

COLLECTIVE AGREEMENT

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between

ARNONE TRANSPORT LIMITED
(hereinafter referred to as the "Company")

and

TEAMSTERS LOCAL UNION 938
(hereinafter referred to as the "Union")

EXPIRY: DECEMBER 31, 2005

12869(02)

INDEX

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ARTICLE 1

INTENT AND PURPOSE

Section 1.1

The Company and the Union each agree that the purpose and intent of this Agreement is to promote co-operation and harmony, to recognize mutual interest, to provide a channel through which information and problems may be transmitted from one to the other, to formulate rules to govern the relationship between the Union and the Employer, to promote efficiency and service and set forth herein the basic agreement controlling rates of pay, hours of work, dispute procedure and conditions of employment.

Section 1.2

There shall be no effort by either signatory to misinterpret, read into, or delete from any of the provisions of this Agreement.

Section 1.3

Therefore, this Agreement, between the Union and the Company, signed by the accredited officials of both parties, has been mutually agreed upon. The terms laid out shall be carried out in letter and spirit by both parties.

ARTICLE 2

SCOPE

Section 2.1

By reason of a written request by a majority of employees of the Company below the rank of foreman and not being members of the office or sales staff of the Company, the Company hereby voluntarily recognizes the Union as the bargaining agent of all employees of Arnone Transport Limited employed at or working out of Thunder Bay, save and except foremen, persons above the rank of foreman, office staff and sales staff.

Section 2.2

"Employee" shall include only such person coming within the scope of the bargaining unit described in Article 1.

"Steward" shall mean an employee of the Company duly accredited in writing to the Company as such by the Union.

"Dispatcher" shall mean an employee of the Company in charge of dispatching.

"General Manager" shall mean an official of the Company in charge of maintenance of equipment and operations of plant.

Section 2.3

The Company agrees that all present employees coming within the scope of this Agreement shall become members of the Local Union immediately. They shall maintain their membership in the Union in good standing as a condition of employment. Any employee refusing to do so shall be dismissed by the Company immediately.

Section 2.4

All employees hired after the date of this Agreement shall join the Union upon completion of thirty **(30)** calendar days of employment. He shall pay the regular initiation fee of the Union within the said thirty **(30)** calendar days and maintain his membership in good standing as a condition of continued employment.

Section 2.5

The Company agrees to deduct from the last pay of each month the monthly dues of any employee covered by this Agreement and to remit such monies to the office of the Local Union by the tenth (10th) day of the month with a list of the employees to whom it is to be credited.

ARTICLE 3

MANAGEMENT FUNCTIONS

Section 3.1

The Union recognizes that the Company has the exclusive right to manage the business and to exercise all of the customary prerogatives of Management except those specifically delegated to the Union in this Agreement.

ARTICLE 4

DISCRIMINATION

Section 4.1

No person shall be refused employment or in any manner be discriminated against in accordance with the Canadian Bill of Rights.

Section 4.2

A representative of the Local Union shall be allowed to enter the Company's premises to deal in the administration of the Agreement, provided he does not interfere with the normal operation of the Company.

ARTICLE 5

STEWARDS

Section 5.1

The Company acknowledges the right of the Union to appoint one (1) Steward for the transport division and one (1) Steward for the garage division and, if the operations are such as cannot be covered by these Stewards, additional Stewards may be appointed.

Section 5.2

It shall be the Steward's duty to process grievances as outlined in Article 6 of this Agreement. The Stewards may also discuss Union membership with a new employee within thirty (30) calendar days of his employment. The Steward's duty shall in no way conflict with his duties to his Employer and he shall be held responsible for the same quantity and quality of work as other employees. Should the Company believe that the Steward's activities are affecting the quantity and quality of either the Steward's work or the work of other employees, the Company shall contact the Business Agent of the Local Union and register the grievance, commencing with Step (d) as outlined in Article 6 of this Agreement.

Section 5.3

The Union will inform the Company in writing, the name of the Steward and of any subsequent change in the name of the Steward. The Company shall not be asked to recognize any Steward until such notification from the Union has been received.

Section 5.4

Providing it is consistent with the Management's obligation to maintain an efficient working force, in the event of a shortage of work that necessitates a layoff, the Steward shall be retained in the workforce and he shall only be laid off prior to the senior employees, and accordingly, he shall thus be afforded employment but shall not be entitled to job preference except in accordance with his length of employment at the Branch.

Section 5.5

The Company will notify the Union by registered mail or facsimile prior to the suspension or discharge of a Steward. Failure of the Company to comply with this procedure shall render the dismissal or suspension null and void.

Section 5.6

For the purposes of processing specific grievances or disputes, Business Representatives and Stewards shall have access to trip sheets and time cards.

ARTICLE 6

GRIEVANCE PROCEDURE AND ARBITRATION

Section 6.1

In this Article, a grievance shall consist only of a dispute concerning interpretation and application of any clause in this Agreement, alleged violation of this Agreement and alleged abuses of discretion of supervision in the treatment of employees. If any question arises as to whether a particular dispute is or is not a grievance, within the meaning of these provisions, the question may be taken up through the Grievance Procedure and determined, if necessary, by arbitration. There shall be an earnest effort on the part of both parties to settle such grievance promptly through the following steps:

Section 6.2(a)

By conference between the aggrieved employee, Shop Steward, and Manager, from the affected department, garage or transport division.

Section 6.2(b)

Failing settlement as in (a) by the Shop Steward and Division Manager, the Shop Steward may ask the Division Manager to make an appointment with the General Manager within forty-eight (48) hours in an effort to reach a settlement, at which time it shall be the responsibility of the aggrieved party to submit the grievance in writing to the Division Manager.

Section 6.2(c)

If a grievance is not settled, after making every endeavour in procedures outlined in (a) and (b), it shall be referred to the Division Manager within seven (7) days from the date the grievance was registered in writing.

Section 6.2(d)

Should the parties fail to reach a satisfactory settlement in any of the preceding steps, the final settlement of the grievance must be submitted to a single arbitrator as outlined below. In the event the Company has a grievance, the Division Manager shall endeavour to settle the matter with the Steward, and in the event of failure shall deal with an official of the Union. Before submitting the grievance to Arbitration, the dispute may, by mutual agreement, be brought to the attention of a committee, appointed for this purpose of the Local Union's officials.

In so doing the parties may agree to have this committee render a decision which shall be final and binding and having the same judicial power as a single arbitrator established under the succeeding provisions.

Section 6.3

During any of the above outlined steps of Grievance Procedures, the Shop Steward or

appropriate management representative may request the presence of the Union Business Agent or duly accredited official of the Union to assist in amicable settlement of such dispute. Should the parties fail to reach a satisfactory settlement in any of the preceding steps, the final settlement of the grievance must be submitted to a single arbitrator as outlined below.

ARBITRATION

Section 6.4

It shall be the responsibility of the party desiring arbitration to inform the other party in writing no later than ten (10) days after the last discussion of the grievance between the Union and General Manager or his designate. Arbitration shall consist of a single arbitrator. If the parties fail to agree upon an arbitrator within fifteen (15) calendar days after one party has served written notice on the other party of its intention to refer the matter to arbitration, the Minister of Labour will be requested to appoint an arbitrator for that specific grievance.

Section 6.5

The arbitrator shall not have the right to alter or change any provisions in this Agreement or substitute any new provisions in lieu thereof, or to give any decision inconsistent with the terms and provisions of this Agreement.

Section 6.6

Each of the parties will equally bear the fees and the expenses of the Arbitrator.

Section 6.7

Both parties to this Agreement agree it is in the interest of both parties to make every reasonable effort to clear up grievance problems with the least possible delay.

Section 6.8

The Company shall not be responsible for the payment of time used by any employee in the investigation and settlement of a grievance.

ARTICLE 7

SENIORITY

Section 7.1

The purpose of seniority regulations is to provide a policy governing layoffs and rehiring. In the event of a reduction of the working force, the Company shall apply the principle of "last on, first off" insofar as it is consistent with the Management's obligation to maintain an efficient working force. Following a layoff, rehiring shall be executed conversely to the outlined layoff procedure.

Section 7.2

Seniority shall be by division and include all persons working at the division and on a division payroll. (Garage Division, Transport Division).

Section 7.3

In all layoffs the Company shall consider:

- a) seniority of the employee;
- b) training, skill and efficiency of the employee;

and where the qualifications expressed in (b) are relatively equal, the employee's seniority shall be the determining factor within the division.

Section 7.4

In the event of a layoff within a division, before laying off employees out of seniority order (after acquired), the Company will notify the Union.

Section 7.5

The seniority list shall be prepared and posted by the Company every three (3) months.

Section 7.6

Employees shall be considered probationary until placed on the seniority list. After thirty (30) calendar days from the date of employment, the employee shall be placed on the seniority list, dated according to the date of his employment. If, because of sickness or accident, the employee is off work after having been placed on the seniority list, for purposes of seniority rating, he shall be listed according to his date of employment.

Section 7.7

Those promoted to supervisory positions, or those positions not subject to this

Agreement, will retain their seniority after promotion and, if demoted for any reason or if they voluntarily request reinstatement to their former position in the bargaining unit within a twelve (12) month period the time served in the supervisory position shall be included in their seniority rating. Such employees shall forfeit any and all recourse to the Grievance Procedure as outlined in the Agreement should they be subsequently discharged in such a position beyond the jurisdiction of this Agreement. If an employee is promoted to a supervisory position and such supervisory position is subsequently abolished, such an employee will revert to his former position without loss of seniority.

Section 7.8

An employee's employment shall be terminated for any of the following reasons:

- a) if an employee voluntarily quits;
- b) if an employee is discharged and is not reinstated pursuant to the Grievance Procedure as provided in this contract;
- c) if an employee overstays a leave of absence without securing an extension in writing of such leave of absence or if he take employment other than that declared and agreed upon when applying for the leave of absence;
- d) if leave of absence is not requested, then the employee must notify the Employer within twenty-four (24) hours of his reason of absence and when he will be reporting back to work;
- e) if an employee is laid off and not recalled for a period extending beyond twelve (12) consecutive working months.

Section 7.9

Leave of absence in excess of thirty (30) days will not be granted until a request for same is submitted in writing to both the Union and the Company and mutually agreed upon. Employees will be granted an indefinite leave of absence to work with the Local Union.

Section 7.10

In the event an employee is demoted as a disciplinary measure, he shall retain all seniority rights when the penalty terminates.

Section 7.11

Bona fide illness will not be cause for discharge or loss of seniority providing the Member

Company is notified of such illness.

ARTICLE 8

DISCHARGE

Section 8.1

A discharged employee may ask for a hearing through the Grievance Procedure commencing with Step (b), within forty-eight **(48)** hours of his discharge. He shall, if subsequently reinstated by such Grievance Procedure or arbitration, be compensated for his lost time at his normal rate of pay or receive compensation according to the amount agreed upon by the parties in the Grievance Procedure or decided upon by the Arbitrator.

Section 8.2

An employee suspended or discharged away from his home terminal shall receive transportation to his home terminal.

ARTICLE 9

STRIKES AND LOCKOUTS

Section 9.1

During the term of this Agreement there shall be no lockout by the Company or any strike, sit down, slow down, work stoppage or suspension of work either complete or partial for any reason by the employees.

Section 9.2

It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line established by a recognized Union.

ARTICLE 10

EQUIPMENT

Section 10.1

It is the mutual advantage of both the Company and the employee that employees shall not operate vehicles which are not in a safe operating condition and not equipped with the safety appliances required by law.

It shall be the duty of employees to report promptly in writing to the Company all defects in equipment. It shall be the duty of the Company to maintain all vehicles in a safe operating condition in accordance with the Ministry of Transport's regulations. The maintenance of equipment in sound operating condition is not only a function, but a responsibility of Management. The determination of as well as the responsibility for all decisions in respect to the condition of equipment shall rest with the senior qualified supervisor on the premises. The Employer shall not require employees to take out on the streets or highways any vehicle that is not in a safe operating condition. It shall be a violation of this Agreement if an employee refuses to operate equipment unless such refusal is justified.

Section 10.2

Employees will not be held responsible for damage while towing or pushing a vehicle if instructed to do so by the Company, subject to the provisions of Article 13.

Section 10.3

It is agreed between the Union and the Company, having regard for safety and the driver's health factor, that all power units will have adequate heaters, windshield wipers and defrosters installed and kept in operating condition. The Company agrees that all new power equipment put into service will have windshield washers installed and kept in operating condition. It shall be the driver's responsibility to keep this equipment operative, exclusive of parts replacements. Equipment cannot be bad ordered because of defective windshield washers alone nor will defective windshield washers be classified as a breakdown. In extreme temperatures where the heater does not adequately heat the cab the Company will make the necessary alterations to retain adequate heat.

Section 10.4

The Company will endeavour to keep speedometers in proper working order.

Section 10.5

It is agreed that repair reports shall be supplied for the driver on which to report defects in equipment with sufficient copies so that one can be held available for the driver and so that the office of the Company will have a copy of this report on file. When a unit is reported defective for reasons that make the vehicle unsafe the keys shall be removed and placed in the dispatch office along with the repair report.

Section 10.6

The Company shall not compel any driver to operate a vehicle in excess of the legal load limits.

Section 10.7

In the case of loss or damage to equipment, where it is proven to the mutual satisfaction of all parties concerned that the employee is at fault, then the employee may be charged the actual cost of the loss or damage up to and including a maximum charge as outlined in the Letter of Understandingre. Damage and Claim Incentive.

ARTICLE 11

BULLETIN BOARDS

Section 11.1

The Company agrees to provide a bulletin board on which the Union shall have the privilege of posting notices of meetings of employees and other approved notices. The Company shall be furnished with copies of all such notices prior to their posting and may require the Union to refrain from posting any notice which it considers objectionable.

ARTICLE 12

UNIFORMS

Section 12.1

The Employer agrees that if an employee is required to wear any kind of uniform as a condition of his continued employment, such uniform shall be furnished by the Employer, at the standard required by the Employer. (See Letter of Understanding) No employee shall be required to wear a uniform that does not bear the Union label. Employees will report to work in generally clean and neat appearance.

Garage department coveralls will be furnished and maintained by the Company.

Section 12.2

It is further provided that voluntary pooling arrangements for the purchase or rental of uniforms shall not come within the scope of this Agreement.

ARTICLE 13

LOSS OR DAMAGE TO CARGO

Section 13.1

The Company may lodge a claim for loss or damage of cargo up to the amount indicated in the Letter of Understanding re. Damage and Claim Incentive. If by an employee's negligence, which must be proven, the Company suffers a financial loss, the employee may be charged for such loss as indicated in the Letter of Understanding re. Damage and Claim Incentive.

ARTICLE 14

MEDICAL EXAMINATION

Section 14.1

Any medical examination requested by the Employer shall be promptly complied with by all employees, provided however, that the Employer shall pay for all such examinations. The Company reserves the right to select their own medical examiner or physician and the Union may, if in their opinion they think an injustice has been done an employee, have the said employee re-examined at the Union's expense.

Section 14.2

When a medical examination is required by the Company the following conditions shall **apply:**

1. If an employee takes a medical examination during the normal working hours, he shall be paid for the time involved and thus not lose any pay as a result of his taking a medical examination.

2. If the medical examination is taken after working hours, the employee shall not be paid for the time involved, but shall, in such cases, receive at least three (3) days' notice prior to the appointment with the doctor.

ARTICLE 15

PASSENGERS

Section 15.1

No driver shall be permitted to allow anyone except employees of the Company who are on duty or other transport drivers broken down on the highway to ride on his truck except by written authorization of the Employer. It is not the intent of this clause to prevent employees of the Company from providing help to travellers who are stranded on the highway during sub-zero temperatures.

ARTICLE 16

EXTRA CONTRACT AGREEMENTS

Section 16.1

It is agreed that neither party to this Agreement shall enter into any Agreement or contract with the employees which conflicts with the terms and provisions of this Agreement.

Section 16.2

When new types of equipment for which rates of pay are not established by this Agreement are put into use, rates governing such operations shall be subject to negotiations between the parties.

In the event of failure to reach agreement on such rates, the question may be referred to arbitration and a single arbitrator shall be established within thirty (30) days of the date of the failure to reach such an agreement and the rate as determined shall be applied thirty-one (31) days after the equipment is put into use or as of a date agreed upon by the parties in negotiations.

ARTICLE 17

STATUTORY HOLIDAYS

Section 17.1

The following statutory holidays will be observed and any employees who have completed the thirty (30) days probationary period shall be entitled to the eight (8) hours pay for the following statutory holidays:

New Year's Day	Victoria day	Labour Day
Dominion day	Civic Holiday	Christmas Day
Thanksgiving Day	Good Friday	Boxing Day

Personal Day

1. All employees hired prior to January 1st of the preceding year will receive one (1) personal day. Payment for this day will be based on an eight (8) hour day at the employee's regular rate of pay. Personal day may be taken at any time during the year upon mutual agreement between the employee and the Employer.

Note: Personal day must be taken prior to the end of the current year.

Section 17.2

To be entitled to the **above-mentioned** holidays, employees must have worked at least fifteen (15) days within the thirty (30) calendar day period immediately preceding the **above-mentioned** holidays.

Section 17.3

In the event a regular employee is requested to work on a Statutory Holiday, he shall receive time and one-half (1 1/2) his regular rate of pay in addition to the rate of pay as prescribed for the Statutory Holiday.

Section 17.4

When one of the observed Statutory Holidays falls on a Sunday, the proclaimed day shall be the day observed.

ARTICLE 18

VACATIONS WITH PAY

Section 18.1

Two (2) weeks after one (1) year service.

Three (3) weeks after six (6) years of service.

Employees entitled to three (3) weeks vacation shall take the third (3rd) week at the employees' discretion or at such time as is mutually agreed to.

Vacation pay will be available on the pay period preceding the vacation period

Section 18.2

Employees entitled to two (2) weeks vacation will be paid four percent (4%) of their earnings for the previous 'vacation year' as 'vacation pay'.

Section 18.3

Employees entitled to three (3) weeks vacation will be paid six percent (6%) of their earnings for the previous 'vacation year' as 'vacation pay'.

Section 18.4

Vacation pay will be made available prior to employees taking their vacation.

Section 18.5

Employees will have to May 1st in each year to make their selection for holiday preference (by seniority).

ARTICLE 19

WORK PREFERENCE

Section 19.1

In each division a seniority list shall be maintained and posted. The seniority list shall include all bargaining unit employees in accordance with their date of hire and the Company shall give preference for work in accordance with seniority and qualifications to perform the work in question.

If the Company establishes one or more highway runs on a regular basis, then separate departmental seniority shall be maintained for the purpose of allotting work within the division.

In the event that a dispute arises as to whether or not a regular highway run or runs have been established by the Company, then the matter will be the subject of a grievance and to the Grievance Procedure as outlined in this Agreement.

Section 19.2

When an opening occurs for a highway run the Company agrees that the senior city driver shall have the first opportunity of bidding on such a run, providing he has the necessary qualifications.

Section 19.3

No work for an employee in any department for five (5) consecutive working days shall constitute a layoff, and in which case enable him to move into any other department, providing he has the necessary qualifications, his division seniority shall apply.

ARTICLE 20

GENERAL

Section 20.1

A part-time employee shall be used only as supplement to the normal work force, to provide additional help on an incidental basis; to cover peak periods and must pay Union dues.

Section 20.2

Probationary employees are those employees who make themselves available to the Company for full-time employment if required, and who recognize the Company as their sole Employer. They shall be given preference over part-time employees for available work during their thirty (30) calendar day probationary period.

Section 20.3

When a regular employee reports for duty on his regular shift, he shall be guaranteed a minimum of eight (8) hours pay.

Employees called in to work other than their regular shift shall be guaranteed four (4) hours.

Section 20.4

All employees who have a regular starting time or who are on schedule runs will not be required to contact the Company before reporting for work.

Section 20.5

It has been agreed that employees handling hazardous material shall be supplied by the Company with any and all necessary safety equipment (rubber clothing, goggles, etc.), to protect the employee's person and health.

Section 20.6

The Company agrees to provide clean, sanitary and adequate appointments with respect to lunchrooms and washrooms - Employees to co-operate in keeping such premises clean.

Section 20.7

Employees shall not take more than one continuous hour for meals, however, should the taking of a full continuous hour for meals cause additional waiting time, the Company may request the employee to take not less than thirty (30) minutes. No employee shall be compelled to take more than one continuous hour for lunch and the lunch period shall be between the fourth and sixth hours. An employee shall not, however, take any time off for meals before he has been on duty four (4) hours, nor after he has been on duty six (6)

hours.

Section 20.8

Personnel shall be allowed time off to vote in Dominion, Provincial or Municipal elections in accordance with the appropriate statute.

Section 20.9

When a death occurs to a member of a regular employee's immediate family, the employee will be granted, upon request an appropriate leave of absence and if he attends the funeral he shall be compensated at his regular straight-time hourly rate for hours lost from his regular schedule on any of the days prior to the funeral, the day of the funeral and the day after the funeral for a maximum of three (3) days. Members of the employee's family are defined as the employee's spouse, mother, father, sons, daughters, brother, sister, mother-in-law and father-in-law.

Section 20.10

The Company shall pay the prevailing hourly rates to all employees compelled to attend Company meetings.

Section 20.11

Fifteen (15) minutes shall be allowed for coffee breaks in a.m. and p.m.

Section 20.12

All deductions, rates, overtime, etc. will be shown on cheque stubs.

Section 20.13

Cheques will be made available to any employee who has completed his duties for the day.

Section 20.14

Highway drivers shall not be compelled to work in the city after completion of highway runs, unless such driver volunteers to do so.

Section 20.15

If an employee reports to work late without a valid reason or phoning, such employee will be deducted fifteen (15) minutes pay for each quarter hour he is late from regular starting time.

Section 20.16

All reprimands will be removed from employment record after one (1) year from the date issued.

Section 20.17

The Company shall provide seventy five (\$75) to each employee on January 1st, of each year for the purpose of purchasing green triangle (Patch), high cut safety boots (not shoes), provided the employee has completed 12 continuous months of service with the Company. The amount will be reimbursed once a receipt is produced.

Section 20.18

The Company will match employee contributions to a RRSP on a dollar to dollar basis up to a maximum of \$350.00 per year.

Section 20.19

The Company recognizes the principle of progressive and corrective discipline beginning with documented verbal warnings as set out in the Company General Policy (Schedule 1).

Discipline, subsequent to documented verbal warnings can be accompanied by specific periods of time, off to the employee without pay or can lead to discharge.

Section 20.20

All disciplinary action including documented verbal warnings will be given to the employee by the manager in the presence of a union representative within ten (10)

working days of the date of the said reason for discipline by means of a disciplinary letter, which is to be signed by both the employee and his union representative.

Section **20.21** Training

The Company will provide training sessions that are required to meet the principles of due diligence and certification from outside regulatory agencies. These training sessions will be deemed as required as a condition of employment by the Company. The Company will cover the cost of providing the training sessions, while the employee will provide the time required to attend the sessions.

Employees will be given the opportunity to sign up for and attend the training session provided by the Company. If the employee does not attend a session provided by the Company, the employee will not be eligible to work until a suitable replacement course has been taken at the employee's expense.

ARTICLE **21**

BROKER OPERATION AND HIRED CITY EQUIPMENT

Section **21.1**

if the Company is unable to hire a highway driver for at least three **(3)** months work or is unable to arrange own highway personnel around to meet requirements on new runs, then the Company shall have the right to hire a lessee for such runs. This clause is not to be used in any other manner or for any other reason than stated above.

Section **21.2**

No regular employee will be laid off or put on short time through the use of hired cartage so long as there is roadworthy Company equipment available.

Section **21.3**

Where Company equipment has broken down, the Company will make every effort to find other work for regular employees so that such employees do not suffer a loss of hours.

Section **21.4**

Where possible, the Company will give preference to firms who have an agreement with

the Teamsters Union for work which is sub-contracted.
Section 21.5

Where the Local Union feels that there is violation of the intent in the application of this Article, the Company will meet to discuss the problem with the Local Union. If no amicable solution can be reached, the grievance shall be submitted to a Board of Arbitration.

ARTICLE 22

WAGE SCHEDULE (APPENDIX "A")

Section 22.1

Effective January 1st, 2002, employees who have more than sixty (60) days service with the Company shall be paid in accordance with the following schedule:

HOURLY	JANUARY 1, 2005
Driver	\$14.66
Warehouse	\$12.23
Class A Mechanic	\$19.30
Class A Bodyman	\$18.10
Apprentices	Percentage of Mechanics Base Rate
Installers	\$12.23

MILEAGE RATES	JANUARY 1, 2005
Straight Truck	\$0.3279
Straight Truck –Armstrong	\$0.3514
Tandem	\$0.3397
Tandem - Armstrong	\$0.3632

Section 22.2

New inexperienced employees shall be paid fifty cents (50¢) per hour less than the rates of pay as outlined in Section 22.1 for the first thirty (30) days and twenty-five cents (25¢)

less for the second thirty (**30** days). (Transport & Warehouse).

It is understood that the new probationary rate shall apply to newly hired, inexperienced employees after the date of signing of this memorandum.

Hours of work shall consist of eight (8) hours per day and forty (**40**) hours per week for any five (5) consecutive days. Where special circumstances arise, the Union and the Company may agree to hours of work other than eight (8) hours per day and forty (40) hours per week, and/or an averaging schedule. The workweek will be defined as Sunday to Saturday.

Overtime shall be paid at time and one-half (1½) of the employee's regular rate for all the time worked after his/her normal scheduled hours per day.

Section **22.3** - Highway Wage Rates and Conditions

- (a) One cent (**\$.01¢**) per mile additional for loaded miles on tri-axle trailer (56,000 lb. minimum).
- (b) Two cents (**\$.02¢**) per mile above tractor-trailer rate -four (4) axle trailers. Loaded miles (75,000 lb. minimum)
- (c) Unloading and loading time will be paid at the prevailing rate.
- (d) All wide loads and piloted loads will receive a premium of five cents (**\$.05¢**) per loaded mile based on the rates in Section **22.1**.
- (e) All short line runs up to a fifty (50) mile radius will be paid by the hourly rate.
- (f) All highway runs that involve more than five (5) km of travel on a private road (example: mine roads), the private road portion will be paid by the prevailing hourly rate.

Section **22.4**

The highway driver shall be paid .5 of the hour for the normal preparation of the vehicle, the initial hook-up of the equipment, and the final unhooking and storing of equipment. It shall be the responsibility of the drivers to check oil, gas, tires, water and lights on equipment and the tying of tarpaulin ropes on equipment. Any defects in same shall be

immediately reported to the proper authorities. Any and all other work over and above those aforementioned shall be paid for at the prevailing rate of the drivers' home terminal, providing a work order has been made covering such defects and repairs that might have to be made pertaining to such equipment.

Section 22.5

On turn-around runs, the highway driver shall be paid one-half (½) hour's time for dropping and picking up trailers when exchanging equipment. Claim for any time in excess of one-half (½) hour shall be submitted by the highway driver on a form provided and approved by the Company's representative in charge.

Section 22.6

Extra duties, way-freighting and terminal delay time shall be paid for at the hourly rate of the drivers' home terminal and shall be accounted for by the highway driver on a form provided and approved by the Company's representative in charge.

Section 22.7

In the event of breakdowns or other allegedly unavoidable delays occurring in areas without supervision, the Company may at its discretion, require drivers to sign and declare a statutory declaration - this is of the same force and effect as a statement made under oath and by virtue of the Canada Evidence Act - in which they shall set forth the cause or causes to the best of their knowledge and belief for such breakdowns and/or delays occurred.

Section 22.8

Highway drivers required to sleep away from their home terminal shall be provided sleeping accommodation by the Company, however, where it is necessary for the driver to find his own accommodation, the Company will pay the total cost of accommodations.

Section 22.9

Each highway driver must be advised of his starting time upon being contacted by the Company. If he is not dispatched after reporting for work as ordered, he shall be paid at the regular rate for all time held, provided, however, that he performs any reasonable work requested, except that night highway drivers will not be compelled to work on the dock, for more than two (2) hours before being dispatched on a highway run.

Employees will be allowed two (2) hours without pay to report for work.

Section **22.10**

a) When in town, no highway driver is required to do any pickups or deliveries without allowance being made on his book-in time.

b) Trip cards made out by an employee must not be changed by the Company unless

the employee is consulted and agrees to it.

c) Tool boxes to be supplied for highway equipment for storage of jacks, tools, etc. Drivers and Management to decide as to best method.

d) Highway drivers will not be allowed to bump from one type of equipment to another in order to choose loads or trips.

e) It shall be the driver's responsibility to check loads and equipment such as height and width, to see that such loads and equipment meet with all legal standards of law or permits and to place flags in proper positions. If driver is not positive or in doubt, check with Company.

CONDITIONS - GARAGE DIVISION

Section **22.11**

Service Calls

Employees will receive a minimum of two (2) hours at time and one half (1 ½) their regular rate of pay.

NOTE: If the call is in less than two (2) hours prior to their regular shift, then payment as outlined above will apply to actual hours worked.

Section **22.12**

Night Shift Premium (Effective January 1, 1993)

For shifts 3.00 p.m. to 11.00 p.m. and 4.00 p.m. to 12.00 midnight, twenty-five cents (**\$.25**).

Section **22.13**

The Company will make every effort to have the work done on equipment and vehicles

done
in the shop.

Section 22.14

Tools

Mechanics to supply all hand tools of the trade, sockets sets up to and including 1/2" drive, 1/2" impact gun and wrenches up to 1 1/2";

Company to supply 3/4" drive sets and larger 3/4" impact guns, wrenches over 1 1/2", timing lights and specialty tools, replacement of drill bits, hack saw blades, taps, dies and screw extractors.

Section 22.15

Wages

New employees will receive \$1.00 less than base rate for the first ninety (90) day period.

Section 22.16

Clean Up Time and Paperwork

The employee shall notify the shop foreman one (1) hour prior to completion of his or her shift whether or **not** the job, paperwork and clean up can be completed within the eight (8) hour shift. Any overtime or re-assignment of work must be done under the direction of the shop foreman.

ARTICLE 23

HEALTH AND WELFARE

Section 23.1

A Health and Welfare program (Group Benefit Program) is available to all permanent employees who have completed their ninety (90) day probationary period.

Section 23.2

The Company shall pay seventy-five percent (75%) of the total cost of the plan and the employees who have qualified for benefits will pay the remaining twenty-five percent

(25%) of the total cost.

Section 23.3

The benefits shall consist of:

- a) Ontario Hospital
- b) Ontario Provincial Medical Plan (basic)
- c) **\$15,000** Life Insurance
- d) **\$15,000** Accidental Health & Dismemberment Benefits
- e) Based on UIC weekly maximum based on employees earnings. Indemnity after 7th day of sickness - **26** weeks duration
- f) Eye Glass Coverage of **\$150.00**
- g) Dental Expense Benefit as per Group Insurance Coverage
- h) Plan to be upgraded to current ODA schedule.

ARTICLE 24

SUPERVISORS

Section 24.1

All supervisors, terminal agents and foremen shall be excluded from the bargaining unit and will not perform any work which falls within the scope of this Agreement in a manner which will deprive regular employees of their regular hours of work. When supervisors and foremen are appointed, a notice to that effect will be posted and maintained on a bulletin board.

It is understood that the sole exception to the above is when there are no qualified bargaining unit employees available on duty to perform such work and would result in a service failure.

Section 24.2

Where the Company finds it necessary to appoint supervisors or foremen, consideration will be given to employees in the bargaining unit.

Section 24.3

A lead hand shall be defined as a person who may perform dock work and directs the work of others while performing the duties of a lead hand. He shall not have the authority to hire, fire, suspend or otherwise penalize other employees and he shall be a Union member. While driving such a person shall not exercise his lead hand duties, however, he shall not suffer the loss of the lead hand premium. When the lead hands are to be appointed by Management, a bid will be posted and lead hand will be selected according to qualifications and seniority. However, it will be the sole responsibility of Management to make the final selection, provided that when qualifications are equal, the senior man will be given preference. It is understood that the differential in wages for lead hands will be fifty cents (50¢) per hour extra.

ARTICLE 25

DURATION

Section 25.1

This Agreement shall take effect and be binding upon the parties from the 1st day of January, 2005 to the 31st day of December 2005, and shall continue in effect from year to year thereafter unless notice of revision thereof is given by either party in writing by registered mail within sixty (60) days prior to the natural expiration date of same, in which case either party may, on ten (10) clear days' notice, in writing, require the other party to enter into negotiations for the renewal of this Agreement within the said period.

SIGNED ON BEHALF
OF THE COMPANY

SIGNED ON BEHALF
OF THE UNION

Date

Date

LETTER OF UNDERSTANDING

Between:

ARNONE TRANSPORT LIMITED
(hereafter referred to as the "Company")

and -

TEAMSTERS LOCAL UNION 938
(hereafter referred to as the "Union")

Re: Uniforms

Company agrees to purchase or rent jackets and shirts (t-shirts) for the Transport Division.

The Company will also look at arranging a group purchase on pants.

Note: pants to be paid for by the employees provided the employees are interested.

SIGNED ON BEHALF
OF THE COMPANY

SIGNED ON BEHALF
OF THE UNION

LETTER OF UNDERSTANDING

Between:

ARNONE TRANSPORT LIMITED
(hereafter referred to as the "Company")

and -

TEAMSTERS LOCAL UNION 938
(hereafter referred to as the "Union")

Re: Highway Department

On highway runs where the driver is unable to return to his home terminal, **he/she** would turn in a receipt for supper.

On the following day provided during his tour of duty **he/she** returns to the home terminal, that day the Company would pay upon receipt for breakfast or lunch.

SIGNED ON BEHALF
OF THE COMPANY

SIGNED ON BEHALF
OF THE UNION

LETTER OF UNDERSTANDING

Between:

ARNONE TRANSPORT LIMITED
(hereafter referred to as the "Company")

and -

TEAMSTERS LOCAL UNION **938**
(hereafter referred to as the "Union")

Re: Damage and Claim Incentive

Employees entitled to an annual amount of \$700.00 paid to each employee in four quarterly payments of \$175.00. All accidents and damages that are proven to be preventable by the employee are subject to the maximum deduction for that quarter (\$175.00) as outlined in Sections **10.7** and **13.1** of the Collective Agreement.

A joint Union and Management committee will be implemented to review all accidents and damages and will respond on entitlement within ten (**10**) working days of the committee's report being given to the management in writing.

For a trial period of one (**1**) year a joint Union and Management appeals committee will be structured as follows: Two (2) Union members and two (2) alternates to be elected by the bargaining unit and one (**1**) Management member.

The decisions of this Committee will be binding on Company management.

SIGNED ON BEHALF
OF THE COMPANY

SIGNED ON BEHALF
OF THE UNION

LETTER OF UNDERSTANDING

Between:

ARNONE TRANSPORT LIMITED
(hereafter referred to as the "Company")

and –

TEAMSTERS LOCAL UNION 938
(hereafter referred to as the "Union")

Re: Training

The Company will provide training sessions that are required to meet the principles of due diligence and certification from outside regulatory agencies. These training sessions will be deemed as required as a condition of employment by the Company. The Company will cover the cost of providing the training sessions, while the employee will provide the time required to attend the sessions.

Employees will be given the opportunity to sign up for and attend the training session provided by the Company. If the employee does not attend a session provided by the Company, the employee will not be eligible to work until a suitable replacement course has been taken at the employee's expense.

SIGNED ON BEHALF
OF THE COMPANY

SIGNED ON BEHALF
OF THE UNION

LETTER OF UNDERSTANDING

Between:

ARNONE TRANSPORT LIMITED
(hereafter referred to as the "Company")

and –

TEAMSTERS LOCAL UNION 938
(hereafter referred to as the "Union")

Re: Mandatory Meetings

Mandatory meetings that are not training sessions will be paid at the prevailing hourly rate.

SIGNED ON BEHALF
OF THE COMPANY

SIGNED ON BEHALF
OF THE UNION

LETTER OF UNDERSTANDING

BETWEEN:

ARNONE TRANSPORT LIMITED
(hereafter referred to as the "Company")

-and-

TEAMSTERS LOCAL UNION 938
(hereafter referred to as the "Union")

Re: Drug Testing

All drivers shall be subject to a Drug Test as prescribed by Law in the **U.S.A.**

The Company will be responsible to bear the cost of the initial test. If a driver is found to be positive, then he shall be subject to the procedures as set out by **U.S.A. D.O.T.** Drug Policy. Further to this all costs related to further testing and rehabilitation shall be borne by the employee.

SIGNED ON BEHALF
OF THE COMPANY

SIGNED ON BEHALF
OF THE UNION

Damage and Claim Incentive- Employees are entitled to an annual amount of \$700.00 paid to each employee in four quarterly payments of \$175.00. All incidents and damages caused by the employee, that are proven to be preventable are subject to the maximum deduction for that quarter (\$175.00). Employees having 14 working days off (excluding holidays & vacation time) for any reason in the 3 month period, are not eligible for that quarter's bonus.

Incident Investigations - When an employee has an incident where there is **loss**, or damage to equipment, or property the employee must fill out an incident report, which is provided by that employee's supervisor. The incident report is then given to the manager in that division for review with the employee. Each incident is reviewed by the Management team and a written decision given to the employee within ten (10) working days. If the Employee does not agree with the entitlement decision, he has the choice to have the incident reviewed by the joint Union and Management Appeals Committee. The mandate of the Committee is to assist in determining whether the incident was preventable or not and to also recommend procedures and policies to ensure that a similar incident does not happen again. See Letter of Understanding - RE: Damage and Claims Incentive.

Pay Periods - The pay periods for Arnone Transport, and its divisions, is from the 1st to the 15th, and from the 16th to the last day of the month. This pay will be available five (5) banking days (excluding Saturdays, Sundays and Holidays) after the pay period ends.

Pay - If an employee reports for work late, without a valid reason, or phoning, the employee will be deducted fifteen (15) minutes pay for each quarter hour he or she is late from regular starting time.

Company Benefit Plan - After ninety (90) days of employment, employees are eligible for coverage under the Company's benefit plan. Dependents are also eligible for the coverage.

General Meetings - Mandatory meetings will be paid at the prevailing hourly rate.

Training - The Company will provide training sessions that are required to meet the principles of due diligence and certification from outside regulatory agencies. These training sessions will be deemed as required as a condition of employment by the Company. The Company will cover the cost of providing the training sessions.

Employees will be given the opportunity to sign up for and attend the training session provided by the company. If the employee does not attend a session provided by the company, the employee will not be eligible to work until a suitable replacement course has been taken at the employee's expense. Progressive Discipline - The Company

recognizes the principle of progressive and corrective discipline beginning with verbal warnings. Discipline, subsequent to verbal