union have a strong interest in encouraging employees to refrain from the use of prohibited substances and, where substance abuse does occur, to promote early detection and treatment. The Company and the Union acknowledge that any employee who is identified as having a substance abuse problem has an obligation to seek assistance and co-operatively participate in the treatment of the problem.

The Company will provide assistance to employees experiencing substance abuse problems.

This article is not intended to affect the Company's ability to determine fitness for work of an employee who has experienced a substance abuse problem, nor the right of the Company to take disciplinary action in appropriate circumstances.

The Union recognises that the Company is required by the laws of the United States to administer a program of random drug testing for drivers who are required to operate in the United States. The Company agrees that random drug testing will be limited to the group of drivers necessary to carry out the Company's operations in the United States. However, in the event that a driver operates exclusively within Canada is disciplined or removed from service because of drug or alcohol abuse and is subsequently returned to active duty pursuant to the Company's drug or alcohol policy, the driver will be subject to periodic testing for a period of two years following the discipline or return to active duty, notwithstanding that all driving may be performed within Canada.

ARTICLE 30
NATIONAL DAY OF MOURNING

The Company agrees to allow employees one minute of silence at 11:00 AM on April 28th of each year in observance of those workers killed on the job.

ARTICLE 31
WORKPLACE HARASSMENT

The Company and the Union agree that there will be no discrimination, interference, restraint or harassment or coercion exercised or practised by either of them, or by any of their representatives, with respect to any employee because of his/her race, colour, marital or family status, creed, nationality, ethnic origin, sex or sexual orientation, on account of religious belief, disability, or because of his/her membership or activities or lack of membership or activities in the union.

The Company and the CAW are committed to providing a harassment free workplace. Harassment is defined as a "course of vexatious comment or conduct that is known or

ought reasonably to be known to be unwelcome", that gender, disability, race, colour, sexual orientation or other prohibited grounds. All employees are expected to treat others with courtesy and consideration and to discourage harassment. The Company and the Union will use reasonable efforts to ensure that no employee is subjected to harassment of any kind.

Further, sexual harassment shall include any conduct, comment, gesture or contact of a sexual nature:

- (a) that is likely to cause offence or humiliation to any employee; or
- (b) that might, on reasonable grounds, be perceived by that employee as placing a condition of a sexual nature on employment or on any opportunity for training or promotion.

The workplace is defined as any company, supplier, or customer facility and includes such areas as offices, shop floors, restrooms, cafeterias, lockers, conference rooms, trucks, parking lots or via two way radios, cell phones or other electronic means.

Harassment is in no way to be construed as properly discharged supervisory responsibilities including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual on a prohibited ground of discrimination. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

If an employee believes that they have been harassed and/or discriminated against on the basis of any prohibited ground of discrimination, there are specific actions that may be taken to put a stop to it. First, request a stop of the unwanted behaviour. Inform the individual that is doing the harassing or who is discriminating against you that the behaviour is unwanted and unwelcome. It is advisable to document the events, complete with times, dates, location, witnesses and details.

However, it is also understood that some victims of discrimination or harassment are reluctant to confront their harasser or they may fear reprisals from the harasser, lack of support from their work group, or disbelief by their supervisor or others. The incident should be brought to the attention of your Manager, Human Resource Manager and/or Committee person. The employer will not disclose the identity of a complainant or the circumstances related to the complaint to any person except where disclosure is necessary for the purposes of investigating the complaint or taking disciplinary measures related thereto.

Upon receipt of the complaint, and with the employee's awareness ensuring confidentiality, the Manager, Human Resource Representative and/or Committee person contacted will immediately inform their Union or Company counterpart. Together they will then interview the employee and determine if the complaint can be resolved immediately. The Complaint should be put in writing, be forwarded to the Human Resource Manager and Union Committee person.

The Union Committee person and the Human Resource Manager will then determine if the complaint requires a special investigative team comprised of both a Management and Union representative. In the event of a complaint involving sexual harassment, the investigative team will be comprised of at least one person of the same gender as the complainant where practicable.

A formal investigation of the complaint may include interviewing the alleged harasser, witnesses and other persons named in the complaint. Any related documents may also be reviewed.

The Joint Investigators will then complete the report on the findings of the investigation and a copy of the completed incident report will be forwarded to the Human Resource Manager and the Union Committee Person. The Human Resource Manager will make a determination on an appropriate resolution which may include recommendations for disciplinary action, including termination.

At the conclusion of this Step, the complaint, if unresolved, will be inserted into the third step of the Grievance Procedure for resolution. In the event that the complaint is not resolved by the parties at the third step of the grievance procedure it may be appealed to arbitration in accordance with the provisions of the Collective Agreement.

The pursuit of frivolous allegations through the Workplace Harassment Complaint Procedure has a detrimental effect on the spirit and intent for which this policy was rightfully developed and should be discouraged.

The procedure in no way precludes the complainant's right to seek action under the Canadian Human Rights Act. However, both the CAW and the Company urge employees to use the internal mechanisms as outlined above before seeking alternative recourse.

ARTICLE 32 NEW BUSINESS

The parties agree that the present wages, benefits and working conditions are established in light of the current General Motors Account. In the event that new accounts are awarded to the Employer out of the Mississauga location, the parties agree to meet and negotiate new provisions appropriate to the accounts.



ARTICLE 33
DURATION

SECTION 1 This Agreement shall be in full force and effect from August, 15, 2001, to September 1, 2004 and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either patty upon the other at least sixty (60) days prior to date of expiration.

IN WITNESS WHEREOF the parties hereto have set their hands this ____ day of _____ to be effective as of 8/15/01

EMPLOYER:

UNION:

BY:

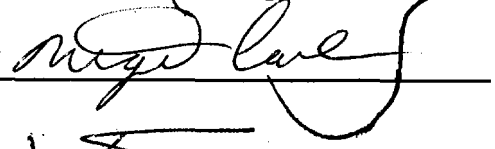


BY:



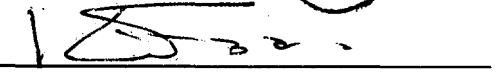
BY: _____

BY:



BY: _____

BY:



BY: _____

BY: _____

SCHEDULE "B"
WORK RULES

1. Direct refusal of a load that may jeopardize our existence with a particular account results in immediate suspension, with a maximum penalty of termination.

2. When drivers, or dock employees have any hot parts, they must be verified. Improper verification of any hot parts result in:

1st offense:	Written warning
2nd offense:	3 working days off
3rd offense:	Subject to discharge

3. Unexpected absenteeism requires 2 hours prior notification prior to start time. (Habitual offenders will be reviewed.)

4. Failure to report an accident or damage to equipment at the end of tour of duty:

1st offense:	Subject to discharge
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5. Failure to report mechanical breakdown, delay in routes or theft of time:

1st offense:	3 working days off
2nd offense:	Subject to discharge

6. All violations will be filed in employment files for a period of one year from date of violation, and will be revoked after one (1) year, with the exception of chargeable accidents.

7. Company issued uniforms must be worn at all times, and must be clean:

1st offense:	Written warning
2nd offense:	3 working days off
3rd offense:	Subject to discharge

8. Absence for 3 consecutive working days without notification to the employer will be considered a voluntary quit.

1st offense of no call-no show for 24 hours: Written warning.

1st offense of no call-no show for an accumulative 48 hours: 5 day suspension

2nd offense of no call-no show for 24 hours: 5 day suspension

3rd offense of no call-no show for 24 hours: Discharge

9. Creating or contributing to unsanitary conditions in vehicles:

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

10. Failure to observe safety rules and fire regulations and footwear rules: **NO TENNIS SHOES!** (steel-toe or otherwise) Drivers must wear a leather work shoe, and dock-men must wear steel-toed work boots with treaded soles.

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

11. Posting or removal of notices, signs or writing in any form on company bulletin boards or employer's/customer's property without specific authority of the employer:

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

12. Engaging in horseplay or practical jokes, running on employer's property, throwing objects or any activity which may result in bodily injury or property damage, or creating a health or fire hazard:

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

If any employee is injured in the above, the responsible party shall be subject to discharge.

13. Proven or inaccurate filing of orders, reports, checking in and/or delivery of freight:

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

14. Failure to report personal injury or accident by the end of the tour of duty:

1st offense: 3 working days off
2nd offense: Subject to discharge

15. Failure to clock in or out on starting or completion of shift or submit time cards (logs); for dock workers, failure to clock in and out during lunch and when leaving the premises:

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

16. Using abusive or profane language toward any employee of Penske Logistics, or their customers:

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

17. Dishonesty or intentionally falsifying information on employment applications or any company personnel form:

1st offense: Subject to discharge

18. Possession of firearms, weapons, explosives or illegal knives on premises/equipment at any time:

1st offense: Subject to discharge

19. Proven refusal to do job assignments or refusal to follow orders or instructions of supervisor:

1st offense: 3 working days off
2nd offense: Subject to discharge

20. Failure to meet minimum requirements of safe driving under paragraph 391.25 of the Motor Carriers Safety Regulations issued by the DOT and Penske Logistics' minimum hiring requirements;

~~1st offense: Subject to discharge~~

21. Carrying unauthorized passengers or unassigned freight:

1st offense: Subject to discharge

22. Variations of route unless otherwise authorized:

1st offense: Subject to discharge

23. Violation of the Company substance abuse policy (DOT and Non-DOT), a copy of which is attached as Appendix B.

1st offense: Subject to discharge

24. Malicious destruction of Company property:

1st offense: Subject to discharge

25. Failure to report a moving violation in any motor vehicle by a driver:

1st offense: Subject to discharge

26. Unauthorized use of or tampering with company equipment:

1st offense: Subject to discharge

27. Failure to observe security policies including placement and removal of seals, use of padlocks and/or failure to obtain or provide required signatures to verify security procedures:

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

28. Threatening, intimidating or coercing fellow employees, fighting or attempting bodily injury to another employee, customer or vendor on the company's time, premises or while on duty:

1st offense: Subject to discharge

29. Proven theft from the company, a fellow employee, customer or vendor; deliberate damage to company property, other employee's property or any customer or vendor's property:

1st offense: Subject to discharge

note: unauthorized repairs, services and/or purchases for the personal gain of an employee and/or third party shall be considered theft or dishonesty.

30. Minor chargeable accidents on account of employee negligence or incompetence, resulting in damages to the company or its customer's equipment, after a full investigation (costs less than \$5,000.00):

1st offense: Written warning
2nd offense: 3 working days off
3rd offense: Subject to discharge

31. Major chargeable accidents on account of employee negligence or incompetence, resulting in damages to the company's or its customer's equipment, after a full investigation (costs exceeding \$5,000.00):

1st offense: Subject to discharge

The foregoing list of offenses is not all inclusive, but serves only to offer general guidelines of prohibited employee conduct. The Company reserves the right to issue any reasonable discipline up to and including discharge, as other offenses may warrant.

APPENDIX "A" TO WORK RULES ATTENDANCE POLICY

All employees are expected to report to work regularly and on time. The job for which you were hired must be done by someone else when you are late or absent.

It is recognized that situations may arise when you may be late or absent from work due to causes beyond your control. In such an event, promptly and personally report the anticipated lateness or absence to your Supervisor prior to the start of your normal work schedule. As an employee, you are expected to maintain regular contact with your Supervisor concerning your availability to work.

If you fail to notify your Supervisor of absences on three consecutive work days, it shall be considered a voluntary resignation and you will be removed from the Penske payroll.

It is every employee's responsibility to maintain good attendance. While we recognize that perfect attendance is not always possible, excessive absenteeism places an unnecessary burden on our co-workers and negatively impacts productivity.

Absences included employee illness or absence for personal reasons (e.g. doctor's appointment, transportation problems, illness of a relative requiring the employee's presence at home, etc.). Absence will be excused if the reason is legitimate and documented such as a doctor's note/excuse, death of a close relative or a subpoena. A doctor's certification of illness, in a timely manner, may be requested by a Manager.

Late means the employee's failure to be at the work station prior to the scheduled starting time, Leaving early means leaving the work station prior to the scheduled quitting time.

Each employee's attendance will be monitored over the most recent twelve-month period. Absence of one or two days will count as an incident; absences of three or more consecutive days will accrue a maximum of two incidents; and each instance of arriving late or leaving early will count as one-half incident. Failure to notify the Employer of an absence at least 2 hours prior to dispatch or starting time will be considered two incidents for that day.

The following are the general attendance guidelines:

<u>Number of Incidents</u>	<u>Action</u>
3	Informal Discussion
4	Verbal Warning
5	Written Warning
6	1 Day Suspension
7	5 Day Suspension
8	Subject to Discharge