

COLLECTIVE AGREEMENT

BETWEEN:

LAKEHEAD FREIGHTWAYS INC.

Hereinafter called the "Company" of the First Part,

AND THE:

**LAKEHEAD FREIGHTWAYS
EMPLOYEES ASSOCIATION
(Northwestern Ontario and Manitoba)**

Hereinafter called the "Association" of the Second Part.

Effective Date May 1, 2008

Expiry Date..... April 30, 2013

13935(01)

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ARTICLE 1: PURPOSE OF AGREEMENT

- 1.1 The purpose of this agreement is to establish a framework to encourage and maintain mutually satisfactory relations between the Company and its employees, and to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours of work, and wages for all employees who are subject to the provisions of this agreement.
- 1.2 Both parties agree to conduct matters in a spirit of co-operation and mutual respect and within the guidelines established by the statement of Standards of Business for the Lakehead Freightways Northwestern Ontario and Manitoba operations governed by this collective agreement.

ARTICLE 2: ASSOCIATION RECOGNITION

- 2.1 Pursuant to the certification granted by the Canadian Labour Relations Board (hereinafter called "CLRB") on July 25, 2000 under order number 7844 - U the Company recognizes the Association as the sole and exclusive bargaining agent for all of its employees in or out of Thunder Bay, Fort Frances, and Winnipeg excluding owner operators, sales staff, those exercising managerial and/or supervisory functions, casual/part time employees and those excluded by the Canada Labour Code.
- 2.2 The terms and conditions set forth in this agreement shall have full force and effect for all employees in the bargaining unit as described in Article 2.01.

ARTICLE 3: ASSOCIATION SECURITY

- 3.1 Within seven (7) days after completion of probationary period all employees ~~as~~ described in Article 2.01 shall, ~~as a~~ condition of employment, become members and remain members of the Association.
- 3.2 The Association Treasurer will supply the Company with application for membership forms, which shall be signed by each new employee.
- 3.3 The Company will deduct, ~~as a~~ condition of employment, weekly, from the earnings of each employee. dues in the amount certified by the Association to be currently in effect and in accordance with the Constitution of the Lakehead Freightways Employee's Association (Northwestern Ontario and Manitoba).
- 3.4 In the event an Association member is off work for a period of time (Work Related Injury, STD, etc.) it is the Association's responsibility to instruct the Company on the collection schedule, if ~~any~~, of lost Association dues during the period of absence.
- 3.5 Each monthly remittance of dues to the Association shall be in the form of a cheque payable to the Association. It shall be forwarded to the Association Treasurer between the 10th day of the month at the earliest to the 20th day of the month at the latest following the month for which the dues were deducted.
- 3.6 Each monthly remittance shall be accompanied with a listing of names of those employees from whose earnings deductions were made and the amount deducted from each.
- 3.7 The Company shall deduct from every employee any initiation fee or assessment levied by the Association.

- 3.8 It is understood and agreed that the Association will not hold the Company responsible. and save it harmless from any and all claims which may be made to it by an employee for an amount deducted from wages as herein provided.
- 3.9 The Company will. on or before March 1st in each year, furnish to each employee a statement (T4 Slip) of the total weekly Association dues, which have been deducted from an employee's pay cheques and remitted to the Association during the preceding calendar year.
- 3.10 Work available will be performed by Association Members except as required.
- A) If all scheduled personnel are actively involved in the work available.
 - B) To reasonably assist in the completion of a difficult or onerous task.
 - C) To ensure workplace safety and/or avoid injury to any party and/or damage to freight, facilities or equipment.
 - D) To ensure Standards of Business are maintained.
 - E) In emergency situation.
- 3.11 The Company agrees not to use back-to-back shifts of part-time personnel in place of regular employees unless mutually agreed.
- 3.12 The Association will not engage in its activities during working hours or hold meetings at any time on the premises of the Company without the permission of the Management.

ARTICLE 4:

MANAGEMENT RIGHTS

- 4.1 Unless otherwise provided for herein, the Company shall have the right to manage its business, direct employees and operations in such a manner to ensure that Standards of Business are efficiently, safely, and properly met.
- 4.2 In administering this agreement, the Company shall act reasonably, fairly, in good faith and in a manner consistent with the agreement as a whole.

ARTICLE 5:

REPRESENTATIVES

- 5.1 The Company acknowledges the right of the Association to appoint or otherwise select one representative for Thunder Bay and Winnipeg in each of the following Classifications: Highway drivers including Teams, P & D and City tractor drivers, Dock, Maintenance, Administrative, and one representative for the other Northwestern Ontario terminal covered by this collective agreement, provided that if the operations are such as cannot be covered by these representatives, additional representatives may be appointed. All representatives shall have at least three (3) months seniority with the Company and shall be full-time employees of the Company during their term of office. The company shall recognize and discuss with the said representatives any matter properly arising out of this agreement and the representative will co-operate with the Company in the administration of this agreement.
- 5.2 The current name and classification of each of the representatives selected or appointed shall be given to the Company in writing and the Company shall not be required to recognize any representative until it has been notified in writing by the Association of the name and classification of that representative.
- 5.3 Before leaving his/her work to attend to Association business properly arising under this agreement, the representative concerned shall first obtain the permission of his/her immediate supervisor and all time away from work will be devoted to the prompt handling of necessary Association business.

ARTICLE 6: GRIEVANCE PROCEDURE

- 6.1 Both parties agree that all grievances are to be presented and resolved as outlined below.
- 6.2 Both parties recognize that failing to submit a grievance during the course of a scheduled shift while all information is current may limit the ability of the Company to retroactively settle an issue/complaint. No grievance shall be considered where the circumstances giving rise to it occurred or originated more than five (5) calendar days before the filing of the grievance.

Grievances properly arising under this agreement will be presented for review as follows:

Step Number 1: To the immediate supervisor for discussion with the assistance of an Association Representative at the request of either party. Where possible an answer should be given before the end of the scheduled shift or as mutually agreed.

Step Number 2: To the Terminal Manager/Driver Supervisor or Maintenance Manager in writing, signed by the employee and Association Representative. The Appropriate Manager will give a written response within seven (7) calendar days.

Step Number 3: To the Regional Manager or Director of Maintenance as is appropriate for review with the Association Executive (3) and/or Grievance Committee. A Written response will be given within seven (7) calendar days.

Step Number 4: To an In-house Board to consist of the Association Executive (3) and two of the following: Regional Manager. Corporate Employee Relations Manager. Director of Terminals or Director of Maintenance. The Company will give a written response to the Association Executive within 7 (seven) calendar days.

Step Number 5: If final settlement of the grievance is not completed within twenty-one (21) calendar days after the grievance has been submitted at Step 4, the grievance may be referred by either party to arbitration or at any time within twenty-one (21) days of the Company's decision in writing.

- 6.3 The Company and the Association Executive, if mutually agreed, may waive any time limits set out in Article 6.

The Company and the Association Executive, if mutually agreed, may use a mediator to assist the parties to reach resolution to a grievance. The mediator will be comprised of one individual mutually agreed to by the Association Executive and the Company.

ARTICLE 7: DISCHARGE CASES

- 7.1 In the event any employee who has attained seniority is discharged from employment the case may be taken up as a grievance at Step 3.
- 7.2 All such cases shall be taken up within seven (7) calendar days and disposed of within twenty-one (21) calendar days from the date that the employee is discharged, except where a case is taken to arbitration, or as mutually agreed.
- 7.3 Such discharge grievance may be settled by confirming the management's action in dismissing the employee. or by reinstating the employee with full compensation for the lost time, or by any other arrangement that is just and equitable in the opinion of the conferring parties.
- 7.4 When an employee has been dismissed, he/she shall have the right to interview his/her Association representative for a reasonable period of time before leaving the premises of the Company.
- 7.5 In the event that any driver is suspended or discharged by the Company while he/she is away from his/her home terminal, the Company will provide transportation for him/her to his/her home terminal.

7.6 Temporary suspensions for purposes of investigation will not exceed (7) seven calendar days unless investigation is delayed for reasonable cause. or as is mutually agreed.

ARTICLE 8: SENIORITY

8.1 GENERAL:

- A) New employees shall have no seniority until they have successfully completed a probationary period of three months or as otherwise mutually agreed by the Company and the Association Executive.
- B) Seniority lists containing the names and starting dates of Association Secretary employees will be prepared and forwarded to the Association Secretary every three (3) months and will be posted on the main bulletin board. Seniority lists will be prepared on a Terminal Wide basis.
- C) Seniority as referred to in this agreement shall mean length of continuous service in the employ of the Company from the date of full-time employment and shall be recognized in the following order:
 - i) Firstly on a terminal-wide basis: within a terminal location seniority will further be recognized on a departmental basis. Departments are defined as follows: Driver & Dock, Maintenance, and Administration.
 - ii) Secondly on a Company wide basis
 - iii) An exception will be made for Teams Driving positions when applying article 8.02. Please see Schedule 'E'.

8.2 LAYOFF, RECALL, PROMOTION, DEMOTION, TRANSFER AND CANCELLATION OF A JOB POSTING

In the case of layoff, recall, promotion, demotion, transfer, and/or loss of one's position due to cancellation of a job posting the Company agrees to review and recognize the following factors; seniority, skill, ability, trade qualifications, reliability, performance record, initiative, fitness for duty, and any other factors related to the work. Where all factors are deemed to be equal seniority will be the governing factor.

- B) The Company shall endeavour to apply the principle of "last on, first off" insofar as it is consistent with the provisions of this agreement and with management's obligation to maintain a skilled and efficient work force at all times.
- C) In the event of a permanent job cancellation or lay off the affected employee may "bump" within their department to where his or her seniority and skill and ability will take them. The "bump" will occur within 2 working days or as otherwise mutually agreed.
- D) When reducing the workforce the Company and the Association Executive will agree to discuss the following options prior to layoff. They are:

- Voluntary time off without pay
- Leave of absence
- Vacation
- Layoff for a specified period of time
- Rotating work schedule
- Job sharing
- Reduced workweek where possible.

- E) Employees will be recalled to work available in reverse order of layoff and consistent with the company obligation to maintain a qualified and efficient workforce.

- F) When an individual is recalled from layoff for 80 hours or more in a month, he will establish eligibility for benefits for the month. Wherever reasonably possible recall for short periods will be done in consideration of the individual's interest in establishing a claim for E.I. purposes.
- G) In the case where there is a loss of position that resumes within a 4 week period for whatever reason the individual who was posted to that job will be given the first opportunity to return to that position before it is subject to the Job Posting process. If the position resumes after the 4-week period it is subject to the job posting process as a new job.

8.3 LOSS OF LICENSE/QUALIFICATION

- A) In the event a driver loses his class AZ/DZ driver's license (or equivalent in Manitoba) as a result of Ministry review beyond his control (not for conviction under the Law). or a driver is removed from driving by Management other than termination, the employee will be considered for an alternate assignment for which he/she is qualified and as mutually agreed.
- B) If a driver loses his/her qualifications required to complete his/her job responsibilities for failure to comply with Company and/or Customer Security/Criminal Record Standards resulting in a driver being removed from his/her job bid by Management for failure to meet these standards, the driver will be considered for an alternate assignment for which s[he] is qualified or resolved as mutually agreed. The Association Executive will be consulted prior to the implementation of this standard along with an agreement on any associated costs associated with it.

8.4 JOB POSTING

- A) All permanent, regular full-time positions will be posted at all terminals on the bulletin board for five (5) calendar days, or as otherwise mutually agreed by the Company and the Association Executive.
- B) Seniority will be applied as per the definition in article 8.01 C
- C) Team Driving Positions; Team driving positions will not normally be posted. Existing members wishing to run team are to apply to the Driver Supervisor for a team driving assignment.
- D) Management agrees to notify employees on sick leave, vacation, etc. of new or vacant job postings.
- E) Employees will be limited to two (2) changes in job bid per calendar year. After having accepted a job bid, they must remain in that bid for a period of three (3) months and during that time will be unable to post to another position unless otherwise agreed.
- F) A change in a regularly scheduled start time of more than two (2) hours will require the position to be posted, or as otherwise mutually agreed by Company and Association Executive.
- G) HOLIDAY REPLACEMENT:

The Company agrees to promote and encourage holiday replacement work by Association members wherever possible, recognizing that customer service requirements may in some cases limit our ability to do so.

In the event an Association member wishes to do a holiday replacement role, they must declare their interest to do so at least two (2) weeks in advance of the opening to their immediate supervisor.

The Company will make every reasonable attempt to make the necessary arrangements to accommodate the request.

Where no other reasonable alternative exists, the junior qualified Association member will be required to perform the work.

H) TEMPORARY JOB POSTINGS

Positions available either on a temporary basis or not permanent shall be reviewed with the Association Executive and posted as agreed.

8.5 PROMOTED EMPLOYEES/LICENSE UPGRADE PROGRAM:

In the event that an employee covered by this Agreement should be promoted to a position outside the bargaining unit he/she will have 12 months to return to the position from which they were originally promoted without loss of seniority.

The Association position he/she left will be posted and open to all members to apply to.

Association members who are "A" license upgraded will be assigned work that will allow them to build their driving skills in a safe and controlled manner. For the purposes of Job Posting for Driving Positions they will not acquire their full seniority rights until they have acquired 12 months of driving experience.

8.6 PROBATIONARY EMPLOYEES

Full time employees will be considered probationary for the first ninety (90) calendar days of his/her employment with the Company. and as such will have no seniority rights (i.e. bidding rights) during that period.

After ninety (90) calendar days of employment with the Company, his/her seniority shall date back to the day on which his/her full-time employment began with the Company or as otherwise mutually agreed by the Company and the Association.

ARTICLE 9: LOSS OF SERVICE DATE (SENIORITY)

9.1 An employee will be terminated and lose his/her seniority as a result of, but not limited to, the following (unless otherwise mutually agreed based on individual circumstances):

- A) Voluntary resignation
- B) AWOL - unauthorized absence from scheduled duties
- C) Layoff for a period exceeding length of service or one year whichever is less.
- D) Insubordination: Failure to follow legal instructions of a Supervisor.
- E) Unauthorized passengers in a company vehicle except in emergency situations.
- F) Theft.
- G) On board monitoring device tampering and/or misrepresentation of any information related to job duties or qualifications.
- H) Serious misconduct/neglect of duty.
- I) Failure to report an accident/incident* as soon as possible to immediate supervisor and/or Central Dispatch.

'Incident: generally defined as any circumstance that would negatively reflect on the professionalism of the driver or on the image and reputation of the Company.

- J) Failing to comply with the Company's Drug and Alcohol Policy as outlined in Employee Handbook.
- K) If, while on a layoff an employee is notified by mail (hand delivered to employee) or a reasonable attempt as otherwise mutually agreed with the Association Executive to contact the employee to return to work and fails to notify the Company within one (1) working day after the receipt of such notice, that he is returning to work, and unless he/she returns to work within three (3) working days or as otherwise mutually agreed.
- L) Misuse/Abuse of Equipment: It is agreed that it is the interests of both parties to have all equipment operated properly and safely.

- M) Conflict of Interest: Generally defined but not limited too any action were the employee is in conflict with the legitimate business interests of the Company, *or* where an individual is in excess of legal hours of work limitations, or were it adversely affects the individuals job performance. All cases to be reviewed with the Association Executive.
- N) Accumulation of performance problems where reasonable opportunity has been given to correct the problem.

ARTICLE 10: LEAVE OF ABSENCE

- 10.1 A Request for leave of absence must to be submitted in writing to immediate supervisor for Company review and approval. Any leave of absence for a period to exceed 30 days will be discussed with Association Executive.
- 10.2 When an approved Leave of Absence of greater than 30 days is granted, the employee will be offered the option of continued Benefit Coverage for the period of the approved leave at employee cost. Family Coverage and Single Coverage are available. For cost of continued coverage please contact your Benefits Administrator (Michel Lafrance @ 705- 525- 7580) for current rates should you wish to take advantage of this program.

ARTICLE 11: STATUTORY HOLIDAYS

10 - New Years Day	Family Day/Louis Riel Day
Labour Day	Good Friday
Thanksgiving Day	Victoria Day
Christmas Day	Canada Day
Boxing Day	Civic Holiday

*NOTE: Civic Holiday replaces Remembrance Day

- 11.1 Eligible employees (regular full or qualifying part-time) will receive payment for statutory holidays per Canada Labour Code.

- 11.2 If the stat holiday falls in an employee's vacation period, the employee will be paid his stat holiday pay, or, if mutually agreed, be granted an additional days vacation.
- 11.3 If an employee is required to work on any of the noted paid holidays. he shall receive a rate of pay, as per Canada Labour Code.
- 11.4 Pay will be issued for any paid stat holiday that falls on other than an employee's normal working day, or in lieu of pay. the Company will grant another holiday with pay as mutually agreed.

ARTICLE 12: BEREAVEMENT

- 12.1 When a death occurs in your family, please contact your supervisor as soon as possible to request a leave of absence for the time that you require.
- A) If the death occurs in your immediate family [as defined below], you will be paid a maximum of 3 days for the days you were scheduled to work during your leave of absence.
- B) If the death occurs in your non-immediate family (as defined below), you will be paid for the day of the funeral if you were scheduled to work on that day.
- C) You must have completed 3 months of continuous employment to be paid for a bereavement leave.
- D) Additional days may be granted in accordance with the compassionate leave guidelines below.
- 12.2 Immediate family includes:
- spouse [including common-law relationship]
 - child [including stepchild]
 - sister and brother
 - mother and father [including stepparent]
 - mother-in-law and father-in-law
 - brother-in-law and sister-in-law
 - son-in-law and daughter-in-law

- grandparents and grandchildren of the staff member but not of the spouse.
- any relative permanently residing in the staff member's household or with whom the staff member resides.

12.3 Non-immediate family includes:

- aunts and uncles
- nieces and nephews

12.4 All Others: Compassionate leave will be granted at the discretion of your supervisor in cases of serious illness or accident of family members or other unusual circumstances requiring a brief absence from work. i.e. to attend funerals of non-related persons. Compensation is not given for compassionate leaves.

ARTICLE 14: GENERAL

- 14.1 The Company shall supply and maintain a bulletin board located in the vicinity of the time clocks with at least two (2) square feet of space available for the Association to post its notices.
- 14.2 Breaks - two (2) 15-minute breaks per regular shift as scheduled by the Company or otherwise mutually agreed.
- 14.3 Lunch - one half (½) hour without pay unless otherwise mutually agreed.
- 14.4 The Association recognizes the right of the Company to establish administrative policies, dock policies and a Driver's Handbook containing policies, which will be regularly reviewed and updated to reflect ongoing changes in the business.
- 14.5 Association representatives and the Company will meet once every calendar month, or as otherwise mutually agreed.

- 14.6 There shall be regular staff meeting every (2)two calendar months or as otherwise mutually agreed with the Association Executive.

ARTICLE 15: HOURS OF WORK

- 15.1 Hours of work will be governed as per Canada Labour Code, Part III
- 15.2 Under normal circumstances any employee who is called in or reports for scheduled duty must be permitted to report for work and be offered and paid for at least four (4) hours of work.
- 15.3 Overtime is paid at a rate of time and one-half of regular rate for each hour worked.
- 15.4 Where all other legal requirements have been met and where no volunteers are available the qualified junior worker will be required to perform the work necessary to maintain service standards.
- 15.5 Shifts - all work schedules to be established as required to best meet service requirements with fair and reasonable consideration of employee interests and preferences.
- 15.6 Available work outside scheduled working hours, weekend hours, or Overtime hours will be made available on a volunteer basis with consideration given to qualifications, seniority, fair distribution of extra hours. and that it does not interfere with the individual's regular job duties.

ARTICLE 16: SAFETY, HEALTH AND EQUIPMENT

- 16.1 The Company and all employees agree to co-operate so as to reduce risk of employment related injuries and time lost.
- 16.2 All injuries/incidents are to be reported to the immediate supervisor as soon as possible and no later than the end of scheduled shift.

16.3 "Light duty" will be provided wherever possible and the Association agrees to encourage everyone to return to work as soon as possible at their regular rate of pay.

16.4 It is to the mutual advantage to both the Company and the employees that the employees should not operate vehicles, which are not in safe operating condition, and not equipped with safety appliances required by law. It shall be the duty of the employee to report promptly, in writing to the Company all defects in equipment.

It shall be the duty of the Company to maintain all vehicles in safe operating condition in accordance with the Ministry of Transport regulations. The maintenance of equipment in sound operating condition is not only the function but also the responsibility of Management.

The determination of all decisions in respect to the condition of equipment shall rest with the senior qualified maintenance person on duty or available by phone.

16.5 All employees have the right to refuse dangerous work as per the Canada Labour Code Part III.

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

16.7 Drivers shall be responsible for checking equipment and reporting defects as required by law and any additional Company procedures.

ARTICLE 17: PAY PERIODS

17.1 Weekly pay with two-week processing period

17.2 Highway drivers are expected to hand in their pay sheets to their immediate Supervisor. In some cases this may not be possible and in the event that the driver accepts responsibility to remit their pay sheets to Head Office they must do so by the following Tuesday to ensure that their payroll will be processed as per 17.01.

ARTICLE 18:**MEDICAL EXAM**

- 18.1 The Company may request that an employee submit to a pre-employment medical at own expense (or Company expense where it selects a physician) prior to the completion of 30 days from date of hire.
- 18.2 Each employee shall submit to a medical (may include drug test) at Company request and expense where deemed appropriate due to performance problems.

ARTICLE 19: WAGES, BENEFITS AND ALLOWANCES

- 19.1 See attached schedules.

ARTICLE 20: STRIKES AND LOCKOUTS

- 20.1 During the term of this agreement, the Association agrees it will not condone, cause or direct any slow-down or work stoppage or any kind of action that will interfere with or stop service and that if such action should take place, it will encourage its members to continue to work and to perform their duties in the usual manner.

The Company agrees there shall be no lockout during the term of this agreement.

ARTICLE 21: TERM OF AGREEMENT

21.1 This Agreement shall be in effect from:

May 1, 2008 to April 30, 2013

Subject to the Canada Labour Relations Act.

Dated at Thurlock, Ky This 1st Day
of June, 2008.

For the Association

C. H. ...

Stback

John Boye

[Signature]

For the Company

B. Chateau

John Kim Young

**SCHEDULE "A"
RATES OF PAY**

PART "A" HIGHWAY DRIVER

EFFECTIVE: May 1, 2008

1) BASE RATES:

Experienced Drivers:

<u>Years of Service</u>	<u>May 1, 2008</u>	<u>May 1, 2009</u>	<u>May 1, 2010</u>	<u>May 1, 2011</u>	<u>May 1, 2012</u>
Hire to 1 Yr	38.5	39.3	40.2	41.0	42.0
+ 1 to 2 Yrs	40.0	40.8	41.7	42.5	43.6
+ 2 yrs	42.0	42.9	43.8	44.7	45.8

In-Experienced Drivers:

(Graduates of an Approved Training School with less than 1 Year Driving Experience)

<u>Years of Service</u>	<u>May 1, 2008</u>	<u>May 1, 2009</u>	<u>May 1, 2010</u>	<u>May 1, 2011</u>	<u>May 1, 2012</u>
Hire to 6 Mo.	36.0	36.7	37.5	38.2	39.1
6 Mo. to 1 Yr.	37.0	37.7	38.5	39.2	40.1

Note: In-Experienced drivers after 1 year of service move to the Experienced Hire Driver Rate and progress accordingly.

2) PREMIUMS:

- a) LCV B Train Premium: 3.0 cents per mile
- b) Non LCV Train Premium: 1.0 cents per mile
- c) Twin Connect Disconnect Rates:
 - i April 1 to October 31: \$ 5.00
 - ii December 1 to March 31: \$10.00
- d) Job Premiums:
 - i Apply on Grand Fathered Basis. See Schedule "G"

c) **Activity Pay: (Drop Trailer/Hook Trailer/Terminal Stop Program)**

Work Activity: **All** approved trailer hooks, trailer drops, terminal stops, post trip of tractor /trailer combination at a slip seat switch **point**, and pre-trip of a tractor/trailer combination at a slip **Seat** switch point will be defined as a "work activity".

The base mileage rate compensates the driver for the first 4 "work activities in any shift

Work completed by a driver that has a loading/unloading flat rate or labour rate associated with it is not be defined as a "work activity."

Approved "work activities" beyond 4 in any shift will be paid at a rate of \$5.00 each.

Examples of an approved "work activity" are as follows

- i) Hook tractor and trailer including pre trip of trailer
- ii) Drop trailer from tractor including post trip of trailer
- iii) Post trip of tractor/trailer combination at a slip seat point
- iv) Pre-trip of tractor/trailer combination at a slip seat point
- v) An en route Terminal stop and off load or load freight from/to super truck or trailer. May or may not include drop hook of trailer to super truck
- vi) Splitting of trains
- vii) Re-Connecting of trains

3) **HOURLY HIGHWAY LABOUR RATES:**

- a) Dock work approved by the Terminal Manager or Dock Foreman will be paid as follows:

May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
\$15.25	\$15.55	\$15.90	\$16.25	\$16.60

- b) Highway Loading and unloading at customers and dock work performed at a terminal other than your "home" terminal and where no Terminal Manager or Dock Supervisor is present, is paid as follows:

May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
\$17.45	\$17.80	\$18.20	\$18.55	\$19.00

c) U.S Rates

- i. Border Crossing at Pigeon River is paid as follows on a per crossing basis. Delay time at the border will qualify for Stand By time as an "Enroute Delay" at the applicable hourly rate

May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
\$12.25	\$12.25	\$12.25	\$12.25	\$12.25

- ii. Pick Up and Deliveries to Interlines in Duluth Superior, Minneapolis, St. Paul \$2.00 per Pro with a Minimum of \$9.00. Driver Must list Pros by Stop on the Weekly Road Sheet.

These rates will be subject to periodic review by the Company and the Association Executive

- d) **Unscheduled Run Through;** Drivers on a scheduled run, scheduled to begin and end at their home terminal on a nightly basis, that are required to run through will be paid a \$20.00 run through rate. Driver is to contact Central Dispatch for a Purchase Order. Write this number on your pay sheet and no further approval is necessary.
- e) **Trailer Security:** Drivers required to apply a locking device to a trailer will be paid \$3.00. Drivers required to unlock the device and return it to proper storage location will also be paid \$3.00.
- f) **Maintenance Switch** Highway drivers required to switch trucks for an approved Maintenance Switch will be paid \$5.00
- g) **Dryden Terminal to Mill Load and Continue on Highway** paid 1 hour flat rate plus 8 miles.

4) **STAND BY TIME:**

Approved stand-by time is paid at \$14.00/hour.

"Stand-by" time will be calculated using the following guidelines for specified runs:

	Fixed Runs & Super Trucks Runs	Undesignated Runs
i) Start:	1.0 hour after the scheduled start of the run/job	1 Hour after an assigned dispatch
ii) Switch Point:	Effective May 1, 2008 45 minutes after the arrival at the switch point Effective May 1, 2009 30 minutes after the arrival at the switch point	
iii) En Route:	1.0 hour after an enroute delay not caused by or the result of any error or omission by driver. Includes delay at US border crossing points. Payment ceases when assigned to hotel room.	Same provided it is not part of a regular break or logged for sleep purposes or to change cycles for hours of work. Payment ceases when assigned to hotel room.

5) **DESIGNATED BID RUN CANCELLATION PROGRAM.**

Cancellation of a designated bid run for any reason within a payroll week will qualify the driver ~~for~~ the following:

1st and Subsequent Shifts in Week \$100.00

<u>Years of Service</u>	<u>Performance Bonus</u>
6 Months to 2 Years of Service	\$300.00
+ 2 Years to 5 Years of Service	\$600.00
+ 5 Years of Service	\$1,000.00

PART "B" Highway Team Drivers

EFFECTIVE: May 1, 2008

1) BASE RATES:

Experienced Drivers:

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 1 Yr	26.25	26.75	27.30	27.80	28.50
+ 1 to 2 Yrs	27.00	27.50	28.10	28.60	29.30
+ 2 yrs	27.50	28.00	28.60	29.20	29.90

In-Experienced Drivers:

(Graduates of an Approved Training School with less than 1 Year Driving Experience)

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 1 Yr.	25.00	25.50	26.00	26.50	27.25

Note: In-Experienced drivers after 1 year of service move to the Experienced Hire Driver Rate and progress accordingly.

2) PREMIUMS: (Split between Drivers)

- a) LCV B Train Premium: 30 cents per mile
- b) Non LCV Train Premium: 10 cents per mile
- c) Train Connect/Disconnect Rates:
 - i. April 1 to October 31: \$ 5.00
 - ii. December 1 to March 31: \$10.00

3) HOURLY HIGHWAY LABOUR RATES: (Split between Drivers)

- a) Dock work approved by the Terminal Manager or Dock Foreman will be paid as follows:

May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
\$15.25	\$15.55	\$15.90	\$16.25	\$16.60

- b) Highway Loading and unloading at customers or dock work performed at a terminal other than your "home" terminal and where no Terminal Manager or Dock Supervisor is present is paid as follows:

May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
\$17.45	\$17.80	\$18.20	\$18.55	\$19.00

4) MECHANICAL BREAKDOWN OR ROAD CLOSURE:

In the event of an over the road mechanical breakdown and/or weather related over the road delay that is not the result of any error or omission on the part of the driver, will be paid at \$14.00 per hour after 1 hour waiting period from the start of the delay for as long as the team is required to remain with the truck. Payment ceases if the team is assigned to a hotel room.

5) DELAY PAY PROVISION: (per Driver);

a) If a Team is delayed at a terminal location each driver will receive a flat fee as follows:

0 to 6 hrs of Delay	N/A
+ 6 to 12 hrs of Delay	\$50.00
+12 hrs to 24 hrs of Delay	\$75.00
+24 hrs	\$150.00

b) This pay provision is not to be paid in combination with any other pay provision

6) EN ROUTE TERMINAL STOPS:

En Route Terminal Stop, \$15.00

Teams Dispatched from Terminal to Terminal location of 450 miles or less will qualify for an En Route stop payment of \$15.00 per driver

En route stop does not apply at home terminal

7) PERFORMANCE BONUS:

Drivers are eligible for a Performance bonus based on accident free CVOR free driving in each calendar year as follows:

<u>Years of Service</u>	<u>Performance Bonus</u>
6 Months to 2 Years of Service	\$300.00
+ 2 Years to 5 Years of Service	\$600.00
+ 5 Years of Service	\$1,000.00

Please see program rules for further information on the administration of this program

PART "C" DOCK PAY RATES:**1) BASE RATES:** Base Rates reflect market differentials in each terminals geographic area.**i. Thunder Bay:**

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 3 Mos.	\$13.50	\$13.75	\$14.00	\$14.25	\$14.60
+ 3 to 6 Mos.	\$14.25	\$14.50	\$14.75	\$15.00	\$15.35
+ 6 to 12 Mos.	\$15.00	\$15.30	\$15.65	\$16.00	\$16.40
+ 12 Months	\$16.00	\$16.35	\$16.50	\$16.85	\$17.15

ii. Winnipeg:

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 3 Mos.	\$15.50	\$15.75	\$16.00	\$16.25	\$16.50
+ 3 to 6 Mos.	\$16.25	\$16.50	\$16.75	\$17.00	\$17.50
+ 6 to 12 Mos.	\$17.00	\$17.35	\$17.75	\$18.00	\$18.50
+ 12 Months	\$17.75	\$18.10	\$18.50	\$18.90	\$19.25

2) PREMIUMS:

- a) Shift Premium: Rolled Into Base Rates
 b) Lead Hand Premium .50/hour

Note: Lead Hand Premium may be paid to a dock worker while working on same shift as a dock foreman with the approval of the Terminal Manager.

3) REWEIGH/CUBE HOURLY RATES:**i. Thunder Bay:**

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 3 Mos.	\$10.50	\$10.75	\$11.00	\$11.25	\$11.50
+ 3 to 6 Mos.	\$11.00	\$11.25	\$11.50	\$11.75	\$12.00
+ 6 to 12 Mos.	\$11.75	\$12.00	\$12.25	\$12.50	\$12.75
+ 12 Months	\$12.50	\$12.75	\$13.00	\$13.25	\$13.50

4) PERFORMANCE BONUS:

Duck workers and Reweigh Cube Workers are eligible for a Performance bonus in each calendar year as follows:

<u>Years of Service</u>	<u>Performance Bonus</u>
6 Months to 2 Years of Service	\$150.00
+ 2 Years to 5 Years of Service	\$200.00
+ 5 Years of Service	\$400.00

5) DOCK WORKER LICENSE UPGRADE PROGRAM:

The Company is pleased to continue its commitment to license upgrade approved **duck** workers to acquire a **Class A** or **Class 1** commercial driver's license. This program is made available at the **discretion** of the employer under the terms and conditions as agreed with each approved applicant.

PART "D" ADMINISTRATION PAY RATES**1) WAGE RATES JANUARY 1, 2008:**

<u>Job Level</u>	<u>Midpoint</u>
Level 2	\$22,996
Level 3	\$25,154
Level 4	\$27,450
Level 5	\$28,782
Level 6	\$31,203
Level 7	\$34,707

2) ANNUAL INCREASE TO MIDPOINTS:

<u>Year</u>	<u>Annual Increase</u>
January 1, 2009	2.00%
January 1, 2010	2.25%
January 1, 2011	2.00%
January 1, 2012	2.50%

Application of the appropriate pay range to the individual is governed by the terms and conditions of the Corporate Wage and Salary program.

PART "E" CITY TRACTOR/P&D JOB CLASSIFICATIONS:

1) CITY TRACTOR P&D DRIVERS:

1) Optional Incentive Program:

Or

2) Guaranteed Hourly Rate:

\$16.00/hr

Or

3) Regular Rate with Overtime after 40 hours/week:

\$10.50/hr.

2) DRIVER DOCK RATES:

i. Thunder Bay:

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 3 Mos.	\$13.50	\$13.75	\$14.00	\$14.25	\$14.60
+ 3 to 6 Mos.	\$14.25	\$14.50	\$14.75	\$15.00	\$15.35
+ 6 to 12 Mos.	\$15.00	\$15.30	\$15.65	\$16.00	\$16.40
+ 12 Months	\$16.00	\$16.35	\$16.50	\$16.85	\$17.15

ii. Winnipeg:

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 3 Mos.	\$15.50	\$15.75	\$16.00	\$16.25	\$16.50
+ 3 to 6 Mos.	\$16.25	\$16.50	\$16.75	\$17.00	\$17.50
+ 6 to 12 Mos.	\$17.00	\$17.35	\$17.75	\$18.00	\$18.50
+ 12 Months	\$17.75	\$18.10	\$18.50	\$18.90	\$19.25

3) PERFORMANCE BONUS:

Drivers are eligible for a Performance bonus based on Accident Free/CVOR free driving in each calendar year as follows:

Years of Service	Performance Bonus
6 Months to 2 Years of Service	\$300.00
+ 2 Years to 5 Years of Service	\$600.00
+ 5 Years of Service	\$1,000.00

Please see program rules for further information on the administration of this program.

PART "F" MAINTENANCE

1) LICENSED MECHANICS HOURLY RATES:

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 3 Mos.	\$22.00	\$22.50	\$23.00	\$23.50	\$24.00
+ 3 to 6 Mos.	\$22.50	\$23.00	\$23.50	\$24.00	\$24.50
+ 12 Mos.	\$23.00	\$23.50	\$24.00	\$24.50	\$25.15

Note: Mechanics Eligible for "Bingo Card" Premiums will carry their premiums per hour forward on top of the applicable Base Hourly Rate.

2) APPRENTICE MECHANIC HOURLY RATES:

Hours	% of Licensed Mechanic Rate
0 to 2250 hours	50 to 60%
2250 to 4500 hours	60 to 70%
4500 to 6750 hours	70 to 80%
6750 to 9000 hours	80 to 90%

Apprentices not able to complete the classroom training at the completion of the hours of work specified by the Ministry of Skills will have their file referred to a panel (consisting of Garage Manager, Garage Steward, Director of Maintenance) for review. Based on merit and demonstrated ability by the Apprentice mechanic, the Panel has the ability to approve the next level on the Pay Scale.

3) PREMIUMS:

Premiums	\$ per Hour
Shift Premium (start 2 pm to 6 am)	\$.50/hour
Weekend Premium (Sat-Sun)	\$.75/hour
Lead Hand Premium	\$.75/hour
On Call Long Weekends	Fee \$100.00

4) PARTS CLERKS HOURLY RATES:

Years of Service	May 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Hire to 6 Mos.	\$14.50	\$14.75	\$15.00	\$15.25	\$15.50
+ 6 to 12 Mos.	\$15.00	\$15.25	\$15.50	\$15.75	\$16.00
+ 12 Mos.	\$15.25	\$16.25	\$16.60	\$16.95	\$17.35

PART "G" GENERAL SECTION

Croup Benefits:

The Company provides an employee benefit plan as outlined in Schedule B.

Retiree Benefits:

The Company provides an employee benefit plan as outlined in Schedule C

Profit Sharing Plan:

The company agrees to continue the Profit Sharing Plan for all employees
Please refer to Schedule D for further rules and information on the Profit Sharing Plan.

Vacation Plan:

The Company shall post a vacation schedule for all association members on or before January 15th each year.
The Company will post a seniority list at this time and selection will start by the senior employee and work down the list.

Vacation selection must be completed by March 31st each year.

Management to establish weekly number of association members to be on vacation by Terminal and/or department each year unless otherwise mutually agreed.

Effective May 1, 2008 the agreed number to be off in any one week is as follows.

Winnipeg:

Dock:	1
city:	1
Hwy:	1
Admin:	1

Thunder Bay:

Dock	1
City:	1
Admin.	1
Hwy:	4
Maintenance:	1

Fort Frances:

As Agreed

Seniority is to be recognized for vacation selection prior to the posting deadline. Association members can book their vacation weeks as follows:

1st and 2nd weeks
 3rd week
 4th week
 5th week

Exceptions are considered by request and granted by mutual agreement by the Company and the Association. Any vacation scheduled after the deadline of March 31st will be first come, first served basis.

The Company agrees to pay out all vacation monies accumulated upon the request of the employee. The maximum number of withdrawals to equal the number of weeks holidays eligible by the employee

Vacation Eligibility:

<u>Vacation Entitlement</u>	<u>Weeks</u>	<u>Accrual</u>
6 Months to 1 Year	1 week	2%
1 Year to 5 Years	2 weeks	4%
5 Years to 10 Years	3 weeks	6%
10 Years to 20 Years	4 weeks	8%
Plus 20 Years	5 weeks	10%

Allowances: (on a per calendar year basis)

<u>Position</u>	<u>May 1, 2008</u>	<u>May 1, 2010</u>
Dock	\$250.00	\$275.00
Drivers	\$350.00	\$375.00
Shop Assistant	\$200.00	\$225.00
Mechanics	\$450.00	\$475.00

Driver Uniforms:

The Company agrees to pay the sum of up to the amount of allowance per Calendar year (orders taken up to December 31 of each year will count against that year's Allowance) towards the cost of an approved Company Uniform. Upon remittance of a claim for applicable allowance the employee may be required to submit receipts with their claim form in some cases. Uniform Expenditures above the amount of the amount of allowance will be the responsibility of the Driver/ Dock worker. Please see Program Rules for further information.

Mechanics/Dock & Other Maintenance:

The company agrees to pay the sum of up to the amount of allowance for Mechanics and Dock/Other Maintenance per Calendar year. Upon remittance of a claim for applicable allowance, the employee may be required to submit receipts with their claim form in some cases. Otherwise please see Program Rules for additional information. Expenditures as per program rules that are above the annual Allowance amount will be the responsibility of the mechanic/dock worker.

Safety Work Boots:

Safety Boots must be C.S.A. green patch approved with minimum 6 inch ankle protection.

Jury Duty

Employees that are called to jury duty or called as a witness or subpoenaed for or on behalf of an issue related to the Company, will be compensated in addition to what is provided for by the courts to equal eight (8) hours of regular rate of pay for each day absent from work due to duties mentioned herein.

GROUP BENEFIT PLAN

Effective June 1, 2008

	WITH SERVICE BETWEEN 3 MONTHS AND 2 YEARS	WITH MORE THAN 2 YEARS OF SERVICE																				
LIFE INSURANCE	\$25,000	\$50,000																				
Employee:	Units of \$10,000, max \$200,000	Same																				
Optional:		Same																				
Dependents:	Spouse: \$5,000; Each child: \$2,500	Same																				
ACCIDENTAL DEATH	Same as life	Same																				
DRUGS	<ul style="list-style-type: none"> • Drug claims/yr Drug card pays First \$1,000 75% Next \$1,000 65% Next \$3,000 60% \$5,001 + 75% <p><i>(Claims for the family, not per person)</i></p> <ul style="list-style-type: none"> • Maximum dispensing fee paid: \$7.50 • Pays for drugs not available over the counter 	<ul style="list-style-type: none"> • Drug claims/yr Drug Card pays First \$1,000 90% Next \$1,000 75% Next \$3,000 70% \$5,001 + 90% <p style="text-align: right;">Same Same Same</p>																				
MEDICAL	<ul style="list-style-type: none"> • Semi-private hospital rooms • Chiropractor at \$20.00/visit after OHP 	Same																				
VISION	not available	<p style="text-align: center;">Eyeglasses and contact lenses</p> <p>April 1, 2008 \$200 every 24 months / person covered</p> <p>April 1, 2010 \$250 every 24 months / person covered</p>																				
DENTAL	<p>Basic care: 80% paid</p> <p>Family Maximums \$750/employee + \$300/dependent / year <i>(total available to any 1 person if needed)</i></p> <p>Cleaning & Exam Once every 9 months Pays preceding year dental fees.</p>	<p>Basic 100% paid</p> <p>Restorative 50% paid</p> <p>\$1,000/employee + \$500/dependent / year</p> <p style="text-align: center;">Same</p> <p>Orthodontics 50% paid</p> <p>Maximum: \$3,000 / child / lifetime</p> <p style="text-align: center;">Same Same</p>																				
SICK PLAN	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">Hospitalization</td> </tr> <tr> <td style="text-align: center;">no pay</td> <td style="text-align: center;">Short Term Dis.</td> </tr> <tr> <td style="text-align: center;">no pay</td> <td style="text-align: center;">"</td> </tr> <tr> <td style="text-align: center;">no pay</td> <td style="text-align: center;">"</td> </tr> </table> <p>Day 4 to Day 7: Day 8 to Week 17:</p> <p style="text-align: center;">SHORT TERM DISABILITY</p> <p style="text-align: center;">Max \$435/wk, NON-TAXABLE</p> <p style="text-align: center;">Employment Insurance</p>		Hospitalization	no pay	Short Term Dis.	no pay	"	no pay	"	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Illness</td> <td style="width: 50%; text-align: center;">Hospitalization</td> </tr> <tr> <td style="text-align: center;">no pay</td> <td style="text-align: center;">Short Term Dis.</td> </tr> <tr> <td style="text-align: center;">no pay</td> <td style="text-align: center;">"</td> </tr> <tr> <td colspan="2" style="text-align: center;">SHORT TERM DISABILITY</td> </tr> <tr> <td colspan="2" style="text-align: center;">LONG TERM DISABILITY</td> </tr> <tr> <td colspan="2" style="text-align: center;">CHOICE OF THREE MONTHS, 6 OR 9 MONTHS WITH 20 OR 41 weeks waiting period</td> </tr> </table>	Illness	Hospitalization	no pay	Short Term Dis.	no pay	"	SHORT TERM DISABILITY		LONG TERM DISABILITY		CHOICE OF THREE MONTHS, 6 OR 9 MONTHS WITH 20 OR 41 weeks waiting period	
	Hospitalization																					
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OUT OF COUNTRY	Full Travel Coverage	Same																				
EMPLOYEE CONTRIBUTION PER WEEK	<p style="text-align: center;">STD* = 0.96% of weekly wage to a max of \$6.93 *** PLUS ***</p> <p style="text-align: center;">Single Family \$4.70 / wk \$ 12.30 / wk</p>	<p style="text-align: center;">STD* = 0.96% of weekly wage to max of Option 1: \$7.17/wk Option 2 \$9.55/wk</p> <p style="text-align: center;">+ LTD premium (depends on option chosen)</p>																				

SCHEDULE "C" **RETIREE BENEFITS**

DENTAL COVERAGE:

- Pays 80%;
- Covers Basic Care only (checkups, fillings, root canal, gum treatment);
- Checkups - every 9 months;
- Yearly maximum of \$750 per **person**,
- Pays **current** fees less one year.

TRAVEL COVERAGE

- *Not available*

MONTHLY COST

- Under age 65:
 - Single: \$ 70.00
 - Couple: \$120.00*
- Age 65 and up:
 - Single: \$ 55.00
 - Couple: \$100.00

** This rate will apply as long as one person in the couple is under 65.*

LIFE INSURANCE:

- \$5,000

DRUG COVERAGE

- Available only to persons under 65 years of age;
- The Pay-Direct drug card pays 80% of the cost of approved, prescribed drugs;
- Yearly maximum of \$750 per person.

PARAMEDICAL COVERAGE

- Pays \$20 per visit, no yearly maximum;
- Includes licensed Masseur, Naturopath, Osteopath, Physiotherapist, Acupuncturist, Psychologist, Chiropodist, Podiatrist;
- Chiropractors: \$450 deductible.

OTHER HEALTH COVERAGE

Hearing aids: \$500 every 5 years;
Semi-private hospital, max of \$175 per day, 90 days per person per year;
Private-duty nursing: \$5,000 per year;
Medical equipment & supplies: \$2,500 per year per person;
Ambulance services: will pay for amount not paid by OHIP;
Wheelchairs: call Industrial Alliance;
Vision or glasses: not covered;
For information on other covered items, call Industrial Alliance at 1-877-422-6487.

HOW TO SUBMIT HEALTH CLAIMS

For all medical claims, you must complete the HEALTH BENEFITS CLAIM FORM and attach original receipts

HOW TO SUBMIT DENTAL CLAIMS

Many dentists are able to invoice directly with the numbers available on your drug card.
If your dentist prefers to be paid up front, you may use a Industrial Alliance Dental Claim form or a 'standard' dental claim form provided by your dental office.
Ensure Part 1 of the dental claim form is fully completed and signed by the dental office.
Ensure Part 2 of the dental claim form is fully completed and signed by you.

FOR HEALTH & DENTAL CLAIMS

- Ensure your **group policy number, employer name and employee certificate numbers** are included on the form. DO NOT complete the Division number and Class number.
- Please keep a copy of your claim form in the event your original claim does not reach Industrial Alliance.
- Submit the original form to Industrial Alliance's Group Claims Department (the address is on the claim form).
- Remember that health and dental claims must be submitted within 90 days after the services were performed.

WHERE TO GET CLAIM FORMS

- You can get them from the receptionist/secretary at your closest Manitoulin office;
- or from the Industrial Alliance web site(www.inalco.com);
- or by phoning the Benefits Coordinator at 1-888-564-5235 to have them mailed to your home.

T.A.P. INVESTMENTS, with the help of **Standard Life** and **Benefit Partners**, provides several tools to encourage and help you prepare for eventual retirement:

- The Profit Sharing Plan
- Payroll deductions to an RRSP
- Payroll deductions to a NRSP

The Profit Sharing Plan

Our **PROFIT SHARING PLAN** was established to encourage everyone directly associated with our business to work towards maximizing profits by minimizing costs and/or increasing revenues.

Eligibility:

To participate, you must be full-time and in good standing at the time the profit sharing is paid, usually at the end of April.

Choices at the time the Profit Sharing is declared:

A. 100% RRSP: You may choose to deposit the whole amount in an RRSP account and maintain withdrawal possibilities as per the withdrawal rules explained below.

B. 50% RRSP / 50% CASH. You may choose to take out 50% of the amount in cash (less taxes) and deposit the other 50% in an RRSP account. The RRSP can be withdrawn as per the withdrawal rules explained below.

C. 100% PENSION: You are eligible to join the Registered Pension Plan (RPP) on January 1st of any year once you have completed 12 months of continuous service. If you elect this option, the Company will add 20% of the profit sharing amount to the RPP deposit.

D. EX-GRATIS BONUS: If you also contribute to your Standard Life RRSP an amount at least equal to your profit sharing of the previous year + 50%, the Company will add 50% of the profit sharing amount to the RPP deposit (an additional 30%). Contact the Plan Administrator for more information. If you just participated in the profit sharing for the first time, your qualifying contribution may be slightly different, so please contact the Plan Administrator.

Once you become a member of the pension plan, future profit sharing contributions will automatically be directed to that account.

Employer contributions to the RPP (Registered Pension Plan) are subject to federal locking-in rules, which means that they can only be withdrawn through retirement income (LIF - Life Income Fund or annuity) starting at retirement no earlier than age 55 (Cash out as for RRSP is not available).

Investment tools:

The funds are invested with Standard Life and you have the choice of investment tools: it can be in one of five guaranteed funds (1 to 5 years) and/or a choice of several pooled funds (diversified, equity, bonds, capital gains, short term, to name just a few). Advice concerning the various options is available from Benefit Partners and/or Standard Life.

Withdrawal possibilities of employer & employee contributions:

Note: *Withdrawals will be subject to tax unless the money is withdrawn through the Home Buyers' Plan.*

If you chose option **A** above, **50%** of your profit sharing benefit will be designated by the insurance company as "Employer" contribution. The other half will be designated as "Employee" contribution. If you chose option **B** above, the full RRSP portion will be designated as "Employer" contribution. If you chose option **D** above, the RRSP contributions to qualify for the 50% bonus will be designated as "Employee Special Account". For withdrawal purposes, this is treated the same as "Employee" contributions.

There is **no** penalty if the "Employer" contribution is withdrawn to purchase a principal residence (through Home Buyers' Plan or not) or pay down a mortgage. This option can be exercised only once and proof-of-ore will be required.

There **WILL** be a penalty if any money other than the "Employee" contribution is withdrawn for personal reasons or transferred to an RRSP with another financial institution.

1st time, you must forgo the current year's profit sharing award;

2nd time, you must forgo the current *and* following year's profit sharing award.

NOTE. There will be no penalty if the withdrawal is paid back to the RRSP by March 1 of the following year through payroll deductions or a cheque. This repayment/no penalty option can only be used once.

You can **withdraw** the "Employee" contribution from the RRSP account without penalty but taxes will have to be paid.

Withdrawal procedure:

To withdraw Employee Contributions from your RRSP or from the NRSP, call Standard Life directly at 1-800-242-1704, extension **3193**. The policy number is RS101951, your certificate number is normally the same as your employee number, available on your pay stub.

To withdraw Employer Contributions from your RRSP for any reason, contact the T.A.P. Group Administrator (1-888-564-5235). A form will be sent to you for signature. The money will be available about 2-3 weeks after the signed form is returned.

Payroll Deductions To An RRSP

The advantage of using the Standard Life RRSP through your employer is that the administrative fees are lower due to the large pool of money, hence better returns for you.

Payroll deductions to your RRSP account are available in pre-tax or after-tax dollars.

You can open a spousal account where you deposit in your spouse's RRSP and you get the tax deduction.

Your spouse can open a RRSP account in TAP Investments; the employee or the spouse deposits money and the spouse gets the tax deduction.

Lump sum payments can be made directly into your RRSP account, up to your available cumulative contribution limit.

Transfers from an outside RRSP account to this one are permissible. Contact Standard Life for details.

All requests to start or stop payroll contributions must be made in writing. Contact your payroll clerk.

Payroll Deductions To An NRSP

You can make payroll deductions with **after-tax dollars** to a Non-Registered Savings Plan, an alternative for Canada Savings Bonds. This option is for short-term saving purposes, such as putting money aside for Christmas shopping.

You have 2 free withdrawals per calendar year. There **will** be a \$50 withdrawal fee for all additional withdrawals.

All requests to start or stop payroll contributions must be made in writing. Contact your payroll clerk.

To withdraw money from your NRSP, call **Standard Life** directly at **1-800-242-1704**, extension **3193**.

Tips & Reminders

The insurance company that manages your TAP Investment funds is presently **Standard Life**. Your employer reserves the right to change carrier if and when required.

The Standard Life policy number is **RS101951**.

Your certificate number is normally the same as your employee number, available on your pay stub.

To access your personal and account information, call Standard Life at **1-800-242-1704**, extension **3193**.

If you misplaced your PIN, please call Standard Life.

The TAP Plan Administrator (Michel Lafrance) can be reached at **1-888-564-5235** or at

malaf@nce.mcgill.ca. The TAP Coordinator (Sandra Graham) can be reached in Gore Bay at extension **2284**.

SCHEDULE 'E'

When filling team trucks the Driver Supervisor will apply these principles:

A) Two Drivers Required;

Priority will be given to drivers who come forward as a team. In the event that more than one set of drivers come forward as a team the position will be filled based on the combined seniority of the applicants

In the event that drivers come forward as individuals and the Company must assign drivers to make a team it will be done using driver compatibility as its primary criteria to fill the truck.

B) One Driver Required;

Where one driver is required to "partner" with the remaining driver of a team truck the remaining driver along with Management will fill the position based on the applicant's compatibility with the remaining driver.

In some cases the position will be awarded conditionally to assess compatibility. This trial period may be for no more than a 2 week period or as otherwise mutually agreed.

When reducing the workforce Team driving jobs would be affected as follow:

Senior teams may move to the positions held by more junior teams.

Seniority for "bumping" will be determined based on the combined seniority of the team.

SCHEDULE 'F'

Highway Dispatch Guidelines

It is agreed by all parties to assign Highway work based on the following principles:

- *Bid runs would be dispatched as per their bid and ahead of spare board drivers.
- **Spare board will consist of a dovetailed list of Lakehead Association Drivers and the Highway Broker group and available miles will be dispatched under an arrangement termed "Fair and Equitable" distribution of miles.

There is also a recognition that all parties acknowledge and accept on the basis of trust of the Company's need to utilize foreign drivers and power in the Region from time to time. This recognition of foreign power and drivers also protects the NWEST based highway group when operating outside their traditional home base area.

*Bid Run is generally defined as a run with a consistent start time and a consistent work pattern and when posted is awarded under the terms of the collective agreement.

**Spare Board is generally defined as a position were a qualified driver is available to perform any and all driving assignments on an "as needed" basis within the terms and conditions of the Dispatch guidelines recognizing the principle of "fair and equitable" distribution of the available work with consideration to seniority.

General Guidelines:

Association Highway drivers and Highway brokers agreed to a dovetailed seniority list for the purposes of dispatching the available miles in a fair and equitable manner in September of 1995 recognizing:

- The Company's need to meet its business and service requirements
- A driver/brokers ability and availability for work assignments
- Recognizing and giving due consideration to the driver/brokers length of service or seniority

Bid Run Driver:

Bid run drivers will be dispatched on their bid run whenever possible as per their schedule (normally Monday through Friday).

If a bid run is cancelled for whatever reason, the bid run driver will go to the top of the spare board drivers list and be eligible for a dispatch ahead of the other spare board drivers. This dispatch must not interfere with his/her ability to be available for the remaining shifts of their bid run.

Bid run drivers and qualified city drivers who volunteer for weekend work (Saturday and Sunday) will go to the bottom of the spare board and ahead of non association driver resources. Bid run and city driver weekend dispatches must not interfere with their ability to complete their regular job duties. The Driver Supervisor, Terminal Manager or Regional Manager must approve exceptions to this rule.

Spare Board Drivers/Brokers:

Dispatching of spare board drivers/brokers will be done using the principle of fair and equitable distribution of the highway miles.

Spare board drivers/brokers will be dispatched after the bid run drivers have been dispatched Monday through Friday.

Spare board drivers/brokers are dispatched ahead of non association driver resources.

The Company will endeavor to fill Terminal fill in work or replacement work from the spare board list. Work will be assigned recognizing qualifications and driver's length of service with the Company.

Weekend Drivers/Brokers Spare Board List:

Weekend is defined as highway work available after the bid runs and spare board have completed their weekly schedule. This is normally from 00:00 hours Saturday till 14:00 hours Sunday.

Spare board drivers, brokers, bid run drivers, and qualified city drivers must volunteer to the Driver Supervisor by noon Friday to indicate their availability for weekend work. The Driver Supervisor will attempt to fill the weekend driver requirements from this list of volunteers. Should not a sufficient number of drivers be available, the Driver Supervisor will fill the list from Association drivers and Highway brokers who are required to cover weekend work.

Where not sufficient numbers of drivers have volunteered the Driver Supervisor can use non association driver resources to complete the work. Should he not be able to fill the weekend needs, the available Junior qualified highway driver must perform the work assignment as outlined in Article 15.04.

Weekend driver/broker availability list will be provided by the Driver Supervisor to Central Dispatch and posted in the terminal by end of day Friday.

Bid run and qualified city drivers who sign the weekend availability list will go to the bottom of the weekend spare board list. Drivers/brokers on the weekend list must contact Central Dispatch for work assignments.

Foreign Power and Drivers:

The Company will look to manage the use of Foreign Power and drivers in the NWest recognizing the need to meet customer requirements in the most efficient manner possible. This will be done in equal measure to the utilization of NWest drivers in a Foreign Terminal or Region in the following manner:

- Ahead of the spare board drivers for that terminal
- Not normally ahead of bid run drivers.

Teams:

Dispatching of teams regardless of their place of origin will normally be given "priority" over other driver designations when assigning available highway work out of any terminal location. This would not normally include bid runs, short mileage runs, multi stop moves, etc.

Teams that are "split" due to mechanical breakdown, etc. will be offered a place on the spare board driver's list. Their miles for the week as a team will be divided between the two and based on those miles will be dispatched under the terms of "fair and equitable dispatching" from there forward.

Hours of Work:

It is understood that all dispatches must take into consideration the Legal Hours Work Regulations and the Company's Policy with regard to Hours of Work and a driver/broker may be disqualified for an available dispatch as a result of these rules. It is the driver/brokers responsibility to maintain a current logbook and keep dispatch apprised of your available hours of work.

SCHEDULE 'G'

Highway Grandfathered List

Effective May 1, 2008 these Highway Drivers are Grandfathered to receive the following Job Premiums for as long as they remain on their current Job Bid

<u>Driver Name</u>	<u>Super Truck Premium</u>
John Boyer	
Bob Bishop	0.75 cents/mile
Norm Boyer	
George Khanisho	0.75 cents/mile
John Squitti	0.75 cents/mile
Larry Whichard	
Bill Horbachewski	0.75 cents/mile

SCHEDULE 'H'
Standards Of Business

Service:

- 1.To provide unequalled service to our customers, with every effort being made to handle all reasonable requests in a prompt, courteous and efficient manner;
- 2.To handle all customer complaints with understanding and patience, as quickly as possible, with the customer receiving the benefit of the doubt wherever possible;
- 3.To fairly consider the interests and well-being of the customer with regards to freight movement, efficiency and rates.
- 4.To resolve all claims quickly and fairly, thoroughly investigated and recorded;
- 5.Regular personal customer contact to be maintained on a first name basis to confirm service standards and endeavour to expand freight volume;
- 6.To continually present the Manitoulin trade name with pride ensuring that all business is conducted in a manner upholding the reputation of the Company;
- 7.To constantly assess policies and procedures to identify ways of improving business efficiency;
- 8.Retain "personalized" service - never, ever get "too big" for any customer.

Company - Employee Relations:

- 1.To conduct business in a manner that fairly and adequately considers the best interest of both the employer and the employee;
- 2.To establish high standards of performance that can be reasonably attained providing a positive environment based on encouragement and communication;
- 3.To develop and maintain an environment that encourages initiative and personal development, rewarding skill, ability, reliability and integrity that are essential to the corporate well being;
- 4.To handle all employee complaints in a fair and reasonable manner and bring to a logical and timely conclusion.
- 5.All efforts to be made toward creating a "team" approach, committed to the success of the business and the well being; of individuals associated with it.

Community:

- 1.To uphold the Manitoulin name as a good corporate citizen; being aware of the assisting where possible in the betterment of community services and functions;
- 2.To foster and maintain a spirit of goodwill within the community.

Quality of Workmanship:

- 1.To complete each task with pride in a timely and efficient manner applying the principle "best is better";
- 2.To maintain the Manitoulin difference in service that sets us apart from all other competitors;
- 3.To present in act, word and deed a positive image to customers, suppliers and co-workers;
- 4.To constantly ask, "have I done my best and is there anything else I could do?";
- 5.To do business on the principles of honesty, integrity and mutual respect.

Safety:

- 1.To provide a safe and comfortable work environment that encourages good performance.
- 2.Provide adequate job training to avoid lost work time due to unnecessary illness or injury.
- 3.Encourage the identification of unsafe work conditions and, within reason, to correct them as soon as possible;
- 4.Encourage participation of safety committees in developing and maintaining a safe and efficient work place.

Business Development:

- 1.To continually endeavour to find ways to improving our service and ways of doing business.
- 2.To be aware of and understand the needs of our customers in order to be able to best fill their service needs as well as to provide ideas to their benefit;
- 3.To constantly seek advice and direction from customers and co-workers regarding service requirements and needs;
- 4.To maintain current information on business conditions in an effort to continually expand our business opportunities;
- 5.To constantly look and plan ahead in an effort to maintain and improve all aspects of our business;
- 6.Never refuse or say no to a customer's freight request because we haven't done it before, aren't licensed today, doesn't appear to be worthwhile, etc. without giving full consideration to the logistics, asking all appropriate company sources for opinions.

August 1983 - Revised January 1986

LETTER OF INTENT

This letter is to confirm that for the period of the contract, the Company will provide an optional incentive program. The incentive program will remain outside of the Collective Agreement. However, prior to any future changes being implemented by the Company to the Incentive Rates, the Company will agree to a consultation process with representatives from the Company, Association Executive, and appropriate Departmental Representatives.

It is further agreed that the Optional Incentive Rates will be increased as follows:

<u>Year.</u>	<u>Increase</u>
May 1, 2009	2.00%
May 1, 2010	2.25%
May 1, 2011	2.00%
May 1, 2012	2.80%

Dated at Thunder Bay This 7th Day of June, 2008

For the Association

Colin A W

St. Basil

Jill Bay

[Signature]

For the Company

[Signature]

[Signature]

LETTER OF INTENT

The Company and the Association Executive agree that when "Agency" employees have worked for a period of ~~three~~ (3) months and meet all the pre employment conditions/standards of hire they will be hired by Lakehead Freightways Inc.

At that time they will be classified as either:

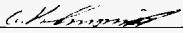
- Full Time (Working 24 hours or more per Week)
- Casual/Part Time (Working less than 24 hours per Week)

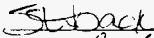
If classified as a Full Time employee they will become probationary employees and members of the Association within 7 days after having completed the 90 day probationary period with Lakehead Freightways Inc or as otherwise mutually agreed. Full-time employees will be eligible for benefit coverage from their first day of employment with Lakehead Freightways Inc Upon completion of their probationary period a Full Time employee will gain Association seniority as of their date of hire with Lakehead Freightways Inc.

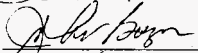
Dated at Thursday This 11th Day of June, 2008

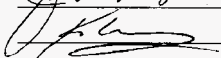
For the Association


For the Company

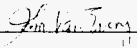












LETTER OF INTENT

The Company **and** the Association **Executive** have agreed that during the term of the collective agreement that all Departments as outlined below:

Dock

Administration

Highway

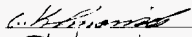

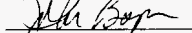

City Tractor/P&D

Maintenance

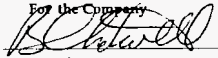
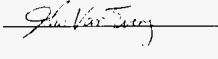
be given the assurance that if the Company offers its Northern Ontario Operation's, not covered by this collective agreement, a budgeted increase greater than what is committed to in the LHF Contract that this agreement will be reviewed with the Association Executive. This agreement may be implemented, rejected or as is otherwise is mutually agreed.

Dated at Toronto, Ont. this 1th day of June, 2008

For the Association

For the Company

LETTER OF INTENT

The Company and the Association Executive have agreed to a deferred payment program for all Departments as outlined below:

<u>Department</u>	<u>Thunder Bay</u>	<u>Winnipeg</u>
Administration	\$200 W	\$200.00
Dock	\$200 W	\$200.00
City Driver	\$325 W	\$200.00
Highway Driver	\$200 W	\$200.00
Maintenance	\$200.00	\$200.00

In order to qualify for payment the member must be employed as of May 1, 2008 with a minimum of 2 years of service and employed at time of payout, on or before March 31, 2009.

Dated at Thunder Bay this 7th day of June, 2008.

For the Association

For the Company

C. K. Bennett
St. Boniface
John Bomp
[Signature]

[Signature]
Thunder Bay
[Signature]

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