

COLLECTIVE AGREEMENT

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between

KOCH TRANSPORT INC,



CAMBRIDGE, ONTARIO
(the "Company")

and

CAW  TCA
CANADA

www.caw.ca

**NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA (CAW-CANADA) LOCAL 4268**
(the "Union")

Expiry Dec. 31, 2010

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Koch Transport Inc.

CAW LOCAL 4268

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ARTICLE 1 RECOGNITION AND SCOPE *

1.1 The Company recognizes the Union as the sole and exclusive bargaining agent for all employees of the Company in the City of Cambridge, Mississauga, Hamilton and London, save and except forepersons and dispatchers, persons above the rank of foreperson and dispatcher, office, sales and clerical staff.

1.2 Merger and Representation Rights:

The provisions of this agreement shall be binding upon any successor or merged Company or Companies or any successor in the control of the Company. In the event there is a merger with another Company in which the covered employees therein are represented by another Union, in such Company, the representation rights and the status quo of this Union shall be maintained until a final determination is made in accordance with the Canada Labour Code.

ARTICLE 2 RELATIONSHIP

2.1 The Company and the Union agree that there will be no discrimination, interference, restraint, harassment or coercion exercised or practised by either of them, or by any of their representatives or members with respect to any employee because of his/her membership or activities or lack of membership or activities, in the Union, or because of his/her race, national or ethnic origin, colour, religion, age, sexual orientation, marital status, family status, disability or conviction for which a pardon has been granted, as such terms are defined in the governing legislation.

The Company and the CAW are committed to providing a non-discriminatory and harassment free workplace. Harassment is defined as a course of vexatious comment or conduct that is known or ought reasonably to be known to be unwelcome, in regards to the grounds referred to in Article 2.1. All employees are expected to treat others with courtesy and consideration and to discourage harassment.

Harassment is in no way to be construed as properly discharged supervisory responsibilities including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual. Neither is this article meant to inhibit appropriate free speech or interfere with appropriate normal social relations.

2.2 The Union agrees that, except as provided for in this Agreement, there will be no Union activity on the premises of the Company during the employees' working hours except by mutual agreement with the Company.

- 2.3 No management person or contractors outside of the bargaining unit shall perform any work that is expected to exceed four (4) hours in duration and that is normally performed by bargaining unit members except where persons on call have been given the first opportunity to perform the work on regular hours.
- 2.4 No pick up and delivery work within a defined radius (Schedule "B") will be subcontracted if it results in the layoff of any driver employed on June 9, 1996.

ARTICLE 3 MANAGEMENT RIGHTS

3.1 The Union recognizes and acknowledges that the management of the operation and direction of the working force are fixed exclusively in the Company and, without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Company to:

(a) maintain order and efficiency;

(b) hire, promote, demote, assign duties, layoff, recall, discharge, suspend or otherwise discipline employees, provided that a claim that an employee who has completed his probationary period has been discharged or disciplined without just cause or has been dealt with contrary to the provisions of this Agreement may be the subject of a grievance and dealt with as hereinafter provided;

(c) make, enforce and alter, from time to time, reasonable rules and regulations to be observed by the employees;

(d) determine the nature and kind of business conducted by the Company, the kinds and locations of the facilities, equipment and materials to be used, the control of materials and parts, the methods and techniques of work, the content of jobs, the schedules of operation, the number of hours to be worked, the schedules of work, the qualifications of employees, the number of employees to be employed, the extension, limitations, curtailment or cessation of operations or any part thereof, and to determine and exercise all other functions and prerogatives which shall remain solely with the Company except as specifically limited by the express provisions of this Agreement.

3.2 Any matter not specifically covered by this Agreement including the retention, modification or elimination of benefits, employee rights and privileges remain within the exclusive preserve of the Company. There shall be no attempt by either party or an Arbitrator to read into the provisions of this Agreement any principle or authority whereby the process of collective bargaining has in

any way usurped the rights of management except as may be specifically stipulated herein.

ARTICLE 4 STRIKES AND LOCKOUTS

- 4.1 The parties having entered into this Collective Agreement in mutual good faith, the Company agrees there will be no lockout and the Union agrees there will be no strike, picketing, slow-down or other concerted activity, either complete or partial, which could interfere with or restrict operations during the term of this Agreement.
- 4.2 A member covered by this agreement shall have the right to refuse to cross a legal picket line recognized by the Union. Failure to cross such a picket line by a member of the Union shall not be considered a violation of this agreement, nor shall it be grounds for disciplinary action providing that the employee notifies the supervisor immediately of the situation.

ARTICLE 5 UNION SECURITY

- 5.1 All current employees who have not done so and all new employees will be required to complete and sign an Application for Membership and Authorization for Checkoff of Dues and initiation Fee on Form A230-86, supplied by the Union.
- 5.2 To the extent permitted by the law of any provincial or federal forum, the following Union security provision shall be applicable:
- (a) It shall be a condition of employment that all employees of the Company, covered by this Agreement, be members of the Union in good standing. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date, shall on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. The above shall not be applicable or effective if restricted by any provincial or federal law. If the law of any provincial or federal forum prohibits the enforceability and applicability of any such provision, it shall not be effective and it shall be void. Member in good standing shall mean payment of periodic dues, assessments and initiation fees uniformly received from Union members but shall not require Union membership as a condition of employment for the probationary period.
- (b) The Union hereby indemnifies the Company and holds it harmless against any and all claims, suits, demands, and liabilities that may arise out of or by reason of any action that shall be taken by the Company for the purpose of

complying with the foregoing provisions of this Article, or in reliance on any list, certificate, document or other information which shall have been furnished to the Company by the Union, under this Agreement.

- 5.3 The Company agrees it will deduct current monthly Union dues on a monthly basis from the wages of the employees who are covered by this Agreement; provided that the Company has received from each employee, on whose account such deductions are made, a written assignment, individually signed and authorizing the Company to make such deductions. Dues shall be deducted from the payroll in each month and forwarded to the Union by the fifteenth (15) day of the following month.

The name, home address and employment date shall be given in writing by the Company to the Union on all new employees after the new employees have successfully completed their probationary period.

Union dues are payable from the first full pay received by the employee following the date of hire.

Temporary employees shall pay dues on a pro-rated basis.

- 5.4 The Company will add the amount of Union dues deducted to the employee's T-4 slip.
- 5.5 The Company will provide the Union a list of laid-off employees.

ARTICLE 6 REPRESENTATION

- 6.1 The Company recognizes the right of the Union to elect or appoint a Unit Chairperson along with two (2) Alternate Stewards, for the purpose of assisting employees in the processing or presenting of complaints or grievances. The Stewards shall have completed their probationary period and the Union agrees to keep the Company notified in writing, at all times, of the names of the employees who are acting in the capacity of Steward.
- 6.2 It is understood that the Stewards will have to do the work assigned to them by the Company and if it is necessary that they investigate a complaint or grievance during working hours, they will not leave their work before obtaining the permission of the Supervisor in charge. When returning to their regular work, they will report themselves to the supervisor, and if they are requested to do so, will give an explanation as to their absence and its length. It is understood that, whenever possible, the Steward will attempt to take care of grievances outside of their working hours in order not to impede the operation of their department.
- 6.3 The Company agrees to recognize and deal with a Union Grievance Committee of not more than two (2) persons including the Unit Chairperson.
- 6.4 It is understood that one (1) steward will be paid straight time to attend to these matters. Two (2) shop stewards will be paid at straight time to attend to grievances at Step 2 and beyond. The hours paid to Stewards under this article will not be included in the calculation of overtime.

ARTICLE 7 GRIEVANCE PROCEDURE

- 7.1 The parties to this Agreement are agreed that it is of the utmost importance to adjust complaints and grievances as quickly as possible. Accordingly, no grievance shall be arbitrable where the circumstances giving rise to it occurred or originated more than eleven (11) working days before the filing of the grievance.
- 7.2 It is generally understood that an employee has no complaint or grievance until he, either directly or through the Union, has first given his supervisor an opportunity to adjust the complaint.
- 7.3 If, after registering the complaint with the supervisor, such complaint is not settled within one (1) working day or within any longer period which may have been agreed to by the parties, then the following steps of the Grievance Procedure may be invoked:

STEP 1:

The grievance shall be submitted in writing through the Union to the Operations Manager within five (5) working days following the reply of the supervisor. The Operations Manager shall hold a meeting with the Union Steward within a further five (5) working days and shall communicate his position to the Union Steward within three (3) working days of such meeting. The grievor or supervisor may be present if requested by either party.

STEP 2:

If the grievance remains unsettled at the conclusion of Step 1, the grievance may be submitted within three (3) working days of the Operations Manager's reply, to the Vice President or his designated representative who shall within ten (10) working days hold a meeting between the Union Grievance Committee and the appropriate representatives of Management, in a final attempt to resolve the grievance. The Grievor may be present at this meeting if requested by either Party. The Vice President or his representative shall within a further five (5) working days give his decision, in writing, to the Union. If the Union wishes to proceed to arbitration, the Union shall, within ten (10) days of the date of the Vice President's decision, but not thereafter, deliver to the Company a notice in writing stating that it wishes to take the matter to arbitration. The notice to arbitrate shall specify the issues in dispute, the section or sections of the Collective Agreement alleged to have been violated and the remedy sought.

7.4 Discharge

A claim by an employee other than a probationary employee, that he has been unjustly discharged shall be treated as a grievance if a written statement of such grievance is lodged with the Operations Manager within five (5) working days after the employee ceases to work for the Company unless an extension is sought by the Union and granted by the Company. Such grievance shall then be processed commencing at Step 2.

7.5 Policy Grievances

A Union policy grievance or a Company grievance may be submitted to the Company or the Union, as the case may be, in writing, within five (5) working days of the circumstances giving rise to the grievance. A meeting between the Company and the Union shall be held within five (5) working days of the presentation of the written grievance. If the matter is not disposed of at such meeting, the grievance may be submitted to arbitration within ten (10) days of the date of such meeting and Article 8 (Arbitration) shall apply. Time limits may be extended by mutual agreement in writing as provided in Article 7.6. It is expressly understood that the provisions of this paragraph may not be used by the Union to institute a grievance directly affecting an employee or employees which such employee or employees

could themselves institute and the provisions of Article 7.1 hereof shall not thereby be by-passed.

- 7.6 It is agreed that all time limits in these Article 7 and Article 8 are mandatory and Section 48(16) of the *Labour Relations Act* does not apply. An extension of time by up to five (5) consecutive working days shall be granted if the request for such extension is made by either party, in writing, before the expiration of any time limit. Thereafter, extensions of time limits hereunder may only be made by mutual written agreement between the parties.
- 7.7 When an employee is suspended without pay the Company shall have the employee serve the suspension within twenty-one (21) days of the discipline being imposed. If the suspension does not commence within the twenty-one (21) day period, the employee will not have to serve the suspension and it will be removed from his/her file.
- 7.8 The Company will recognize the requirement of progressive discipline. The usual procedure will be as follows for consistent related issues.
- Verbal reprimand
 - Written reprimand
 - One (1) day suspension
 - Three (3) day suspension
 - Five (5) day suspension

The Unit Chairperson and the Union shall be provided with a copy of all disciplinary notations issued to employees as soon as practicable after issuance.

- 7.9 All notations of reprimands and suspensions that are 24 months old cannot be used for future discipline matters. The parties agree that discipline must be issued in a consistent manner.

ARTICLE 8 ARBITRATION

- 8.1 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties, after exhausting any grievance procedure set forth in this Agreement, may notify the other party in writing of its desire to submit the difference or allegation to arbitration and the notice shall contain the first party's suggestions for an Arbitrator. If the two parties fail to agree upon an Arbitrator within the time limits, the appointment shall be made by the Minister of Labour upon the request of either party. The Arbitrator will hear and determine the difference or the allegation and shall issue a decision and the decision is final and binding upon the parties and upon any employee affected by it.

- 8.2 The Arbitrator shall not be authorized to make any decision which is contrary to, or inconsistent with, the provisions of this Agreement in any particular, nor to deal with any matter which is not covered by this Agreement.
- 8.3 The compensation and expenses of the Arbitrator shall in all cases be borne equally by the Company and the Union.
- 8.4 No matter may be submitted to Arbitration which has not first been properly carried through all preceding steps of the Grievance Procedure.
- 8.5 Notwithstanding the above, the parties may mutually agree that a grievance may be referred to a three-person Board of Arbitration rather than a Sole Arbitrator. In such event, all the provisions of Article 8 shall apply, with appropriate changes, and all references to Sole Arbitrator shall be read as referring to a Chairman or Board of Arbitration.

ARTICLE 9 PROBATIONARY EMPLOYEES

- 9.1 An employee will be considered as a probationary employee for his/her first ninety (90) calendar days and will have no seniority rights during that period. The termination of an employee during his probationary period shall not be made the subject of a grievance under the Grievance Procedure. Such termination shall be made at the sole discretion of the Company. After completion of his probationary period, the employee's seniority shall date from his most recent date of hire.

ARTICLE 10 SENIORITY

- 10.1 A seniority list will be posted by the Company for a period of fourteen (14) calendar days within one (I) month after the signing of this Agreement. Except as otherwise modified elsewhere in this Agreement, seniority shall be based on total length of service with the Company. After such posting, the list shall become final as to the employees' names and dates designated on it, except as to any employee who has disputed the accuracy of his seniority date while the list is posted, in which case it will be subject to adjustment under the Grievance Procedure if established to be inaccurate. The seniority list will be brought up-to-date every six (6) months and a copy will be given to the Unit Chairperson and a copy posted on the bulletin board.
- 10.2 An employee's seniority will be lost and the employee shall be deemed terminated if he:
- (a) quits the employ of the Company for any reason;

- (b) is discharged and is not reinstated through the grievance procedure or arbitration;
- (c) is laid off for a continuous period exceeding the length of his seniority at the time of layoff or a period exceeding twelve (12) months, whichever comes first;
- (d) fails to notify the Company of his intention to return to work within five (5) working days of his being notified of recall from layoff, or fails to return to work within five (5) working days of being notified of such recall. An extension of these time limits may be granted by mutual agreement between the Company and the Union. An employee shall be deemed to be notified of recall on the day following the posting of a registered letter to that effect addressed to the employee's most recent address on the Company's files;
NOTE: It shall be the responsibility of the employee to keep the Company informed of his current address.
- (e) is absent for three (3) consecutive working days without notifying the Company with a reason satisfactory to the Company; or
- (f) retires.

10.3 Subject to Article 10.4, in all cases of layoff or recall, senior employees shall be entitled to preference provided they have the immediate ability and qualifications to perform the available work.

10.4 Notwithstanding Article 10.3, employees on a bid job may not be bumped in the case of layoff or movement to on call status. The Unit Chairperson shall be exempt from layoff or on call status from his/her classification so long as there is work which he/she can perform satisfactorily. (If the Unit Chairperson is a driver their seniority will be exercised by bumping the most junior tramp driver.)

10.5 (a) When creating a new bid or filling a permanent bid (other than under Article 10.6), seniority will apply where the ability and qualifications of the applicants for promotion are relatively equal and are sufficient for the vacancy to be filled. Such openings will be posted for three (3) working days to give interested employees an opportunity to apply. Notwithstanding the above, employees outside the Maintenance Department shall not be eligible to apply for postings in the Maintenance Department and vice versa, unless specifically authorized by the Company.

- (b) Employees who wish to be considered for transfer to a non-bargaining unit position may place a written statement of such wishes on file with the Company annually.
- (c) An employee who bids into a different classification resulting in a junior employee being laid off will remain in that classification until the following annual bid. This shall not prevent the employee from bidding within the new classification during this period.

10.6 (a) On the first Tuesday following Labour Day, the Company agrees to the posting of all bid jobs that have been established stating, where applicable, the class, type of truck and the starting time. The posting shall remain on the bulletin board from 12:00 o'clock noon, Tuesday, the day of the posting, until 12:00 o'clock noon Friday, following the date of the posting. The jobs shall take effect no later than the fifteenth (15th) working day from the Friday the posting is removed. For clarity, the parties agree that bid jobs will be done based on starting time and not by runs or areas. Drivers will be assigned their daily trips by the dispatch department determined by seniority and qualifications.

- (b) After September of each year when a permanent job bid is reposted for any reason whatsoever, no employee who is currently on a permanent bid at the time of the posting shall then have the right to exercise his seniority for the posted job.

Notwithstanding the above, a tramp driver or an employee on a permanent job bid who did not have the opportunity to the posted bid in September, or a laid off or "on call" employee who has permanently lost his bid, may now have the opportunity to the posted job.

- (c) Licensed motor mechanics, licensed trailer mechanics and tiremen may not exercise their seniority for any bid jobs, except in the event of a complete, permanent closure of the maintenance department, when they may exercise their seniority for any bargaining unit position pursuant to Article 10.3.
- (d) At the time for the annual job bid, the Company shall each day post on the bulletin board what starting times have been taken and by whom.
- (e) Out of town starting drivers will be notified of job bids under 10.05 and 10.06(a).
- (f) The Company will provide the Union with a copy of the job bids.

- (g) Current bids which require a change in starting time at the Customer's or Company's request shall first be offered to the employee presently holding such bid. If that employee refuses, the bid will be considered a re-posted bid under Article 10.6(b).

10.7 Employees shall be selected and allocated to the annual job bid in order of seniority, provided that the employee has the qualifications for the job. An employee shall be called by seniority to select the particular job of his choice.

Interim Bids:

Employees shall be awarded and allocated to an interim job bid in seniority within their classification. When applicants from within their classifications apply for a vacancy, employees shall be awarded from within another classification based on seniority.

10.8 An employee who voluntarily transfers from a bid run to a tramp run may exercise his seniority for the last choice of tramp driving positions for that day. At the next annual job bid under Article 10.6(a), he may exercise his seniority for all purposes.

10.9 The Company shall have the right to fill a bid job on a temporary basis. If a temporary opening on a bid job is expected to exceed one (1) week and the Company requires it to be filled, a posting procedure, based on seniority and qualifications, will be used. An employee who fills in on a bid run on a temporary basis, shall have the right to any time exercise his seniority to return to a tramp run, however, he shall in all such cases give the Company not less than four (4) working days' notice prior to such transfer taking effect. He shall then have no further right to exercise his seniority on a temporary fill-in on a bid run until the next annual job posting.

10.10 If for any reason a posted job is discontinued, the employee shall exercise his/her seniority within the bargaining unit, provided that no such employee may bump another employee on an existing bid job. The Company shall give seventy-two (72) hours notice prior to permanently discontinuing any permanent posted bid.

10.11 Notwithstanding any provision in this Agreement, an employee, for valid medical reasons supported by a medical certificate, may be transferred to a more suitable job, provided there is a job opening and the employee is qualified.

10.12 All drivers who are not assigned to a bid job shall be assigned to a tramp job or to unposted dock work, according to seniority.

10.13 An employee absent during the bidding period shall give his selections, in order of priority, by 8:00 a.m. on the Monday following the removal of the posting if he wishes to be considered for any bid job.

10.14 No employee shall work in any position outside of the bargaining unit without the employee's consent. A bargaining unit employee who is selected for a position outside the bargaining unit shall retain his seniority and continue to pay Union dues under Article 5.2 and may continue to accumulate seniority for a maximum period of one (1) year. If the employee wishes to return to the bargaining unit, he shall give two (2) weeks' written notice of his intention to return. Seniority shall be used if he is transferred back to a bargaining unit position by the Company. If an employee decides to become management prior to the expiration of the one (1) year period, he will cease to pay Union dues.

10.15 When it becomes necessary to reduce the number of dockworkers, the reduction shall be made by inverse seniority notwithstanding bid starting times, provided the Company has a sufficient number of qualified shunters remaining.

ARTICLE 11 BULLETIN BOARDS

11.1 The Company agrees to provide a Bulletin Board in an area accessible to employees in the terminal(s) for the purpose of posting meeting notices and official Union information.

Notices will be signed and posted only by officers of the Union.

ARTICLE 12 HEALTH AND SAFETY

12.1 No employee will be required to operate unsafe equipment. Employees shall report defects upon return to the terminal. Truck repair reports shall be made in duplicate and signed by the driver. One (1) copy shall be returned to the driver upon request. When the work has been completed, one (1) copy shall be signed by the maintenance department.

12.2 No employee shall be disciplined or discharged for refusal to work on a job or in any work place or to operate any equipment where it would be contrary to applicable federal or provincial legislation or regulations.

12.3 Where the Company deems it necessary, and as required by government regulations, the employees must use protective devices and other equipment in an effort to reduce their exposure to injury.

12.4 The Company shall provide for a Safety and Health Committee consisting of three (3) employees appointed or elected by the Union and three (3) representatives of management.

The Company will recognize three (3) members of the Union to participate as members of the Accident Review Committee. These members must meet the criteria of safe operators/employees as outlined by an established policy. (under letter of understanding confirmed & endorsed 12/19/07)

ARTICLE 13 LEAVES

13.1 (a) An employee who loses his/her licence for off-duty violations of the Criminal Code, Highway Traffic Act or for other off-duty misconduct will, upon request made within five (5) days, be granted a leave of absence, without pay or benefits, for up to two (2) years. If such employee does not have the ability to exercise his/her seniority to seek a vacancy, provided he/she meets the requirements to perform the work, the employee shall not accumulate seniority.

(b) An employee who loses his licence for medical reasons may exercise his seniority to seek a vacancy provided he has the ability, qualifications and physical fitness to perform the required work.

13.2 Jury Duty

If an employee is called for jury duty, he shall receive eight (8) hours' pay for each work day he is absent (up to twenty (20) days per year), provided that he signs over to the Company any jury duty fee received from the Court.

If an employee is excused from jury duty for one (1) or more scheduled work days due to Court adjournments or other reasons, the employee must report for work on his regularly scheduled shift.

13.3 Bereavement Leave

(a) In the event of the death of an employee's child, grandchild, father, mother, brother, sister, spouse who resides with the employee, or such spouse's father or mother, the Company shall grant a leave of absence of **up** to three (3) successive working days up to and including the day of the funeral for the purpose of making arrangements for and attending the funeral. Eight (8) hours' pay will be paid for each such working day provided the employee attends the funeral.

- (b) The Company will grant one (1) day's leave of absence, with eight (8) hours' pay, to an employee to attend the funeral of his brother-in-law, sister-in-law, son-in-law, daughter-in-law or grandparent.
- (c) If more time off is required for any reason related to the death, a leave of absence without pay may be granted by the Company.

13.4 The Company may grant a leave of absence without pay of up to four (4) weeks to an employee who requests such leave in writing at least two (2) weeks prior to the commencement of such leave. Leave may be granted under this clause for personal reasons satisfactory to the Company provided that the leave of absence does not interfere with the Company's operations. The employee may continue to be covered by Health and Welfare benefits during such personal leave if the premiums therefore are paid monthly in advance.

ARTICLE 14 STATUTORY HOLIDAYS

14.1 The Company agrees to grant the following holidays:

New Year's Day	Thanksgiving Day
Good Friday	December 24 th
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	December 31 st
Labour Day	

Where any of the above-noted holidays falls on a Saturday or a Sunday, the Company will designate another day on an individual or group basis, in accordance with operational needs, to be a holiday for the purpose of this Agreement. This also applies to the July 1st holiday.

14.2 The Company will pay each active regular full-time dock and maintenance employee who has completed his probationary period eight (8) hours' pay at his regular hourly rate for each such holiday provided the employee works his full shift immediately preceding and immediately following the holiday unless absent on those shifts due to bona fide personal illness or unless excused by the Company during part of such shift. In addition, in order to qualify for holiday pay, employees must perform work for the Company or be on paid vacation during either the five (5) working days immediately preceding the holiday or any twelve (12) days in the twenty (20) working days immediately preceding the holiday. For drivers, the above reference to eight (8) hours' pay shall be changed to read nine (9) hours' pay.

- 14.3 If any of the above holidays falls within an employee's vacation period, the employee shall be paid the pay for the holiday and, if mutually agreed, he shall receive another day off without pay following his vacation.
- 14.4 An employee required to work on any of the above holidays shall be paid for authorized work performed on such day at the rate of one and one-half (1½) times his regular hourly rate for all such hours worked and, in addition, provided he qualifies, his holiday pay for said holiday.
- 14.5 When an employee is required to work on any of the above-mentioned holidays, it shall be by seniority on a voluntary basis, however, if any "on call" or sick employee has missed one (1) or more full working days in that week, he shall be given first opportunity of performing this work, with the on call employee having priority to the senior trip and the job and the sick employee having the second priority to the trip and job.
- 14.6 If an employee, who qualifies for statutory holiday pay hereunder, is in receipt of WCB or WI benefits for that period, the amounts received from those benefits shall be deducted from the holiday pay otherwise payable by the Company.

ARTICLE 15 VACATIONS

- 15.1 Employees shall receive a vacation with pay on the following basis:

After one (1) year's service - two (2) weeks' vacation
After five (5) years' service - three (3) weeks' vacation
After ten (10) years' service - four (4) weeks' vacation
After seventeen (17) years' service - five (5) weeks' vacation
After twenty-five (25) years' service - six (6) weeks' vacation

- 15.2 The annual vacation entitlement will be calculated on January 1 of each year. The amount of vacation to which an employee is entitled in any year will be determined by the employee's length of service on January 1 of that year and, if an employee has less than one (1) year's service on that date, may be pro-rated at one day's vacation for every month of service up to a maximum of ten (10) days' vacation. If an employee reaches his 5th, 10th, 17th or 25th anniversary after January 1, he shall be entitled to the additional week of vacation following such anniversary in that vacation year.
- 15.3 Vacation pay for those entitled to two (2) weeks', three (3) weeks', four (4) weeks', five (5) weeks' or six (6) weeks' vacation shall be calculated at 4%, 6%, 8%, 10% or 12%, respectively. Vacation pay will be calculated by

applying the appropriate percentages to the employee's wages earned in the previous calendar year and, in calculating wages, no account shall be taken of any vacation pay previously paid. Employees with less than five years service and with between six and nine years service shall have their vacation pay calculated in accordance with Section 184 of the *Canada Labour Code*.

15.4 The Company will attempt to schedule vacations at times acceptable to individual requirements provided such scheduling does not interfere with the Company's manpower and operational requirements. The Company may limit the number of employees who may take vacation in any week. Vacation preference will be determined in March each year. No employee may select more than two (2) weeks' vacation during June, July and August until all employees have had the opportunity to select at least one (I) week during those months. Employees requesting changes thereafter will not be entitled to use their seniority to displace a junior employee who has already booked his vacation period. On April 1, the employees will be called in by seniority to complete their final selection but will not be allowed to displace any junior employee who made a selection at the time of the original posting.

10% of employees allowed to schedule vacation at the same time by classification :

- ▶ 10% of driving force
- ▶ 10% of shop or minimum of 2
- ▶ 10% of dock or minimum of 2

The parties agree that if the number of employees in each classification changes dramatically, they will discuss to re-evaluate the percentage of employees allowed off during this period of time.

For the purpose of scheduling vacation time, a week shall be defined as five (5) days within the same calendar week. Requests for vacation time less than one (I) week will be considered after all other vacation requests have been reviewed.

15.5 Vacation and lieu time is not accumulative from year to year and all vacations and lieu days must be taken in the fourteenth (14) month period to the end of February of the next year.

15.6 Notwithstanding Article 15.5, if an employee is off on Workers' Compensation, Weekly Indemnity or leave of absence for more than sixty (60) days in any calendar year, the Company and the employee may mutually agree to waive the taking of all or part of his vacation for that and/or the following year.

15.7 Employees who receive more than four (4) weeks' vacation in a year must take at least one (I) week between January 1 and April 30, unless otherwise mutually agreed upon by the Company and the employee.

ARTICLE 16 HOURS OF WORK

16.1 There shall be an unpaid meal break of one-half ($\frac{1}{2}$) hour each day. There shall be two (2) paid rest breaks of fifteen (15) minutes each, one (1) approximately midway through the first half of the shift after being on duty for at least two (2) hours and one (1) approximately midway through the second half of the shift. No rest break may be taken concurrently with another break or meal break. All drivers shall indicate on their hourly time cards when a lunch break or coffee break is taken and indicate their arrival and departure times at customer's premises on their computer sheets.

16.2 It is recognized by this Agreement that the nature of the Company's operations requires overtime work from time to time. Employees working exclusively on the dock or in the maintenance department in a week will be paid at the rate of one and one-half ($1\frac{1}{2}$) times the regular hourly rate for all authorized work performed in excess of forty (40) hours per week. Domestic Drivers will be paid at an overtime rate for all authorized work performed in excess of fifty-five (55) hours per week. U.S. Drivers will be paid at an overtime rate for all authorized work performed in excess of sixty (60) hours per week. Drivers who are being paid on an hourly basis while performing such overtime work will be paid at the rate of one and one-half ($1\frac{1}{2}$) times the regular hourly rate for such work. Drivers who are being paid on a mileage basis while performing such overtime work will be paid one-half ($\frac{1}{2}$) of the hourly rate in addition to the mileage rate for such work, The Union recognizes that employees may be required to work such daily and Saturday overtime as the Company may request and the law may permit and that employees will not unreasonably resist the requirement to work such overtime.

Prior to employees being assigned to a shift which would place him/her in an overtime situation, all efforts will be made to maximize the straight time working hours of employees within the classification. When an employee does not have a minimum of four (4) hours available at straight time on the next working day, the Company reserves the right to offer the employee "on call" for the day. It shall be recognized that regular start time shall be used.

16.3 An employee reporting for work at the commencement of his regularly scheduled shift, unless notified in advance not to do so, or unless he is returning to work without notice after an absence, shall receive four (4) hours' work or four (4) hours' pay at his regular hourly rate. This provision shall also not apply when the Company unsuccessfully attempted to contact

the employee at his phone number of record at least one (1) hour before his starting time.

- 16.4 There shall be no duplication or pyramiding of provisions of pay hereunder. Where two (2) or more provisions respecting premium pay apply, only the higher shall be paid.
- 16.5 It is recognized that seniority shall play a prominent role in making dispatch decisions between employees. Dispatch of tramp drivers and bid drivers with starting times only will, to the extent possible, recognize seniority, Company efficiency, customer needs and employee preferences.
- 16.6 No driver who has worked his normal work day shall be called in to work unless he has been off duty for the legal minimum number of hours in his jurisdiction.
- 16.7 All Saturday or Sunday work shall be offered to the qualified employees in the required classifications on the basis of seniority. However, if an "on call" or sick employee has missed one (1) or more full working days that week, he shall be given the first opportunity to perform this work with the "on call" employee having priority to the senior trip or job and the sick employee having second priority to the trip or job.
- 16.8 If a driver is delayed away from the terminal due to weather conditions or due to mechanical problems, such that he cannot return to the terminal, he shall be paid for up to ten (10) hours at straight time for every twenty-four (24) hours of delay. These hours shall not be used for the purpose of calculating overtime.
- 16.9 Drivers will be paid for time spent to prepare paper work, complete their trip inspection and hook-up.
- 16.10 The parties recognize that certain employees' seniority is such that they are engaged on an "on call" basis and that there may not be work for these employees on each day. The Company, however, recognizes that during some periods of inactivity,, such employees may engage in other employment provided it does not interfere with their obligations to Koch Transport.
- 16.11A driver required by the Company to lay-over shall be off duty a minimum period as required by law. The Company shall reimburse drivers for a reasonable amount expended for sleeping accommodation and will also pay for (pre-authorized) breakfast, to a maximum of Ten Dollars (\$10.00), with receipt.

16.12 The Company shall pay the regular hourly rate to all employees compelled to attend Company meetings. These hours shall not be used to accumulate overtime.

ARTICLE 17 WAGES

17.1 The Company agrees to pay and the Union agrees to accept for the duration of this Agreement, the wages and conditions set out in Schedule "A" to this Agreement.

17.2 The pay week shall be from midnight Sunday to midnight of the following Sunday, and pays shall be available to the employees by the following Thursday at noon.

17.3 The Company may pay by cheque, cash or direct deposit but, in any case, employees shall receive a separate statement with particulars of deductions and extras, if any. If the Company decides to implement a direct deposit payroll, employees will be given a onetime opportunity at the time of implementation to opt out and continue to be paid by cheque.

17.4 The Company agrees to provide for the convenience of its employees a voluntary check-off arrangement for Credit Union savings. The first day of every month, an employee may change the amount so deducted weekly. The Company shall forward to the Treasurer of the Credit Union, as soon as possible at the end of each month, a list showing the amount deducted from each employee.

ARTICLE 18 HEALTH AND WELFARE BENEFITS

18.1 The Company agrees to contribute towards the billed premiums in the indicated amounts for the following benefits for each regular full-time employee who has completed his 90 working days of employment by the Company for at least five (5) days that month provided the balance of such monthly premiums are paid by the employee through monthly payroll deductions:

- (a) Life Insurance - \$22,000
 - o Company pays 100% of premium
- (b) Optional Life Insurance Ryder - up to \$250,000.
 - o Available at individual employee option
 - o Employee pays 100% of premium
- (c) ADD Insurance - \$22,000
 - o Company pays 100% of premium
- (d) Weekly Indemnity - 0/8/15
 - o 60% of weekly wages
 - o Company pays 100% of premium and retains full UIC premium reduction
- (e) Extended Health - Pay Direct Drugs
 - o 20% counter-charge
 - o Generic equivalent
 - o Positive enrolment
 - o With Vision Plan - \$200 maximum every 2 years to cover one (1) pair of glasses if prescription changes.
 - o Company pays 100% of premium
- (f) Dental Plan - Basic services only
 - o January 1, 2007 - 2005 ODA Fee Schedule
 - o Company pays 100% of the premium
- (g) Long-Term Disability
 - o 60% of monthly earnings to \$1,500/month maximum
 - o Payable to age 65
 - o Available only if all eligible bargaining unit employees participate
 - o Employee pays 100% of premium

Entitlement under any of the above Plans is subject to the specific provisions of the insurance policies. The Company may select the

Carrier or Carriers of its choice or may change Carriers or self-insure as it sees fit.

- 18.2 An insurance booklet shall be provided to each employee participating in the plan. The Company shall notify the Union of any change in the insurance carrier within thirty (30) days of the change. The Company shall provide the new carrier's insurance booklet to each employee who is covered by the plan within thirty (30) days of the change of the carrier.
- 18.3 The Company will establish a liaison with the insurer and the Union. The Company will notify the Union liaison of any changes or intended changes to the Health and Welfare benefits.
- 18.4 The Company will contribute one hundred dollars (\$100) in 2008 to each employee towards the purchase of safety boots or shoes in the first pay period of October by separate cheque or other method agreed upon by the Union and the Company. Effective January 1, 2009 there will be an increase of \$10.
- 18.5 Paid Education Leave:
Effective January 1, 2009, the company agrees to pay into a special fund two cents (\$.02) per hour per employee for all compensated hours for the purpose of providing paid education leave. Said paid education leave will be for the purpose of upgrading the employee skills in all aspects of Trade Union functions. Such monies to be paid on a quarterly basis into a trust fund established by the National Union, CAW and sent by the Company to the following address:

**CAW Paid Education Leave Program
205 Placer Court
Toronto, Ontario M2H 3H9**

The Company further agrees that members of the bargaining unit, selected by the Union to attend such courses, will be granted a leave of absence without pay for twenty (20) days class time, plus travel time where necessary. Said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Employees on said leave of absence will continue to accrue seniority and benefits during such leave.

ARTICLE 19 PENSION

- 19.1 The Company shall continue to provide the existing Pension Plan, with benefits as agreed upon, for all employees with more than ninety (90) working days' service and all such eligible employees must be members of the Pension Plan.

19.2 The Company shall contribute fifteen dollars (\$15.00) per week for each employee actively employed that week and those employees shall each contribute ten dollars (\$10.00) per week by way of payroll deduction.

Effective January 1, 2009, the Company shall contribute twenty dollars (\$20.00) per week for each employee actively employed that week and those employees shall each contribute fifteen dollars (\$15.00) per week by way of payroll deduction.

Effective January 1, 2010, the Company shall contribute twenty-five dollars (\$25.00) per week for each employee actively employed that week and those employees shall each contribute twenty dollars (\$20.00) per week by way of payroll deduction.

19.3 A booklet outlining the schedule of benefits, options, etc. shall be provided to employees within sixty (60) days of the signing of this Agreement.

19.4 When an employee misses a contribution to the pension plan due to illness, disability or a Company approved leave of absence, such employee may make up his pension contribution provided he notifies the Company in writing within ten (10) working days of his return.

ARTICLE 20 TERMINATION *

20.1 This Agreement shall continue in full force and effect until the 31st day of December, 2010, and thereafter shall be automatically renewed and remain in force from year to year from its expiration date, unless, within the period of ninety (90) days before the Agreement ceases to operate, either party gives notice in writing to the other party of its desire to bargain with a view to the renewal with or without modifications of the Agreement.

20.2 On receipt of such notice, the parties to the Agreement shall convene a meeting within fifteen (15) days, or such longer period as they may agree, and bargain in good faith to endeavour to reach an agreement.

Entered into the 13 day of August, 2008, on behalf of:

THE COMPANY:

Patricia Scott
Patricia Scott

George Bichara
George Bichara

George Bichara
George Bichara
George Bichara

THE UNION:

Steve Murray
Rob Clemons
Steve Murray
Steve Murray

Dave Dyer
Ross McLennan
Dave Dyer
Ross McLennan

Len Poirier
Len Poirier

Dave Tilley
Dave Tilley

SCHEDULE A
WAGES AND CLASSIFICATIONS

**REGULAR EMPLOYEES EMPLOYED AS OF JUNE 9, 1996 &
LICENSED MECHANICS**

	1-Jan-08	1-Jan-09	1-July-09	1-Jan-10	1-July-10
Licensed Motor Mechanics	\$20.75	\$21.00	\$21.25	\$21.50	\$21.75
Licensed Trailer Mechanics	\$18.95	\$19.20	\$19.45	\$19.70	\$19.95
All other Classifications	\$17.80	\$18.05	\$18.30	\$18.55	\$18.80
Mileage Rate	\$0.347	\$0.347	\$0.347	\$0.347	\$0.347

REGULAR EMPLOYEES HIRED AFTER JUNE 9, 1996

	1-Jan-08	1-Jan-09	1-July-09	1-Jan-10	1-July-10
Apprentice, Years 1 & 2					
Probationary Rate	\$15.50	\$15.75	\$16.15	\$16.40	\$16.80
After 90 Calendar Days	\$17.10	\$17.35	\$17.75	\$18.00	\$18.40
Apprentice, Years 3 & 4					
	\$17.65	\$17.90	\$18.30	\$18.55	\$18.95
All Other Classifications					
Probationary Rate	\$16.70	\$16.95	\$17.20	\$17.45	\$17.70
After 1 year	\$17.10	\$17.35	\$17.75	\$18.00	\$18.40
Mileage Rate					
(Applicable to Current Users					
as of March 16, 2008)					
	\$0.334	\$0.334	\$0.334	\$0.334	\$0.334

STUDENTS

\$3.00 more than the Federal Minimum Wage

US DRIVERS

Hourly Rates for those hired before June 9, 1996

- As above for All Other Classifications – pre June 9, 1996

Hourly Rates for those hired after June 9, 1996

- As above for All Other Classification – post June 9, 1996
- Probationary rates as above for new hires

Mileage Rates for all US Drivers

- As above for All Other Classifications – pre June 9, 1996.

Notes:

1. Hourly payment at a customer's facility begins at appointment time or, if there is no appointment time, upon the later of the driver's arrival at customer or the opening of the customer's dock.
2. Laid over drivers may be kept off the clock for a maximum of 12 hours in a 24 hour period depending on dispatch needs.
3. Snow and equipment delays will be paid from the start of the delay but such hours do not count towards weekly overtime calculation.