

COLLECTIVE AGREEMENT

BETWEEN:

Tractive Express

AND:

Western Canada Council of Teamsters
(Locals 31, 213, 362, 395,979)

January 1, 2010 – December 31, 2012

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ARTICLE 1.01 - SCOPE OF AGREEMENT

This Agreement shall apply to all owner operators upon signing "Appendix C" contained within the collective agreement. In all areas where the language in this Agreement refers to the male gender such language shall also mean the female gender and no discrimination between the sexes is intended or implied.

ARTICLE 2.01 - UNION SECURITY

- A. The Company agrees to recognize the Union as the sole Bargaining Agent for all owner operators, upon signing "Appendix C" contained within the collective agreement, for whom it has bargaining rights or for whom it has been given voluntary recognition in the work categories falling within the area jurisdiction of this Agreement.
- B. It is recognized by this Agreement to be the duty of the Company and of the Union and of the Owner Operators to fully cooperate individually and collectively for the advancement of conditions.

The Union, as well as the Members thereof, agree at all times as fully as it may be within their power, to further the interests of the Trucking industry.

ARTICLE 2:02 - UNION SHOP

Every owner operator of the Company covered by this Agreement shall within seven (7) days of signing "Appendix C," contained within the collective agreement, become and remain a Member in good standing.

ARTICLE 2:03 - COLLECTIVE AGREEMENT BOOKLETS

The Union shall be responsible for the printing of the Parties' collective agreements and the Parties shall share such printing costs on a fifty-fifty cost sharing basis to enable all the Owner Operators to receive a copy of such collective agreement.

ARTICLE 2:04 - UNION LABEL

It shall not be a violation of this Agreement for an owner operator to post the Teamster Union Label in a conspicuous place on the glass area of the equipment he is operating. The said label to be a size not in excess of three (3) by four (4) inches and not to be attached to any area which will impair the vision of the driver.

ARTICLE 2:05 - UNION CHECKOFF

Each owner operator upon signing "Appendix C," contained within the collective agreement, will be informed by the Company that he is to sign an authorization card authorizing the Company to deduct from his payments Union initiation fees, Union dues and/or other accessorial charges as levied against him by the Union and so indicated on the monthly checkoff lists as provided by the Union to the Company. The Company shall remit all such deductions to the Union prior to the 15th day of each month in advance.

Authorization cards shall be furnished by the Union and shall be in accordance and as prescribed by the applicable Labour Relations Act.

The Company shall furnish to the Union, a list of new owner operators upon signing "Appendix C," contained within the collective agreement, stating the initial date and location within fourteen (14) days of being taken under contract and all such owner operators will be added to the current checkoff list.

ARTICLE 2:06 - EQUIPMENT & DUTIES

A. Every motor vehicle and every piece of mobile equipment used by the Company, categories of which are set out in "Appendix A" whether owned or leased by the Company shall be operated by a member of the Union.

However, from time to time it may be necessary to supplement the Company Owner Operators with single trip lease or hired cartage due to volume. The Company will give preference to Teamster carriers or operators when they are available. The Union will provide a list of such carriers annually to the Company.

B. Where the Company maintains a facility, all storing and handling of merchandise or other goods shall be carried on by the Company employees, members of the Union, when the work is under the control of the Company.

ARTICLE 3:01 - MANAGEMENT RIGHTS

A. The Union recognizes the exclusive right of the Company to manage and direct the Company's business in all respects and in accordance with its commitments, and to alter from time to time rules and regulations to be observed by Owner Operators, which rules and regulations shall not be inconsistent with this Agreement.

B. The Company shall always have the right to hire and to discipline, demote or discharge Owner Operators for proper cause.

C. Nothing contained in this Agreement will be deemed to obligate the Company to continue to operate its facilities, operations, properties or any of its parts thereof.

ARTICLE 4:01 - DEFINITION

An Owner Operator is the owner, purchaser, and exclusive operator of the equipment supplied for the Company's services pursuant to this Agreement.

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

ARTICLE 4:02 - RETAINING SERVICES

The Company may retain the services of an Owner Operator provided the following conditions are complied with:

A. An Owner Operator agreement, containing the conditions of "Appendix C," attached hereto and forming part of this Agreement, is entered into between the company and the Owner Operator prior to the Owner Operator performing any services for the Company and in respect to those now engaged by the Company prior to the Union being given voluntary recognition, not later than fifteen (15) days following the signing of this Agreement, A copy of such agreement shall be forwarded to the Union forthwith.

B. The Owner Operator shall become and remain a member of the Union in accordance with Article 2:02.

- C. A seniority list shall be posted at the Company office(s) showing the names and unit numbers of all Owner Operators. A copy of such list shall be forwarded to the Union forthwith.
- D. All Owner Operators shall be bound by the Hours of Service legislation as prescribed in the National Safety Code and/or the Federal Motor Carrier Safety Regulations of the United States Department of Transport and this collective agreement.
- E. Under no circumstances shall the Company or a subsidiary or representative of the Company, either directly or indirectly, be a lessor, vendor or seller of equipment to an Owner Operator, nor shall the Company directly or indirectly specify a lessor of equipment to an Owner Operator as a condition of entering into an agreement with an Owner Operator.
- F. Under no circumstances shall the Company directly or indirectly specify a mandatory source of fuel, tires or maintenance to be used by the Owner Operator.

ARTICLE 5:01 - PROBATIONARY PERIOD

All new Owner Operators who have been taken under contract by the Company shall be considered as probationary Owner Operators for the first sixty (60) calendar days from the date they signed their contract.

There shall be no responsibility on the part of the Company respecting employment of probationary Owner Operators should they be laid off or discharged during the probationary period. However, such Owner Operator will not be laid off or discharged for the purpose of forcing an additional probationary period.

An Owner Operator shall be classed as a Regular Owner Operator when:

1. He has completed his probationary period.
2. He makes himself available for full time services or as he is needed.
3. He has no other outside employment which will in any manner interfere or reflect upon his services with the Company.
4. He provides exclusive trucking services to the Company, and has no outside trucking employment.
5. He has fully qualified in regards to the Company approved physical examination and other normal Company requirements.

ARTICLE 6:01 - CONFLICTING AGREEMENTS

The company agrees not to enter into any agreement or contract with Owner Operators of the Company, members of the Union, individually or collectively, which in any way conflicts with the terms, conditions and provisions of the Collective Agreement. Any such agreement will be null and void.

ARTICLE 7:01 –SENIORITY

A. Seniority shall be maintained in the reduction and restoration of the working force. Seniority will be Branch wide (branch being defined as all Owner Operators domiciled or assigned to a particular city.) and shall include the following two separate units:

- Unit #1 All Owner Operators employed on a linehaul operation
- Unit #2 Owner Operators doing city cartage.

B. When the Company establishes a bid position it will be subject to seniority and shall be posted promptly for seven (7) calendar days in a conspicuous place at the Company's offices, stating starting time, job description and location. All regular Owner Operators within the Branch, shall be entitled to bid on such postings and the Company shall designate, on the original posting, the successful bidder within three (3) working days of the closing date of the posting. Any regular Owner Operator absent by reason of accident, sickness or vacation, shall have the opportunity to bid on such job posting or vacancy within three (3) work days after he returns to work. However, in the event there are no bidders, the junior Owner Operator within the Branch shall be assigned to fill the vacant bid posting.

Seniority shall prevail for the purpose of bidding, but there will be no job bumping privileges.

ARTICLE 8:01 - LEAVE OF ABSENCE

An Owner Operator may apply to the Company for an unpaid leave of absence. Such application must be made in writing to the Company, with a copy to the Union, stating all the relevant particulars. If approved, the Company will reply in writing to the Owner Operator, with a copy to the Union. Such leave of absence must not extend beyond a maximum of thirty (30) calendar days.

An Owner Operator on such leave of absence engaged in working for compensation, without prior written permission from both the Company and the Union, shall forfeit his seniority and his name shall be stricken from the seniority list and he will invalidate his contract with the Company.

An Owner Operator requesting an unpaid leave of absence for compassionate reasons and/or bereavement leave shall not be unreasonably denied such request.

ARTICLE 9:01 - PAY AND WORK CONDITIONS

The regular hourly and mileage rates paid shall be those set out in Appendix "A" attached hereto and forming part of this agreement.

ARTICLE 9.02 - PAY PERIODS

Providing all trip sheets and supporting documents have been submitted prior to the cut off dates established by the Company for that purpose, the Company shall issue two statements to the Owner Operator in respect of services rendered, the first statement on or before the fifteenth (15th) of the month for services rendered between the sixteenth (16th) and the last day of the previous month. The second statement on or before the last day of the month for services rendered between the first (1st) and the fifteenth (15th) of the current month.

ARTICLE 9:03 - PAY ERRORS

If the Company has an accounting error in an Owner Operator's pay and whereas the error is equal to or greater than seven hundred and fifty dollars (\$750.00), the Owner Operator shall be entitled, upon request, to a cheque being issued in such amount to the Owner Operator within two (2) days.

ARTICLE 9:04 - DISCIPLINE

An Owner Operator will receive a copy of any written reprimand or warning letter placed on his file, with a copy to the Union. Such written reprimand or warning letter shall become a permanent part of the Owner Operator's work history. However, the incident causing such written reprimand or warning letter will not be taken into account to compound other disciplinary action taken against the Owner Operator if the incidents are unrelated or if such written reprimands or warning letters are more than twelve (12) months old.

ARTICLE 9:05 - MEDICAL EXAMINATIONS

Any Company requested physical or medical examination required after the Owner Operator is retained shall be complied with. The Company shall pay for such physical or medical examination upon presentation of a copy of such medical report for the Company and an invoice for such medical examination, by the Owner Operator.

If following a medical examination under this article, the Owner Operator is dissatisfied with the decision of the Company doctor, the Owner Operator may seek a decision from his personal doctor, at the Owner Operator's expense. Should the decision of the Company's doctor and the Owner Operator's doctor differ, the Company or the Union is entitled to direct that the Owner Operator be examined by a medical specialist, whose specialty covers the disability. The Company's doctor and the Owner Operator's doctor together shall then select such a specialist. The decision of the medical specialist shall be final and binding upon the parties involved.

ARTICLE 9:06 – HEALTH & WELFARE PLAN

The Company agrees to provide the Union's health and welfare plan as set out in Appendix "B" and "B-1" attached hereto and forming part of this agreement.

The Company agrees to make monthly remittances to the Union for Union dues and to the Administrator of the Health and Welfare Plan.

ARTICLE 9:07 - HEALTH & WELFARE PROTECTION

When an Owner Operator goes off work ill, or on compensation or a grievance is invoked on his discharge, the Company shall continue to pay both his health and welfare premiums and Union dues so that the Owner Operator shall be protected to the utmost, provided:

1. The Owner Operator reimburses the Company for such contributions normally paid by the Owner Operator and at no time is more than five (5) months in arrears, and:
2. The period of such coverage shall exceed twelve (12) months only by mutual agreement of the two Parties.

In the event of an Owner Operator grievance being rejected, all monies paid by the Company under this Article, including the total premium, shall be paid to the Company by the Owner Operator.

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

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

ARTICLE 9:08 - BULLETIN BOARDS

The Company will provide bulletin boards at its offices(s) on which to post changes in Company rules and regulations and on which the Union may post necessary notices to its members. All Union notices are to be dated and signed by an Official of the Union. The Company agrees to post a copy of the collective agreement on the notice board.

ARTICLE 9:09 - SUCCESSION

The Company agrees to abide by the succession language in the Canada Labour Code.

ARTICLE 10:01 - SAFETY CONDITIONS

It shall be the responsibility of the Owner Operator to insure that the equipment is operated in a safe and proper manner in compliance with all statutes, regulations, orders, ordinances, rules, laws or other instruments issued by any governmental authority having jurisdiction.

The Company will not require an Owner Operator to operate equipment on public streets or thoroughfares that is not in compliance with the appropriate provisions of the law dealing with the safety requirements on mobile equipment (i.e. brakes, steering, signal lights, or other lighting equipment.)

ARTICLE 11:01 - SHOP STEWARDS

The Union shall appoint Shop Stewards from Owner Operators who have completed their probationary period and shall notify the Company in writing of the appointment or election. The Company shall only recognize Shop Stewards when notified in writing by the Union and shall not discriminate against them for lawful Union activity.

The Union shall supply the Company Labour Relations Department on or about each January 1, a list of the Owner Operators acting as Shop Stewards. Such list will indicate the name of the Owner Operator and the location.

Shop Stewards will suffer no loss of regular pay when processing grievances under Step 1 of the Grievance Procedure.

The Company will notify the Union prior the dismissal of any Shop Steward.

ARTICLE 12:01 - INVESTIGATING DISPUTES

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

ARTICLE 13:01 -GRIEVANCE PROCEDURE

All questions, disputes and controversies arising under this Agreement or any supplement hereto shall be adjusted and settled within the terms and conditions as set forth in this Agreement in the manner provided by this Article, unless otherwise expressly provided in this Agreement. The procedure for such adjustment and settlement shall be as follows:

Step 1: -Any grievance of an Owner Operator shall first be taken up between such Owner Operator and the Owner Operator's Supervisor. However, such Owner Operator will be entitled to be accompanied by a Shop Steward or Union Representative.

Time limit to institute grievance:

Termination or Lay Off -- Ten (10) days
All others --Thirty (30) days

Step 2:- Failing settlement under Step 1, such grievance and any question, or controversy that is not of a kind that is subject to Step 1, the grieving party shall reduce the grievance to writing and it will be referred to and taken up in a presentation to a Grievance Board, herein after referred to as "The Board." Such Board shall consist of two (2) Union Representatives appointed by the Secretary Treasurer or higher authority of the Union and two Representatives of the Company appointed by an Officer of the Company. Appointments to the Board by the Parties shall be in writing. All members of the Board shall have been duly appointed and so authorized, that any settlement arrived at by the Board on a specific Grievance shall be final and binding.

Except by mutual agreement between the Union and the Company providing for an extension of time and setting a firm meeting date, Step 2 must be completed within ten (10) calendar days from the completion of Step 1.

In all such grievance procedures, the Union Representative shall act in the capacity of Chairman of the meeting and the Representative of the Company shall act in the capacity of Recording Secretary.

All copies of all minutes shall be signed and dated by both the Union and the Company.

Step 3: - Failing settlement under the above Steps, the matter will be referred to an agreed upon neutral person to act as an Arbitrator who will meet with the Parties to hear both sides of the case. Failing to agree upon a neutral person, the Department of Labour will be requested to appoint a neutral Arbitrator.

The Arbitrator, shall be required to hand down his decision within fourteen (14) calendar days following completion of the hearing and his decision shall be final and binding on the two Parties to the dispute.

The cost of the Arbitrator will be borne equally by the Union and the Company

ARTICLE 14:01 - OTHER UNION CONTROVERSY

- A. The Union agrees that, in the event the Company becomes involved in a controversy with any other Union, the Union will do all in its power to help effect a fair settlement, and the Union will not participate in any sympathetic cessation of work or slow down program while the controversy is being settled.

- B. It shall not be a violation of this Agreement or cause for discharge of any Owner Operator, in the performance of his duties, to refuse to cross a legal picket line recognized by the Union.

The Union shall notify the Company as soon as possible of the existence of such recognized legal picket line.

- C. During the life of this Agreement, there shall be no lock out by the Company or any strike, sit-down, slow down or work stoppage or suspension of work either complete or partial for any reason by the Union.
- D. If a dispute arises as the result of the Owner Operators of the Company handling or transporting any commodities for a company or business that is being legally picketed by a Local Union of the Teamsters, the Company and the Union shall immediately meet with the objective of arriving at a mutually satisfactory solution.

ARTICLE 15:01 -SAVINGS CLAUSE

If any Article or Section of this Agreement or any of the riders hereto should be held invalid by operation of law or by any tribunal of competent jurisdiction or if compliance with enforcement of any Article or Section should be restrained by such Tribunal pending a final determination as to it's validity, the remainder of the Agreement and of any rider thereto or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with enforcement of has been restrained, shall not be effected thereby.

ARTICLE 17.00 - LINEHAUL OPERATIONS

ARTICLE 17:01 - DISPATCH

Owner Operators will be called for available work in seniority order or in accordance with local dispatch rules which take precedence

ARTICLE 17:02 - LOCAL DISPATCH RULES

All Owner Operators shall be dispatched according to agreed upon local dispatch rules, which will be posted. Failure of the Company and Union to agree on such dispatch rules, such rules shall then be referred to the grievance procedure.

ARTICLE 17:03 - CALL TIMES

All Owner Operators will be given two (2) hours notice, whenever possible, when ordered to report for duty and in no instance shall an Owner Operator be disciplined for failure to report in less than two (2) hours.

All Owner Operators who are off duty at their home location and who have not been previously contacted will be contacted by the Company during two (2) three (3) hour call windows; one in the morning and two in the evening. These windows will be defined in the local dispatch rules.

Drivers will be available at their normal residence during these times or will notify the Company of an alternate contact number.

ARTICLE 17:04 - WAIT TIME

A. The owner operator shall not be paid for the first hour of wait time per occurrence. After the first hour of wait time, he shall be paid for actual time waiting at the applicable hourly rate. Wait time shall be defined as, the following:

- Waiting to load
- Waiting to unload
- Waiting for loads
- Waiting for equipment other than the Owner Operators to be repaired

Although the Company will not pay for wait time for ail road closures, the Company is prepared to review the individual situations on an incident by incident basis in circumstances of significant delay, caused by road closures.

B. Owner Operators held at a point other than their home terminal will be paid as follows:

(a) Trips under 1000 miles:

1. first twelve hours of each layover- no pay
2. next ten hours - wait time rate
3. next ten hours - no pay
4. next ten hours - wait time rate and continuing on the same basis for each twenty hour period

(b) Trips over 1000 miles:

1. first twenty hours of each layover - no pay
2. next ten hours - wait time rate
3. next ten hours - no pay
4. next ten hours - wait time rate and continuing on the same basis for each twenty hour period.

ARTICLE 17:05 – WORK TIME

Work time is included in the mileage rates of pay.

ARTICLE 17:06 - BOBTAIL

Shall be paid at the applicable rate.

ARTICLE 17:07 - MILEAGE

Mileage rates are laid out by areas and will be paid for as such and they are composite mileage rates to compensate for duties performed in normal operations which include driving, checking equipment enroute, hooking and unhooking and reports.

The Owner Operator shall be paid in Canadian funds on a mileage basis, using official Provincial and/or State or Territorial mileage to determine the number of miles driven.

ARTICLE 17:08 -TRANSFER of LINEHAUL OWNER OPERATORS

Where the company moves existing work for operational reasons from one branch to another, the company shall offer the affected Owner Operators the opportunity to transfer to the new location with dove tailed seniority provided the new location has an operational need for the additional Owner Operators.

ARTICLE 18:01 - TERM OF AGREEMENT

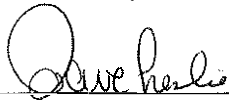
This Agreement shall be in full force and effect from the first day of January 2010 until the thirty-first day of December 2012, and shall remain in full force and effect from year to year thereafter, provided that either Party may not less than ninety (90)days immediately preceding the thirty-first day of December 2009 or immediately preceding the thirty-first day of December thereafter, bywritten notice to the other Party:

- A. Require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.
- B. Terminate the Agreement on the next succeeding anniversary date thereof, and require the other Party to commence collective bargaining with the view aforesaid.
- C. Terminate the Agreement on the next succeeding anniversary date thereof.

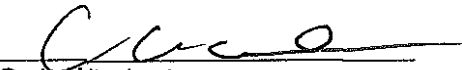
Should either Party give written notice to the other Party pursuant to sub-section A, hereof, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lockout, or the Parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

SIGNED THIS 26th DAY OF January, 2011

ON BEHALF OF THE COMPANY:
Tractive Express



Dave Leslie, Human Resource




Craig Wisheart
Director of Operations

ON BEHALF OF THE UNIONS:
Western Canada Council of Teamsters



Kelly Garzen, Teamsters Local 979




Al Porter, Teamsters Local 362



Wayne Garner, Teamsters Local 362



Terry Tyler, Teamsters Local 31



Randy Powers, Teamsters Local 395



Eugene Wirch, Teamsters Local 213

"APPENDIX "A"

Covers Rates of Pay for Linehaul and City Operations

A. Applicable to Owner Operators

Section 1: Domicile Mileage Rates (cents per mile)

| | January 1, 2010 | January 1, 2011 | January 1, 2012 |
|-------------------------|-----------------|-----------------|-----------------|
| British Columbia | | | |
| 5 Axle | 124.5 | 125.0 | 127.0 |
| 6 Axle | 125.5 | 126.0 | 128.0 |
| 7 Axle | 134.5 | 135.0 | 135.0 |
| 8 Axle | | 137.0 | 140.5 |
| 9 Axle | | 138.0 | 141.0 |

| | January 1, 2010 | January 1, 2011 | January 1, 2012 |
|---------------------|-----------------|-----------------|-----------------|
| Alberta/East | | | |
| 5 Axle | 121.5 | 122.0 | 124.0 |
| 6 Axle | 122.5 | 123.0 | 125.0 |
| 7 Axle | 131.5 | 132.0 | 132.0 |
| 8 Axle | | 134.0 | 137.5 |

Effective January 1, 2011, the company will pay a two cents (\$0.02) per mile surcharge on all extended length miles (more than 6 axles) operated on trips between Vancouver, BC to either Kelowna, BC or Kamloops, BC.

On the highways between Vancouver, BC and Calgary, AB or Edmonton, AB, the company will pay all Owner Operators domiciled in the prairie locations (Alberta, Saskatchewan and Manitoba) for those miles between Vancouver, BC and the BC/AB border in the following manner:

- a) Effective January 1, 2011, the company will pay an additional one and half cents (\$0.015) over and above their current prairie domiciled rates.
- b) Effective January 1, 2012, the company will pay an additional one and half cents (\$0.015) for a total of three cents (\$0.03) over and above their current prairie domiciled rates.

All new British Columbia domiciled Owner operators hired after the date of ratification will be paid the Prairie Mileage rates of pay (cents per mile) for all miles operated outside of the province of British Columbia.

Section 2: Rates of Pay (Hourly) Wait Time and Layover Time

| January 1, 2010 | January 1, 2011 | January 1, 2012 |
|-----------------|-----------------|-----------------|
| \$23.50 | \$23.60 | \$24.00 |

Section 3: Work Time

Although the Company does not pay for work time in general, it is prepared to pay work time in certain circumstances whereby the Company pre-approves situations where weigh freighting and making and breaking sets are significantly beyond the normal operations associated with the linehaul operations.

B. City Operations– Rates of Pay (Hourly)

| | | January 1, 2011 | January 1, 2012 |
|-------------|---------|------------------------|------------------------|
| 5 Ton | \$33.50 | \$33.65 | \$34.20 |
| Single Axle | \$38.50 | \$38.65 | \$39.20 |
| Tandem Axle | \$40.50 | \$40.65 | \$41.20 |

| | January 1, 2010 | January 1, 2011 | January 1, 2012 |
|-------------|------------------------|------------------------|------------------------|
| Alberta | | | |
| 5 Ton | \$32.00 | \$32.15 | \$32.65 |
| Single Axle | \$37.00 | \$37.15 | \$37.65 |
| Tandem Axle | \$39.00 | \$39.15 | \$39.65 |

| | January 1, 2010 | January 1, 2011 | January 1, 2012 |
|-------------|------------------------|------------------------|------------------------|
| East | | | |
| 5 Ton | \$28.50 | \$28.60 | \$29.05 |
| Single Axle | \$33.50 | \$33.60 | \$34.05 |
| Tandem Axle | \$35.50 | \$35.60 | \$36.05 |

At the completion of each twelve (12) month period of driving without having a preventable collision, a city operator will be entitled to payment of a seven hundred and fifty dollar (\$750.00) safety bonus.

APPENDIX "B" and "B-1"

Health and Welfare Plans

The Employer shall provide the Prairie Teamsters Health and Welfare Plan (AB, SK, MB) and/or the Teamsters Health and Welfare Trust Plan (BC) to all Owner Operators and employees or members of the Union and eligible dependents under the jurisdiction of this Agreement.

- A. Any member of the Union who is under contract to or employed by the Company on a regular full-time basis on the effective date of the Health and Welfare Plan shall join the Plan immediately.
- B. Any regular owner operator or employee or member of the Union who is hired or taken under contract by the Company after the effective date of the Health and Welfare Plan, shall join the Plan on the first day of the month immediately following ninety (90) calendar days from the signing of an owner operator contract or employment with the Company.
- C. It will be the responsibility of the Company to ensure that all owner operators or employees are enrolled in the Health and Welfare Plan, and for making premium remittances on their behalf. Remittances of such premiums shall be made by the Company by the tenth (10th) of each month.
- D. It shall be the Union's responsibility to supply all necessary enrolment forms to the Company.
- E. The Company shall remit the premiums to the Administrator, as designated by the Trustees of the Health and Welfare Plan. It shall be the Trustees' responsibility after receipt of the premiums to distribute same to applicable insurance underwriters.
- F. Medical, surgical and obstetrical coverage in accordance with the Standard Plan of Service provided by Medicare in the province in which the owner operator or employee is domiciled.
- G. The cost of the Health and Welfare Plan and the Provincial Medical Plan shall be borne one hundred percent (100%) by the Company.
- H. Part-time employees shall not be eligible for the following provisions of the Health and Welfare Plan in any event:
 - Weekly Indemnity
 - Dental Plan
 - Long Term Disability
- I. Subject to Article 9:07, all benefit coverage under the Plan for the Owner Operator or Employee will terminate at the end of the month in which layoff or termination occurs. Weekly Indemnity and Long Term Disability benefits will immediately cease upon the day of lay off or termination.

APPENDIX "C"

Owner Operator Agreement

BETWEEN:

Company
(Known herein as the "Company")

Address

AND:

Owner Operator
(Known herein as the "Owner Operator")

Address

1. Whereas the Company operates trucking and related business for the transportation offreight, or arranges for the transportation of freight, within Canada and between points in Canada and the United States of America, pursuant to the Authorities, the Company agrees to retain the services of the Vehicle hereafter described, with the owner as the driver.

Make: _____

Serial Number: _____

Type: _____

Van: _____

Flat Deck: _____

Tractor: _____

Pick-up: _____

2. The Owner Operator shall:

Provide and exclusively dedicate the Owner Operator's equipment to the performance of the services for the term of the Agreement, and shall not provide any transportation, or other services utilizing the equipment, to any other party whatsoever, except at the direction of, and in accordance with, instructions given by the Company from time to time.

3. The Company shall:

Maintain the adequate insurance coverage as required by statute, and on receipt of written request, the Company shall file proof of coverage with the Owner Operator. It is understood and agreed that such insurance will not provide coverage for the benefit of the Owner Operator if the Owner Operator operates the equipment while impaired by drugs or alcohol, or with a passenger aboard.

4. In addition to the compensation package provided herein, the Company shall assume complete financial responsibility for the following:

- ▶ Company decals, signage
- ▶ bonding of the owner operator
- ▶ cargo insurance and trailer insurance, while conducting business for the company
- ▶ operating authorities
- ▶ license plates, municipal plates, and permits, required by the Company
- ▶ Health and Welfare benefits
- ▶ Workers Compensation
- ▶ Safety Bonus (as per Appendix D)

5. The Owner Operator shall assume complete financial responsibility for the following:

- ▶ Union Dues, Initiation Fees and Assessments
- ▶ fuel taxes, Provincial Sales Taxes, and all related usage taxes
- ▶ all fuel, tires, and costs related to maintenance of the Owner Operator's equipment
- ▶ Fuel Administration charge of \$0.01 per litre on fuel purchased through the Company accounts
- ▶ Administration charges related to Owner Operator Purchase Program
- ▶ non-refundable portion of licences and permits, in the event of early termination
- ▶ insurance deductibles of \$3,000.00 per single occurrence, preventable or non-preventable

6. The Company shall be entitled to withhold the minimum sum of three thousand dollars (\$3,000.00), from the compensation payable to the owner operator, as a performance bond, and it shall be deducted in six (6) equal installments over the first, second and third calendar months of service. Such performance bond shall be refundable to the owner operator, less any legitimate deductions, ninety (90) days following the date of termination.

The performance bond monies shall be held by the Company for the purposes of and for the time required for final settlement of accounts between the Parties, the Company shall be entitled to set-off any amounts owed by the Owner-Operator to the Company upon termination of this Agreement against the performance bond monies to the extent they are available for that purpose. The portion of the performance bond monies remaining after settlement of all accounts between the Parties, if any, shall be paid to the Owner-Operator with interest thereon calculated at a rate equal to the average rate of interest that would have been paid by chartered banks, had such monies been deposited in an ordinary savings account at the branch relevant period of time as determined by the Company.

Dated this _____ day of _____, 20_____

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

ON BEHALF OF THE COMPANY
Tractive Express

ON BEHALF OF THE OWNER OPERATOR

Tractive Express Owner Operator Equipment Specifications/Requirements

1. General Information Pertaining to Owner Operator:

- a. Name _____
- b. Date of Birth: _____
- c. Mailing Address: _____

- d. Home Phone Number: () _____
- e. Social Insurance number: _____
- f. Company Assigned Unit Number : _____
- g. GST Registration Number: _____
- h. Emergency Contact:
Party Number One:
Name: _____
Address: _____
Phone Number: () _____

Party Number Two:

- Name: _____
- Address: _____
- Phone Number: () _____

2. Title to Equipment

Registered Owner:

- Name: _____
- Address: _____
- Phone Number: () _____

Person(s) having any ownership or security interest in the equipment, other than the registered owner:

- Name: _____
- Address: _____
- Phone Number: () _____
- Nature of Interest: _____

If there are other Parties with any ownership or security interest in the equipment, other than indicated above, please list and attach as a supplement.

3. Actual Tractor Specifications:

- a. Unit Make, Model and Year: _____
- b. Color: _____
- c. Serial Number of Tractor: _____
- d. Engine Make and Horsepower: _____
- e. Transmission(s) Output in top gear: _____
- f. Rear End Ratio: _____
- g. Type of Tractor: Cab-over _____ Conventional _____
- h. Tire Size: _____
- i. Fuel Capacity in Imperial Gallons: _____
- j. Wheel-base: _____
- k. Sleeper Cab size: _____
- l. Speedograph Manufacture: _____
- m. GVW of Tractor as specified with fuel & driver: _____
- n. Purchase Price and Date of Purchase: _____
- o. Appraised value of Tractor as of effective date _____

4. Minimum Tractor Specifications

Any tractor provided by the Owner-Operator to perform services shall meet the following minimum requirements:

- a. Diesel powered engine with manufacturers rating of not less than three hundred (300) brake horsepower, and equipped with engine retarder brake (for highway units).
- b. Tandem axles with both axles powered.
- c. Passing a Commercial Vehicle Inspection Program as of the effective date, and successfully pass all required Provincial or Inter-State Commerce Commission legislation at all times. CVI to be renewed on a semi-annual (six months) interval within the month due.
- d. Tractor must be equipped with a sliding fifth-wheel capable of sliding to a position twelve (12) inches behind the centre of the tandem axles, and not less than six (6) inches ahead of the centre of the tandem axles.
- e. Where applicable, the tractor shall be equipped with a bulkhead that meets or exceeds any requirement set forth by law, or any governmental agency or authority having jurisdiction.

- f. Where applicable, the tractor shall meet or exceed any safety requirement or test(s) set forth by law, or by any governmental agency or authority having jurisdiction.
- g. Have a wheel-base, or maintain a wheel-base, that is not in excess of Company requirements as determined by the Company from time to time.
- h. Be equipped with a speedograph.

Where the Owner Operator is required to maintain individual Workers Compensation Coverage, the company will reimburse the Owner Operator for Personal Coverage (PC) up to the unsubstantiated earnings threshold (as defined by the Provincial Worker Compensation Boards). Any request for reimbursement for Personal Coverage over this amount must be substantiated by proof of Insurance Earnings.

APPENDIX "D"

Safety Bonus

1. When the Owner Operator has operated for a distance of eighty thousand (80,000) miles within each anniversary year of this Agreement, exclusively for the Company, and without having caused or contributed to any loss of or damage whatsoever to the equipment or cargo, or incurred any liability to a third party or parties for which the Company is or may in any way be liable, the Owner Operator shall receive a Safety Bonus for all miles operated in such year, to be paid to the Owner Operator on a lump sum basis.
2. An Owner Operator who disqualifies himself from providing services to the Company, and/or has been terminated by the Company, will not be entitled to payment of the safety bonus. Only active Owner Operators, operating under this Agreement at the time of payment, will qualify for the Safety Bonus.

APPENDIX "E"

Fuel Surcharge

Fuel surcharge will be paid to the Owner Operator based on the average CFL price at cardlocks in Vancouver, Edmonton and Regina, on the first of every month. The average price on the first of the month will be used to calculate the fuel surcharge for the entire month. The fuel price per litre is then used in the following table to determine the amount of fuel surcharge paid to the Owner Operator in cents per mile.

A. Highway Operators

At an average price of 0.4250 per litre or less, no fuel surcharge will be paid. If the average price is higher than 1.1530 per liter, the 0.01 per mile will be paid for every 0.013 per litre increase in the average fuel cost above 1.1530 per litre.

| Fuel Price per litre | Fuel Surcharge cents/mile | Fuel Price per litre | Fuel Surcharge cents/mile | Fuel Price per litre | Fuel Surcharge cents/mile |
|----------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|
| 42.50 | 0 | 67.20 | 19 | 91.90 | 38 |
| 43.80 | 1 | 68.50 | 20 | 93.20 | 39 |
| 45.10 | 2 | 69.80 | 21 | 94.50 | 40 |
| 46.40 | 3 | 71.10 | 22 | 95.80 | 41 |
| 47.70 | 4 | 72.40 | 23 | 97.10 | 42 |
| 49.00 | 5 | 73.70 | 24 | 98.40 | 43 |
| 50.30 | 6 | 75.00 | 25 | | |
| 51.60 | 7 | 76.30 | 26 | | |
| 52.90 | 8 | 77.60 | 27 | | |
| 54.20 | 9 | 78.90 | 28 | | |
| 55.50 | 10 | 80.20 | 29 | | |
| 56.80 | 11 | 81.50 | 30 | | |
| 58.10 | 12 | 82.80 | 31 | | |
| 59.40 | 13 | 84.10 | 32 | | |
| 60.70 | 14 | 85.40 | 33 | 110.10 | 52 |
| 62.00 | 15 | 86.70 | 34 | 111.40 | 53 |
| 63.30 | 16 | 88.00 | 35 | 112.70 | 54 |
| 64.60 | 17 | 89.30 | 36 | 114.00 | 55 |
| 65.90 | 18 | 90.60 | 37 | 115.30 | 56 |

B. City Operators

At an average price of less than 0.8930 per litre no fuel surcharge will be paid. If the average price is higher than 1.1530 per litre, the 0.01 per mile will be paid for every 0.013 per litre increase in the average fuel cost above 1.1530 per litre

| Fuel Price Per Litre | Fuel Surcharge Cents/mile |
|-------------------------|------------------------------|
| 89.30 | 7 |
| 90.60 | 8 |
| 91.90 | 9 |
| 93.20 | 10 |
| 94.50 | 11 |
| 95.80 | 12 |
| 97.10 | 13 |
| 98.40 | 14 |
| 99.70 | |
| 101.00 | 16 |
| 102.3 | 17 |
| 103.60 | 18 |
| 104.90 | 19 |
| 106.20 | 20 |
| 107.50 | 21 |
| 108.80 | 22 |
| 110.10 | 23 |
| 111.40 | 24 |
| 112.70 | 25 |
| 114.00 | 26 |
| 115.30 | 27 |

To be compensated for fuel surcharge as outlined above, City Owner Operators will be required to submit their mileage to the Company at the end of the month, on a form provided by the Company

LETTER OF UNDERSTANDING#1

BETWEEN: Tractive Express
AND: The Western Canada Council of Teamsters
RE: Signing Bonus

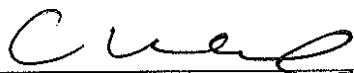
The company agrees to pay all owner operators a one-time lump sum signing bonus of five hundred dollars (\$500.00). All owner operators on the payroll at the date of ratification notice will be eligible and the bonus will be paid within thirty (30) days of ratification notice.

SIGNED THIS 26th DAY OF January, 2011

ON BEHALF OF THE COMPANY:
Tractive Express



Dave Leslie, Human Resource




Craig Wisehart
Director of Operations


ON BEHALF OF THE UNIONS:
Western Canada Council of Teamsters



Kelly Gorzen, Teamsters Local 979



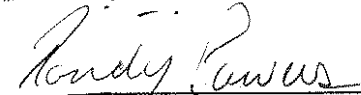
Al Porter, Teamsters Local 362




Wayne Gagner, Teamsters Local 362



Terry Tyler, Teamsters Local 31



Randy Powers, Teamsters Local 395



Eugene Wirch, Teamsters Local 213