

COLLECTIVE AGREEMENT

between



**DIRECT GENERAL PARTNER CORPORATION on behalf of
DIRECT LIMITED PARTNERSHIP
O/A CANADA CARTAGE SYSTEM (Owner Operator Agreement)**

and



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

Effective: July 19, 2018 to July 18, 2021

14873 (02)

COLLECTIVE AGREEMENT

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM (“DLP”)
AND: TEAMSTERS LOCAL UNION NO. 31 (“Teamsters”)

ARTICLE 1 - SCOPE OF THIS AGREEMENT

1.1 - Recognition

It is recognized by this Agreement to be the duty of the Union, the Company or its bargaining agent and the Owner-Operators to fully co-operate individually and collectively, for the advancement of conditions.

1.2 - Union Co-operation

The Parties agree at all times as fully as it may be within their power to further the interests of the industry.

ARTICLE 2 - UNION SECURITY

2.1 - Certificate of Bargaining Authority

(a) The Company agrees to recognize the Union as the sole collective bargaining agent for all Owner Operators and Drivers of Owner-Operators (“Driver”, "Drivers", or Owner-Operator Drivers) as referred to in Order No. 10616-U issued by the Canada Industrial Relations Board. The Parties agree to apply to the Canada Industrial Relations Board to amend the current certification to remove “Drivers of Owner-Operators” from the certification.

(b) Every Owner Operator of the Company covered by this Agreement shall be a member of the Union in good standing during the whole of the term of this Agreement as a condition of employment with the Company, save as hereinafter expressly provided.

2.2 - Bargaining Authority

All members of the Union shall receive a copy of this Agreement which is binding upon the bargaining authority and every Owner-Operator in the unit for which the Union has been certified or where no certification exists as recognized by this Agreement. The Union shall be responsible for the printing of these Collective Agreements so that each and every Owner-Operator of the Company will receive a copy.

2.3 - Posting of Agreement

The Company will provide a bulletin board in each Company lunchroom or dispatch area for the posting of this Agreement and for such notices as the Union or Company may from time to time wish to post. The said Union notices shall be posted and signed by an elected or appointed officer or other authorized representative of the Union.

2.4 - Check-off

Each new Owner-Operator when hired by the Company will be informed by the Company that he is to

contact the Union office or shop steward for the purpose of becoming a Union member and signing the authorization card authorizing the Company to deduct from his earnings union initiation fees, union dues and/or other assessorial charges as levied against him in accordance with the constitution and by-laws of the Union of which he is a member and so indicated on the monthly or quarterly check-off list as provided by the Union to the Company. The Company shall remit same to the Union not later than (15) days from the date that the deduction was made from the Owner-Operator's wages.

2.5 - Union Shop

(a) The Company shall furnish to the appropriate Union area office designated in writing by the Union a list of Owner-Operators taken into employment by the Company.

2.6 - Hired Cartage

The Company and the Union agree the Company may use hired cartage on a required basis subject to the following conditions:

(a) To supplement the regular work force, to provide additional help on a required basis, to cover peak work periods, and such other time as necessary to cover an absent Owner-Operator.

(b) Hired cartage will not be used for the purpose of depriving owner-operators of their regular hours of work on their regular shifts, or causing the lay-off of an owner-operator.

2.7 - Conflicting Agreements

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

2.8 - New Equipment and Classifications

Prior to any new classifications of employment for which rates of pay are not established by this Agreement are put into use, the Company shall advise the Union as far in advance as possible, and not less than thirty (30) days prior to implementation, the matter shall become the subject of discussion between the Parties for rates governing such equipment and classifications of employment. The Company and the Union shall finalize within thirty (30) days after such implementation a rate to be established and such rate to be retro-active to date of implementation.

ARTICLE 3 – OWNER-OPERATOR CATEGORIES

3.1 - Regular Owner-Operator

A regular Owner-Operator shall be considered as such when:

- (a) he has completed his probationary period;
- (b) he makes himself available to the Company for full time employment;
- (c) The Owner-Operator vehicle cannot be operated for any use other than Company business without written permission of the Company.

- (d) it shall not be a cause for discipline or discharge for an Owner-Operator to seek and/or accept gainful employment while on lay-off, provided the Owner-Operator complies with sub-sections (b) and (c) herein;
- (e) Notwithstanding the above sections, the Owner-Operator shall not be permitted to use his vehicle for non-Company work unless satisfactory arrangements have been made with the Company to return all Company property, including, fuel cards/licensing/decals, and cancelling Company insurance.

3.2 – Relief Drivers

Owner-Operators may, on a temporary basis, use a relief driver for their vehicle(s) to be used for illness, injury or vacation relief. The relief driver shall be hired and paid by the Owner-Operator in accordance with the Collective Agreement. All other terms and conditions apply. The use of a relief driver shall not lead to any interruption to service of the customer account. A relief driver may not be used in excess of two (2) months, unless agreed to by the Company.

ARTICLE 4 - SENIORITY

4.1 - Seniority

Seniority shall be maintained in the reduction and restoration of the working force, providing the senior man is capable of performing the remaining job or jobs without additional training.

There shall be one (1) seniority list comprised of Owner-Operators. Seniority shall be the length of actual service as an Owner-Operator with the Company.

It is understood that as shifts become available they will be posted and up for bid and seniority will prevail.

4.2 - Job Vacancies/Posting

- (a) All new jobs and vacancies are subject to seniority and shall be posted promptly for five (5) days in a conspicuous place at all terminals, stating starting time, job description and location. All regular Owner-Operators shall be entitled to bid on such postings and the Company shall designate, on the original posting, the successful bidder within three (3) working days of the closing date of the posting. Owner-Operators absent by reason of accident, sickness or vacation shall have the opportunity to bid on such job posting or vacancy on the following basis:
 - (i) the Owner-Operator shall inform the Branch Manager or designate prior to his leave of his wish to be informed of any vacancy or posting;
 - (ii) where the Company has been so notified the Company will inform the Owner-Operator of any posting by
 - a. phone, or
 - b. email to email address supplied by Owner-Operator
- (b) The successful Owner-Operator must demonstrate the ability to perform the work in a satisfactory manner within a trial period of fifteen (15) working days. During this time period, with reasonable cause, the Owner-Operator, at his request, may return, or at the insistence of the Company with reasonable cause (including justifiable written customer complaints), will be returned to his previous position. The Owner-Operator will not be permitted to apply for another posting with that customer for a period of six (6) months.

- (c) The Company shall have the right to fill any vacant positions for up to fifteen (15) working days without regard to the seniority list, as the situation requires with notification to the Union; the fifteen (15) day period may be extended by the Company for bona fide business purposes, in which case the Company shall discuss the matter with the Union.
- (d) Provided the Owner-Operator is capable and is given the opportunity to demonstrate his capability, seniority shall prevail in the appointments to new jobs or vacancies. Except where a job or shift has been discontinued, there will be no job or shift bumping privileges.

4.3 - Probation Period

- (a) All newly hired Owner-Operators shall be considered as probationary for the first sixty (60) effectively worked days. There shall be no responsibility on the part of the Company in respect of the employment of probationary Owner-Operators should they be laid-off for lack of work or dismissed for unsuitability or any other reason during the probationary period. However, the Company shall inform the probationary Owner-Operators as to whether he has been dismissed or laid-off.
- (b) Upon the conclusion of the probationary period the Owner-Operators name shall forthwith be placed on the seniority list, effective from the first day of employment, and the Owner-Operators shall be entitled to all rights and privileges as provided in this Agreement.

4.4 - Seniority Lists

The Company will post and maintain seniority listings. Such up-to date listings will be posted four (4) times a year. Copies of current lists will be provided to the Union. Such lists to state starting date of Owner-Operator.

4.5 - Termination of Seniority

- (a) When an Owner-Operator's employment is terminated by the Company for proper cause or he leaves by his own choice, he will automatically be struck from the seniority list. If an Owner-Operator on his own volition obtains a withdrawal card from Local 31 he shall be struck from the Company seniority list.
- (b) When the Company tries to contact any Owner-Operator who is either on lay-off in excess of two weeks or has failed to report for duty within twenty-four (24) hours, and cannot be contacted by telephone regarding his availability for employment, the Company will then make final contact by registered mail, with copy to the Union. Failure to then contact the Company with sufficient justification may then constitute grounds for termination with cause.
- (c) An Owner-Operator shall lose all seniority, shall be removed from the seniority list, and shall cease to be employed in any of the following circumstances:
 - (i) If the Owner-Operator quits;
 - (ii) If the Owner-Operator is discharged and not reinstated through the grievance or arbitration procedure;
 - (iii) If the Owner-Operator retires;
 - (iv) If the Owner-Operator:
 - a. Fails to return to work at the expiration of an authorized leave; or
 - b. Fails to respond to a recall notice within twenty-four (24) hours of receipt of the notice;

- (d) An Owner-Operator desiring to terminate employment shall give notice in writing of the date on which employment is to terminate; the period between the date on which notice to terminate and date of termination shall not be shorter than thirty (30) calendar days.

4.7 - Layoff Provisions

Any Owner-Operator who has been on lack of work lay-off for twelve (12) months or more shall be removed from the seniority list and the Company shall be under no further obligation to such Owner-Operator except when the laid-off Owner-Operator has accrued five (5) years or more seniority in which case seniority will be carried for eighteen (18) months.

ARTICLE 5 – LEAVE OF ABSENCE

5.1

- (a) When the requirements of the Company's services will permit any Owner-Operator hereunder upon written application to the Company with a copy of said application to the Union may, if approved by the Company, be granted a leave of absence without pay in writing (with a copy to the Union) for a period up to thirty (30) calendar days.
- (b) Upon six (6) months prior notification an Owner-Operator may request every three (3) years and may be granted up to thirty (30) days leave of absence in conjunction with his holidays, provided a relief driver is provided as stated in 3.2. When considered by the Company approval or rejection is to be given in writing with a copy to the Union within thirty (30) calendar days and if approved such approval may not be withdrawn except by mutual consent of the Owner-Operator and the Company. Under such leaves the Owner-Operator will retain and accrue seniority only.
- (c) Any Owner-Operator/Driver requesting leave of absence for compassionate reasons shall not be unreasonably denied such request. Documentation may be required to substantiate the absence.
- (e) Any Owner-Operator hereunder on leave of absence engaged in gainful employment without prior written permission from both the Company and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an Owner-Operator of the Company.
- (f) It is understood and agreed that Owner-Operators are required to give notice to the Company of any impending absence from duty, and whenever possible, such notice shall be given as soon as the Owner-Operator involved becomes aware of such pending absence from duty and in no event shall such notice be given less than three (3) hours prior to the Owner-Operator's scheduled work time.
- (g) Owner-Operators who have pre-arranged doctor's or dentist's appointments will notify the Company at least twenty-four (24) hours in advance of their pending absence from duty.
- (h) The Company may, in its sole discretion, grant a leave of absence to such an Owner-Operator who has suffered a revocation of his driver's license of up to twelve (12) months duration in writing with a copy to the Union. The Owner-Operator may only take advantage of this section once while in the employ of the Company.

5.2

- (a) When an Owner-Operator within the bargaining unit covered by this Agreement receives leave of absence in writing with a copy to the Union to take a position within the Company which is beyond the sphere of the bargaining unit, he may retain his seniority for a maximum of ninety (90) calendar

days within the bargaining unit.

- (b) Notice shall be given to the Union in writing prior to the Owner-Operator leaving the bargaining unit for any period of time. During this leave of absence such Owner-Operator shall continue to be covered by the Health and Welfare plan as provided in this Agreement.
- (c) Employees who have been granted such a leave of absence must remain a member of the Union and be covered under all benefits of the Collective Agreement but shall not perform any duties covered by the bargaining unit. The successful appointee shall not have the right to hire and fire during the ninety (90) day leave of absence.
- (d) Not later than on the ninetieth (90) calendar day of this period, the Owner-Operator must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the Owner-Operator return or be returned to the bargaining unit for any reason, he must remain within the unit for a minimum period of one hundred and twenty (120) calendar days prior to exercising such privilege again.

ARTICLE 6 - SAFETY CONDITIONS

6.1 The Company shall inform, direct and supply to the Owner-Operators proper information and handling devices or equipment for handling dangerous cargo.

6.2 Owner-Operators shall not be ordered by the Company to take out on the streets or highways, any Company controlled or Owner-Operator equipment which is considered unsafe by the Owner-Operators, and the objecting party shall complete the necessary defect forms supplied by the Company regarding the defects.

6.3 Owner-operators failing to report immediately any accidents or claims to the Company may be subject to disciplinary action and/or dismissal. Owner-operators must complete an accident report before going off service from the shift when involved in a workplace injury or motor vehicle collision.

6.4 The Company must be made aware of any suspension or other restriction imposed on an Owner-Operator driver's license. Failure to disclose a suspension or restriction on the Owner-Operator driver's license while continuing to operate a Company vehicle will result in immediate dismissal.

6.5 Owner-Operators shall be responsible to pay all fines, provided the Company will give due consideration to any circumstances raised by the Owner-Operator.

6.6 In the event that a customer requests an Owner-Operator be removed from an account with reasonable cause (including a justifiable written request from the customer), the Owner-Operator will be placed in the "call cartage" department.

6.7 Where the Company determines material handling equipment is required, it shall be supplied by the Company. Owner-Operators must immediately notify Company if such required equipment is not available.

- 6.8 The Company shall not designate a specific vendor for tires or repairs.
- 6.9 The Company shall provide at no cost the following items:
1. Company ID's
 2. Company-issued cell phones, GPS, or any other communication devices. Installation and maintenance shall be paid for by the Company.
 3. Decaling (cost of decal and installation)
 4. Tolls if directed by Company to take a "toll route", Fastcard
 5. No unauthorized personnel or living beings will be allowed to ride in any Owner-Operator vehicle unless permission is granted by the Company.

ARTICLE 7 - PAY PERIOD

7.1 - Pay Period

- (a)
- i. Except as otherwise mutually agreed between the Parties all Owner-Operators covered by this Agreement shall be paid not less frequently than the fifteenth (15th) and thirtieth or thirty-first (30th or 31st). The Company shall provide every Owner-Operator covered by this Agreement with a separate or detachable written or printed itemized statement (fuel surcharge, mileage, work wait and layover times and trip rates) in respect of all wage payments made to such Owner-Operator.
 - ii. All Owner-Operator pay stubs and trip sheets to be in a sealed envelope and all Owner/Operators to have pay stubs on the date of pay for Owner-Operators at the hub.
 - a. For Owner-Operators who work at a designated location away from the hub will receive paystubs no later than the following Monday.
- (b) For Owner-Operators who work away from a designated location will receive paystubs by mail or email. Owner-Operators shall designate one of these two delivery methods and provide Company with proper information with any updates or changes.

7.2 - Errors

If the Company verifies an error in an Owner-Operator's pay cheque and the amount is equal to one (1) day or more, he shall be entitled on request to a cheque being issued in favour of such Owner-Operator within two (2) working days.

ARTICLE 8 - PAID FOR TIME

All Owner-Operators covered by this Agreement shall be paid for all time spent in the service of the Company, provided, however, where an Owner-Operator is paid other than by the hour, time spent is not determinative of pay. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work or registers in, whichever is later, until he is effectively released from duty.

ARTICLE 9 – BEREAVEMENT LEAVE

- 9.1 Regular Owner-Operator will have bereavement leave entitlement as follows:
- 9.2 When death occurs to a member of a regular Owner-Operator's immediate family, the Owner-

Operator will be granted, upon request, bereavement leave on any of his normal working days that occur during the three (3) working days immediately following the day of death.

9.3 In the event the funeral is held on an Owner-Operator's regular work day other than the three (3) days immediately following the day of death, the Owner-Operator will be granted, upon request, leave on that day to attend the funeral.

9.4 Members of the Owner-Operator's immediate family are defined as the Owner-Operator's spouse, mother, father, son, daughter, sister, brother, mother-in-law, father-in-law, step-sons and step-daughters.

9.5 Step-father and step-mother will be recognized provided such step-father or step-mother had the status of the Owner-Operator's father or mother.

9.6 In the event of the death of the Owner-Operator's grandfather or grandmother or the Owner-Operator's spouse's grandfather or grandmother, the conditions of this Article will apply only if the Owner-Operator attends the funeral.

9.7 The "spouse" of the Owner-Operator shall be defined as the spouse on record with the Company's personnel department.

9.8 In addition, if the Owner-Operator is notified of the death while he is working, he will be excused from the balance of the working shift.

9.9 In lieu of requirement to cover the absence related to any bereavement leave, the Owner-Operator shall provide Company with as much advance notice as reasonably possible.

9.10 All bereavement leave under this Article is unpaid.

ARTICLE 10 - JURY DUTY

An Owner-Operator summoned to jury duty or subpoenaed as a witness on a day that he would normally have worked shall be granted leave without pay.

ARTICLE 11 - COMPENSATION SICKNESS COVERAGE

11.1 When an Owner-Operator goes off work ill or on compensation or grievance is invoked on his discharge, the Company shall continue to pay both his Health and Welfare Plan fees and Union dues so that the Owner-Operator shall be protected to the utmost provided:

- (a) the Owner-Operator reimburses the Company for such contributions normally paid by said Owner-Operator and is at no time more than five (5) months in arrears; and
- (b) the period of such coverage shall exceed twelve (12) months only by mutual

agreement of the two Parties.

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

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

ARTICLE 12 - LICENCE TESTS

12.1 Owner-Operators will be required to supply written authorization to enable the Company to obtain Drivers' abstracts. The Company will be responsible for the costs incurred for Drivers' abstracts. If the Company requires more than one abstract per year, the Company will pay the costs of the additional abstracts. The Company will be responsible for all administration costs. In the event that an Owner-Operator's driver's license has been called under review and/or suspension, the Company must be notified in writing within twenty-four (24) hours. Results of such review shall be made known to the Company within twenty-four (24) hours.

ARTICLE 13 – MANAGEMENT'S RIGHTS

13.1 Subject to the terms of this Agreement, all matters concerning the operations of the Company business shall be reserved to the management. The Union recognizes that it is the function of the Company:

- a) to maintain order, discipline and efficiency;
- b) to discharge, classify, suspend for proper cause, direct or transfer Owner-Operator from one classification to another, move Owner-Operator from one location to another for proper cause;
- c) to increase and decrease working forces;
- d) to make or alter from time to time rules and regulations to be complied with by its Owner-Operator. These rules and regulations are to be filed with the Union; and

13.2 All disciplinary records will be removed from an Owner-Operator's personnel file after fifteen (15) months from the date in which they were issued. Items removed from a file will not be used in subsequent disciplinary proceedings.

13.3 In the event that a customer amends the Company contract to remove Owner Operator work, an Owner-Operator may be removed from an account, and the Company may perform the work with Company Drivers its Company Driver Bargaining Unit under a separate Collective Agreement with the Union. The Company will provide the Union with written notice if so requested.

ARTICLE 14 - UNION ACTIVITY

14.1 - Picket Line

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

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

- (b) 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.

14.2 - Inspection Privileges

Upon reasonable advance notice, authorized agents of the Union will request and have access to the Company's establishments during working hours for the purpose of investigating conditions related to this Agreement and shall in no way interrupt the Company's working schedule.

14.3 - Shop Stewards

- (a) The Union shall elect or appoint shop stewards from among its members in the bargaining unit and shall notify the Company in writing forthwith of such appointments and deletions of those Owner-Operator so elected or appointed. The Company will recognize shop stewards and not discriminate against them for lawful Union activity. Where reasonably possible, the Company will notify the Union forty-eight (48) hours prior to dismissal of a shop steward.
- (b) Grievances shall be processed during the normal working hours of the shop steward. A steward shall receive his regular rate of pay when grievances or pending grievances are processed with the Company on Company property or at any other place which is mutually agreed upon by both the Union and the Company.
- (c) If the Company representative is unable to meet the steward during the steward's normal working hours, the steward shall be paid for all the time spent during the processing of the grievances with the Company on the Company's property or at any other place which is mutually agreed upon by both the Union and the Company.

14.4 - Union Label

Upon written request from any Owner-Operator, subject to prior approval from the Company, based on it obtaining approval from its applicable customer(s), it shall not be a violation of this Agreement for an Owner-Operator to post the Teamsters Union Label in a conspicuous place on the glass area of the equipment he is operating. The said label to be a size not in excess of three inches (3") by four inches (4") and not to be attached to any area which will impair the vision of the Owner-Operator.

ARTICLE 15 - SAFETY

15.1 - Sanitary Conditions

- (a) Where possible, and where required, the Company agrees to maintain at its terminals adequate, clean, sanitary toilet facilities, lockers, lunchrooms and washrooms having hot and cold running water with proper ventilation. It shall be the responsibility of the Owner-Operator to use all facilities carefully and considerately without unnecessary damage and dirtiness.
- (b) All new terminals shall be adequately equipped with facilities as per section 1 (a) above where required.

15.2 - First Aid Supplies

The Company shall provide first-aid provisions in accordance with the Workers' Compensation Act.

15.3 - Uniforms Supplied

- (a) All Owner-Operators are required to wear a uniform during the course of employment, and they will wear same, keeping it clean and in good repair. The Company shall provide each Owner-Operator with a uniform allowance once every twelve (12) months of \$275 for clothing, for clothing ordered with the Company or one of its designated suppliers.

15.4 - Protective Clothing

- (a) The Company shall provide Owner-Operators with safety equipment if required by the customer.
- (b) The Company will allow shorts under the following conditions:
 - 1. The Customer must approve.
 - 2. Allowed during the months of May – September.
 - 3. In accordance with Company issued uniform.

ARTICLE 16 – HEALTH AND WELFARE

16.1 - Health and Welfare

The Teamsters' National Benefit Plan (the Health and Welfare Plan) covering members of the Union as set out in Appendix "B" hereunto annexed and forming part of this Agreement shall continue. The Company agrees to cover all members of the Union in the Health and Welfare Plan and to abide by the terms and conditions of the Teamsters' National Benefit Plan as set out in Appendix "B" hereunder annexed and forming part of this Agreement.

16.2 - Payment of Dues and Contributions

- (a) The Company agrees to make remittances to the Union for union dues, the administrator of the health and welfare plan, and the administrator of any other program to which the Company is required to make contributions under this Agreement in accordance with the appropriate article or appendix to this Agreement.
- (b) The Company agrees to hold in trust, until remitted, all amounts payable in respect of union dues, the health and welfare plan, and any other plan which the Company is obliged to make contributions pursuant to this Agreement and shall be liable, as such, for failure to remit for any reason including, but not limited to liquidation, assignment or bankruptcy of the Company.

16.3 - Trust Agreement

The Company agrees that it shall be bound by the terms and conditions of the Agreement and Declaration of Trust (the Trust Agreement) covering the health and welfare plan, and any other plan to which the Company is required to make contributions pursuant to this Agreement.

16.4 - Delinquency

- (a) The Company acknowledges that the trustees of the Benefit Plan or any other plan or trust to which contributions are payable shall have the right to take legal action against the Company to obtain payment of all contributions and interest thereon due pursuant to this Agreement.

- (b) The Company agrees to make contributions to the Union for union dues and to the trustees of the Benefit Plan within the time limits specified in this Agreement and further agrees that, if such contributions are not received by the Union or applicable plan administrator within the agreed time period (or postmark on the envelope enclosing the contributions is not with the agreed time period), then the Company shall be liable for the payment of such contributions plus interest on the contributions at the rate of two percent (2%) per month from the date such contributions were due to the date of receipt by the Union or the appropriate plan administrator.
- (c) The Company agrees that, if the Union or the trustees of any plan to which the Company is required to make contributions pursuant to this Agreement incur any legal or other costs to recover contributions due and payable by the Company, the Company shall be liable to reimburse the Union or the applicable trustees for such costs.

ARTICLE 17 – HOURS OF WORK

17.1 - Regular Work Day/Week

- (a) The Company does not provide any daily or weekly guaranty of hours
- (b) It is understood and agreed that the work week is intended five (5) consecutive days or on some other modified work schedule as may be agreed upon; the Company does not provide Owner-Operator with a guarantee of hours, which may fluctuate due to customer demand. The Canada Bread runs will include modified days off (i.e. split days off). If bids are not filled, the position will be filled through reverse seniority.
- (c) When an Owner-Operator is specifically asked to report to work and reports to dispatch in person, he shall be paid a minimum of four (4) hours, at the applicable hourly rate. In such situation the Owner-Operator shall accept work as assigned by the Company.

ARTICLE 18 - VACATIONS

No vacations in excess of two weeks shall be denied to Owner-Operators as long as a relief driver is provided, and there is no interruption to service of customer account(s). Fourteen (14) days written notice shall be given to the Company of any proposed vacation leave.

Owner-Operator vacation entitlement:

0-5 years	2 weeks
5-11 years	3 weeks
11 years and over	4 weeks

All vacation leave shall be without pay.

18.1 Owner-Operator vacation entitlement: Two (2) weeks per calendar year; no relief driver required.

All vacation leave shall be without pay.

18.2

(a) In assignment of vacations, January 1st of each year shall be considered as the qualifying date for annual vacation purposes. Separate departmental lists based on seniority shall be

prepared, completed and posted by the Company no later than January 31st of each year.

(b) It is understood and agreed that the number of Owner-Operators from each departmental group on vacation at one time shall be limited to the number which, the proper officers of the Company consider will not adversely affect normal operational requirements.

(c) Vacation requests must be submitted to the Company in writing by March 1 of each year. The Company will inform individual Owner-Operators in writing by April 1 of the vacation dates allotted to them.

(d) Owner-Operators who do not submit a vacation request in advance of the deadline, or are unable to take their vacation as scheduled, shall be granted vacation on a first come basis. A copy of the schedule as approved by the Company will be posted on April 1st, with a copy sent to the Union office. No changes in the schedule will be permitted without agreement by the Company and the Union.

18.3 In assignment of vacations, senior Owner-Operators in various departmental groups will be given preference of assignment.

18.4 After vacation dates have been selected and the list prepared as herein provided, no change in dates shall be allowed unless mutually agreed to by the proper officer of the Company and the Owner-Operator.

ARTICLE 19 - SAVINGS CLAUSE

19.1 - Savings Clause

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

19.2 - Negotiations for Replacement of Articles Held Invalid

In the event that any article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the Parties affected thereby shall enter into immediate collective bargaining negotiations upon the request of either Party for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. If the Parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the procedure as outlined in article 30 following.

ARTICLE 20 - GRIEVANCE PROCEDURE

Step 1: Any grievance of an Owner-Operator shall first be taken up between such Owner-Operator and the Company supervisor. However, such Owner-Operator will be entitled to be accompanied by a shop steward or Union representative.

Time limit to institute Grievance:

Termination or layoff - Ten (10) days. All others Fifteen (15) days.

Step 2: Failing settlement under Step 1, such grievance shall be taken up between the Company supervisor and a shop steward or local Union representative. Step 2 must be completed within ten (10) calendar days from the completion of Step 1.

Step 3: Failing settlement under Step 2, the grievance shall be taken up in the presentation by the Local Union representative to the Company's Branch Manager or designate.

Except by written mutual agreement between the Union and the Company providing for an extension of time, Step 3 must be completed within ten (10) calendar days from the completion of Step 2.

Step 4: Failing settlement under the above Steps, the matter will be referred to an agreed upon neutral person to act as an arbitrator who will meet with the parties to hear both sides of the case. Failing to agree upon a neutral person, the Department of Labour will be requested to appoint a neutral arbitrator.

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

The cost of the Arbitrator will be borne equally by the Union and the Company. All monetary settlements shall be paid through the local Union's office in the Owner-Operator's name.

ARTICLE 21 - TERM OF AGREEMENT

This Agreement shall be for the period from and including July 19, 2018 to and including July 18, 2021. Either Party to this Agreement may, within four months immediately preceding July 18, 2021 give to the other Party written notice to commence collective bargaining.

SIGNED THIS DAY OF , 2019

FOR THE COMPANY

FOR THE UNION

Rhonda Ueoa

R. Simms

Joe Mitchell

Stan Hennessy

Katelyn Costa

APPENDIX "A"
WAGE SCHEDULE

One-Time Signing Bonus:

\$1,000 at date of Ratification

Signing bonus will be allocated on a separate cheque, two (2) weeks from date of ratification.

Owner-Operators – Hourly Rate

Class 1 – Tractor (Work time/wait time/layover time)

Wheels not turning

July 1, 2018 - \$30.00

July 1, 2019 - \$30.00

July 1, 2020 - \$30.00

Wheels not turning (ALC)

July 1, 2018 - \$41.00

July 1, 2019 - \$41.00

July 1, 2020 - \$41.00

Drop Rate (per stop)

July 1, 2018 - \$35.00

July 1, 2019 - \$35.00

July 1, 2020 - \$35.00

Mileage Rates:

0-300 miles:

Proposed – For all accounts:

- Ratification: \$42.00 / hour
- Year 2: \$42.420 / hour
- Year 3: \$42.950 / hour

301-600 miles:

Proposed – For all accounts:

- Ratification: \$1.32
- Year 2: \$1.333
- Year 3: \$1.349

601+ miles:

Proposed – For all accounts:

- Ratification: \$1.30
- Year 2: \$1.313
- Year 3: \$1.326

Night Shift Premium will be paid as follows:

- (a) Mileage rated owner operators commencing work between the hours of 9:00 PM and 4:00 AM will receive a shift differential of two cents (\$0.02) per mile for all miles on that trip.

Trip Rates:

UPS Freight:

Proposed:

- Ratification: \$495.85
- Year 2: \$500.85
- Year 3: \$505.85

UPS SCS:

Proposed:

- Ratification: \$595.85
- Year 2: \$600.85
- Year 3: \$605.85

All other mileage and/or trip rates must be negotiated with the Union before implementation.

All mileage rates are paid "PC Miler" City Centre to City Centre "Practical Route".

ALC account mileage rates are paid "all miles"

A "stop" shall refer to any stop wherein merchandise is loaded or unloaded.

Where both loading and unloading occur at the same location, it shall be considered one stop.

A trailer switch where no loading or unloading takes place shall not constitute a stop.

All Highway mileage rates include the following:

- Vehicle Pre-trip and post trip inspections
- Initial pick up of trailer / load from customer location (1 hour max)

A.1: Delays for Mileage Paid Drivers (Highway)

The following delays will be paid at the wheels not turning hourly rate of pay. All times must be marked on the applicable Company/Customer documentation and must be signed for when possible.

1. International border crossing (all time after one (1) hour per round trip).
2. Breakdown of Company/customer equipment (all time after one (1) hour per round trip paid on the basis of eight (8) hours paid, eight (8) hours unpaid, eight (8) hours paid, eight (8) hours unpaid and so on).
3. Stops and drops, loading and unloading, coupling and uncoupling, switches (all time after one (1) hour per round trip).
4. Justifiable delay not attributable to the Owner-Operator/Driver (all time after one (1) hour per round trip paid on the basis of eight (8) hours paid, eight (8) hours unpaid, eight (8) hours paid, eight (8) hours unpaid and so on after one (1) hour).

**APPENDIX B
TEAMSTERS' NATIONAL BENEFIT PLAN**

Plan A

1 - Participation

It is agreed that the Company will participate throughout the life of the Agreement in the Teamsters' National Benefit Plan (the Plan) as amended from time to time.

Section 2 - Board of Trustees

A Board of Trustees will be constituted of those persons provided for in the Trust Agreement.

Section 3 - Trust Agreement

The Plan and the activities of the Board of Trustees will be governed by an Agreement and Declaration of Trust (the Trust Agreement), established July 1, 1971 and revised on November 26, 1990.

The Company agrees that it shall be bound by the terms and conditions of the Trust Agreement.

Section 4 - Plan Administration

The terms of the Plan and its administration shall be entirely the responsibility of the Board of Trustees provided the Plan is administered in accordance with the Collective Agreement, the Trust Agreement and any applicable government law or regulation. Benefits provided will be determined by the Trustees and will be subject to such rules, limitations and exceptions contained in Plan documents and insurance contracts as are established and accepted by the Trustees from time to time.

Section 5 - Eligibility Conditions

- (a) Any member of the Union who is a regular Owner-Operator/Driver on the date of this Agreement shall join the Plan on the first day of the month following the date of this Agreement.
- (b) Any member of the Union, employed pursuant to this Agreement, shall join the Plan on the first day of the month coincident with or immediately following the date on which the Owner-Operator/Driver becomes a regular Owner-Operator/Driver.
- (c) Notwithstanding subparagraph "(a)" above, any member of the Union, employed pursuant to this Agreement, who has been covered under the Plan within the 30 day period immediately prior to the date on which he commences work with the Company, and who becomes a regular Owner-Operator/Driver, shall join the Plan on the later of his date of hire or the day following termination of his previous coverage.
- (d) If an Owner-Operator/Driver whose coverage has been terminated due to lay-off or any other temporary interruption of work, is recalled and works a minimum of one shift, coverage for the weekly indemnity and long term disability benefits will commence on the date of return to work, and all other benefits will be reinstated as of the first day of the month in which return to work occurs.

- (e) For the purposes of this Appendix "B", a regular Owner-Operator/Driver or member of the Union hired pursuant to this Agreement, shall include an Owner-Operator as defined in the appropriate section(s) of this Agreement.
- (f) Notwithstanding the provisions of this section, any Owner-Operator/Driver not covered under the Plan who is absent from work due to layoff, leave of absence, disability or any other temporary interruption of employment on the date coverage would normally take effect shall not be eligible to become covered until the date on which he returns to active employment and works one shift. Coverage for all benefits except weekly indemnity and long term disability will be established as of the first day of the month in which the return to work occurs. Weekly indemnity and long term disability benefits will be established as of the date of return to work.

Section 6 - Rehabilitative Employment

Any Owner-Operator/Driver who, immediately following a period of disability for which benefits were payable under the Plan, may, with the approval of the Union, the Board of Trustees and the Company return to work on a trial basis, either on full or limited duties without right or entitlement to coverage under the Plan other than would have been provided had such return to work not have occurred.

During such periods of "rehabilitative employment", it is agreed that:

- (a) The Owner-Operator/Driver will be paid by the Company at his normal rate of pay for hours worked.
- (b) The duration of such rehabilitative employment shall exceed thirty (30) days only by mutual consent of all parties.

Section 7 - Benefits

Benefits provided by the Plan are established by the Board of Trustees. Benefits currently provided are:

- (a) Group Life Insurance
- (b) Accidental Death and Dismemberment Insurance
- (c) Weekly Indemnity
- (d) Long Term Disability
- (e) Dental
- (f) Extended Health
- (g) Medical Services Plan of BC (administration)

The amounts of coverage and details of each benefit are established by the Board of Trustees, and are subject to amendment by them from time to time.

It is understood that, should the provision of Medical Services Plan of B.C. coverage be removed from the Plan, the Employer will be fully responsible for providing such coverage, and that the cost of such coverage will be paid for by the Employer. It is further understood that entitlement to coverage for Medical Services Plan of B.C. coverage will be identical to entitlement to coverage under the Plan.

In the event that the Plan's weekly indemnity benefit is maintained at a level that will allow the Company to qualify for premium reduction under the Employment Insurance Act, the Owner-Operator/Drivers' share of such reduction (5/12) shall be retained by the Company as payment in kind for benefits provided.

Section 8 – Costs

The Company shall contribute one hundred percent (100%) of the contribution rate established by the Board of Trustees for any month in which any Owner-Operator/Driver is covered by the Plan for one day or more.

Section 9 - Payment of Contributions

- (a) Contributions will be made on a calendar month basis for each eligible Owner-Operator/Driver and the Company shall remit the total contribution to the Plan not later than the twentieth (20th) day of the month for which coverage is being provided.
- (b) The Company agrees to hold in trust, until remitted, all amounts payable in respect of the Plan pursuant to this Agreement and shall be liable, as such, for failure to remit for any reason including, but not limited to liquidation, assignment or bankruptcy of the Company.
- (c) The Company agrees that the Trustees of the Plan shall have the right to take legal action against the Company to obtain payment of all contributions and interest thereon due pursuant to this Agreement.
- (d) The Company agrees that, if contributions are not received by the Plan Administrator within the agreed time period (or postmark on the envelope enclosing the contributions is not within the agreed time period), then the Company shall be liable for the payment of such contributions plus interest on the contributions at a rate determined by the Trustees but not to exceed 2% per month from the date such contributions were due to the date of receipt by the Union or the Plan Administrator.
- (e) The Company agrees that, if the Union or the Trustees of the Plan incur any legal or other costs to recover contributions due and payable by the Company, the Company shall be liable to reimburse the Union or the applicable Trustees for such costs.

Section 10 - Termination of Coverage

Except as provided under Section 5, subparagraph (e), hereunder,

- (a) All coverage under the Plan will terminate at the end of the month in which lay-off or any other temporary interruption of employment commences.
- (b) If employment is terminated, coverage for the weekly indemnity and long term disability benefits will terminate immediately upon termination of employment and all other coverage will terminate at the end of the month in which termination of employment occurs.
- (c) It shall be the responsibility of the Company to advise the Administrator of the Plan in a timely fashion of termination of a member's coverage and the Company will be held responsible for any costs incurred by the Board of Trustees that result from late notification of termination of coverage.

Section 11 - Failure to Remit Contributions

It is agreed that, if the Company fails, due to reasons other than clerical error, to remit contributions due under this Agreement on behalf of any eligible Owner-Operator/Driver, the Company shall be liable for the payment of all benefits the Owner-Operator/Driver does not receive from the Benefit Plan but would

have received had the Company remitted the required contributions. In the event of clerical error, the Company shall be liable for the payment of any benefits for which the Trustees are unable to obtain insurance due to late application.

Section 12 - General

- (a) It shall be the responsibility of the Trustees of the Plan to provide all necessary enrolment and administrative forms to the Company and, when necessary, the Owner-Operator/Driver.
- (b) It shall be the responsibility of the Company to complete an Employer Authorization form enrolling eligible Owner-Operator/Drivers on the Plan. The employer shall provide the Owner-Operator/Drivers with the Member Data form necessary for dependent coverage and beneficiary appointment. Forms required to make claim under the Plan shall also be made available.
- (c) It shall be the responsibility of the Owner-Operator/Driver to cause the Member Data form and claim forms to be completed and submitted to the Plan.

APPENDIX "C"

ADDITIONAL OWNER OPERATOR TERMS

Section 1

Insurance – Plates, Registration & Insurance

10,000 Auto Liability

\$1,000 Deductible on Collision (subject to change by mutual agreement between Company and the Union).

\$1,000 Deductible on Comprehensive (subject to change by mutual agreement between Company and the Union).

License & Registration based on 46,500 KG

Loss of Use Coverage - \$450 per day, Max \$9000 (subject to change by mutual agreement between Company and the Union).

\$100,000 – Non-Owned Trailer Insurance

\$1,000 Deductible – Non-Owned Trailer Insurance (subject to change by mutual agreement between Company and the Union).

When ICBC premiums rise or fall, the Company's contributions will rise or fall proportionately based on the percentage of the increase or decrease. In the case of a decrease or increase, the percentage will be applied to the Company's level of contribution at the time of review. Annual review of rate will be conducted in April of each year.

The Owner-Operator is to be the sole operator of his equipment (with the exception of his relief driver).

Age of Truck Policy:

The age of the truck owned by an owner operator shall not be more than fifteen (15) years old provided the truck is in good working order and properly maintained. If an owner operator cannot provide a valid CVIR inspection upon request by the Company, the equipment will be deemed ineligible for use with Canada Cartage.

Section 2

1. The Owner-Operator shall be an incorporated entity. Current Owner-Operators red-circled are exempt from this clause.
2. The Owner-Operator must operate its vehicle(s) on license plates and registration that are in the name of the Company.
3. The Owner-Operator vehicle(s) shall display Company logo and name.
4. The Owner-Operator vehicle(s) must run under the Company's Commercial Vehicle Operator's Registration (CVOR).
5. The Owner-Operator is required to pay all costs associated with any Owner-Operator Drivers employed by it except Health & Welfare BC Medical.
6. The Company shall have the right to hold the Owner-Operator vehicle(s) out of service if the vehicle(s) is unsuitable for the services to be provided.
7. The Owner-Operator and Owner-Operator Drivers shall comply with the Company's claims process and cooperate with the Company and/or the Company's insurers, as required.
8. The Owner-Operator and its Drivers shall comply with all customer required terms and conditions for the service imposed upon the Company. These terms will be provided by the Company to the Owner-Operator and the Owner-Operator Drivers.
9. The Owner-Operator is responsible for all costs related to the operation of its vehicle(s) in

- providing services to the Company, including all costs related to any Owner-Operator Drivers.
10. The Owner-Operator must have the required WCB coverage for him/herself and any Owner-Operator Drivers, and be responsible for payment of all employment related fees/costs including but not limited to Owner-Operator Driver wages.
 11. The Owner-Operator and Owner-Operator Drivers shall agree to maintain the confidential information of the Company and its customers that the Owner-Operator and Owner-Operator Drivers may learn while engaged by the Company, and this covenant shall survive termination of employment and one year post-termination of employment.
 12. Owner Operator pay shall include a "holdback" of two weeks. In addition the Company will accumulate for the Contractor's account a reserve up to a maximum amount of \$3,000.00. The reserve will be accumulated by deducting \$500.00 per pay period. Commencing on the date that the full \$3,000.00 deposit has been made, interest shall be paid to the Contractor at the rate of 2% while the monies are on deposit, per annum monetary deduction. This reserve will be held as security by the Company for the duration of the Owner-Operator's tenure to deal with expenses incurred by the Company on the Owner-Operator's behalf, or if applicable, pursuant to Owner-Operator Agreements relating to Fuel Cards or Telematics, including but not limited to taxes, penalties, deductibles, Customer pick up/delay penalties, fuel card purchases, Owner-Operator damage to Company-owned cell phones or telematics devices, and other expenses incurred in the name of the Company. At termination or expiry of the Owner-Operator agreement, the holdback amount (less any applicable deductions) shall be returned to the Owner-Operator.
 13. The Owner-Operator is responsible to maintain all records related to operation of its vehicle(s), including log books, for inspection by the Company as required.
 14. The Owner-Operator and its Drivers are responsible for complying with all applicable federal and provincial laws respecting the maintenance of its vehicles, operation of the vehicles and the provision of transportation services generally.
 15. The Owner-Operator and Owner-Operator Drivers must respect the terms and conditions of any non-solicitation agreements between the Company and its customers. In the event the Owner-Operator or any Owner-Operator Drivers seek employment or engagement directly with a company customer, the Owner-Operator and Owner-Operator Drivers agree to obtain Company's consent.
 16. Upon termination of employment for any reason, the Owner-Operator shall return to the Company any and all Company property in the Owner-Operator's possession, and immediately shall arrange for removal of the Company decals and marks from its vehicles.
 17. The Owner-Operator vehicle(s) shall be considered to be a Company workplace for the purposes of federal health and safety legislation, and the Owner-Operator shall be obligated to ensure the vehicle complies with all such requirements.

LETTER OF UNDERSTANDING NO. 1

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM ("DLP")
AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")

Owner-Operators hired after the date of ratification will be eligible for benefits and MSP the first of the month following 6 months of employment.

SIGNED THIS DAY OF , 2019

FOR THE COMPANY

FOR THE UNION

Rhonda Leach

R. Simms

Ju. N. [unclear]

LETTER OF UNDERSTANDING NO. 2

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM (“DLP”)

AND: TEAMSTERS LOCAL UNION NO. 31 (“Teamsters”)

Red Circled Employees

Effective September 9, 2014 all new trucks must be driven by the owner. No absentee owners will be permitted. The Owner-Operator is to be the sole operator of his equipment (with the exception of his relief driver). All current owners with more than one (1) truck will be red-circled.

Vehicles driven by the Owner-Operators noted above shall be red-circled and the Company shall not impose its current practise (maximum age of tractor to be 15 years) on the age limit of the red-circled vehicles.


- (a). The implementation of the this Agreement shall not affect the current position or shift of any truck or Owner-Operator.
- (b). With the consent of the Company, not to be unreasonably withheld, Owner-Operators may change their shifts among themselves by mutual agreement upon providing 48 hours' notice to the Company. No other shift switches may occur other than through the normal posting procedure.
- (c). The Company agrees any permanent or long term shift schedule changes (in excess of sixty (60) days) will be posted as per Article 4.


SIGNED THIS DAY OF , 2019

FOR THE COMPANY

FOR THE UNION

ffilljQvdU U&fe/a





LETTER OF UNDERSTANDING NO. 3

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM ("DLP")

AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")

RE: FUEL CARD, TELEMATICS AND BELL CORPORATE PLAN AGREEMENTS

The Company to provide the Union with copies of each agreement as stated above. The Company will make no changes to any of the above agreements without prior notification to the Union.

SIGNED THIS DAY OF , 2018

FOR THE COMPANY

FOR THE UNION

Rhonda Leacos

Jimms

[Signature]

LETTER OF UNDERSTANDING NO. 4

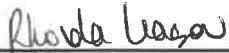
BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM ("DLP")
AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")
RE: NEW COLLECTIVE AGREEMENT DOCUMENT

If any errors or omissions are discovered in this document during the life of the agreement, the Company and Union agree to meet and resolve in good faith. Failing this, both Parties agreed to Federal Mediation as agreed and appointed by the Director General.

SIGNED THIS DAY OF , 2019

FOR THE COMPANY

FOR THE UNION







LETTER OF UNDERSTANDING NO. 5

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM ("DLP")

AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")

Re: Rest Periods and Breaks

The parties agree that in the event there is a change to the nature of the bargaining unit work such that it involves a significant hourly paid/city work, the parties will discuss possible amendments to the Agreement to include provisions relating to rest periods and overtime breaks.

SIGNED THIS DAY OF , 2019

FOR THE COMPANY

FOR THE UNION







LETTER OF UNDERSTANDING NO. 6

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM ("DLP")

AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")

Re: United Parcel Service ("UPS") Flat Rates for Owner Operators

WHEREAS, THE PARTIES have determined that the Collective Agreement does not include the complete procedure for dealing with the payment to Owner Operators on flat rated trips for UPS-Seattle ("UPS-Seattle Flat Rated Runs") and UPS Auburn-Supply Chain Solutions ("UPS-SCS Flat Rated Runs").

AND WHEREAS the parties agree that since the inception of the Agreement, the UPS Seattle Flat Rated Runs and the UPS-SCS Flat Rated Runs have been paid in the same manner as they were on the day before the inception of the Collective Agreement, in keeping with the process under the individual Owner Operator Agreements, prior to certification.

AND WHEREAS the parties wish to codify the procedure for payment of the UPS Seattle Flat Rated Runs, and amend the procedure for payment of the UPS-SCS Flat Rated Runs, all of which shall be amendments to the Collective Agreement and have agreed on the process as set out below:

NOW THEREFOR the parties agree as follows:

This letter shall be an amendment to the terms of the Wage Schedule set out in Appendix A in the Collective Agreement, and will exclusively apply to payments for UPS Seattle Flat Rated Runs and UPS-SCS Flat Rated Runs which will be paid as follows:

- UPS-Seattle and UPS-SCS Flat Rated Run rates include the following:
 - Vehicle Pre-trip and post trip inspections
 - Initial pick up of trailer / load from customer location (1 hour max)

Delays

- The following delays will be paid at the wheels not turning hourly rate of pay. All times must be marked on the applicable Company/Customer documentation and must be signed for when possible.
 1. International border crossing (all time after one (1) hour per round trip).
 2. Breakdown of Company/customer equipment (all time after one (1) hour per round trip paid on the basis of eight (8) hours paid, eight (8) hours unpaid, eight (8) hours paid, eight (8) hours unpaid and so on).
 3. Stops and drops, loading and unloading, coupling and uncoupling, switches (all time after one (1) hour per round trip).
 4. Justifiable delay not attributable to the Owner-Operator/Driver (all time after one (1) hour per round trip paid on the basis of eight (8) hours paid, eight (8) hours unpaid, eight (8) hours paid, eight (8) hours unpaid and so on after one (1) hour).
 5. Any excessive delays will be dealt with on a case by case basis between the Union and the Employer.

For UPS-SCS Flat Rated Runs Only:

- 6. Stops in excess of 3 per trip will be paid at the applicable drop rate.
- 7. Any excessive delays will be dealt with on a case by case basis between the Union and the Employer.

SIGNED THIS

DAY OF

, 2019

FOR THE COMPANY

FOR THE UNION

Rhonda Leaca

B. Sims

[Signature]

LETTER OF UNDERSTANDING NO. 7

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM ("DLP")

AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")

Re: Independent Owner Operators / Sole Proprietorship

The parties agree that in the event that an Owner Operator makes a formal request in writing to change from an Incorporated Entity to a Sole Proprietorship, both parties will agree to this change. Any costs involved in relation to the change in status will be borne by the Owner Operator requesting the change.

SIGNED THIS DAY OF , 2019

FOR THE COMPANY

FOR THE UNION







LETTER OF UNDERSTANDING NO. 8

BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM (“DLP”)

AND: TEAMSTERS LOCAL UNION NO. 31 (“Teamsters”)

Re: Fuel Surcharge (FSC – Owner Operators)

WHEREAS, THE PARTIES have determined that the Collective Agreement does not include the procedure for dealing with the payment of Fuel Surcharges.

AND WHEREAS the parties agree that since the inception of the Agreement, Fuel Surcharges have been paid in the same manner as they were on the day before the inception of the Collective Agreement, in keeping with the process under the Owner Operator Agreement for each Owner Operator, prior to certification.

AND WHEREAS the parties wish to codify the procedure for payment of Fuel Surcharges as an amendment to the Collective Agreement and have agreed on the process as set out below:

NOW THEREFOR the parties agree as follows:

Fuel Surcharge will be calculated as per the Fuel Surcharge Agreement that was in place prior to the ratification of the Collective Agreement and as stated below.

A) Payment of the Fuel Surcharge (FSC) on DLP customer accounts, with the exception of ALC (Air Liquid Cryogenics), UPS (United Parcel Service) and UPS Chain Solutions (United Parcel Service Chain Solutions) shall be as set out on the Fuel Surcharge Schedule set out below, subject to the following:

- The base rate of diesel fuel for Vancouver, (the "base rate") shall be \$0.5687 per litre (excluding GST)
- Mileage rates will be adjusted as follows;
 - For every \$0.01 per litre increase or decrease to the base rate, DLP will proportionately increase or decrease the base mileage rate by \$0.007 per mile.
- If fuel becomes lower than the base rate of \$0.5687 per litre, the Union and the Company will meet to determine the fuel surcharge prior to the Company making any adjustments to the fuel surcharge.

Tariff Fuel Surcharge

Fuel Price	Fuel Base	Fuel Surcharge per mile	Fuel Price	Fuel Base	Fuel Surcharge per mile
0.57	0.5687	0.00	0.98	0.5687	0.29
0.58	0.5687	0.01	0.99	0.5687	0.29
0.59	0.5687	0.01	1	0.5687	0.30
0.6	0.5687	0.02	1.01	0.5687	0.31
0.61	0.5687	0.03	1.02	0.5687	0.32
0.62	0.5687	0.04	1.03	0.5687	0.32
0.63	0.5687	0.04	1.04	0.5687	0.33

0.64	0.5687	0.05	1.05	0.5687	0.34
0.65	0.5687	0.06	1.06	0.5687	0.34
0.66	0.5687	0.06	1.07	0.5687	0.35
0.67	0.5687	0.07	1.08	0.5687	0.36
0.68	0.5687	0.08	1.09	0.5687	0.36
0.69	0.5687	0.08	1.1	0.5687	0.37
0.7	0.5687	0.09	1.11	0.5687	0.38
0.71	0.5687	0.10	1.12	0.5687	0.39
0.72	0.5687	0.11	1.13	0.5687	0.39
0.73	0.5687	0.11	1.14	0.5687	0.40
0.74	0.5687	0.12	1.15	0.5687	0.41
0.75	0.5687	0.13	1.16	0.5687	0.41
0.76	0.5687	0.13	1.17	0.5687	0.42
0.77	0.5687	0.14	1.18	0.5687	0.43
0.78	0.5687	0.15	1.19	0.5687	0.43
0.79	0.5687	0.15	1.2	0.5687	0.44
0.8	0.5687	0.16	1.21	0.5687	0.45
0.81	0.5687	0.17	1.22	0.5687	0.46
0.82	0.5687	0.18	1.23	0.5687	0.46
0.83	0.5687	0.18	1.24	0.5687	0.47
0.84	0.5687	0.19	1.25	0.5687	0.48
0.85	0.5687	0.20	1.26	0.5687	0.48
0.86	0.5687	0.20	1.27	0.5687	0.49
0.87	0.5687	0.21	1.28	0.5687	0.50
0.88	0.5687	0.22	1.29	0.5687	0.50
0.89	0.5687	0.22	1.3	0.5687	0.51
0.9	0.5687	0.23	1.31	0.5687	0.52
0.91	0.5687	0.24	1.32	0.5687	0.53
0.92	0.5687	0.25	1.33	0.5687	0.53
0.93	0.5687	0.25	1.34	0.5687	0.54
0.94	0.5687	0.26	1.35	0.5687	0.55
0.95	0.5687	0.27	1.36	0.5687	0.55
0.96	0.5687	0.27	1.37	0.5687	0.56
0.97	0.5687	0.28			

Exceptions:

B) UPS and UPS Chain Solutions

- The current Canadian Freight Carriers Association TL2 FSC will apply. Fuel surcharge is calculated for and during the week in which the work is performed.

C) ALC

- The base rate of diesel fuel as set and amended by ALC, shall be \$1.02 per litre (excluding GST)(the "ALC base rate")
- Mileage rates will be adjusted as follows:

○

-
- At the ALC base rate, there will be no additional payment (fuel surcharge)
- For every \$0.01 per litre increase to the ALC base rate of diesel fuel Direct Transport will proportionately increase the base mileage rate by \$0.007 per mile.
- If the ALC base rate falls below \$1.02, there will be no decrease in the mileage rate paid to the Owner Operator.

ALC Fuel Surcharge

ALC Posted Fuel Price	Fuel Base	Fuel Surcharge per KM		ALC Posted Fuel Price	Fuel Base	Fuel Surcharge per KM
0.57	1.02	-0.3150		0.98	1.02	-0.0280
0.58	1.02	-0.3080		0.99	1.02	-0.0210
0.59	1.02	-0.3010		1	1.02	-0.0140
0.6	1.02	-0.2940		1.01	1.02	-0.0070
0.61	1.02	-0.2870		1.02	1.02	0.0000
0.62	1.02	-0.2800		1.03	1.02	0.0070
0.63	1.02	-0.2730		1.04	1.02	0.0140
0.64	1.02	-0.2660		1.05	1.02	0.0210
0.65	1.02	-0.2590		1.06	1.02	0.0280
0.66	1.02	-0.2520		1.07	1.02	0.0350
0.67	1.02	-0.2450		1.08	1.02	0.0420
0.68	1.02	-0.2380		1.09	1.02	0.0490
0.69	1.02	-0.2310		1.1	1.02	0.0560
0.7	1.02	-0.2240		1.11	1.02	0.0630
0.71	1.02	-0.2170		1.12	1.02	0.0700
0.72	1.02	-0.2100		1.13	1.02	0.0770
0.73	1.02	-0.2030		1.14	1.02	0.0840
0.74	1.02	-0.1960		1.15	1.02	0.0910
0.75	1.02	-0.1890		1.16	1.02	0.0980
0.76	1.02	-0.1820		1.17	1.02	0.1050
0.77	1.02	-0.1750		1.18	1.02	0.1120
0.78	1.02	-0.1680		1.19	1.02	0.1190
0.79	1.02	-0.1610		1.2	1.02	0.1260
0.8	1.02	-0.1540		1.21	1.02	0.1330
0.81	1.02	-0.1470		1.22	1.02	0.1400
0.82	1.02	-0.1400		1.23	1.02	0.1470
0.83	1.02	-0.1330		1.24	1.02	0.1540
0.84	1.02	-0.1260		1.25	1.02	0.1610
0.85	1.02	-0.1190		1.26	1.02	0.1680
0.86	1.02	-0.1120		1.27	1.02	0.1750
0.87	1.02	-0.1050		1.28	1.02	0.1820
0.88	1.02	-0.0980		1.29	1.02	0.1890
0.89	1.02	-0.0910		1.3	1.02	0.1960

0.9	1.02	-0.0840		1.31	1.02	0.2030
0.91	1.02	-0.0770		1.32	1.02	0.2100
0.92	1.02	-0.0700		1.33	1.02	0.2170
0.93	1.02	-0.0630		1.34	1.02	0.2240
0.94	1.02	-0.0560		1.35	1.02	0.2310
0.95	1.02	-0.0490		1.36	1.02	0.2380
0.96	1.02	-0.0420		1.37	1.02	0.2450
0.97	1.02	-0.0350				

SIGNED THIS

DAY OF

, 2019

FOR THE COMPANY

FOR THE UNION

Rosalee

Beems

[Signature]



TEAMSTERS LOCAL UNION No. 31

AFFILIATED WITH TEAMSTERS CANADA AND THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS
#1 GROSVENOR SQUARE, DELTA, BC V3M 5S1

January 11, 2019

Ms. Rhonda Leason
Vice-President, Human Resources
Direct General Partner Corporation
dba Canada Cartage System
18371 McCartney Way
Richmond BC V6W 0A1

Via email only: Rhonda_leason@canadacartage.com

Dear Ms. Leason:

Re: Canada Cartage Owner Operators Contract

As the previous collective agreement between the parties expired on July 18, 2018, the annual increases for the new collective agreement will be effective the following:

Year 1	July 19, 2018
Year 2	July 19, 2019
Year 3	July 19, 2020


Please sign below to signify the Company's agreement.

For the Company

Rhonda Leason
Sr. Director, Human Resources

For the Union

Paul Simms
Business Representative

PS:sep 

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