

COLLECTIVE AGREEMENT

BETWEEN

RECORDED
MAY 19 2009

HALLCON CREW TRANSPORT INC.

(hereinafter referred to as 'The Company')

OF THE FIRST PART

- AND -

Canada Council of Teamsters

affiliated with the

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS
and TEAMSTERS CANADA**

(hereinafter referred to as 'The Union')

OF THE SECOND PART

Expiry date from 18th November 2008 to October 31st 2012

13981.(01)

ARTICLE 1 - CO-OPERATION

- 1.01** It is recognized by this Agreement to be the duty of the Company, the Union and the employees to fully co-operate, individually and collectively, for the advancement of conditions and improvement in efficiency of operations.
- 1.02** It is mutually agreed that there shall be no strike, lockout, or slowdown, whether sympathetic or otherwise, during the term that this Agreement shall be in force,
- 1.03** Where the masculine gender is used in this agreement, it shall refer equally to the female gender.

ARTICLE 2 - RECOGNITION

- 2.01** The Company recognizes the Union as the sole and exclusive bargaining agency for all employees of the Company as described in the Certificate Order No. **8815-U**.

“all employees of Hallcon Crew Transport Inc., employed as drivers located in Ignace, Thunder Bay, Schreiber, Chapleau, Mactier, Toronto, Trenton, Smith's Falls, Hamilton, Sudbury, London, Windsor, and Cartier in the Province of Ontario, excluding those employees excluded under the Canada Labour Code.”

ARTICLE 3 - UNION MEMBERSHIP REGULATIONS

- 3.01** The Company agrees to contact the Union if new employees are required, and will give due consideration to all Teamster members who apply for such positions, fairly considering their qualifications and those of other applicants, as related to those qualifications required by the Company. The Company shall retain the right to hire the new employee of their choice. All new employees hired shall be informed by the Company that Union membership is a condition of employment. The Company shall have all new employees fill out an application card upon commencement of employment the Company will submit it to the Union with the monthly check off.
- 3.02** Subject to the terms of the Agreement, all employees who are now members of the Union or who may later become members and every new employee who becomes a member, shall remain a member in good standing as a condition of employment during the term of this Agreement.
- 3.03** The Company agrees to notify the Union in writing of all employee layoffs, recalls, rehires and new hires.
- 3.04** In the event that an employee subject to this Agreement is not a member in good standing it is the responsibility of the Union to notify the Company within a maximum of fifteen (15) calendar days.

ARTICLE 4 - CHECK OFF

- 4.01** The Company agrees that it will deduct from the wages of each employee covered by this Agreement, whether or not the employee is a member of the Union, the amount of the regular monthly membership dues payable by a member of the Union. The amount shall be deducted from one pay each month and remitted monthly to the Union along with a list of the employees. The Company shall also deduct and remit to the Union the amount of initiation fees which a member has authorized the Company to deduct by a written authorization. Monies deducted along with a list of names from whom such a deduction was made shall be remitted to the Union not later than the 15th day of the following month.
- 4.02** The Union agrees to indemnify the Company and save it harmless from any and all claims which may be made against it, for the amounts deducted from the wages of employees under this Article.
- 4.03** in case of a Union member being off through sickness or on vacation during the dues deduction pay period, his dues shall be taken off his first pay following his return to work.

ARTICLE 5 - MANAGEMENT RIGHTS

- 5.01** The Union recognizes and agrees that except as specifically and expressly limited by this agreement, all rights, powers and authority are retained solely and exclusively by the Company.
- 5.02** The Company not exercising any right hereby reserved to it shall not be deemed a waiver of any right or preclude the Company from exercising the right in some other way in the future. except as such right may be specifically, and expressly limited by the terms of this agreement.
- 5.03** For greater certainty, but without limiting the generality of the foregoing, the Union recognizes and agrees that the Company has the sole and exclusive right to operate and manage its business, affairs and facilities in all respects as it sees fit, including:
- a) control and direct the working forces and to select, hire, promote, demote, transfer, assign, classify, lay-off and recall employees;
 - b) maintain order, discipline and efficiency, and to discipline, suspend and discharge employees for just cause;
 - c) establish, maintain, alter and enforce from time to time rules, regulations, policies and practices to be observed by employees;
 - d) establish new jobs and to alter, consolidate or abolish existing jobs;
 - e) determine the number and type of employees needed at any time, the hours and shifts to be worked, starting and quitting times, the duties to be performed, overtime requirements, the employees to perform overtime work, job content, quality and quantity

standards of performance and the qualifications of employees to perform any particular job; and

- f) determine the hours and schedules of operation, operating techniques, methods, procedures and types of vehicles to be used, means of performing work, the facilities and services to be provided and used, the materials, supplies, tools, machinery, equipment and facilities to be used, the nature and kind of business conducted, the number, location and types of operations and the extension, limitations curtailment or cessation of operations or any part there of these rules and regulations shall not be inconsistent with this agreement.

5.04 The Company agrees that any exercise of rights, powers and authority under this article in conflict with any of the specific provisions elsewhere in this agreement shall be subject to the provisions of the grievance procedure set forth in Article 7.

5.05 The Union will be notified in writing of any significant new regulations or policies or modifications thereof at least seven (7) days in advance of the implementation date. The Company will advise the employees of such new or modified regulations or policies.

ARTICLE 6 - UNION SECURITY

6.01 Except as otherwise provided herein, all vehicles owned or leased and used by the Company to perform the work covered by the Certification Order #8815-U shall be operated by employees who are members of the Union, unless all available employees are working or have been offered such work.

6.02 The Company and the Union agree that management personnel and those not included in the bargaining unit shall only perform bargaining unit work:

- a) after such work has first been offered to all bargaining unit employees;
- b) for training purposes;
- c) utilizing drivers from outside the geographical area covered by this Collective Agreement who conclude trips originating outside the geographic area covered by this Collective Agreement at a drop off location anywhere inside the geographic area covered by this Collective Agreement. Backhauls from the drop off location to an area outside the geographic area covered by this Collective Agreement are also permitted; or
- d) utilizing drivers from outside the geographical area covered by this Collective Agreement who pick up within geographic area covered by this Collective Agreement and drop off at a location outside the geographic area covered by this Collective Agreement if there are no drivers and equipment available at the pick-up time required.

Notwithstanding the above, the Union and its members acknowledge that the Company regularly utilizes subcontractors to perform trips within the area covered by this Collective

Agreement. The Company will use its best effort to ensure that there are no drivers and equipment available at the pick-up location at the pick up time required prior to dispatching a long trip to a subcontractor.

- 6.03** Authorized agents of the Union shall have access to the Company's establishment during working hours for the purpose of investigating conditions related to this contract.
- 6.04** The Union shall elect or appoint one Chief Steward per location and alternates as needed from its members in the bargaining unit and shall notify the Company in writing of such appointment or election. Alternates will only be used in the absence of the Chief Steward. The Company shall recognize the Chief Steward and shall not discharge or discriminate against him or other employees for lawful Union activity.
- 6.05** No employee shall be asked or permitted to make a written or verbal agreement which may conflict with the provisions of this Agreement.
- 6.06** 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 slowdown program while the controversy is being settled. It shall not be a violation of this agreement or cause for discharge of any employee, 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. The Company shall not be required to call drivers to work for trips that would violate the picket line. Each employee can choose individually whether or not they want to cross a legal picket line and cannot be forced not to cross by the Union or any other individual.
- 6.07** The employer agrees to notify the Union Steward upon hiring a new employee, and further agrees that the Steward shall be allowed the opportunity to interview each new employee during the probation period the purpose of which shall be to familiarize the new employee with the Collective Agreement, benefits, and responsibilities of Union membership. The above shall not exceed thirty (30) minutes of paid on duty time.

ARTICLE 7 - GRIEVANCE PROCEDURE

- 7.01** In the event that a dispute occurs between the Company and the Union and/or one or more members of the Bargaining Unit regarding interpretation or application of this Agreement, there shall be an earnest effort on the part of both parties to resolve such grievance promptly through the following steps:

STEP 1 Any grievance of an employee shall first be taken up between such employee accompanied by the Steward or a co-worker of the employee's choice if there is no Steward available and the Company Representative.

Time Limit to institute grievance excluding Saturday, Sunday and Statutory Holidays

- (a) Termination or lay-off - Within five (5) days of the termination or lay-off

(b) All others - Within ten (10) days of the discovery of the event giving rise to the grievance.

STEP 2 Failing an agreeable settlement under Step 1, such grievance shall be taken up between a representative of the Local Union and the designated Company Representative.

STEP 3 Failing an agreeable settlement under Step 2, such grievance shall be reduced to writing by the grieving party and will be submitted by the bargaining representative of the Local Union to the designated Company Representative.

7.02 Should the Company and the Union fail to reach agreement on any grievance concerning an alleged violation of the Agreement, or concerning a difference between the parties in respect of the meaning or application of the Agreement, or concerning disciplinary action taken against any employee, the matter may be referred to arbitration for final settlement by either party within ten (10) days of the decision by the Company Representative issued in writing in Step 3 of the grievance procedures. The party intending to refer the matter to arbitration shall give Notice of Arbitration in writing to the other party. Matters will be referred to a neutral arbitrator agreed to by both parties. If the parties fail to agree on a neutral arbitrator, the Minister of Labour will be requested to appoint a neutral arbitrator.

7.03 The decision of the Arbitrator shall be final and binding upon the parties hereto and upon any employee or employees concerned. The Arbitrator shall not rescind or amend the terms of this Collective Agreement.

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

7.05 Any document or discipline that is to be included in an employee's work file must have been brought to the employee's attention at the time the incident occurred: but no later than ten (10) days from each occurrence, or from the day of discovery of the violation.

7.06 Any step of the grievance procedures may be waived or the time limits extended by mutual agreement in writing by the Company and the Union.

ARTICLE 8 - SENIORITY

8.01 The Company accepts the principle of seniority of service. Seniority of service shall be computed from the most recent date the employee commenced employment with the Company. Years of service are also inclusive of time employed by Urban Ventures Inc. The purpose of seniority is to provide a policy governing work preference for new positions, lay-offs, and recalls.

8.02 There shall be one seniority list for each location which shall be distributed by the Company, which shall be updated as new employees are added with the name and starting date of each employee. Every January and July, an updated seniority list will be supplied to the Union and employees. Disputes regarding seniority must be lodged within thirty (30) calendar days after the seniority list is distributed.

Seniority will be by the following locations:

- | | | |
|--------------------|-------------------|----------------|
| 1) Cartier/Sudbury | 2) Mactier | 3) Trenton |
| 4) Chapleau | 5) Oshawa | 6) Toronto |
| 7) Hamilton | 8) Schreiber | 9) White River |
| 10) Ignace | 11) Smith's Falls | 12) Windsor |
| 13) London | 14) Thunder Bay | |

8.03 Inability to work because of proven sickness or injury shall not result in a loss of seniority rights.

8.04 An employee shall lose his seniority and his employment shall be terminated:

- a) if he voluntarily quits or retires;
- b) if he is discharged for just cause;
- c) if he fails to report for duty after a lay-off within seven (7) calendar days after being notified by registered mail, unless a satisfactory reason is given;
- d) if he fails to report for duty after an authorized Leave of Absence, unless he has a legitimate reason for his absence; or
- e) if twelve (12) months have elapsed from the date of his lay off; or
- f) if he fails to make himself regularly available to work

8.05 New employees shall be considered probationary employees and shall not be placed on the Seniority List during the first ninety (90) calendar days of employment with the Company. During the probationary period, there shall be no responsibility for re-employment if his employment with the Company is discontinued for any reason. A probationary employee shall not have recourse to the grievance and arbitration procedure regarding this discontinuance of employment except to grieve a termination which is discriminatory.

ARTICLE 9 - PROMOTION AND TRANSFER

9.01 All job openings or vacancies for main board and scheduled drivers within the bargaining unit will be distributed through employee's pay envelopes in the job location or posted on the Company website. Employees will be given two (2) weeks to apply. In the event the job is not bid in the job location, the opening will be distributed throughout the bargaining unit area or posted on the Company website. Seniority, subject to the ability to perform the work required, shall prevail for new **jobs** or vacancies. Temporary vacancies of up to two (2) weeks may **be** filled by the Company as required.

9.02 When an employee within the bargaining unit covered by this Agreement receives a Leave of Absence to take a position within the Company which is beyond the scope of the bargaining unit, he may retain his seniority for ninety (90) calendar days.

9.03 When an opening occurs in an area and is not filled by a qualified employee from that area, another employee from another location may transfer in. That employee would retain their Company seniority for holiday entitlement but would be placed at the bottom of the seniority list for work preference and holiday preference. The Company shall not be required to pay a moving allowance; however, they may do so at their discretion in a consistent manner.

9.04 Location Driver Supervisor

- a) A location driver supervisor shall be defined as a supervisor who performs the same work or similar work to that performed by the employees he supervises. A location driver supervisor shall not have the authority to unilaterally dismiss or discipline other employees; however, he may recommend such action to his supervisor. A location driver supervisor shall be a Union member and be entitled to all benefits of this Agreement.
- b) The appointment of a location driver supervisor and the continuity for the position shall be solely determined by the Company.
- c) All letters of discipline or policy changes will be signed by the Area Service Manager or his superiors and may be posted or delivered by the location driver supervisor.

ARTICLE 10 - LAY OFF AND RECALL, SEVERANCE

10.01 Employees separating for any reason shall receive their record of employment and monies due within seven (7) days.

10.02 The principle of seniority subject to ability to perform the work required shall be maintained in the reduction and restoration of the work force.

10.03 The Company shall wherever practical advise employees one (1) week in advance of any lay off.

10.04 When a position has been discontinued or for lay off purposes, the affected employee can use his seniority to bump into another position within the location and maintain his seniority in that location.

10.05 In order to be entitled to severance pay an employee must have been in the employ of the Company for a minimum of one (1) year. The Company will pay severance in accordance with the Canada Labour Code. This severance payment will be made to all employees regardless of **age** or pension entitlements.

ARTICLE 11 - SPECIAL LEAVES

11.01 Bereavement Leave

When a death occurs in a regular employee's immediate family, such employee will be granted upon request, a period of three (3) consecutive days time off for bereavement leave to be taken within the period from the date of death to the day after the funeral. If the bereavement leave occurs during the employees regularly scheduled working days, he will be paid, for each day that falls on a scheduled working day 1/20th of the wages he has earned during the thirty (30) calendar days immediately preceding the bereavement leave. If the employee is a full time scheduled driver, bereavement leave shall be paid equal to their regular scheduled shift hours. A regular employee's immediate family is defined as an employee's spouse (including a legal common-law spouse), mother, father, stepmother, stepfather, sons, daughters, stepsons, stepdaughters, sisters, brothers, mother-in-law, father-in-law, grandmother, grandfather, and grandchildren.

11.02 Jury Duty Leave

Any employee who is required to perform jury or witness duty on a day which he would normally have worked will be reimbursed by the Company for the difference between the pay received for jury or witness duty and his regular straight time hourly rate of pay for his regularly scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of eight (8) hours per day or forty (40) hours per week, less pay received for jury or witness duty. The employee will be required to furnish proof of jury or witness duty and shall, subject to this provision, make himself available for work before and after being required for such jury or witness duty whenever practicable.

ARTICLE 12 - LEAVE OF ABSENCE

- 12.01** Any employee who takes a Leave of Absence without prior written permission from the Company will be subject to discipline which may include termination. The Company shall forward to the Union a copy of all Leaves of Absence granted.
- 12.02** Leave of Absence for any reason other than ill health shall be for a period no longer than thirty (30) calendar days. Any extension of Leave of Absence or any Leave of Absence over thirty (30) calendar days must be in writing and agreed upon by the Union and the Company and the employee concerned.
- 12.03** The Company agrees to grant members of the Union indefinite leaves of absence without pay to work with the Teamsters Union, providing a suitable replacement has been found by the Company. These members will retain and accumulate seniority during this time. Such leaves are revocable upon 72 hours notice.
- 12.04** Any medical leave or illness of over two consecutive days may require a letter from a doctor explaining that the absence from work was required and, if applicable, certification that the driver may return to work. Any employee who has had habitual or patterned absences may also be required to provide a letter from the doctor at the request of an Area Service Manager.

ARTICLE 13 - ANNUAL VACATION

13.01 Vacation Entitlement

Length of Service	No. Eligible Weeks/Days of Vacation	% Vacation Pay
Less than 1 year of service	1 day per month to a maximum of 10 days	4% of gross earnings
1 – 4 years of service	2 weeks	4 % of gross earnings
5 – 10 years of service	3 weeks	6% of gross earnings
11 years or more years of service	4 weeks	8% of gross earnings

The Company **shall** pay vacation twice per year on a separate direct deposit. Vacation pay for the period from December 1 to May 30 will be paid on or before June 30th. Vacation pay for **the** period from June 1 to November 30 will be paid on or before December 31st.

For the purpose of determining an anniversary year *of* employment for vacation purposes the following shall apply:

- a) All employees hired in the period from December 1st to May 31st shall be deemed to have commenced employment for vacation purposes only, on November 30th immediately prior to their date of employment.
- b) All employees hired in the period from June 1st to November 30th shall be deemed to have commenced employment for vacation entitlement purposes only, on November 30th in their year *of* employment.

Vacation lists shall be mailed by February 15th of each year and employees shall designate their choice of vacation time **by** the first day of April. If an employee fails to designate his choice of vacation on such listing while posted, vacation time shall be granted at the Company's discretion. Preference in selection and allocation of vacation time shall be determined on the basis of seniority. Vacation must **be** taken in one week blocks unless prior approval is received from the Company. One week's allocation may be taken as individual vacation days provided the employee provides two weeks notice of each individual day the employee chooses *to* take as vacation.

ARTICLE 14 -STATUTORY HOLIDAYS

14.01 The Company agrees to recognize the following Statutory Holidays and any other day declared as a Statutory Holiday by the Federal Government:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
Boxing Day	

14.02 Employees will be paid 1/20th of the wages he has earned during the thirty (30) calendar days immediately preceding the statutory holiday. If the employee is a full time scheduled driver, statutory holiday pay shall **be** equal to their pay for the regular scheduled shift hours.

14.03 If an employee with thirty (30) days service of employment with the Company is laid off within a period of fifteen (15) calendar days immediately preceding the Statutory Holiday and returns to work upon recall within fifteen (15) calendar days after the Statutory Holiday, the employee will be paid for said Statutory Holiday.

14.04 All hours worked on a Statutory Holiday will be paid at the rate of one and one half (1½) times the employee's regular hourly rate. It is understood that this is in addition to the holiday pay at straight time rates if the employee is entitled to Statutory Holiday Pay.

14.05 In the event that a Statutory Holiday falls on an employee's regular day off, or the employee works on statutory holiday, then such employees shall be entitled to a day off at some other time in lieu of such holiday at a time convenient to both the employee and the Company.

ARTICLE 15 - EMPLOYEES RIGHTS

15.01 An employee who is to be disciplined for any reason shall be **so** advised in writing. The employer will notify the Union by e-mail, fax, or personal contact with a Business Agent or officer of the Local Union before discharge of a Union Steward or within three (3) hours of suspension of a Union Steward. Failure to comply with this procedure shall render the suspension or dismissal null and void until such time as the appropriate procedure is followed.

15.02 Certain benefits and privileges enjoyed **by** employees prior to certification shall continue. Such benefits are limited to those listed below:

- (i) when an employee is requested to travel from base of employment, to work at another location, and is required to use his own personal vehicle, he shall be compensated at applicable PSAC kilometer rate as updated from time to time.
- (ii) cleaning supplies will be supplied for all vehicles.
- (iii) if cell phones and/or pagers are required by the Company, they will be provided by the Company and paid for by the Company. Providing of cell phones and/or pagers to

drivers is solely at the discretion of the Company. Cell phones and/or any other communication devices are to be used exclusively for Company business.

- (iv) any employee who is required to domicile and plug in a Company vehicle will be compensated for use of hydro.
- (v) If the Company requests the driver to upgrade his license, the Company will provide the appropriate equipment for test purposes, if required. The employee will be paid one (1) hours pay on successful completion of the required upgrade.
- (vi) Drivers abstracts required by the Company shall be paid for by the Company except for pre-employment applicants.
- (vii) The Company will pay for the cost for the test of license (other than for a basic Class 5 or Class G driver's license) that is required for the job on successful completion of the test. In the event that there is no testing facility within 50 km of the drivers location, the Company will pay drive time to the testing location at the drivers hourly rate based on the standard travel time to the nearest testing location. Such travel must be approved in advance by the Company. The Company may deduct the cost of the test paid to the employee from the employee's final pay if the employee leaves the Company within 6 months of such payment.
- (viii) Drivers who have completed over one (1) year of service that are required to take any government or transport authority required medical examination. Such medical examination shall be promptly complied with by the employee. The Company shall pay for the cost of such physical at a recognized medical facility. The employee will be paid two (2) hours of pay for completing the physical.
- (ix) Employees in any location in which a trip has originated and/or will be concluded in the United States are subject to ongoing random drug and alcohol testing. Other than for cause or suspicion, only an employee who crosses the border or would be expected to cross the United States border is subject to this testing. Employees will be paid two (2) hours pay for completion of the drug and alcohol test.
- (x) Notwithstanding the above, if a driver is hired by the Company after the date of ratification of this agreement and that driver is, at the date of hiring, informed of the requirement to upgrade his license, the Company will not be obligated to compensate the driver under 15.02 (v), (vi), or (vii).

ARTICLE 16 - SAFETY CONDITIONS

16.01 The Company shall not require employees to take out on the streets or highways any vehicle that is not in a safe operating condition or equipped with safety appliances as required by law. It shall not be a violation of this Agreement where an employee refuses to operate such equipment unless such refusal is unjustified.

An employee must bring to the attention to the location supervisor or the Area Service Manager that a vehicle is thought to be unsafe immediately. If available, an alternate vehicle may be used or subcontractors will be used until such a time as the Company

deems the vehicle in good working order. The Company will use its reasonable best efforts to ensure the vehicle is inspected, repaired, and returned to service as quickly as possible.

16.02 It shall be the duty of the employee to report in writing on the appropriate forms of the Company promptly but not later than the end of their shift or trip all safety and/or mechanical defects on the equipment which they have operated during that shift or trip. It shall be the obligation of the Company to so inform the employees as to which supervisor to whom such reports on such equipment will be made.

16.03 It shall be the obligation of the Company to direct the repair as necessary to conform with the safe and efficient operation of that equipment.

16.04 Health and Safety

The Company and the Union recognize the benefits to be derived from a safe and healthy place of employment. It is agreed that the Company and the employees will co-operate fully to promote safe work practices, health conditions and the enforcement of safety rules and procedures.

ARTICLE 17 - TRAINING

17.01 The Company will pay for attendance when a driver is required to attend specific training courses dealing with driving in all weather conditions, defensive driving, road rage prevention, and general proficiency in first aid. The Company will, where possible, schedule training courses taking into account employee shifts. Employees are required to attend all mandatory training courses.

ARTICLE 18 - SAFE DRIVING BONUS

18.01 The Company will provide a gift card in the amount of one hundred dollars (\$100.00) as a safe driving bonus to each employee who has completed twelve (12) months of non preventable accident free driving in the period ending October 31st of each year provided that the employee worked on average at least one hundred and twenty (120) hours per month during the twelve (12) month period then ended. The hundred twenty (120) hours are inclusive of paid holiday **time**. Gift Cards will be mailed by December 15th of each year for the previous year to all employees who continue to be employed at that date.

ARTICLE 19 - DISCHARGE AND DISCIPLINE

19.01 The Company shall not discipline any employee without just cause. The principles of progressive discipline shall be followed. Copies of written warnings and suspensions shall be forwarded to the Union. Any discipline on an employee's file shall be removed twenty four (24) months following the issuance of such discipline.

ARTICLE 20 - HARRASEMENT

20.01 The Company and the Union believe that all employees, customers, suppliers, contractors and partners should be treated fairly and equitably in a harassment-free environment. Employees are required to treat each other fairly, openly and with respect. Harassment includes, but is not limited to unwelcome conduct, comments, gestures or contact that causes offense or humiliation to any employee, employment candidate, customer or member of the general public. Harassment can occur at or away from the workplace and during or outside working hours if individuals are in a work-related situation. It can be verbal, physical, written, intentional or unintentional. It includes, but not limited to unwanted behaviour based on the following prohibited grounds of discrimination: race, religion, sex, national or ethnic origin, marital status, family status, sexual orientation, colour, age, disability, pardoned conviction or other characteristic protected by law. Harassment is considered employee misconduct and is not tolerated.

ARTICLE 21 – PAY PERIOD AND CONDITIONS

21.01 The Company shall pay all employees covered by this agreement every two weeks by direct deposit. The payment date will be made on a Friday for the two-week period ending the previous Saturday. The payment will only be made for trip sheets submitted to the dispatch centre by the end of day Saturday prior to a payment date. All trip sheets must be faxed immediately after the conclusion of a trip or shift to the dispatch centre using the toll free number provided. On the day prior to the deposit date, the Company will mail the employee an itemized statement of payroll and deductions for the pay period. In the event that an error occurs on the employees pay, and that error exceeds seventy-five (\$75.00) dollars, the Company will mail the employee a cheque within two (2) business days of discovery of the error. If the error is less than seventy-five (\$75.00) dollars or the error was an overpayment, the adjustment will be made on the following pay. Year-end T4 slips will reflect monies paid for Union dues.

21.02 In the event of photo radar fines or parking tickets, and the driver can be identified, the employee will be notified and given the option of payment of the fine, or the Company will deduct the fine or ticket from the next pay cheque.

21.03 The Company shall not make any unauthorized deduction from the employee's pay other than those required by law, or this agreement without the express written consent of the employee.

ARTICLE 22 – HOURS OF WORK AND CONDITIONS - SCHEDULED DRIVER

22.01 Work Day And Work Week

- a) The recognized work day shall consist of up to eight (8) consecutive hours of work.
- b) The recognized work week shall consist of up to five (5) consecutive shifts.
- c) The hours of work shall be reduced by eight (8) hours in any week in which a statutory holiday falls.

22.02 Overtime

- a) Except as defined in MODIFIED WORK WEEKS, all hours over eight (8) hours in a day will be paid at one and one-half (1 1/2) times the regular rate of pay.
- b) All time worked on an employee's designated day of rest shall be deemed overtime and paid for at a rate of one and one half (1 1/2) times the regular rate of pay.
- c) Scheduled overtime work shall be allocated wherever possible on the basis of seniority on a voluntary manner, provided the employee is capable of doing the **job**.
- d) Scheduled drivers, who choose to run highway trips on their days *off*, cannot **use** their hours worked toward overtime **on** the highway. These drivers may book on as spare drivers as long as they book off at least 8 hours prior to their scheduled shift.
- e) The Company and the Union agree that a supervisor and an employee or an employee and another employee may arrange time to be worked and time off under a shift swap arrangement without the requirements for the Company to pay overtime. **All** such arrangements shall be in writing and approved in advance by the supervisor.

22.03 Modified Work Weeks

- a) The work week can be between ten (10) and twelve (12) hour shifts, four (**4**) or five (5) days on and between two (2) and four (**4**) days off or as approved in advance by mutual agreement between the Company and the Union.
- b) Overtime would only occur after twelve (12) hours in a day, or after fifty (50) hours in a seven (7) day period commencing on the first day of a shift block.
- c) Any changes to the format of schedules in a specific location shall be agreed upon by the Company and the Union other than where there is a change in the customer's required hours of service at which point the Company must provide 7 days notice of a change in hours of service.

ARTICLE 23 – HOURS OF WORK AND CONDITIONS - ROAD DRIVERS

23.01 DRIVER POOLS

Main Pool Drivers

When the dispatch centre receives a call, the driver first out at that location will be dispatched. If the driver first out is on rest or unavailable then the next driver will be utilized. The dispatch centre will repeat this process until they reach the next available driver. Once the agreed Location Rotation Amount has been reached, the driver will be rotated on the board. The initial Location Rotation Amount for all Locations will be \$50.00 or as agreed in a particular location on ratification.

The main pool may be increased or decreased based on volume of trips in the specific location and the input of the Union will be required before implementation of any changes. **The** principles of seniority will apply for expansion and contraction of the main board.

Spare Pool Drivers

Spare drivers must adhere to the same rules as the main pool drivers. **All** rules regarding trip dispatching, booking rest or booking *off*: short trips and spare board rotation will apply. If **no** full time or spare drivers or vehicles are available, the taxi backup will be dispatched to protect the service.

23.02 REGULAR NOTICE CALLS:

Drivers will **be** allowed 30 minutes to respond to dispatch call. If no call back is received within 30 minutes, the next driver will be utilized. **A** driver that fails to respond within 30 minutes or refuses a trip will be moved to the bottom of the board and the next up driver will be called. If no drivers are available to respond to the call in a timely fashion, the taxi backup will be utilized to protect the service.

23.03 SHORT NOTICE CALLS:

A Short Notice call is considered anything 1.5 hours or less notice to the pick-up time plus drive time. Drivers will be allowed 15 minutes to return a Short Notice call. If no call back is received within 15 minutes, the next driver will be utilized. If no drivers are available to respond to the call in a timely fashion, the taxi backup will be utilized to protect the service. Drivers unable to return a Short Notice call within 15 minutes will retain their position provided that the driver calls within 30 minutes.

23.04 SHORT TRIPS:

Short trips are defined as trips that pay the driver less than Location Rotation Amount. A driver performing a short trip will remain first out on the board and may be required to perform multiple shorts or any combination of trips until the driver exceeds the Location Rotation Amount. If a short trip develops into a long trip, it is incumbent on the driver to notify the Dispatch Centre immediately so that the board can be rotated correctly. Likewise, drivers are responsible to notify dispatch if a long trip is changed to a short trip, in order to hold their position as first out following the completion of that short trip.

23.05 DRIVERS BOOKING REST

Drivers are allowed to book up to a maximum of 10 hours rest and a minimum of 8 hours rest upon reaching the Location Rotation Amount. Drivers will not be allowed to book rest on short trips until 14 hours have elapsed from the beginning of their first trip. Drivers on rest will hold their position on the board.

23.06 DRIVERS BOOKING OFF

Drivers booking off for any length of time other than rest, must advise their location Supervisor as soon as possible. Example, vacation bereavement, illness, jury or crown witness duty, expiration of hours of service. Drivers that have been on call for 5 full days will be allowed to book off 2 days, however, locations may be scheduled by the Company so that no more than one driver is booked off at any one time. In the event of dispute in scheduling, seniority will be the determining factor.

23.07 DRIVERS RETURNING TO THE REGULAR/SPARE BOARDS

The main board is generally designed to ensure that one driver is available for each van in a location at all times. By following the steps outlined below, the board size never expands to more than what it would normally be if all main pool drivers were available.

- a) When a main pool driver books off, the main pool driver's spot remains vacant but rotate in turn as if they were there. If the main pool driver returned from being booked off: he would re-enter the board into whatever position his or her spot was rotated to.
- b) When drivers book rest (rather than booking off) the above will not apply and the next up main pool driver will be used.
- c) If the main pool driver re-entering the board, enters into any spot other than the first out position, he or she retains that spot and ultimately gets whatever trip that spot dictates.
- d) If the main pool driver re-enters the board when his or her vacated position had become first out, a spare driver is utilized in that position regardless of whether or not a trip had been called for that first out position.
- e) If the spare driver does not make more than the Location Rotation Amount, they stay first out to go again. Once they have met the required Location Rotation Amount that spot rotates to the bottom of the list and the main pool driver re-enters the pool in the last out position.
- f) This practice will be applied for each and every vacated main pool drivers spot that comes to the first out position and will continue to cycle through until the main pool driver's book back on.
- g) The spare board will rotate on the same basis as above.

23.08 BAD WEATHER POLICY

Drivers will always be asked to attempt a trip in poor weather conditions until such time as the roads are officially closed. If a crew does not want to attempt the trip, the driver must then contact the Dispatch Centre and report the situation. To attempt a trip will be defined by, proceeding to the van location, do the necessary inspection and ready it for departure. No vehicle will depart or continue on a trip, when in the opinion of the driver, the weather conditions are such that the safe conclusion of the trip is in question. If the driver is unable to commence his trip, due to weather or crew refusal, the driver shall be paid one hour of pay. In the event the driver begins his trip, and is unable to continue and return to the yard he shall be paid the greater of one hour of pay or the applicable hourly rate of pay for all time spent until he returns to the yard.

In the event the driver is stranded on the road due to bad weather or breakdown, the driver will be reimbursed by the Company for a motel room and cover meals not exceeding \$20.00 upon the driver providing receipts to the Company. If the driver is stranded in the van or has a crew on board the driver shall be paid the applicable hourly rate for all time delayed.

23.09 WAIT TIME/DELAY TIME

Drivers will be paid wait time at the applicable hourly rate at all pick-up points commencing immediately after the scheduled pick-up time in one minute increments. It is a requirement of any driver to notify the Dispatch Centre of any crew delays in excess of 15 minutes. Drivers must clearly indicate any wait time reasons and time on the trip sheets including wait time at pick-up point, drop-off point, and any stops on the route. Drivers must have sign-off for all wait time on the trip sheets by one crew member from the trip or indicate a refusal of a crew member to sign.

ARTICLE 24 – WAGE REVIEW

If the Consumer Price Index for Canada exceeds 3.5% for the year ended December 31, 2010 or by mutual agreement, the Union or the Company may request a reopening of the Collective Agreement only as it relates to the rates on Schedule – 1 for the final year of the agreement by providing notice to the other party in writing by Registered Mail before April 30, 2011. If no Agreement on rates is reached by July 31, 2011, the Agreement shall remain in force up to the time an Agreement is reached.

ARTICLE 25 – RATIFICATION BONUS

Within 30 days of Ratification of this Collective Agreement, the Company shall pay the equivalent of 7.25% of the Road Driver Pay and Scheduled Yard Driver Pay for period from July 1, 2008 to the date of Ratification as a Ratification Bonus to those drivers who continue to be employees as of the date of Ratification.

ARTICLE 26 - DURATION AND RENEWAL OF AGREEMENT

This Agreement shall take effect and be binding upon the parties from the day of ratification until October 31, 2012 and shall continue in effect from year to year thereafter unless notice of termination or revision thereof is given by either party in writing by Registered Mail, at least sixty (60) days and not more than ninety (90) days prior to the natural expiration date or any subsequent anniversary date. Such notice may require the other party to enter into negotiations for renewal of the Agreement on twenty (20) days notice and shall contain an itemized list of all requested changes to the Agreement and these shall be the only items which shall be considered; and all other provisions shall remain as set forth herein. If no Agreement is reached at the expiration of this Contract and negotiations are continued, the Agreement shall remain in force up to the time a subsequent Agreement is reached.

THIS COLLECTIVE AGREEMENT SIGNED THIS 5th DAY OF September, ~~2008~~²⁰⁰⁸

ON BEHALF OF THE COMPANY

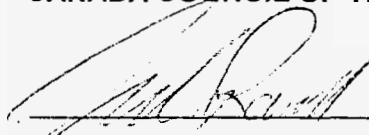
ON BEHALF OF THE UNION

HALLCON CREW TRANSPORT INC.

CANADA COUNCIL OF TEAMSTERS



Kevin Ramsay, Vice President



Fred Randall, on Behalf of Canada Council of Teamsters



Tony G. Plut, President

SCHEDULE 1
WAGES

SCHEDULE0 DRIVERS - Scheduled Drivers work on scheduled shifts and are required to be in their vehicle at all times to service the Company's customers. Drivers are paid based on a fixed hourly rate multiplied by their hours worked. Scheduled drivers shall be paid for their shift from the scheduled start time to their scheduled end time or when the employee leaves work which ever is earlier. Drivers are expected to remain on railway property when not on trips unless otherwise directed by the Company.

	Ratification	Nov 1, 2009	Nov 1, 2010	Nov 1, 2011
Hourly Rate	\$10.90	\$11.31	\$11.74	\$12.19

Drivers operating based in the Toronto will receive a Location Premium of \$0.75 per hour for all hours worked as a result of the cost of living differential in these Locations.

ROAD DRIVERS - Road Drivers work on call and performs trips for the Company based on a first up position on a driver rotating board. Drivers are compensated based on a flat rate for their trips which are calculated as the average drive time for the trip existing calculation multiplied by an applicable hourly rate.

	Ratification	Nov 1, 2009	Nov 1, 2010	Nov 1, 2011
Hourly Rate	\$12.10	\$12.46	\$12.93	\$13.41

Minimum pay per trip is one hour of pay excluding wait time.

Return pay is one hour pay for all trips over 50 km one way. Return pay is payable where the driver takes crew out to a drop point and brings a crew back to the origination point.

Fueling, Cleaning of vehicle, Safety Check and Administration Pay is 15 minutes for all trips over 30 minutes in length one way.

In the event the driver begins a trip and is cancelled, he shall be paid the greater of one hour pay or the applicable hourly rate of pay for all time spent until the driver returns to the yard.

Drivers operating based in the Toronto location will receive a Location Premium of \$0.75 per hour for all hours worked as a result of the cost of living differential in these Locations.

IMPORTANT NOTE:

If you leave the employ of the Company, contact your Local Union wither in person, or by mail, for a WITHDRAWAL CARD. OBTAINING A WITHDRAWAL CARD IS THE SOLERESPONSIBILITY OF THE MEMBER

WITHDRAWAL CARDS can only be issued to a member whose dues are paid to and including the month in which the withdrawal card is requested.

IF YOU ARE NOT WORKING DUE TO SICKNESS, LAY-OFF, WORKMAN'S COMPENSATION, ETC., NOTIFY THE UNION OFFICE AND OBTAIN A WITHDRAWAL.

WITHDRAWAL CARDS ARE VALID ONLY WHEN A MEMBER IS NOT WORKING AT THE CRAFT.

KNOW YOUR AGREEMENT: MAKE SURE YOU KEEP IT FOR YOUR FUTURE REFERENCE. IF THERE IS ANYTHING ABOUT WHICH YOU MAY BE IN DOUBT, ASK YOUR STEWARD TO ADVISE YOU, OR CONTACT YOUR LOCAL UNION OFFICE.

ALWAYS

1. *ATTEND YOUR UNION MEETINGS.*
2. *Help new employees become acquainted with the agreement*
3. *If you leave the employ of the Company, contact your Local Union office for a withdrawal card.*

"BE A GOOD UNION MEMBER"

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