

COLLECTIVE AGREEMENT

RECEIVED
11/27/06

between

**DIRECT INTEGRATED TRANSPORTATION INC.
dba as DIRECT DISTRIBUTION CENTRES (RICHMOND, B.C.)**

and

**TEAMSTERS LOCAL UNION NO. 31, Chartered by the
International Brotherhood of Teamsters**

35

Effective: January 19, 2006 to 31 October, 2007

13862 (01)

DIRECT INTEGRATED TRANSPORTATION INC., dba as DIRECT DISTRIBUTION
CENTERS (RICHMOND. B.C.),

AND

TEAMSTERS LOCAL UNION NO. 31, Chartered by the International Brotherhood of
Teamsters.

INDEX

PAGE

ARTICLE 1 - PURPOSE	1
ARTICLE 2 - SCOPE	1
ARTICLE 3 - CLARIFICATION OF TERMS	1
ARTICLE 4 - RECOGNITION.....	1
ARTICLE 5 - MANAGEMENT RIGHTS	2
ARTICLE 6 - UNION SECURITY.....	2
ARTICLE 7 - UNION DUES CHECK OFF.....	4
ARTICLE 8 - PROMOTION AND SENIORITY	4
ARTICLE 9 - LAYOFFS AND RECALLS	7
ARTICLE 10 - HOURS OF WORK AND OVERTIME.....	9
ARTICLE 11 - VACATIONS	10
ARTICLE 12 - STATUTORY HOLIDAYS	11
ARTICLE 13 - LEAVE OF ABSENCE.....	12
ARTICLE 14 - GENERAL	13
ARTICLE 15 - GRIEVANCE PROCEDURE	14
ARTICLE 16 - PAYMENT OF WAGES	15
ARTICLE 17 - STRIKES OR LOCKOUTS.....	16
ARTICLE 18 - HEALTH AND SAFETY	16
ARTICLE 19 - HEALTH AND WELFARE	17
ARTICLE 20 - DURATION OF AGREEMENT.....	17
APPENDIX "A" - WAGES AND PREMIUMS.....	18
APPENDIX "B" - TEAMSTERS' - BC MASTER EMPLOYEES PENSION PLAN	20

THIS AGREEMENT MADE AND ENTERED INTO THIS DAY OF _____, 2006.

BETWEEN: DIRECT INTEGRATED TRANSPORTATION INC. dba as DIRECT DISTRIBUTION CENTERS (RICHMOND, B.C.). (hereinafter referred to as the “Company”).

AND: Teamsters Local Union No. 31, Chartered by the International Brotherhood of Teamsters, (hereinafter referred to as the “Union”).

ARTICLE 1- PURPOSE

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 conditions of employees; to provide a method of negotiating settlements of disputes and grievances; and to establish a harmonious relationship between the Company and the employees.

ARTICLE 2 - SCOPE

2.01 CERTIFICATION OF BARGAINING AUTHORITY

This Agreement shall cover all employees of Direct Integrated Transportation Inc. working in and out of 130 – 18279 Blundell Road in the City of Richmond, British Columbia excluding the branch manager, office supervisor, warehouse supervisor, set forth in the order of the Canadian Industrial Relations Board date _____

ARTICLE 3 - CLARIFICATION OF TERMS

- 3.01 In this Agreement, whenever the word “she”, “her”, or “hers” or the word “he” “him”, or “his” appear, it shall be construed as any employee, male or female.
- 3.02 The word employee or employees shall mean any person or persons covered by this Agreement.

ARTICLE 4 - RECOGNITION

The Company recognizes the Union as the sole collective 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 - MANAGEMENT RIGHTS

5.01 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, demote, transfer, lay-off; suspend or discharge employees for just and sufficient cause;
- d) Determine the suitability of probationary employees;
- e) 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
- f) Generally manage the enterprise in which the Company is engaged and, without limiting the generality of the foregoing, determine the number of employees required in each classification, and the methods, procedures, 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.

5.02 The Company agrees these rights will be exercised in a manner consistent with the provisions of this Agreement.

5.03 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).
- c) required to meet customers' immediate needs, in which case managers / supervisors can perform lead hand duties.

5.04 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.

ARTICLE 6 - UNION SECURITY

6.01 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.

6.02 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.

6.03 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.

TEMPORARY CHANGE IN JOB CLASSIFICATION

14.07 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.

14.08 Employees shall not be required to pay any assessment or monies to the Company for a cargo claim or breakage of goods.

14.09 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.

ARTICLE 15 – GRIEVANCE PROCEDURE

15.01 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.

15.02 Unless dismissed or suspended by the Company with a specific direction to remain away from work, 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.

15.03 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, and not later, 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. The Branch Manager shall give his decision in writing within five (5) working days, or at a time mutually agreed upon.

15.04 If the controversy is not settled within five (5) working days of the same being referred to the Branch Manager of the Company, then the employee or the Union as the case may be, shall within fourteen (14) working days and not later, set out the grievance in writing and file same with the General Manager of the Company.

15.05 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 Company or his designate, then it may at any time within seven (7) working days thereafter but not later, be referred by either party to Arbitration. The party referring the matter shall submit two (2) names of possible arbitrators for the other party's consideration. If within ten (10) working days of the referral, the parties have been unable to agree on an arbitrator, then the Minister of Labour,

Government of Canada will be requested to appoint a neutral arbitrator whose decision will be final and binding.

15.06 The expenses of the arbitrator shall be shared equally between the Company and the Union.

15.07 The arbitrator shall not be authorized to alter, modify, or amend any part of this Agreement, or to render any decision incompatible with the provisions of this Agreement.

15.08 POLICY GRIEVANCE

Where a dispute involving a question of general application or interpretation occurs, or where a group of employees, or the Union, has a grievance, Article 15.03 may be bypassed.

15.09 The Union and its representatives shall have the right to originate a grievance on behalf of an employee, or group of employees, and to seek adjustment with the Company in the manner provided for in this Article. Such a grievance shall commence at Article 15.04.

15.10 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) days.

15.11 If 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) days of the last meeting of the parties.

15.12 The procedure to be followed in arbitration is the same as previously set forth under Employee and Union Grievance.

15.13 Extension of Time Lines

The time lines outlined in Article 15 may be extended by mutual consent of the parties.

ARTICLE 16 - PAYMENT OF WAGES

16.01 Job classifications and schedule of wage rates for all employees shall be in accordance with Appendix A, annexed hereto and forming part of this Agreement. 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 Saturday.

ARTICLE 19 - HEALTH AND WELFARE

- 19.01 (a) The Company will provide employees covered by this Agreement with access to a Health and Welfare Plan administered by a third party insurer which includes Life Insurance / Accidental Death & Disability, Dental and Group Health, subject to the terms and conditions of the Plan(s), and all its eligibility requirements.
- (b) The cost of the Plan(s) shall be shared equally between the Company and the employees.

19.02 The levels of benefits will not be reduced unless mutually agreed upon by the Company and the Union.

ARTICLE 20 - DURATION OF AGREEMENT

20.01 This Agreement shall become effective the 1ST day of November, 2005, and shall continue in full force and effect until the 31st day of October, 2007, and thereafter from year to year, unless terminated or amended as herein provided.

20.02 If either party to this Agreement should desire to renew, revise or terminate this Agreement, then not 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.

20.03 Within twenty (20) days following receipt of written notice to renew or revise this Agreement, together with the particulars relating thereto or at such other time as may be mutually agreed upon, the parties shall meet and commence negotiations.

20.04 If notice has been given under this Article, this Agreement shall remain in full force and effect during any period of negotiations, even if the negotiations extend beyond the expiry date of this Agreement, until the procedures set out in the Canada Labour Code have been exhausted. The parties to this Agreement shall make every effort to comply with the procedures and time lines set out in the Code, and conclude an Agreement prior to the expiry date.

SIGNED THIS DAY OF JANUARY, 2006.

FOR THE COMPANY:

FOR THE UNION:

1)

