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AGREEMENT BETWEEN:

**GORSKI BULK TRANSPORT INC.
BROKER/ OWNER-OPERATOR DIVISION**

**TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS
UNION LOCAL NO. 880**

EXPIRY DATE SEPTEMBER 30th, 2010

03411(08)

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THIS AGREEMENT made as of the 1st day of October 2006.

BETWEEN:

GORSKI BULK TRANSPORT INC.
(hereinafter referred to as the "Company")

**TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN
AND HELPERS UNION, LOCAL NO. 880**
(hereinafter referred to as the "Union")

ARTICLE I- RECOGNITION

- 1.1 The Company recognizes the Union as the exclusive bargaining agent for all its brokers, within the Province of Ontario.
- 1.2 The term "Broker" shall mean all Owner Operators. An Owner Operator shall mean an individual who owns/leases and operates a Class 8 tractor under the operating authority of Gorski Bulk Transport Inc.
- 1.3 It is further agreed that the effective date of this Agreement shall be October 1, 2006 and that the term shall be from this date to September 30, 2010.
- 1.4 The intent and purpose of this Agreement shall be to promote and improve industrial relations and economic relations in the industry, to establish and to maintain a high degree of discipline and efficiency and to set forth herein, the basic agreement covering rates of pay, conditions of employment, which shall render justice to all. The parties hereto desire to co-operate in establishing and maintaining proper and suitable condition, in the industry, to provide methods of fair and peaceful adjustments of all disputes, which may arise between them and to foster good will and friendly relations and better understanding between the parties.

ARTICLE 2- UNION SECURITY

- 2.1 It is agreed that all Union members shall maintain their Union membership in good standing for the duration of the contract.
- 2.2 All brokers hired prior to the date of the signing of this Agreement must authorize the Company to deduct from the pay on the pay day the Local

Union's dues deductions are made, an amount equal to the Local Union's monthly dues for the duration of the Agreement, as their financial contribution to the Local Union.

2.3 All brokers shall authorize the Company to deduct the amount equal to the Local Union's initiation fee in installments of twenty-five dollars (\$25.00) per week after the completion of the probationary period. The Company agrees to remit such monies so deducted to the Head Office of the Local Union along with a list of the brokers from whom the money was deducted at the same time as the Union dues are remitted.

2.4 (a) The Company agrees, for the duration of this Agreement to deduct from the last pay cheque of each month, the monthly dues of any brokers covered by this Agreement, and to remit such monies so deducted to the Head Office of the Local Union along with a list of the brokers from whom the monies were deducted, no later than the 10th day of the month following the date upon which such monies were deducted. The check-off list will include Social Security Numbers and names designated by terminals, within the jurisdiction of each Local Union. In the case of a broker being on Workers' Compensation, the check-off list shall indicate that such broker is on Workers' Compensation.

(b) The Union will notify the Company, in writing, of any arrears in dues caused for any reason, or any arrears in initiation or re-initiation fees and the Company will immediately commence deductions in amounts prescribed by the Local Union in such written notice and forward such monies to the Local Union along with the monthly dues as provided for above. Such notice of arrears served on the Company shall prescribe payroll deductions of not more than the twenty-five dollars (\$25.00) per week. The Union will refund directly to the brokers any such monies deducted in error, along with confirmation of such refund to the Company.

(c) The Union will supply the Company with a supply of printed check-off forms, which shall provide a column for "Dues", "Arrears in Dues", "Initiation Fees" and "Re-initiation Fees". The Company shall, each month, add the name of each new broker hired on since the remittance of the previous check-off, along with the starting date and the Company shall give an explanation alongside the name of each broker who appeared on the previous month's check-off sheet, for whom a remittance is not made, for any reason.

(d) The Union will supply the Company with initiation deduction authorization forms, Application for Union Membership forms, all of which shall be signed by all new brokers on the day of hire. It will be

the responsibility of the Company to ensure that all completed application and membership forms are returned to the Union.

- (e) The deduction of Union dues shall be made from the broker.
- (f) The check-off and the cheque for Union dues deductions must be in the office of the Local Union not later than the tenth (10th) day of the month following the month in which the monies were deducted. If the check-off and the cheque has not arrived by the tenth (10th) of the month, the Local Union Secretary-Treasurer will, by registered mail, so notify the delinquent Company, who will ensure that the Company remits the cheque within seven (7) days of the receipt of the notification.

ARTICLE 3- MANAGEMENT FUNCTIONS

- 3.1 The Union recognizes that the Company has the right to manage the business, to exercise all of the prerogatives of management, and without affecting the generality of the foregoing, it has the right to determine the size of and direct the work force, to extend or curtail operations, to hire, promote, except to the extent that the said rights and prerogatives have been specifically delegated to the Union, or otherwise curtailed in this Agreement. The Company also has the right to discharge, suspend or otherwise discipline brokers for just cause.
- 3.2 The above clause shall not deprive the brokers of the right to exercise the Grievance Procedure as outlined in this Agreement.

ARTICLE 4- DISCRIMINATION

- 4.1 No person shall be refused employment, or in any manner be discriminated against in accordance with the Canadian Charter of Rights and Freedoms.
- 4.2 A representative of the Local Union shall be allowed to enter the Company's premises to deal in the administration of the Agreement, provided he does not interfere with the normal operations of the Company.

ARTICLE 5- STEWARDS

- 5.1 The Company acknowledges the right of the Union to appoint one (1) Steward from the brokers at the Oldcastle terminal to represent the brokers at the Oldcastle terminal and one (1) Steward from the brokers at

the Mississauga terminal to represent the brokers at the Mississauga terminal.

- 5.2 (a) Wherever possible, grievances shall be processed during the normal working hours of the Steward.
- (b) In no case shall payments be made to a Steward for the time used in the processing of a grievance be extended beyond Step 2, as outlined 6.2(b) of the Grievance Procedure.
- (c) Should the Company find that the Steward's activities interfere with the normal course of his duties or the duties of other brokers, the Company may contact the Representative of the Local Union and/or register a grievance commencing with Step 2 as outlined in Article 6.2 of this Agreement.
- 5.3 The Union will inform the Company, in writing, of the name of the Steward and/or subsequent change in the name of the Steward. The Company shall not be asked to recognize any Steward until such notification from the Union has been received.
- 5.4 The Company will notify the Union by registered mail or fax prior to the suspension or discharge of a Steward. Failure of the company to comply with this procedure shall render the dismissal or suspension null and void.
- 5.5 For the purpose of layoffs and the day-to-day allocation of work within his department, the "Chief Steward shall be established on the seniority list as "second man". In a department where there is more than one (1) Steward, the "Chief Steward shall be the Steward for the purpose of applying this clause. Owner Operator stewards gets second man seniority for one (1) dispatch for doing Union work the day before the dispatch.
- 5.6 For the purpose of processing specific grievances or disputes, Business Representatives and Stewards shall have access to trip sheets and time cards. Trip sheets and time cards will be made available immediately at the head office terminal during office hours of the Company and at other terminals within three (3) working days.

ARTICLE 6- GRIEVANCE PROCEDURE

- 6.1 A grievance shall consist of a dispute concerning interpretation and application of any clause in this Agreement, alleged violations of the Agreement and alleged abuses of discretion by supervision in the treatment of brokers, contrary to the terms of this Agreement. If any question arises as to whether a particular dispute is or is not a grievance

within the meaning of these provisions, the question may be taken up through the grievance procedure and determined, if necessary, by arbitration. There shall be an earnest effort on the part of both parties to settle such grievance promptly, through the following steps:

- (a) The grievor shall be accompanied by a Union Steward and if deemed necessary by the Union, he shall also be accompanied by a Business Representative of the Union.
- 6.2**
- (a) By a conference between the aggrieved broker and the Branch Manager or his designate, failing settlement, the grievance must be submitted in writing within thirty (30) calendar days from date of the alleged violation of the Agreement or from the date that the alleged violation became known to the grievor but, in no case, more than thirty (30) days. The thirty (30) days limitation provided above shall not deprive any broker or the Union of the right to register a retroactive claim for Health and Welfare, Ontario Health Insurance Plan premiums or where such premiums, contributions or allowances have not been paid in line with the provisions of this Agreement.
 - (b) Failing settlement of the above step, the Branch Manager shall render his decision in writing and shall refer the grievance to and arrange a meeting between the Union and the General Manager or his designate within seven (7) days of the date that the grievance was registered in writing. This meeting shall be in the locale of the terminal involved, unless otherwise agreed.

The General Manager or his designate shall render his decision in writing within seven (7) days from the date that the grievance was referred to him.
 - (c) Should the parties fail to reach satisfactory settlement in the preceding steps, the final settlement of the grievance must be submitted to an arbitration board as outlined below.
- 6.3** In the event the Union or the Company has a grievance, it shall be the responsibility of the grievor to advise the other party, in writing, within thirty (30) calendar days of the alleged violation of the Agreement, and by such notification, arrange a meeting within fourteen (14) calendar days between the General Manager or his designate and a duly accredited principal officer of the Local Union or his designate. Should the grievor fail to reach satisfactory settlement, the grievance may be submitted to a Board of Arbitration as outlined in Article 6.2 (c).
- 6.4** Grievances dealing with discharge and suspensions shall be registered, in writing, within seventy two (72) hours (Saturdays, Sundays and Holidays

excluded) from the time of the discharge or suspension and shall commence with Article 6.2(b) of the grievance procedure.

- 6.5** It shall be responsibility of the party desiring arbitration to inform the other party, in writing, in case of:
- (a) A broker grievance within seven (7) calendar days after the General Manager or his designate has rendered a decision or failed to render a decision as provided for in Article 6.2 (c), or seven (7) days from the date of deadlock, under the provision of 6.5 (d), the Union can go to an outside Board;
 - (b) A Company grievance within seven (7) calendar days after the meeting with the Union Representative;
 - (c) A Union grievance within seven (7) calendar days after the meeting with the Company representative.
 - (d) Prior to proceeding to arbitration, any grievance may, by mutual consent, be submitted to a Joint Grievance Committee. The Grievance Committee shall be composed of three (3) persons, one (1) of whom shall be a Manager selected by the Company and one (1) Teamster Union Official who shall be selected by the Local Union concerned and one (1) selected by the Company and Union representatives. A decision of the Joint Grievance Committee on the disposition of a grievance shall be deemed to be the settlement of the grievance and binding on the employee, the Union, and the Company. Settlements reached by the Joint Grievance Committee shall not be used as precedents. In the event the Grievance Committee is deadlocked and unable to render a decision, either party may refer the grievance to arbitration in accordance with Article 6.5.
 - (e) A notice of intent to arbitrate under the foregoing provision shall contain the name of the aggrieved party's appointee to the Board of Arbitration and within seven (7) calendar days from the receipt of the notice of intent to arbitrate, the other party must, in turn, name their appointee. A third member to act as Chairman shall be appointed by the respective appointees. Should either party fail to name their nominee within the required seven (7) calendar days, or should the appointees fail to select a Chairman within thirty (30) calendar days from the date of their appointment, either party, or their appointee, shall request the Provincial or Federal Minister of Labour to make the appropriate appointment.
- 6.6** Where a broker is away from his home terminal and thus unavailable to proceed with the steps of the Grievance Procedure within the time limits prescribed, such time limits shall be extended so as to permit his

- processing the grievance in accordance with the above steps, upon his return to his home terminal.
- 6.7 The Board of Arbitration shall not have the right to alter or change any provisions in this Agreement, or to substitute any new provisions in this Agreement in lieu thereof, or to give any decision inconsistent with the terms and provisions of this Agreement. The Board however, shall have the power to vary or set aside any penalty or discipline imposed relating to the grievance then before the Board.
- 6.8 Each of the parties hereto will bear the expenses of their appointee to the Board and the parties will equally bear the fees and expenses of the Chairman,
- 6.9 The Company shall not be responsible for the payment of time used by the broker in the investigation and settlement of a grievance.
- 6.10 All monetary grievances that are mutually agreed upon shall be paid the following pay period, either by separate cheque or, in the alternative, the broker's regular cheque shall be accompanied by a written statement outlining the amount and grievance settlement involved.
- 6.11 Any broker covered by this Agreement when called in to the Company's office for any discussion which may result in disciplinary action or a grievance shall, upon request, be accompanied by a Steward or Business Agent.
- 6.12 A grievance, once submitted in writing, shall not be withdrawn when such withdrawal or settlement of such grievance is, in the opinion of the Union, not in concert with the provisions of this Agreement.
- 6.13 The provisions of this article shall not apply to probationary employees nor shall the provisions of this article be available to the Union on behalf of any probationary employee.

ARTICLE 7- STRIKES LOCKOUTS & PICKET LINES

- 7.1 During the term of this Agreement, there shall be no lockout by the Company or any strike, sit-down, work stoppage or suspension of work, either complete or partial for any reason, by the brokers.
- 7.2 The Company acknowledges the right of the brokers to recognize and refuse to cross a picket line.
- 7.3 The Union recognizes the right of the Company to protect its business and

the property of its customers.

- 7.4** Each party recognizing the right of the other in this regard, agrees that the Union will notify the Company of any strike or picket line activity and that the Company will notify the Union if in their opinion, such strike or picket line is illegal or is unduly prejudicial to the interests of the Company, its brokers or the Union.
- 7.5** In such cases, a meeting will be held in order to mutually agree on a policy. In the event that the Company and the Union cannot agree, each party reserve the right to take whatever action it deems necessary and appropriate.

ARTICLE 8- SENIORITY

- 8.1** Seniority lists containing the name and starting date of all Company drivers and brokers will be prepared and posted in the terminals every three (3) months on the bulletin boards, with sufficient copies for Stewards and Business Representatives.

Company drivers who become brokers will retain their same seniority on the seniority list.

A seniority list containing the names, addresses and telephone numbers of employees as contained in the records of the Company will be prepared and forwarded to the Local Union office annually during the month of September. This article could be discussed between the Union and the Company if an unforeseen or unusual circumstance appears.

- 8.2** BROKER- In the event part or all of the work of the Company is moved to another terminal, all brokers will be able to move under their Company seniority.
- 8.3** Brokers promoted to supervisory positions or positions not subject to this Agreement, will retain their seniority after promotion for a twelve (12) months period only.
- 8.4** If demoted for any reasons or if they voluntarily request reinstatement to their former position, the time served in the supervisory position shall be included in their seniority rating. Such brokers shall forfeit any and all recourse to the grievance procedure as outlined in this Agreement, should he subsequently be discharged in such position beyond the jurisdiction of this Agreement. This article to be applied only once for any broker during the term of this Agreement.

- 8.5 Absence due to bona fide illness or injury shall not be cause for discharge or **loss** of seniority, provided the Company is notified of such illness or injury. The broker **shall** notify the Company when he is able to return to work.
- 8.6 Any broker who is elected to a full-time Municipal, Provincial or Federal government office shall be granted a leave of absence in order to fulfil his elected duties for the initial term of office only, he must advise the Company before the next dispatch or as soon as possible.
- 8.7 A broker shall be considered a probationary broker until he has worked for the Company for a total of thirty (30) actual days of work. During the probationary period, a probationary broker may be disciplined or discharged without **recourse** to the grievance and arbitration procedures in this Agreement. Upon completion of the probationary period, if the broker is retained by the Company, his name shall be placed on the seniority list and he shall be assigned a seniority date which is thirty (30) calendar days prior to the date on which he completed his probationary period.
- 8.8 A broker's seniority shall be lost and a broker's employment shall be terminated for any of the following reasons:
- (a) If a broker voluntarily quits;
 - (b) If the broker is discharged and is not reinstated pursuant to the grievance procedure as provided in this contract;
 - (c) If a broker has been laid off and not employed elsewhere and has refused to return to work within twenty-four (24) hours after being contacted, personally. When the broker cannot be contacted or is employed elsewhere, then the Company will notify the broker by registered mail to his last known address to return to work and he will be allowed no more than seven (7) consecutive days from the date of notification to report for duty;
 - (d) If he takes employment other than that declared and agreed upon when applying for leave of absence;
 - (e) If a broker is absent from work without securing a leave of absence for more than three (3) consecutive working days;
 - (9) If a broker is laid off and not recalled for a period extending beyond thirty-six (36) consecutive months.
 - (g) If the owner operator is unable to maintain a valid AZ license.
 - (h) If the broker fails to provide proper equipment.
- 8.9 The provisions of Article 6 of this Agreement shall not apply to probationary brokers nor shall the provisions of Article 6 be available to

the Union with respect to any probationary broker.

- 8.10 If required by the Company, Owner/Operators will be able to move to another Company terminal with Company Seniority. All such moves will be posted for 1 week.

ARTICLE 9- EQUIPMENT

- 9.1 (a) Brokers shall not operate vehicles, which are not in safe operating condition or not equipped with safety appliances required by law.
- (b) It shall be the duty of the broker to report promptly, in writing to the Company all defects in equipment.
- (c) It shall be the duty and responsibility of the Company to maintain all company vehicles in a safe operating condition in accordance with all applicable government regulations.
- (d) The maintenance of trailers in sound operating condition is not only a function but a responsibility of the Company.
- (e) The determination in respect to the condition of equipment shall rest with the senior qualified supervisor. It shall not be violation of this Agreement where brokers refuse to operate such equipment, unless such refusal is unjustified.
- (f) It shall be the duty and responsibility of the broker to maintain his tractor in a safe operating condition in accordance with all applicable government regulations.
- (g) The broker must make his unit available for fitness inspection at any time to the Company, the insurance company or any government agency, where applicable.
- 9.2 Brokers will not be held responsible for damage while towing or pushing a vehicle if instructed to do so by the Company, unless the broker has been proven negligent.
- 9.3 It is agreed that "bad order" forms shall be supplied for the brokers on which to report defects in equipment with sufficient copies so that one can be held for the driver and also, that the office of the Company will have a copy of this report on file. The mechanic will sign this report when repair work is completed. A "bad order" form, when made out by the broker must be signed by the broker. When equipment is "bad ordered" for reasons that make the vehicle unsafe for use, it will be tagged placed in the maintenance department, along with the "bad order" report. No one will

remove the tag until the repair work is completed.

- 9.4 All power equipment shall have braking systems, which are approved by all applicable government regulations.
- 9.5 A broker who is required to unload at a customer's premises will, provided that the broker arrived at customer's premises at the scheduled appointment time, be paid \$20.00 to unload. A broker who is required to load at a customer's premises will, provided that the broker arrived at the customer's premises at the scheduled appointment time, be paid \$20.00 to load. If the broker is required to remain at the customer's premises in excess of two (2) hours, the provisions in paragraph 4 of Schedule "A" will apply with respect to such excess time. This Sub-Article applies only to mileage trips and does not apply if the broker is being paid by the hour.

ARTICLE 10 - MEDICAL EXAMINATIONS

- 10.1 Any medical examination required by the Company and all applicable government regulations for the purpose of renewing a driver's license shall be promptly complied with by all brokers, provided however, that the Company shall pay for all such examinations including drug and alcohol tests. The Company reserves the right to select their own medical examiner or physician and the Union may, if in their opinion they think an injustice has been done a broker, have said broker re-examined at the Union's expense.
- 10.2 MEDICAL REQUIREMENT FOR BROKER - Medical requirements applied by the Company shall not exceed those applied by all applicable government regulations as it relates to driver's license.

ARTICLE 11 - BULLETIN BOARDS

- 11.1 The Company agrees to permit posting of any notices of Union meetings or functions on a bulletin board conspicuously placed and provided for that purpose, provided they are authorized and signed by an Officer of the Local Union.
- 11.2 The Company will install a locked bulletin board in the Drivers' Room at the Mississauga terminal.

ARTICLE 12 -- LOSS AND/OR DAMAGE TO CARGO OR EQUIPMENT

- 12.1 Subject to paragraph 14 in Schedule "A" to this Agreement, Brokers shall not be required to contribute financially to offset any claim for loss or

damage to cargo or equipment, if it is proved they were negligent. At the Employers option an owner operator shall be offered the opportunity to pay for a proven loss or damage by an owner operator instead of being disciplined.

ARTICLE 13 - GENERAL

- 13.1 (a) should the Company require a Broker to post bond, the premium charge shall be paid by the Company. The primary obligation to procure the bond and/or U.S. Treasury Department requirements shall rest with the Company and, if it cannot arrange for a bond and/or U.S. Treasury Department requirement for a broker within thirty (30) days, it must so notify the broker in writing. Failure to notify the broker shall relieve the broker of the bonding requirement.
- (b) If the proper notice is given, the broker shall be allowed thirty (30) days from the date of such notice to make his own bonding arrangements and/or U.S. Treasury Department requirements, standard bond premiums only to be paid by the Company. A standard bond premium and/or cost of fulfilling U.S. Treasury Department requirement shall be that paid by the Company for all bonds for all other brokers in similar classifications. Any excess bond premium and/or cost of fulfilling U.S. Treasury requirements are to be paid by the broker.
- 13.2 In the event of legislation being enacted subsequent to the signing of this Agreement invalidating the application of any Article or Appendix hereto, the relative section only of this Agreement shall be nullified.
- 13.3 (a) It has been agreed that brokers handling hazardous material shall be supplied by the Company with all necessary equipment (rubber clothing, goggles, etc.) to protect the broker's person.
- (b) The broker is responsible to request proper safety equipment prior to leaving on a trip and to return this equipment. The equipment will be obtained from and returned to the person designated by the Company for such purpose. The broker is responsible for the proper use and operation of such equipment and will return such equipment in the same condition it was in when received by the broker. In the event that the equipment is not returned by the broker or, if returned, is not returned in the same condition it was when received by the broker, the Company may deduct from the broker's pay cheque, the cost of the equipment.
- (c) The company will pay each broker the sum of \$125.00 during each twelve (12) month period of operation of the Collective Agreement to

be used by the broker to purchase CSA approved safety foot wear.
Each broker will wear the safety footwear at all times when at work, at the customer's site.

- 13.4 The Company agrees to show on the broker's pay cheque or statement attached thereto, the number of miles and the amount earned by miles. If the Company changes a time card or trip report, the Company agrees to notify the broker, in writing, of such change as soon as possible and no later than by pay day.
- 13.5 No broker shall be penalized if he refused to work under conditions which make work hazardous or under conditions contrary to the Industrial Safety Act, the Ontario Safety Act or the Canada Labour Code, whichever is applicable.
- 13.6 In the event of termination of the broker Operation, sixty (60) days notice shall be given.

ARTITCLE 14- HEALTH & WELFARE

- 14.1 The Company shall pay the total cost of the premiums to the Ontario Health Insurance Plan (O.H.I.P.) on behalf of all brokers on the seniority list and brokers' eligible dependants.
- 14.2 The Company further agrees to institute and pay the total cost of the premiums to a Health and Welfare Plan that will provide:
- (i) For brokers and brokers' eligible dependants:
 - (a) Prescription Drugs (\$2.00 card carrying plan with a maximum \$8.00 dispensing fee)
 - (b) Dental Care plan - Current O.D.A. schedule of fees.
 - (c) Eye Glasses - Effective 11/1/2006 increased to \$225.00
 - (d) Orthodontics - Brokers pay all costs over \$1,200.00 per child under 18 years of age, once per lifetime

- (ii) For brokers:
Effective upon ratification, Life Insurance \$50,000.00

Effective upon ratification, A.D. & D. - \$50,000.00

\$450.00 /week, sick and accident to (escalate with U.I.C.) for 26 week period, 1st day accident 8th day illness.

The Company shall provide Out of Province Coverage for all its employees and eligible dependants.

- 14.3 To be eligible for the benefits as set forth in 14.1 and 14.2 hereof, a broker must:
- (i) Have completed his probationary period;
 - (ii) Have worked a minimum of ten (10) days during the month for which contribution is being made;
 - (iii) Have not been absent from work due to sickness or accident for a period longer than six (6) months.

ARTICLE 15 – RATES (MILEAGE & HOURLY)

- 15.1 Attached hereto and forming an integral part of this Agreement is Schedule "A" outlining mileage rates and hourly rates.

ARTICLE 16 - RULES & REGULATIONS

- 16.1 Attached hereto and forming an integral part of this Agreement is Schedule "B" setting forth Rules and Regulations governing brokers covered by the terms of this Agreement.

ARTICLE 17- INTERNATIONAL OR EXTRA-PROVINCIAL TRAFFIC

- 17.1 All brokers will comply with the Rules and Regulations of all foreign countries, states and provinces.

ARTICLE 18- TERMINATION

- 18.1 This Agreement shall become effective on the 1st day of October, 2006 and shall continue in full force and effect until the 30th day of September, 2010 and from year to year thereafter, unless within ninety (90) days of the date of expiration, either party notifies the other of its intent to amend this Agreement.
- 18.2 Negotiations will be entered into within fifteen (15) days of notification to do so.
- 18.3 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns.

TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN
AND HELPERS UNION, LOCAL NO. 880

Bill Parent
Maurice Wye

GORSKI BULK TRANSPORT INC.

Donald Gorski
Stan Gorski

SCHEDULE "A"

1. MILEAGE RATES (PRACTICAL MILES)

	<u>Oct. 1,06</u>	<u>Oct. 1, 07</u>	<u>Oct. 1,08</u>	<u>Oct. 1,09</u>
Miles	\$1.24	\$1.25	\$1.26	\$1.275
Hours	\$38.50	\$40.00	\$41.50	\$43.00

RATIFICATION BONUS: A ratification bonus of \$750.00 shall be paid upon ratification of this agreement.

VEHICLE & LICENSE

\$.002 to replace cost of P.R.P. plate (Article 11)

BROKER

- Note:**
- (a) Brokers will receive an additional \$0.02 per mile when pulling a three-axle trailer; brokers will receive an additional \$0.03 per mile (an additional \$0.05 per mile, in total) when puffing a four-axle trailer.
 - (b) Tractor Pump/Air unload - fifty dollars (\$50.00) flat rate
 - (c) Tank Wash - to be paid as one (1) hour at the current hourly rate
 - (d) Layover – two hundred & seventy-five dollars (\$275.00) after a clear twenty-four (24) hour break
 - (e) If the company applies a fuel surcharge to its freight invoices, the broker will receive the percentage of the fuel surcharge that corresponds to the percentage of the load handled by the broker. Any monies received from fuel surcharges will not become part of the current mileage rate. Fuel surcharges will be applied and rescinded accordingly.
 - (f) The Company will advise all brokers via satellite by 5:00 p.m. on Monday of each week of the amount of the fuel surcharge for that week. The Company will also advise all brokers via satellite of any changes in the fuel surcharge during that week.
 - (g) If the Company requires a broker to obtain a "FAST card", the Company will pay the application fee in that regard. If the broker leaves the employ of the Company within six (6)

months after the "FAST card" is issued, the broker will reimburse the Company the full amount of the application fee paid by the Company.

(h) Border Crossing delay pay: In the event of a delay at the border due to a customer error the Company will pay delay time if collected from the customer.

2. A hold back of thirty-five dollars (\$35.00) per week will be held by Gorski Bulk Transport Inc. for security reasons until a maximum of three thousand dollars (\$3,000.00) is accumulated and this money will be held for a period of ninety (90) days after termination of employment. Interest will be paid to the first day of December. The interest rate will be as set by Canadian Imperial Bank of Commerce on a one (1) year term deposit. Interest will commence when the three thousand (\$3000.00) dollars is accumulated by each Broker.

3. COST OF LIVING ALLOWANCE

(a) C.O.L.A. will be paid after the first five percent (5%) increase in the C.P.I. index,

(b) For every one percent (1%) increase in the index, ten cents (\$0.10) per hour will be paid based on 2,080 hours.

(c) To be calculated annually from November 1st to October 31st, to be paid for each year for the duration of the contract.

(d) Cheques will be issued no later than December 1st for each year,
Example: If the inflation rate is one percent (1%) per month or twelve percent (12%) per year, you would receive the following:

$$12\% - 5\% = 7\% \times \$0.10/\text{hr.} = \$0.70$$

$$\$0.70 \times 2,080 = \$1,456.00$$

Therefore, at the end of one (1) year worked, the C.O.L.A. would be \$1,456.00.

4. The brokers will be compensated at thirty-three dollars (\$33.00) per hour effective October 1, 1999, thirty-four dollars (\$34.00) per hour effective October 1, 2000, thirty-five dollars (\$35.00) per hour effective October 1, 2001, and thirty-six dollars (\$36.00) per hour effective October 1, 2002 as waiting time for loading and/or unloading, PROVIDED he is in excess of his time off and the plant is a twenty-four (24) hour, seven (7) day a week operating plant. An official signed Loading or Unloading receipt must be submitted to the Windsor Terminal for hours to be claimed in excess of the two (2) free hours, with the exception of Archer Daniel Midland at Decatur,

Illinois, where six (6) free hours prevail and the guard house time report will be the determining factor for hours of delay.

5. **On** each Friday of the week, the broker must notify the dispatcher by 5:00 p.m. if he is not available for work for Sunday dispatch.
6. **The Company will negotiate for the broker's purchasing of tractors and parts, etc., if it is to their benefit.**
7. **Time off will be in accordance with Government agencies where applicable.**
8. All mileage will be paid by the current version of P.C. Miler, Practical Miles.
9. When there is more than one pick-up or delivery, the broker will get a flat rate of ten dollars (**\$10.00**) for each performance after the first pick-up or delivery.
10. If the broker is requested to layover for the company, the Company will pay for lodging as applicable and the Company may at its discretion, tell the broker at which place to stay overnight.
11. The Company will purchase the license plate for each broker. Each broker will pay to the Company the cost of the license plate in excess of fifteen hundred (**\$1500.00**). The amount owed by the broker to the Company will be deducted from the broker's pay.
12. The Company will be responsible for the fuel tax permits and fuel taxes.
13. The Company agrees to pay Workers' Compensation on behalf of each Owner-Operator in accordance with the requirements of the Workers' Compensation Act.
14. **INSURANCE – CARGO, COLLISION, PUBLIC LIABILITY AND PROPERTY DAMAGE**
 - a) Any new broker commencing to work for Gorski Bulk Transport Inc. as of April **1, 1977**, shall pay the rate of seven and one-half percent (7 ½ %) of the gross receipts for a period of one (1) year. At the end of one (1) year accident free, a safety incentive of two percent (2%) shall be applied, reducing the insurance rate to five and one-half percent (5 1/2%). At the end of five (5) years accident free driving the insurance rate shall be reduced ½ percent making the rate 5%.
 - b) Any broker who had an accident or caused damage as of April **1, 1977**, will pay insurance at the rate of seven and one-half percent (7 ½%) of

the gross receipts for a period of one (1) year from the date of the accidental occurrence or in the event his tractor was disabled, then the one (1) year period will commence from the time he returns to work.

- c) The deductible insurance of five hundred dollars (\$500.00) shall apply to each of the following separately: tractor, trailer, dwelling, personal property, automobile, cargo, etc., or bodily injury, which **could** be the result of the accidental occurrence. Maximum amount per accident is five thousand dollars (\$5,000.00). As an example, if a tractor, trailer, two cars and a building were damaged in a single occurrence, then the deductible in this instance would amount to twenty-five hundred (\$2,500.00).
- d) This insurance coverage and rate will hold only as long as the present insurance filing and/or rate are in force. In the event Gorski Bulk Transport Inc. received written notice from its present insurance company of a rate increase or cancellation, a twenty (20) day written notice will be given to the Local Union and to each broker to this effect, and all adjustments in rates for deductible will be negotiated.

SCHEDULE "B"

RULES AND REGULATIONS

Nothing in these Rules and Regulations shall deprive the broker of the right to challenge a penalty through the regular grievance machinery. Existing Company rules and penalties shall not conflict with those contained herein. In case of conflict, it is agreed that these Rules and Regulations shall apply. All infractions of the Highway Traffic Act and Municipal By-laws or of any governmental agency shall be the responsibility of the broker, except those, which are, by their nature, the responsibility of the Company.

Any broker requested to sign for the receipt of an incident report may be accompanied by a Steward.

All penalties and reprimands must be issued to the broker within seventy-two (72) hours from the time the infraction became known with a copy to the **Local** Union, otherwise the penalty or reprimand will be considered null and void, not counting Saturdays and/or Sundays and or holidays. The Company may submit a request to the Steward or the Union office for an extension of the seventy-two (72) hour time limit and no such request will be denied without good and sufficient reason.

I. PASSENGERS

- (a) No broker shall be permitted to allow anyone except employees of the Company who are on duty or other transport drivers broken down on the highway to ride in his truck. Pets not permitted.
- (b) Permitting others not covered in section (a) to ride on or in Company equipment will be subject to dismissal.
- (c) Riders - With written permission from the company. No extra drivers will be allowed unless qualified by the company.

2. ACCIDENTS/INCIDENTS

- (a) Accidents for which the broker is at fault or for which his action or lack of action is a contributory factor, will result in disciplinary action which may range from REPRIMAND to DISMISSAL, according to the seriousness of the accident/incident, the degree of negligence or carelessness and/or frequency of accidents/incidents.

Accidents will mean moving accidents or any incident involving Company

equipment to include auxiliary equipment/spills or loss of product.

- (b) Failure to report all accidents as soon as possible in accordance with Company posted instructions will result in the broker being subject to **DISMISSAL**.
- (c) Brokers involved in an occurrence of an accident or damages, will be notified by the Company whether the accident was chargeable or a non-chargeable occurrence, within thirty (30) days of the month in **which** the incident occurred. The terms "chargeable or non-chargeable" in this instance does not necessarily mean to be charged by any governmental agency or Police Department.

3. EQUIPMENT

- (a) Tampering with tachograph, governor, safety devices or satellite and company equipment:

1st offense	1 week off
2 nd offense	Subject to DISMISSAL

- (b) Failure to ensure that power equipment is properly serviced for fuel, oil and water and that all tire pressures are checked before leaving the terminal where required by the Company:

1 st offense	Reprimand
2 nd offense	1 day off
3 rd offense	3 days off
Subsequent Offenses	Subject to DISMISSAL

- (c) Failure to properly connect, disconnect Company hoses and fittings and auxiliary Company equipment properly.

1 st offense	Reprimand
2 nd offense	1 day off
3 rd offense	3 days off
Subsequent Offenses	Subject to DISMISSAL

- (d) Failure to report mechanical defects in equipment.

1 st offense	1 day off
2 nd offense	3 days off
Subsequent Offenses	Subject to DISMISSAL

- (e) Unauthorized use of broker or Company Equipment:

1st offense Subject to DISMISSAL

(9) Failure to ensure that units are properly hooked up and locking devices engaged and trailer support fully raised:

1st offense	1 day off
2nd offense	3 days off
3 rd offense	1 week off
Subsequent Offenses	Additional time off to DISMISSAL

(g) Failure to drop trailer equipment properly.

1 st offense	Reprimand
2 nd offense	5 days off
3 rd offense	Subject to DISMISSAL

(h) Intentionally operating equipment with tire pressure too low:

1 st offense	Reprimand
2 nd offense	1 day off
3 rd offense	3 days off
Subsequent Offenses	Subject to DISMISSAL

4. CONDUCT & BEHAVIOUR

(a) Consuming intoxicants or illegal stimulants while on duty or on the Company's property:

1st offense	Subject to DISMISSAL
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(b) Reporting for duty while under the influence of an intoxicant or illegal stimulant:

1st offense	Reprimand to 1 week off
2nd offense	Subject to DISMISSAL

(d) Theft or willful damage or failure to turn in monies:

1st offense	Subject to DISMISSAL
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(e) Failure to obey instructions of authorized personnel (names of persons in authority will be posted):

1st offense	Reprimand
2nd offense	1 day off
3rd offense	3 days off

4th offense Subject to **DISMISSAL**

(e) Deliberate disobedience of orders of authorized personnel:

1st offense Subject to **DISMISSAL**

(9) Discourtesy to a customer (subject to investigation):

1st offense Reprimand
2nd offense 1 week off
3rd offense Subject to **DISMISSAL**

(g) Failure to load and unload property or mishandling freight:

1st offense Reprimand
2nd offense 3 days off
3rd offense Subject to **DISMISSAL**

(h) Failure to notify the Company not less than six (6) hours before regular starting time when unable to report for duty with a reasonable explanation.

1st offense Reprimand
2nd offense Reprimand
3rd offense Subject to dismissal

(i) Reporting late for work without a reasonable explanation

1st offense Reprimand
2nd offense 1 day off
3rd offense 3 days off
4th offense Subject to dismissal

5. REPORTS

(a) Deliberate falsification of time cards or trip report:
1st offense Subject to **DISMISSAL**

(b) Failure to report to dispatcher at specified times when requested to do so while on duty:

1st offense Reprimand
2nd offense Reprimand
3rd offense 3 days off

Subsequent Offenses	Subject to DISMISSAL (in aggravated cases)
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6. DRIVING BEHAVIOUR

(a) Driving at speeds in excess of Government posted speed limits:

1 st offense	Reprimand
2 nd offense	1 day off
3 rd offense	3 days off
4 th offense	Subject to DISMISSAL

(b) Failure to follow routings as designated or instructed:

1 st offense	3 days off
Subsequent Offenses	Subject to DISMISSAL

(c) Unnecessary delays while operating for Company:

1 st offense	Reprimand
2 nd offense	3 days off
3 rd offense	1 week off
Subsequent Offenses	Subject to DISMISSAL

(d) Deliberate tailgating:

1 st offense	Reprimand to 1 week off
2 nd offense	Subject to DISMISSAL

(e) Carrying unauthorized persons on broker or Company vehicles:

1 st offense	Subject to DISMISSAL
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(9) Driving Behavior - Any broker who has his license suspended or down graded, must notify the Company prior to his next tour of duty after such notification from the M.T.O. is received.

COMPANY INSURANCE REQUIREMENT

7.1 The broker will adhere to the following:
 He must submit to the Company office all signed Bills of Lading, log sheets, maintenance reports and hours of service at loading or unloading points, all charges done in the name of the Company. All reports as

directed by the Company or any governmental agency.

- 7.2 Pay cheques will be issued weekly with a two (2) week holdback. The Company will meet with the Union to make satisfactory arrangements to assist employees during the adjustment period.
- 7.3 When Gorski Bulk Transport Inc. assumes any new contract Gorski Bulk Transport Inc. will post its notice on the bulletin board as to the rate the job will pay, cents per running mile, unless it does not conform with the present rate agreed upon and in all instances the broker and equipment must qualify for the job. If not accepted by the present brokers of Gorski Bulk Transport Inc., then through a meeting, Gorski Bulk Transport Inc. will perform the job with its own equipment.

The fiat rates will adjust on a **pro** rata basis for any changes in the mileage rates listed in Schedule "A" 1.

- 7.4 A duplicate of all on the road fuel receipts must be submitted to the terminal office of the Company regardless where the fuel is purchased by the brokers, whether by credit card or by cash, including all receipts for charges to the account of Gorski Bulk Transport Inc.
- 7.5 All Gorski Bulk Transport Brokers will be provided with fuel cards. Payments for this fuel will be made through payroll deductions on a weekly basis. The broker will pay the Petro Canada invoiced price only.
- 7.6 The brokers will at all times, respect the use of Gorski Bulk Transport Inc. equipment and avoid unnecessary travel at the expense of the Company.
- 7.7 At all times, the brokers will operate the equipment in conjunction with the rules and regulations set up by the regulatory agencies.
- 7.8 Gorski Bulk Transport **Inc.** will only use brokers who qualify for the work to be done.
- 7.9 Gorski Bulk Transport Inc. will operate its transportation business in a practical manner to avoid unnecessary wear and tear on its equipment and also to avoid any excessive and unnecessary costs. This will require the cooperation of all the brokers who work for Gorski Bulk Transport Inc.
- 7.10 Two thousand, ~~two~~ hundred (2,200) miles will be the cut off when not **busy**. However, reverse seniority will prevail.
- 7.11 **No broker will have substitute drivers driving his truck as this will be grounds for dismissal, unless authorized by the Company.**

7.12 All documents pertaining to any load must be turned in to the Company office otherwise the broker will not receive funds for that load.

7.13 A safety committee of four (4) persons must be appointed to make recommendations for better and safer operations. This committee will consist of one (1) broker, one (1) Company driver and two (2) representatives of the Company.

Brokers who become company drivers shall retain their company seniority on the seniority list. The driver is to be treated as a new employee for vacation purposes only.

**LETTER OF UNDERSTANDING
OCTOBER 17, 2003**

RE: DISPATCH

1. This **LETTER OF UNDERSTANDING** applies to Owner Operators and Drivers despite any provision(s) in their respective Collective Agreements. If there is any conflict between any provision(s) in this **LETTER OF UNDERSTANDING** with any provision(s) in the applicable Collective Agreement, the provision(s) in this **LETTER OF UNDERSTANDING** shall govern.
 2. This **LETTER OF UNDERSTANDING** shall not be part of either the Owner Operator Collective Agreement or the Driver Collective Agreement.
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1. Personnel will be dispatched in accordance with the following
 - a) Skill and ability of Personnel
 - b) Availability
 - c) Hours of Service
 - d) Necessary Equipment
 - e) Seniority of personnel and where the qualifications expressed in a) are relatively equal, seniority shall be the determining factor.

Note: All of the following provisions are subject to paragraph one above.

2. Where the Company has extra highway trips, such trips shall be allocated to qualified personnel in order of seniority.
3. Personnel will be assigned the best paying dispatches, which are available. However, should the person elect to decline the best paying dispatch, he will be given preference on all other loads available.
4. The Company shall assign personnel to trips in accordance with the following conditions:
 - a) Seniority of the person at their dispatch terminal.
 - b) The person must be able to complete the trip in its entirety.
 - c) If a person loads a load, and has the ability to complete the trip in its entirety, he has the right to complete the load unless he advises dispatch that he has abandoned the dispatch.
5. Should other loads materialize and be available for dispatch between the time a person is called for duty and the time he reports for dispatch, the person will be advised and may exercise his seniority on such loads.

**LETTER OF UNDERSTANDING
OCTOBER 17, 2003**

RE: DISPATCH

6. Work starting on the weekend and/or Monday will be dispatched on Friday and continue until dispatch is complete for Monday. This will be done in each terminal.
7. A person will be given preference of all available dispatches at his home terminal before foreign terminal men.
8. Foreign terminal men will be given a paying dispatch toward their home terminal if they direct dispatch that they wish to return to their home terminal.
9. In the event that no home terminal men are available, the foreign terminal man has ~~the~~ choice of all dispatches at that terminal (subject to 4 c)).
10. If personnel call in "sick" or "out of service" after dispatch is complete, the next available person will be offered the dispatch.
11. The Company agrees to meet with the union to discuss any matters referable to this letter of understanding.

**LETTER OF UNDERSTANDING
MARCH 16, 2004**

RE: INSTALLATION AND REMOVAL OF SATELLITE EQUIPMENT

The company will pay all **costs** regarding the installation and removal of satellite equipment which is owned by the Company.

MEMO A JMC AGREEMENT

During contract negotiations between Gorski Bulk Transport Inc. and Teamsters Local 880 the issue of **steps** in disciplinary actions in the agreed to rules marked Schedule B in the current labor agreement were discussed.

It **was** stated by the Union that if an offence is of a severe nature the steps in the rules may be circumvented and discipline may be progressed to a higher step as to fit the severity of the offence.

If the above is the correct understanding of the discussion and the Union agrees to the above the Employer will withdraw its proposal on changing the **steps** in schedule B rules.

This memorandum will be a part of the Labor Agreement and be subject to the grievance procedure.

Agreed Company/Date

Agreed Union/Date

IMPORTANT NOTICE:

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

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

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

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

KNOW YOUR AGREEMENT: MAKE SURE YOU KEEP IT FOR YOUR FUTURE

REFERENCE. IF THERE IS ANYTHING ABOUT WHICH YOU MAY BE IN DOUBT, ASK YOUR STEWARD TO ADVISE YOU, OR CONTACT YOUR LOCAL UNION OFFICE.

ALWAYS

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

“BE A GOOD UNION MEMBER”