# **COLLECTIVE AGREEMENT**

#### between

# DIRECT GENERAL PARTNER CORPORATION ON BEHALF OF DIRECT LIMITED PARTNERSHIP OPERATING AS DIRECT TRANSPORT AND DIRECT DISTRIBUTION CENTRES (EDMONTON BRANCH)

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION NO. 955

Effective: July 3, 2008 to July 2, 2011

13532(02)

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#### **COLLECTIVE AGREEMENT**

#### between

Direct General Partner Corporation On Behalf Of Direct Limited Partnership
Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch)
(Hereinafter referred to as "the Company")

#### and

The International Union of Operating Engineers, Local Union No. 955 (Hereinafter referred to as "the Union")

#### **ARTICLE 1: PURPOSE**

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

#### **ARTICLE 2: SCOPE**

- 2.1 This Agreement shall cover all employees of Direct General Partner Corporation On Behalf Of Direct Limited Partnership operating as Direct Transport and Direct Distribution Centres (Edmonton Branch) excluding office and clerical staff, warehouse coordinator, traffic coordinator, foreman and dispatcher, supervisor and those above.
- 2.2 New classifications and wage scales may be added to the bargaining unit from time to time, by mutual consent of the Company and the Union.

#### **ARTICLE 3: MANAGEMENT RIGHTS**

- 3.1 The Union acknowledges that it is exclusively the right of the Company to:
  - a) Maintain order, discipline and efficiency;
  - b) Hire, direct and classify employees;
  - c) Promote and demote employees, or to suspend, transfer, lay-off or discharge employees for proper sufficient cause.

- d) Make and alter from time to time rules and regulations to be observed by employees provided such rules and regulations are not inconsistent with the terms of this Agreement or applicable Government Legislation.
- e) Generally to manage the enterprise in which the Company is engaged, and, without limiting the generality of the foregoing, to determine the number of employees required and the methods, procedure, materials and equipment to be used, schedules of work and all other matters concerning the administration and operation of the business not otherwise dealt with elsewhere in this Agreement.
- 3.2 The Company agrees these rights will be exercised in a manner consistent with the provisions of this Agreement.
- 3.3 Management shall not perform duties that are normally performed by the employees they supervise except where the work is:
  - a) For the purpose of instruction or coping with an emergency.
  - b) To overcome difficulties caused by the unforeseen absence of an employee(s).
- 3.4 The Company agrees to furnish all employees with a copy of the current Company rules and regulations. The Company shall forward the Company rules and regulations to the Union upon request.

#### **ARTICLE 4: UNION RECOGNITION**

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

#### **ARTICLE 5: UNION SECURITY**

- 5.1 Every employee who is covered by this Agreement now or hereafter shall make application for union membership and maintain union membership as a condition of employment.
  - New employees shall within thirty (30) days after commencement of employment, make application for union membership and maintain union membership as a condition of employment.
- 5.2 The Company agrees to deduct initiation fees, monthly dues and assessments as determined by the Union on a monthly basis from the salaries or wages of each and every employee covered by this Agreement, whether a union member or not.

- 5.3 The Company agrees to deduct each month, from the earnings of each employee coming within the scope of the Agreement, who has earnings in any portion of the calendar month, an amount equal to the monthly dues of the Union as determined by its By-Laws and Constitution.
- 5.4 The Company agrees that the aforesaid deductions shall continue during the life of this Agreement and, after the expiry date thereof, during the entire period that any negotiations are preceding with a view of concluding a new Agreement.
- 5.5 The Union agrees to advise the Company in writing, of the amount of initiation fees, monthly dues and assessments to be deducted and all amounts to be deducted shall be forwarded by the Company to the Financial Secretary of the Union on or before the tenth (10<sup>th</sup>) day of the following calendar month together with a list of names of the employees for whom the deductions have been made.
- 5.6 In consideration of the premises, and of the Company making the compulsory deductions of initiation fees, monthly dues and assessments herein provided, the Union agrees to and does hereby indemnify and save the Company harmless from all claims, demands, actions and proceedings of any kind and from all costs which may arise or be taken against the Company by reason of the Company making the compulsory check off of initiation fee, monthly dues, and assessments provided for in this Article.
- 5.7 The Union shall notify the Company and employees in writing **of** any changes in the amount of initiation fees, monthly dues and assessments at least one (1) month in advance of the end of the pay period in which the deductions are to be made, provided that such changes shall not occur more than twice in any calendar year.
- 5.8 The Company agrees that there shall be no discrimination against any employee because of Union activity, or for exercising any right under this Agreement, or for reporting an alleged violation of this Agreement to the Union.
- 5.9 The Union shall supply the name of its Job Steward to the Company in writing. With the Company's permission, the Job Steward shall be allowed reasonable time during regular working hours to conduct Union business and such permission shall not be unreasonably denied.
- 5.10 An authorized Representative of the Union shall have access to the employees on company premises only for the purpose of conducting Union business provided prior permission to do so has been granted by the Company Manager, such permission shall not be unreasonably denied.
- 5.11 Once per calendar year, the Company shall, upon request from the employee, allow the employee to review his personnel file. The employee may request and shall be given copies of documentation contained therein.
- 5.12 Employees are required to take direction from the Company Manager, their immediate supervisor only, or the person designated by the Company Manager.

- 5..13 Reprimands, warnings, and violations will be removed from an employee's personnel file after twelve (12) months of maintaining a clear performance record, twenty-four (24) months for discipline relating to driving, delivery and cargo claims incidents. Items once removed from a personnel file will not be used in disciplinary proceedings.
- 5.14 Where an employee is required to meet with a Company representative for the purpose of applying discipline to said employee, the employee shall, should he desire, be entitled to have a Union representative present during such meeting.
- 5.15 Where possible the Company shall inform the Union twenty-four (24) hours in advance of suspending or discharging a non-probationary employee.
- 5.16 The Company shall inform the Union and post a notice seven (7) days prior to any change in working rules.
- 5.17 New employees shall be introduced within a reasonable time period to the Job Steward for union orientation.

#### **ARTICLE 6: PROMOTION AND SECURITY**

- 6.1 An employee shall serve a probationary period of four (4) months. Employees shall attain seniority at the expiration of the probationary period, which seniority will be effective from the most recent date of hire. The Company will review an employee's performance after two (2) months. An employee shall not be required to serve a probationary period after serving probation at any previous time, unless the employee was terminated for just cause or quits.
- 6.2 If found unsuitable, a probationary employee may be dismissed by the Company, without recourse to the grievance procedure, unless the dismissal is arbitrary, discriminatory, or in bad faith.
- 6.3 The seniority list shall be prepared covering the employees of the Company covered by this Agreement as defined in Article 2 of the Agreement. The seniority list shall contain the names and hiring dates of each of the employees, along with their respective work classifications. The seniority list shall be posted on the bulletin board as of the first of each month, and a copy sent to the Union Office. The onus shall be on the particular employee involved to bring to the attention of the Company and to have any alleged errors on the seniority list corrected, and any such alleged errors must be brought to the attention of the Company within ten (10) working days of the posting of the seniority list, otherwise any alleged errors shall be deemed to be waived.
- 6.4 Seniority earned in the employment of the Company shall be the governing factor in matters of promotion, demotion, transfer, layoff, recall after a layoff and choice of new positions that arise provided that the employee, has the ability to perform the work required.

- 6.5 The Company with consultation with the Union reserves the right to reduce staff when business conditions warrant (of which conditions the Company shall be sole judge) and in which case, senior employees, merit and ability being sufficient, will be retained in preference to junior employees.
- 6.6 (a) Vacancies in existing positions covered by this Agreement shall be bulletined in the seniority group for a period of five (5) working days and employees desiring transfer to such positions shall file their application with the officer of the Company designated in the bulletin within the said five (5) working days and the results of the bulletin shall be posted within five (5) working days of the closing date for application. A copy of the application, initialed by the Company, shall be provided to the employee at the time it is submitted.
  - (b) The successful employee must demonstrate the ability to perform the work in a satisfactory manner within a trial period of fifteen (15) working days. During this time period, with reasonable cause, the employee, at his request, may return, or at the insistence of the Company with reasonable cause (including justifiable written customer complaints) will be returned to his previous position, or "call cartage" as the case may be, in either case, the employee will not be permitted to apply for another posting with that customer for a period of one (1) year.
- 6.7 (a) The Company shall have the right to fill any vacant positions for up to ten (10) working days without regard to the seniority list as the situation required.
  - (b) The Company or employee desiring to terminate employment shall give to the person employed or the Company, as the case may be, notice of the date on which employment is to terminate, the period between the date of notice to terminate and date of termination shall not be shorter than the pay period in respect of which one regular installment of wages is paid to the employee.
- 6.8 (a) An employee whose position is abolished, or has been displaced, shall be allowed to exercise his seniority to any position to which his seniority would entitle him, and will be given a full explanation of the duties of the position, and must demonstrate his ability to perform the work within a reasonable trial period of up to fifteen (15) working days, the length of the time dependent on the character of work. Failing to demonstrate his ability to do the work, he shall be entitled to displace a junior employee for whose position he is qualified. The employee displaced by the exercise of seniority shall move to the "call cartage" department, by seniority.
  - (b) Employees exercising their rights to a contract position in accordance with this Article will be subject to a fifteen (15) working day trial period. During this time period, with reasonable cause, the employee, at his request, may remove himself, or the Company with reasonable cause (including justifiable written customer complaints) may remove the employee from the position. The employee so removed will be placed in the "call cartage department" by seniority, and the position will be posted in accordance with Article 6.6(a).

- 6.9 Seniority shall accumulate during such periods as the employee is employed by the Company, including employees who are on a bona fide leave of absence or Workers' Compensation.
- 6.10 In the instances of staff reduction, ten (10) working days notice will be given to a regular assigned employee whose position is abolished. The Job Steward will be supplied with a copy of such written notice.
- 6.11 Seniority shall operate Bargaining Unit wide.
- 6.12 An employee shall lose all his seniority, shall be removed from the seniority list and cease to be an employee for the following reasons:
  - (a) If the employee quits.
  - (b) If the employee is discharged and not reinstated through the grievance or arbitration procedure.
  - (c) If the employee retires.
  - (d) If the employee is placed on layoff and not recalled within one (1) year.
  - (e) If the employee fails to return to work within fourteen (14) days of a recall notice sent by registered mail or courier, or if the employee fails to return to work at the expiration of an authorized leave of absence without providing a satisfactory explanation to the Company.
  - (f) If the employee accepts a Company position outside the bargaining unit for a period of six (6) months.

#### **ARTICLE 7: GRIEVANCE PROCEDURE AND ARBITRATION**

7.1 Employee or Union Grievance

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

- 7.2 Unless dismissed or suspended by the Company, the employees shall continue to work in accordance with the Agreement until such time that such controversy is settled by means of negotiations between the representatives of the Company and of the Union.
- 7.3 The employee or the Union, as the case may be, shall within seven (7) working days of the occurrence of the incident bringing about the controversy, report such incident in writing to the Branch Manager of the Company. If not reported within

seven (7) working days the controversy will not be subject to the grievance procedure contained herein.

7.4 If the controversy is not settled within seven (7) working days of the same being referred to the Branch Manager of the respective division, then the employee or the Union as the case may be, shall within fourteen (14) working days thereafter set out the grievance in writing and file same with the General Manager of the Division.

The General Manager of the Division or his designate and the Business Manager of the Union or his designate shall try to effect a settlement before advancing the grievance to Article 7.5.

- 7.5 If the controversy is not settled within fourteen (14) working days from the date that the controversy is set out in writing and filed with the General Manager of the Division or his designate then it may be at any time within seven (7) working days thereafter be referred by either party to a Sole Arbitrator. The party referring the matter shall submit the names of two (2) possible arbitrators for the other party's consideration. If within fifteen (15) working days the parties are unable to agree on an arbitrator, the Federal Minister of Labour may be asked by either party to appoint a neutral arbitrator.
- 7.6 The decision of the Arbitrator shall be final and binding upon both parties hereto.
- 7.7 The expenses of the Arbitrator shall be shared equally between the Company and the Union.
- 7.8 Employer Grievance

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

- 7.9 If a settlement cannot be reached at the aforesaid meeting with the Union or any subsequent meeting which might be mutually agreed upon at the time, either party to this Agreement may request that the matter be submitted to arbitration. Such request must be made within seven (7) working day of the last meeting of the parties.
- 7.10 The procedure to be followed in arbitration is the same as previously set forth under Employee and Union Grievance.
- 7.11 Extension of Time Lines

The time lines outlined in Article 7 may be extended by mutual consent of the parties.

#### ARTICLE 8: LEAVE OF ABSENCE

- 8.1 Employees may be granted leave of absence without pay to attend their meetings and convention, but such leave will only be granted when it will not interfere with requirements of the Company as determined by the Company and provided the Company is not put to any additional expenses.
- 8.2 Application for leave of absence shall in any event be made in writing at least five (5) working days prior to the projected first day of absence and shall set out the reasons for same.
- 8.3 Employees, at the discretion of the Company will be granted a leave of absence not to exceed ninety (90) days, permission to be obtained in writing and unless employees so furloughed report for duty on or before expiration of the furlough, their names shall be taken from the seniority roster, and if they return to work thereafter, such employee shall rank as new employee, provided, however, such furlough may be extended upon application in writing to the proper officer in ample time to receive permission to return to duty at the expiration of the leave, or absolute proof furnished as to bona fide sickness preventing such return. Leave of absence under this rule shall not be granted for the purpose of engaging in work outside the Company's service, except in cases involving sickness or other exceptional circumstances.

#### **ARTICLE 9: BEREAVEMENT LEAVE**

9.1 Effective date of ratification, Bereavement Leave in the amount of three (3) working days with pay shall be granted in the event of the death of a father, mother, spouse (including common-law), son, daughter, son-in-law, daughter-in-law, brother and sister provided the employee attends the funeral or is involved in the preparations thereof. One day will be the day of the funeral and the other day may be the day before or after the funeral, if they fall on regular scheduled working days.

Two (2) straight time eight (8) hour days off work will be paid in the event of the death of a mother-in-law, father-in-law, sister-in-law and brother-in-law, foster parents, grandparents or step children, provided the employee attends the funeral, if it falls on a regular scheduled day.

#### **ARTICLE 10: JURY DUTY**

10.1 Where an employee is summoned for jury duty on a normal working day or is subpoenaed to appear as a witness on a matter arising directly from his duties or activities as an employee of the Company on a normal working day, the Company agrees to pay the equivalent of an eight (8) hour day at straight time rates less any amount received for jury duty or witness duty pay for each regular work day lost.

Where an employee in the course of his work, is a witness to any matter not involving the Company and is subsequently subpoenaed to appear as a witness, the Company agrees to pay the said employee up to eight (8) hours for each day for such witness duty at the straight time rates of pay less and amount the employee received for witness duty pay.

Jury and/or subpoenaed pay will not be granted if any employee is on leave of absence or when receiving benefits under the Health and Welfare Program or Workers' Compensation or annual vacation.

#### **ARTICLE 11: VACATIONS**

11.1 In assignment of vacations, January 1<sup>st</sup> of each year shall be considered as the qualifying date for annual vacation purposes, after which date annual credits commence for vacation purposes. Separate departmental lists based on seniority shall be prepared, completed and posted by the Company no later than January 31<sup>st</sup> of each year.

It is understood and agreed that the number of employees from each departmental group on vacation at one time shall be limited to the number which, the proper officers of the Company consider will not adversely affect normal operational requirements.

An employee entitled to annual vacation during the calendar year shall take such vacation as scheduled during that calendar year unless prevented by sickness or bona fide reason.

Vacation requests must be submitted to the Company in writing by March 1 of each year. The Company will inform individual employees in writing by April 1 of the vacation dates allotted to them.

Employees who do not submit a vacation request in advance of the deadline, or are unable to take their vacation as scheduled, shall be granted vacation on a first come basis. A copy of the schedule as approved by the Company will be posted on April 1<sup>st</sup>, with a copy sent to the Union office. No changes in the schedule will be permitted without agreement by the Company and the Union.

- 11.2 Where the employment of an employee ceases before the completion of a twelve (12) month period, the Company shall pay the employee an amount equivalent to four percent (4%) of the total wages of the employee, earned in the twelve (12) month period, or part thereof or any other vacation pay due him as outlined in Article 11.5 in respect of which no vacation pay has been given.
- 11.3 New employees will qualify for ten (10) working days vacation with pay upon completion of twelve (12) months continuous service. Vacation time off shall be at a time convenient to the Company, and not more than ten (10) months from the date of qualification. Subsequent vacations shall be in accordance with Article 11.1 above.

- 11.4 The Company will give to each employee an annual vacation of fifteen (15) working days with pay after five (5) years of continuous employment, as at the 1<sup>st</sup> day of January in any year.
- 11.5 Any employee dismissed for cause or an employee who leaves the service of the Company at a time when an unused portion of vacation with pay stands to his credit, shall be paid such vacation wages as are due as follows:
  - a) if the employee is entitled to two (2) weeks vacation with pay, he shall receive four percent (4%);
  - b) if the employee is entitled to receive three (3) weeks vacation with pay, he shall receive six percent (6%);
  - in the event of illness, injury and/or leave of absence in excess of thirty (30) days, the above formulas will be utilized to determine holiday pay.
- 11.6 In assignment of vacations, senior employees in various departmental groups will be given preference of assignment.

After vacation dates have been selected and the list prepared as herein provided, no change in dates shall be allowed unless mutually agreed to by the proper officer of the Company and the employee.

#### **ARTICLE 12: GENERAL HOLIDAYS**

12.1 The Company recognizes the following paid holidays:

New Year's Day

Labour Day

Thanksgiving Day

Remembrane

Thanksgiving Day Remembrance Day

Good Friday Victoria Day
Christmas Day Canada Day
Boxing Day August Civic Day

- 12.2 A full days holiday, (i.e. eight (8) working hours for warehouse employees and wash bay attendants and nine (9) for drivers and swampers) at the regularly hourly rate shall be granted to each regular full-time employee for the days as set out in Article 12.1 herein provided the employee:
  - a) Has earned wages for part or all of each day at least fifteen (15) days during the thirty (30) calendar days immediately preceding the Holiday.
  - b) Works the last regular scheduled work day before and after the Holiday, unless absent due to bona fide illness, or accident, or unable to drive in accordance with governing Hours of Service or consent of the Company.
  - c) Was not on leave of absence granted by the Company at the request of the employee.

12.3 Employees required to work on any one of the Holidays listed in Article 12.1 shall be paid at time and one-half (1½) for all hours worked, with a minimum of four (4) hours. It is agreed and understood that the eight (8) hour's general Holiday pay at the employee's regular rate of pay for warehouse employees and wash bay attendants and nine (9) hour's general Holiday pay at the employee's regular rate of pay for drivers and swampers will be paid in addition to the pay for all hours worked, with a minimum of four (4) hours. This is in addition to Article 12.2.

Employees required to work on a statutory holiday for a customer who operates on a seven (7) day per week basis, will receive their regular rate of pay for the hours worked on the statutory and another day off with pay in lieu of the holiday subject to Article 12.2 and subject to mutual agreement of that date by the employee and the Company; provided the employee provides not less than seven (7) days written notice, and subject to reasonable operational/ customer requirements, the Company shall not unreasonably deny an employee the selection of the alternate day off.

- 12.4 Employees absent on any of the mentioned Holiday(s) due to bona fide illness (not covered by Workers' Compensation) commencing not more than thirty (30) days prior to said Holiday, shall be entitled to such Holiday pay, less the amount of insurance compensation received for the said day. Bona fide illness shall be proven to the Company's satisfaction by the production of a proper certificate from a duly qualified practitioner.
- 12.5 Employees on vacation during a period in which one of the above Holiday(s) is observed shall receive an additional day(s) vacation.
- 12.6 The work week shall be reduced by the appropriate number of hours each General Holiday(s), as outlined in Federal Labour Standards.

#### ARTICLE 13: HOURS OF WORK AND OVERTIME

- 13.1 The work week shall be sixty (60) hours for highway drivers; forty-five (45) hours for city drivers and swampers; and forty (40) hours for warehousemen Class **A** and B, Sunday to Saturday inclusive.
- 13.2 a) i) Time worked in excess of sixty (60) hours per week for highway drivers; nine (9) hours per day or forty-five (45) hours per week for city drivers and swampers; and eight (8) hours per day or forty (40) hours per week for warehousemen Class A and B shall be paid at the rate of time and one-half (1½x) of the employees regular hourly rate of pay.
  - ii) Employees on an assigned day off, who are called that day, for work that day (no notice), will be paid at time and one-half (1½x) for all hours worked that day.
  - iii) Employees called to work the day before, for work the next day, will be paid in accordance with 13.2 a) i).

- b) A highway driver, for the purposes of this Agreement will be defined as a motor vehicle operator outside a 16 km radius of his/her home terminal. Refer to Article 14.5.
- Upon request, employees will be provided with a copy of their driver trip sheets, at the time submitted to the Company.
- 13.3 Regular and overtime hours shall be calculated in fifteen (15) minute intervals to the nearest quarter (¼) hour.
- 13.4 When an employee is specifically asked to report to work he shall be paid a minimum of three (3) hours.
- 13.5 Overtime shall be authorized in such matter and by such persons as the Company may from time to time designate.
- 13.6 Employees will not generally be forced to work overtime, but it is understood and agreed that any job commenced prior to the employee's normal quitting time on any working day, will be completed once undertaken; provided the excess shall not be greater than two (2) hours, which can be extended by mutual agreement of the employee and the Company. Employees shall advise dispatch at the time of dispatch, or at any time, if they are unavailable for overtime.
- 13.7 All overtime shall be offered to employees normally performing the work on the basis of seniority, ability and qualifications being sufficient to handle the work performed, however, operational efficiency will take precedent in determining employee selection.
- 13.8 A meal period of not more than one (1) hour, and not less than one-half (½) hour, shall be allowed employees as soon as possible after four (4) hours of work, provided always that where certain companies with which the Company has contracts, require a specified time and/or time period for a break, the employee will abide by the specified time and/or time period.
  - On any day an employee takes less than the required one (1) meal period, he will obtain authorization from the Company officer responsible and the said Company officer will note on the employees time card the time involved.
- 13.9 Employees will not be required to suspend work during working hours for the purpose of absorbing overtime.
- 13.10 In the event of mixed employment, Federal Labour Standards will apply for determining daily and weekly hours of work.
- 13.11 The Company and the Union agree that modified work schedules may be implemented by mutual consent of the Company and the Union.

# **ARTICLE 14: WAGES RATES AND CLASSIFICATIONS**

14.1 a) The following wage scale sets out the minimum hourly rates to be paid to employees during the term, of this Agreement.

HOURLY CLASSIFICATION	YEAR 1	YEAR 2	YEAR 3	
Class 1 - Tractor	\$20.25	\$21.00	\$21.63	
Class 3 - Tandem Axle	\$18.33	\$19.01	\$19.58	
Class 5 - Straight Truck	\$17.96	\$18.62	\$19.18	
Class A - Warehouse	\$16.09	\$16.58	\$17.07	
Class B - Warehouse	\$15.05	\$15.50	\$15.96	
Swamper	\$13.85	\$14.37	\$14.80	
Wash Bay	\$15.99	\$16.58	\$17.07	
MII EAGE DATES	VEAD 1	VEAD 2	VEAD 2	Dron Patos
MILEAGE RATES	YEAR 1	YEAR 2	YEAR 3	Drop Rates
MILEAGE RATES  Category #1 200 – 300 Miles Return Trip	<b>YEAR 1</b> \$0.458	<b>YEAR 2</b> \$0.475	<b>YEAR 3</b> \$0.489	Drop Rates  All stops paid \$16.00 per stop
Category#1				All stops paid
Category#1 200 – 300 Miles Return Trip Category#2	\$0.458	\$0.475	\$0.489	All stops paid \$16.00 per stop All stops paid
Category#1 200 – 300 Miles Return Trip Category#2 301 – 400 Miles Return Trip Category#3	\$0.458 \$0.426	\$0.475 \$0.442	\$0.489 \$0.455	All stops paid \$16.00 per stop All stops paid \$16.00 per stop

FLAT RATES	YEAR 1	YEAR 2	YEAR 3	Drop Rates
LCV CGY (Mon -Fri)	\$245.00	\$254.07	\$261.69	All stops paid \$20.00 per stop
LCV CGY (Weekends)	\$255.00	\$264.44	\$272.37	All stops paid \$20.00 per stop
CGY Single	\$180.00	\$186.66	\$192.26	All stops paid \$16.00 per stop

All Highway trips that are less than Category #1 (200 miles return) are paid at the applicable hourly rate.

All Mileage Rates are paid PC Miler City Centre to City Centre "Practical Route".

HBC Logistics and Canadian Tire - Hourly rate paid for all unload time at each stop (Category 1 - 3).

#### A stop shall refer to:

- Any stop wherein Merchandise is loaded or unloaded.
- Where both loading and unloading occur at the same location, it shall be considered one stop.
- A trailer switch where no loading or unloading takes place shall not constitute a stop.

# All Highway Mileage Rates include the following:

- Vehicle pre and post trip inspections
- Initial pick up of trailer / load from customer location (max 1 hour)
- Travel time to and from Direct yard to customers facility (if applicable)

#### All Extended Length Mileage Rates include the following:

- Vehicle pre and post trip inspections
- Travel time to and from Direct yard to customers facility (if applicable)
- Two (2) assembly and two (2) disassembly of trailer combinations per trip (trailer coupling and uncoupling)
- All additional trailer coupling and uncoupling will be paid at the current hourly rate.

PREMIUMS	YEAR 1	YEAR 2	YEAR 3		
Overtime pay calculations shall not be applicable to any hourly premiums detailed below.					
Driver Retention Plan – Hourly					
After 1 year completed service	\$0.20	\$0.20	\$0.20		
After 3 years completed service	\$0.30	\$0.30	\$0.30		
After 5 years completed service	\$0.40	\$0.40	\$0.40		
Driver Retention Plan - Mileage					
After 1 year completed service	\$0.004	\$0.004	\$0.004		
After 3 years completed service	\$0.006	\$0.006	\$0.006		
After 5 years completed service	\$0.008	\$0.008	\$0.008		
Driver Retention Plan – Teams					
After 1 year completed service	\$0.0025	\$0.0025	\$0.0025		
After 3 years completed service	\$0.0040	\$0.0040	\$0.0040		
After 5 years completed service	\$0.0050	\$0.0050	\$0.0050		
Night Shift - Premium	\$0.75	\$0.75	\$0.75		
For all hourly paid shifts that work between the hours of 6:00 PM and 4:00 AM daily in addition to their regularly hourly rate of pay.					
Reach Truck Premium	\$1.50	\$1.50	\$1.50		
Based on two (2) years prior experience and competent operation of the equipment.					
Lead Hand Premium	\$1.00	\$1.00	\$1.00		
Lead Hand designation will be at the discretion of the Company.					
Weekend Premium [Drivers]	\$1.00	\$1.00	\$1.00		

# Definition of Warehouseman

# Class A:

- Must possess a valid class 5 license
- Must have a current dangerous goods handling and transportation certificate
- Must have WHMIS training Must have a valid forklift operators certificate

The Company will supply and pay for training costs for those employees promoted from Class "B" Warehouseman to Class "A" Warehouseman.

At no time shall the ratio of Class A Warehousemen to Class B Warehousemen exceed fifty (50%) percent. The Company reserves the right to hire or promote Class A Warehousemen at anytime.

#### Class B:

All other warehousemen not possessing all of the above qualifications.

- 14.2 a) It is understood and agreed that all new employees shall be paid during their first two (2) months, fifty (50¢) cents less than the rate set out in sub Article 14.1. After two (2) months, twenty-five (25¢) cents less than the rate set out in sub Article 14.1. After four (4) months, the full rate set out in sub Article 14.1.
  - Truck swampers and warehousemen Class "B", shall be paid during their first two (2) months, thirty-five (35¢) cents less than the rate set out in sub Article 14.1. After two (2) months, twenty (20¢) cents less than the rate set out in sub Article 14.1. After four (4) months, the full rate set out in sub Article 14.1.
  - c) For flat rate/mileage drivers the new hire rate shall be:
    - i) First two (2) months of employment, three percent (3%)ess than the applicable rate in Schedule A including drop rates and premiums.
    - The following two (2) months of employment, two percent (2%) less than the applicable rate in Schedule A including drop rates and premiums.
  - d) The Company at its discretion shall have the right to waive the new hire reduction rates and time periods.
- 14.3 When an employee receives an upgrade in classification, the employee will be subject to a training period of one (1) month. During the training period the employee will be paid fifty (50¢) cents less than the rate set out in sub Article 14.1. However, no employee shall suffer a reduction in wages during the training period.
- 14.4 No employee shall suffer a reduction in wages and/or benefits as a result of the signing of this Agreement.
- 14.5 The Company and the Union agree to that the Company may remunerate employees in a manner other than by the hourly rate. The rate of remuneration and implementation shall be by mutual consent by the Company and the Union and concurrence by the employee. The employee must receive no less than the hourly rate as indicated in the current Agreement.

#### **ARTICLE 15: PAYMENTS OF WAGES**

- 15.1 The Company shall on Friday of every second week pay to each employee covered by this Agreement, all wages, overtime and other entitlement earned by the employee up to and including the previous Sunday.
- 15.2 All wages, overtime and other entitlement owing to an employee may be paid to an employee by company pay cheque or direct deposit to an account of the employee's choice in a Bank, Treasury Branch, Credit Union, Trust Company or other corporation insured under the Canada Deposit Insurance Corporation Act (Canada).
- 15.3 When the payday falls on a holiday, wages, overtime and other entitlement will be paid on the last working day prior to the holiday.
- 15.4 An itemized statement indicating rate of pay, overtime and specific deductions, etc. for each pay period shall be provided to each employee on the Friday of every second week. A record of accumulated vacation pay shall be made available to the employees on bi-monthly basis in conjunction with the end of a scheduled pay period for their review upon request.
- 15.5 Employees who are laid off, terminated or quit shall receive wages, holiday pay, vacation pay, and other entitlement due; a statement of earnings and deductions; and a record of employment within five (5) working days of termination.

#### **ARTICLE 16: GENERAL CONDITIONS**

- 16.1 Employees shall be entitled to two (2) fifteen (15) minute rest breaks per shift. One (1) break will be in the first half of the shift and one (1) break will be in the second half of the shift.
- 16.2 Whenever it becomes necessary for an employee to undertake medical tests or for the renewal of licenses on the Company's request, the Company shall upon request, provide appropriate equipment for this purpose. Time taken off for such purpose shall be paid for by the Company at the employee's regular rate of pay to a maximum of two (2) hours.
- 16.3 The Company shall allow the employees and the Union to post meeting notices and other information that may be of interest to the employees, in an agreed upon location on Company premises.
- 16.4 Should the Company deem it necessary for an employee to wear a uniform during his course of employment, he will wear same, keeping it clean and in good repair. The cost of such uniform or portion thereof is to be borne by the Company (75%), and the employee (25%), to a maximum of once every twelve (12) months.

Where an employee's employment is terminated for any reason within the first four (4) months of employment, the employee shall be obligated to repay the portion contributed by the Company, by way of payroll deduction.

A uniform shall consist of one (1) jacket (3 in 1), two (2)pairs of pants and four (4) shirts.

Failure to comply with Article 16.4 may result in disciplinary action.

- 16.5 Employees covered by this Agreement will not be required to operate mechanical equipment when making deliveries or pickups at any other firm's premises save and except, where it is required on certain contracts held by the Company.
- 16.6 It shall not be considered a violation of his employment that a Company employee shall refuse to cross a legal picket line recognized by the Union at the place where a legal strike is in progress.
- 16.7 Employees in a higher rated classification shall not have their rates of pay reduced when assigned to work in a lower rated classification on an interim basis. Employees in a lower rated classification and assigned to work in a higher rated classification shall be paid the higher rate for hours worked in that classification.
- 16.8 It is understood and agreed that employees will be required to give notice to the Company of any impending absence from duty and whenever possible, such notice shall be given as soon as the employee involved becomes aware of such impending absence from duty and in no event shall such notice be given less than two (2)hours prior to the employee's scheduled work time.
  - Employees who have pre-arranged doctor's or dentist's appointments will notify the Company at least twenty-four (24)hours in advance of their pending absence from duty.
- 16.9 The Company shall provide employees with safety equipment as required by the Company or its customers to perform the work. With consultation with the Union, gloves of a reasonable quality will be provided, to a maximum of six (6) pairs per year, at no cost to the employees.
- 16.10 Employees shall not be ordered by the Company to take out on the streets or highways, any company vehicle which is considered unsafe by the driver and the employee shall complete the necessary defect forms supplied by the Company regarding the defects.
- 16.11 No unauthorized personnel will be allowed to ride in any Company vehicle. Drivers who violate this policy may be subject to disciplinary action up to and including immediate dismissal.
- 16.12 Effective the date of signing of this Agreement an employee involved in an accident with a company vehicle shall not be required to pay any assessment or monies to the Company.

- All statements required by the Company and/or the insurer as a result of any accident or claim, must be provided by the employee with three (3) calendar days of the date of such accident or claim.
- 16.13 Employees failing to report any accidents or claims to the Company within twenty-four (24) hours may be subject to disciplinary action and/or dismissal.
- 16.14 Employees will be required to supply written authorization to enable the Company to obtain drivers abstracts. The Company will be responsible for the costs incurred for drivers' abstracts. If the Company requires more than one abstract per year, the Company will pay the costs of the additional abstracts. The Company will be responsible for all administration costs. In the event that an employee's drivers license has been called under review and/or suspension, the Company must be notified in writing within forty-eight (48) hours. Results of such review shall be made known to the Company within forty-eight (48) hours.

Failure to comply may result in dismissal.

- 16.15 Where safety boots are required to perform the work assignments, the Company will contribute one hundred dollars (\$100.00) once per year, upon satisfactory proof of purchase. This contribution shall be not be taxed. The first year will commence after an employee's probationary period has been completed.
- 16.16 Effective the date of signing of this Agreement, an employee shall not be required to pay any assessment or monies to the Company for a cargo claim or breakage of goods.
- 16.17 Should a driver lose his license for whatever reason, the said driver will be allowed to work in another department, at the discretion **of** the Company, provided there is sufficient work available at the discretion of the Company. There shall be no bumping in such cases.
- 16.18 When a driver incurs reasonable out-of-pocket expenses, which have been approved by the Company, he will be reimbursed as soon as possible after returning to the terminal. Such approval will not be unreasonably withheld.
  - When drivers are required to be away from their home terminal, they shall be reimbursed, upon proof of payment, the cost of a hotel room, to a maximum of seventy-five dollars (\$75.00) for the third night and every second night thereafter. This provision does not apply to "team drivers".
- 16.19 Wherever this Agreement is silent or inferior to the employees, Federal Government Legislation and/or Regulations shall govern and be part of this Collective Agreement.
- 16.20 The Company and the Union agree the Company may use Owner/Operators on a required basis subject to the following conditions:
  - a) To supplement the regular work force, to provide additional help on a required basis, to cover peak work periods, and such other time as necessary to cover an absent employee.

- b) Owner/Operators shall not be contracted to the extent that their work results in the deliberate reduction of hours, displacement or recall of full-time employees.
- 16.21 Drivers who fail to fuel at designated company fuel stops, will be responsible for the difference in fuel prices. This provision is subject to reasonable extenuating circumstances.
- 16.22 When the Company deems an employee to be suitable for an upgrade, the Company shall pay the following upgrade costs to facilitate a move to a Class 1 / 3 license:
  - 1) The cost of one (1) Road Test
  - 2) "On the job" training by the Company as required, and
  - 3) The supply of a suitable vehicle for the Road Test
- 16.23 Any evaluation of employees will be completed by management staff.
- 16.24 Drivers shall be responsible to pay all fines for moving violations and non-work related parking tickets.
- 16.25 All designated highway trucks shall have working air conditioning and working AM/FM radio.
- 16.26 The Company must be made aware of any: suspension or other restriction imposed on an employee's driver's license. Failure to disclose a suspension or restriction on the employee's driver's license while continuing to operate a Company vehicle will result in immediate dismissal.
- 16.27 Employees shall not be permitted to refuse to accept a work assignment dispatched or assigned to them to be performed during "normal working hours".
- 16.28 The following delays will be paid at the hourly rate of pay. All times must be marked on the applicable Company/Customer documentation and must be signed for when possible.
  - 1. International border crossing (all time after one (1) hour per round trip).
  - 2. Breakdown of Company equipment (time paid after one(1) hour on the basis of eight (8) hours paid, eight (8) hours unpaid, eight (8) hours paid, eight (8) hours unpaid and so on, except if away from home terminal all time paid).
  - 3. Stops and drops, loading and unloading, coupling and uncoupling, switches (all time after one (1) hour per occurrence).
  - 4. Justifiable delay not attributable to the driver (time paid after one (1) hour on the basis **d** eight (8) hours paid, eight (8) hours unpaid, eight (8) hours unpaid and so on).

#### **ARTICLE 17: HEALTH & WELFARE PLAN**

- 17.1 The Company will provide employees covered by this Agreement with access to a health and welfare plan administered by a third party insurer, subject to the terms and conditions of the Plan and all its eligibility requirements. The level of benefits will not be reduced unless mutually agreed to by the Union and the Company.
- 17.2 The Plan shall provide the following benefits, the costs shall be borne equally by the Company and the employee:
  - a) Life Insurance
  - b) Accidental Death & Dismemberment
  - c) Extended Health Coverage
  - d) Dental Plan

Plan coverage will be as follows:

Eighty (80%) percent of basic coverage. The annual maximum coverage per family member for the first two (2) years of the Plan will be six hundred and fifty (\$650.00) dollars. After the two (2) year period the annual maximum coverage per family member will be increased to twelve hundred (\$1200.00) dollars.

17.3 Company to pay all administration fees and annual set-up costs.

# ARTICLE 18: JOINT OCCUPATIONAL HEALTH AND SAFETY COMMITTEE/LABOUR MANAGEMENT COMMITTEE

- 18.1 In the interest of maintaining harmony and efficiency within the Branch, the parties agree to establish a Joint Occupational Health and Safety/Labour Management Committee comprised of two (2) company representatives and two (2) employee representatives appointed by the Union.
- 18.2 The Committee shall meet once per month on Company premises during non-working hours to discuss health and safety issues that may be of concern to the parties and other issues that will promote harmony and efficiency between the parties. The Committee will not be empowered to revise or amend the terms of the Collective Agreement.
- 18.3 Employee representatives shall receive their straight time rate of pay for time spent at committee meetings.

- 18.4 An authorized Union representative or Company representative, other than those designated by the Company's Branch Manager may attend the meeting(s) upon invitation by the Committee or request to the Committee.
- 18.5 The Company will keep records of the Committee Meetings and a copy of such records will be forwarded to the Union.
- 18.6 Employees must immediately advise the Company of any work-related injuries.

#### **ARTICLE 19: STRIKES OR LOCKOUTS**

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

#### **ARTICLE 20: DURATION OF AGREEMENT**

- 20.1 This agreement shall become effective on the date of ratification July 3, 2008 and shall continue full force and effect until July 2, 2011 and thereafter from year to year, unless terminated or amended as hereinafter provided.
- 20.2 If either party to this Agreement should desire to renew or revise or terminate this Agreement, then not less than thirty (30) days, nor more than one hundred and twenty (120) days prior to the expiry date of this Agreement, such party shall give written notice to the other party, together with the particulars relating thereto, by registered mail.
- 20.3 Within thirty (30) days following the receipt of the written notice to renew this Agreement, together with the particulars relating thereto, the party receiving said notice and particulars shall be prepared to commence negotiations, and it shall so advise to the other party, together with their particulars relating thereto. Unless otherwise mutually agreed, only those matters referred to in the particulars shall be discussed at such negotiations.
- 20.4 If notice to negotiate has been given by either party, this Agreement shall remain in full force and effect during any period of negotiations even though such negotiations may extend beyond the said expiry date. Until the procedures in the Canada Labour Code have been exhausted. The parties to this Agreement shall

make every effort to complete the procedures in the Code and conclude on Agreement prior to the expiry date.

Signed this 16th day of	October, 2008.
Direct General Partner Corporation on behalf of Direct Limited Partnership Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch)	International Union of Operating Engineers, Local Union No. 955
Gord Alton, Senior Vice President Direct Transport Alberta	Ron Macdenald, Business Manager
Benjamin Hecht, Vice President Corporate Counsel	Paul Bokowski, President
Bryan Davies, General Manager, Direct Transport Alberta	Bruce Kirykik, Recording Corresponding Secretary

#### **LETTER OF UNDERSTANDING- NUMBER 1**

#### between

Direct General Partner Corporation on behalf of Direct Limited Partnership
Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch)
(Hereinafter referred to as "the Company")

#### and

The International Union of Operating Engineers, Local Union No. 955 (Hereinafter referred to as "the Union")

# Re: <u>Part-time Employees</u>

The Company may employ part-time employees under the following conditions:

- a) To supplement the regular work force, to provide additional help on an incidental basis, to cover peak work periods, and other such times as necessary to cover an absent employee.
- b) Part-time employees shall not be employed or scheduled to the extent that their work results in a reduction of full-time employee(s), the displacement of full-time employees, or prevents the hiring of recall of full-time employees.
- c) Part-time employees under the condition of Clause a) above shall not:
  - 1. Be entitled to benefits normally granted to full-time employees.
  - 2. Be guaranteed a minimum number of hours work per week.
- d) Remuneration for part-time employees will be at the discretion of the Employer.
  - All other employment conditions will be in accordance with Federal Labour Standards.
- e) A part-time employee shall be an employee whose scheduled or unscheduled hours do not exceed eighteen (18) hours in any one (1) week period.

f)	Part-time employees will not be considered part of Article 2.1 for the term of this
	Agreement.

Signed this\_\_\_\_\_\_\_, 2008

Direct General Partner Corporation on behalf of Direct Limited Partnership Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch)	International Union of Operating Engineers, Local Union No. 955
Gord Alton, Senior Vice President Direct	Ron Macdonald, Business Manager
Transport Alberta	non Macdonald, Business Manager
	P. Bokowski, President
Bénjamin/Hecht, Vice President Corporate Counsel	Paul Bokowski, President
BDW	BKU
Bryan Davies, General Manager, Direct Transport Alberta	Brace Kiryluik Recording Corresponding Secretary

# **LETTER OF UNDERSTANDING- NUMBER 2**

#### between

Direct General Partner Corporation on behalf of Direct Limited Partnership
Operating as Direct Transport and Direct Distribution Centers (Edmonton Branch)
(Hereinafter referred to as "the Company")

#### and

The International Union of Operating Engineers, Local Union No. 955 (Hereinafter referred to as "the Union")

Re: Seasonal Drivers

The Company may employ seasonal drivers under the following conditions:

Drivers at the discretion of the Company may be granted a Leave of Absence, not to exceed five (5) months for the purpose of engaging in any work that is not competitive to the Company's business. Seniority shall not continue to accrue during the period of such leave.

When the driver wishes to return to active duty he shall provide written notice to the Company and shall return on a date acceptable to the Company. Upon return to active duty, these drivers shall have seniority backdated to the date that reflects the total number of days worked for the Company prior to the start of the Leave of Absence.

The following additional rules apply to these Drivers:

Drivers returning from a Leave of Absence shall not be permitted to accept any contract customers for twelve (12) months following return from leave, except with the consent of the Company.

Signed this\_\_\_\_\_\_, 2008

Direct General Partner Corporation on behalf of Direct Limited Partnership Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch)	International Union of Operating Engineers, Local Union No. 955
Gord Alton, Senior Vice President Direct Transport Alberta	Ron Macdonald, Business Manager
Benjamin Hecht, Vice President Corporate Counsel	Paul Bokowski, President
Bryan Davies, General Manager, Direct Transport Alberta	Bruce Kiryluik/Recording Corresponding Secretary

#### **LETTER OF UNDERSTANDING - NUMBER 3**

#### between

Direct General Partner Corporation on behalf of Direct Limited Partnership
Operating as Direct Transport and Direct Distribution Centers (Edmonton Branch)
(Hereinafter referred to as "the Company")

#### and

The International Union of Operating Engineers, Local Union No. 955 (Hereinafter referred to as "the Union")

### Re: RRSP and Driver Retention Plan

The parties have agreed to phase out the Driver Retention Premium program in favour of a new RRSP program. The Plan has now been removed from the Agreement and is replaced by this Letter:

The Company will provide the Driver Retention Premiums and a Registered Pension Plan according to the criteria found below:

#### **Driver Retention Plan**

#### The Plan Rates remain as set out below

#### **Terms**

- 1. All employees of record as of December 31, 2008 will be entitled to the Driver Retention Plan Premiums for the years of completed service as at December 31, 2008 and such premiums as are earned as of that date shall remain fixed and in effect for the remainder of their employment with the Company.
- 2. Employees not qualifying for the minimum completed years of service as of December 31, 2008 will not receive or be entitled to the Driver Retention Plan Premiums.

#### Registered Pension Plan

The Company will implement and register a Pension Plan with the following terms and conditions:

Commencement Date: July 3, 2008

- Eligibility: Employees of record as of July 3, 2008 will be eligible for the Pension Plan provided they have completed one (1) year's service. New employees will be eligible for the Pension Plan after completion of one (1) year's service.
- Vesting Period: The Company's contributions to the Plan will be vested when an eligible employee completes one year of service after the initial contribution is made, which in no case will be less than after two (2) year's completed service by the employee.
- Defined Contribution Plan: one percent (1.00%) of gross pay matched by Company to an annual maximum of \$400.00. Employees may contribute additional funds by payroll deduction.
- Plan is voluntary for employees.
- Plan is administered by a third party (Manulife). Set up fee to be paid by the Company. Annual registration fee to be shared equally (Current fee \$24.00).
- Plan is self-directed.

# DRIVER RETENTION PREMIUMS FOR ELIGIBLE EMPLOYEES

Overtime pay calculations shall not be applicable to any hourly premiums detailed below.

Driver Retention Plan - Hourly	
After 1 year completed service	\$0.20
After 3 years completed service	\$0.30
After 5 years completed service	\$0.40
Driver Retention Plan - Mileage	
After 1 year completed service	\$0.004
After 3 years completed service	\$0.006
After 5 years completed service	\$0.008
Driver Retention Plan - Teams	
After 1 year completed service	\$0.0025
After 3 years completed service	\$0.0040
After 5 years completed service	\$0.0050
Signed this day of	_, 2008

Direct General Partner Corporation on behalf of Direct Limited Partnership Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch)	International Union of Operating Engineers, Local Union No. 955
Gord Alton, Senior Vice President, Direct Transport	Ron Macdonald, Business Manager
Benjamin Hecht, Vice President Corporate Counsel	Paul Bokowski, President
Bryan Davies, General Manager, Direct Transport Alberta	Brace Kirylaik, Recording Secretary

#### LETTER OF UNDERSTANDING - NUMBER 4

#### Between

Direct General Partner Corporation on behalf of Direct Limited Partnership
Operating as Direct Transport and Direct Distribution Centers (Edmonton Branch)
(Hereinafter referred to as "the Company")

and

The International Union of Operating Engineers, Local Union No. **955** (Hereinafter referred to as "the Union")

#### Re: <u>Customer Directed Premiums:</u>

The following wage scale sets out the hourly Customer Directed Premium rates to be paid to employees working under the following contracts during the term of this Agreement:

PREMIUMS	2008	2009	2010
Weekend	\$1.00	\$1.00	\$1.00
BDL-5 Ton (Class 3)	\$0.80	\$0.80	\$0.80
Sunspun	\$0.65	\$0.65	\$0.65
J&S	\$2.50	\$2.50	\$2.50
Safeway Shunt	\$2.00	\$2.00	\$2.00
GM Shunt	\$1.00	\$1.00	\$1.00

# **GM Contract Rates**

Team Mileage Rates (GM) 500 - 1200 Miles Return Trip 1201+ Miles Return Trip	\$0.310	\$0.321	\$0.331	All stops paid \$10.00 per stop
CGY Single(A Train)	\$195.00	\$202.22	\$208.28	
GM Stop Rate	All stops p	oaid\$10.00 p	per stop	
Signed this	ر day of_	Octobe	(	_, 2008

**Direct General Partner Corporation on International Union of Operating** behalf of Direct Limited Partnership Engineers, Local Union No. 955 Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch) / Ron Macdonald, Business Manager Gord Alton, Senior Vice President, Direct Transport Benjamin Hecht, Vice President Corporate Coursel Bryan Davies, Manager Corresponding Secretary

#### LETTER OF UNDERSTANDING - NUMBER 5

#### between

Direct General Partner Corporation on behalf of Direct Limited Partnership Operating as Direct Transport and Direct Distribution Centres (Edmonton Branch)

(Hereinafter referred to as "the Company")

#### and

The International Union of Operating Engineers, Local Union No. 955 (Hereinafter referred to as "the Union")

#### Re: Compressed Gas Customers

The parties agree that the following supplemental terms shall apply to all drivers performing services for compressed gas customers of the Company.

#### Wages

Compressed			
Gas	<u>Year # 1</u>	<u>Year # 2</u>	<u>Year # 3</u>
	Rate	Rate	Rate
Single Driver	\$0.506	\$0.525	\$0.541
Team Drivers	\$0.310	\$0.321	\$0.331
Hourly - Merchant	\$24.27	\$25.17	\$25.93
Hourly - OWS	\$25.30	\$26.24	\$27.03
Hourly - Team	\$22.72	\$23.56	\$24.27
All Stops Paid			

#### Safety Incentives and Premiums

Provided the required criteria below are achieved by the driver, the following safety

incentives shall be applied to the driver's pay; the premiums shall not attract any overtime calculations.

- Rate per mile \$0.005 per mile, all miles traveled.
- Rate per hour \$0.25 per hour, all hours worked.

Criteria required for the safety Bonus:

No safety violations or incidents / accidents of any kind

The driver's record will be reviewed quarterly and if acceptable the safety bonus premiums will be calculated and paid on a quarterly basis (every three months);

Signed this 16th day of October, 2008

Direct General Partner Corporation on behalf of Direct Limited Partnership Operating as Direct Transport and	International Union of Operating Engineers, Local Union No. 955
Direct Distribution Centres (Edmonton	
Branch) /	
120	A Juntacdonald
Gord Alton, Senior Vice President, Direct	Ron Macdonald, Business Manager
Transport	
RA	P. Bohowski
Benjamin Hecht, Vice President Corporate	Paul Bokowski, President
Courisel	
B Da-	BALL
Bryan Davies, General Manager,	Brace Kipfluik, Recording
Direct Transport Alberta	Corresponding Secretary