

COLLECTIVE AGREEMENT

BETWEEN

CAN-TRUCK INC.

(Hereinafter called the "Company")

OF THE FIRST PART

AND

**National Automobile, Aerospace, Transportation and
General Workers Union of Canada**

(CAW-Canada) and its Local 4268

(Hereinafter called the "Union")

OF THE SECOND PART



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ARTICLE A1

PURPOSE

- A1.01 The purpose and intent of this Agreement shall be to establish mutually satisfactory relations between the Company and employees hereunder; to provide for the prompt and equitable disposition of grievances; and to maintain satisfactory working conditions, hours of work and rates of pay.
- A1.02 Meetings between the officers of the Union and the officials of the Company shall be held whenever deemed advisable to discuss matters of mutual concern.
- A1.03 The Company and the Union agree to establish a Labour Management Committee to meet monthly, or as required, to discuss areas of mutual concern.

ARTICLE A2

RECOGNITION

- A2.01 This Agreement shall apply to all employees of the Company employed in the transport operations, not including foreman, dispatchers, those above the rank of foreman, and office staff.
- The Union shall be provided with each members' classification and rate, work status (i.e. at work, vacation, WSIB, STD LTD, layoff), home address and telephone numbers.
- A2.02 No persons outside of the bargaining unit will perform bargaining unit work except with the agreement of the Union.
- A2.03 As a condition of employment, all eligible employees shall join the Union and shall maintain their membership during the term of this Agreement and any extension or renewal thereof, such membership to take effect from date of hiring in the case of new employees.
- A2.04 As a condition of employment, each employee shall sign a form authorizing the Company to deduct the regular monthly dues of the Union from his fourth pay of the month, or from his final pay of each month. The Union initiation fee shall be included in the first month's deduction.
- A2.05 The Union shall supply the Company with the necessary forms which shall be signed by all employees covered by this Agreement as may be required. All completed membership applications shall be remitted to the Union promptly. Each completed dues deduction authorization shall be retained by the Company, and shall be returned

to the Union promptly upon termination of an employee's employment.

- A2.06 The Company shall remit promptly by cheque to the
CAW-Canada, Local 4268,
22 Alford Cres.,
Scarborough, On M1B 3J2,
the total dues and initiation fees deducted from employees each month, and shall include a list of employees indicating the amounts deducted from each.

ARTICLE A3

MANAGEMENT RIGHTS

- A3.01 The Union recognizes the right and authority of the Company to exercise its management function. The Company also has the right to discharge, suspend, or otherwise discipline employees for just cause. All employees shall be entitled to utilize the provisions of this Agreement for the review and adjustment of grievances.
- A3.02 It is agreed the Company will sub-contract maintenance work to other parties, however such sub-contracting will not result in any loss of work or layoffs of maintenance employees of the Company.
- A3.03 It is agreed that the Company will sub-contract from time to time pick-up and delivery work and highway driving to other parties as required, however such sub-contracting will not result in any loss of work or lay-off of Company drivers. The parties agree that in no case shall sub-contracting of work be used to circumvent the hiring of full-time employees.
- A3.04 The parties hereto agree that the Company may from time to time use "Lease Operators" as required, provided that no more than 13 power units be in the employ of the Company at any time.

The employees of Lease Operators will be required to pay Union dues in accordance with the Collective Agreement.

Further, the Company will supply to the Union a list of the names monthly of those employees of Lease Operators who have been employed during the month and also the Lease Operator they work for.

ARTICLE A4

UNION SECURITY

- A4.01 The Company acknowledges the right of the Union to designate one or more Stewards to assist employees with grievances. The Union shall inform the Company in writing of the names of such officials and of any changes.
- A4.02 The activities of a Steward shall not interfere with the regular operations of the Company. The Company shall notify the Union prior to the suspension or discharge of any Steward or Chief Steward.
- A4.03 The Company shall not refuse permission to any representative of the Union, upon request, to enter the Company's premises in the administration of this Agreement. Other activities on Company premises shall only be with the consent of the Company. Any officer of the Union shall have the right to check the dispatch sheet in the case of a complaint or grievance.
- A4.04 All Stewards meetings, or meetings with the Executive of the Local requested by the Company, will be paid at prevailing hourly rates.

ARTICLE A5

GRIEVANCE PROCEDURE

- A5.01 In this article, a grievance shall concern the interpretation and application of any clause in this Agreement, alleged violations of the Agreement, and alleged abuses by supervisory personnel in the treatment of employees. Any question of whether a dispute is a grievance may be taken up through the grievance procedure and, if necessary, carried to arbitration.
- A5.02 The Union shall take a grievance in writing to the General Manager of the Company or his appointee not later than seven (7) days (Saturdays, Sundays and observed holidays excluded) from the time the complaint arose. The General Manager or his appointee shall reply in writing within seven (7) days.
- A5.03 If no settlement is reached, the grievance shall be submitted for final settlement to arbitration within thirty (30) calendar days. In any of the preceding steps, the presence of a representative of the CAW may be requested by either party.
- A5.04 Where arbitration is required, the parties shall proceed before a one-person Board of

Arbitration. Should the parties be unable to agree on a person to comprise the Board, the procedure in the Canada Labour Code providing for Ministerial appointment shall be used.

A5.05 Each of the parties shall bear one-half the expenses of the Board of Arbitration.

A5.06 It is mutually agreed that every effort shall be made to settle grievances with the least possible delay.

A5.07 It shall be understood that the settlement of a grievance shall not interfere with the regular operations of the Company.

A5.08 A grievance concerning a discharge shall not be entertained which is not filed with the Company in writing within seven (7) days (Saturdays, Sundays and observed holidays excluded) of the time of discharge. Where the employee is discharged at a foreign terminal, the hourly limitation shall commence at the time of his arrival at his home terminal.

A grievance concerning the discharge or suspension of an employee will be processed commencing with Step 2 of the Grievance Procedure within seven (7) calendar days of the date the employee is notified of the discipline or suspension after the investigation.

ARTICLE A6

GENERAL SENIORITY

A6.01 On lay-offs, the Company shall apply the principle of "last-on, first off" provided, however, that this Agreement shall not interfere with the maintenance of an efficient work force. On rehiring, the principle of "last-off, first-on" shall be applied in the same way and subject to the same proviso.

Seniority shall be Company-wide. On lay-offs of more than three (3) days, seniority may be used to bump into other terminals and departments, subject to a ten (10) days probationary period. An employee bumping in accordance with this Article shall commence working in the Terminal to which he is bumping as a junior employee for the duration of the bid for preference of work only. He shall retain his seniority for the purpose of lay-off, vacations and benefits. In the event that the lay-off extends for more than twelve (12) months, an employee having bumped into another terminal shall then acquire his original seniority at that Terminal. In the event that work becomes available at his home Terminal prior to the end of the twelve (12) month period, an employee may return to his home Terminal if he desires. In the event an employee decides not to return to his home Terminal, the Terminal to which he has bumped shall become his

home Terminal.

Where an employee does not return to work within seven (7) calendar days of receiving his recall notice by registered mail he will have been deemed to have quit. The Company reserves the right to employ casual labour until such time as the employee reports for work.

A6.02 Subject to 6.01, seniority shall be the determining factor in a lay-off, subject to the employee having the ability required to do the job. Before lay-off of an employee out of his seniority order, the Company shall notify the Union.

A6.03 The Company shall post seniority lists every three (3) months with copies to Stewards and Union officials.

A6.04 Employees shall be regarded as on probation for the first sixty (60) calendar days of their employment. Upon completion of the probationary period, the employee's seniority shall be retroactive to the most recent date of hire.

A6.05 (a) Probationary employees will work under the operational provisions of this Agreement during their probationary period, except that such employees may be terminated by the Company for performance deemed by it to be inadequate, or for incompatibility with management or fellow employees. Upon completion of the employee's probationary period, all conditions of the Agreement will then apply.

(b) Part-time and probationary employees, excluding students, will be paid at the same rate of pay as all of the regular employees for the specific job function performed.

(c) Probationary employees will not be eligible for health and welfare benefits until the completion of their probationary period.

A6.06 Seniority shall be considered lost and employment terminated for any of the following reasons:

(a) voluntary termination of employment;

(b) employee discharged and not reinstated under grievance procedure;

(c) failure to report within seven (7) calendar days after personal written notification of recall;

(d) exceeding leave of absence granted by Company without securing a written

extension;

- (e) absence from work without permission, or reasonable explanation, for a period exceeding three (3) days;
- (f) acceptance of employment other than that agreed upon by the Company and the Union while on leave of absence, except for medical reasons or when such employment is within the Union;
- (g) lay-off extending beyond twenty-four (24) consecutive months.

A6.07 An employee desiring a leave of absence may request and receive without pay and without other benefits provided by this Agreement and without loss of seniority providing application is made in writing and the terms of any leave of absence granted are agreeable to the Company and the Union. It is agreed that such leave of absence shall not be unreasonably withheld. It is further agreed that temporary loss of driver's license shall be a reasonable excuse for granting leave of absence under this Article for a maximum twelve (12) month period. Employees are responsible for paying of start-up and cancellation of benefit plans.

Leave of Absence

Leave of absence may be requested by employees wishing to apply for positions in management. At no time will the leave of absence exceed six (6) months at which time the employee will advise the chief steward if he is returning to the bargaining unit or remaining with management. All seniority will be lost if leave is exceeded.

A6.08 An employee subjected to disciplinary action, other than discharge, shall retain all seniority rights when the penalty ends.

A6.09 Leased operators will be assigned to a specific terminal and will not be dispatched ahead of Company drivers, subject to availability of equipment.

Lease operator trucks will be assigned a specific truck number designated to identify it as a lease operator and a list of drivers forwarded to the Unit Chairperson.

A6.10 The Local Chairperson will be the second last person to be laid off. With respect to all other provisions in the Agreement, he will work in his own seniority.

ARTICLE A7

PROGRESSIVE DISCIPLINE

A7.01 Employees are required to perform their duties and responsibilities in a satisfactory manner and to conduct themselves in a disciplined, safe and lawful manner while performing their job. In circumstances where employees conduct themselves in an unsatisfactory manner, the employee will be liable for discipline.

The major objective of disciplinary action is to assist an employee in correcting his misconduct or unsatisfactory performance in order to maintain that employee's continued employment with the Company.

The Company maintains a system of discipline which becomes increasingly more severe with the repetition of misconduct or unsatisfactory performance, so as to increase the employee's awareness that termination from employment is imminent. The steps in the progressive discipline procedure are as follows:

- (a) first occurrence of unsatisfactory conduct - verbal warning in the presence of Union steward, which is confirmed in writing;
- (b) second occurrence of unsatisfactory conduct - a written warning in accordance with Company standard form;
- (c) third occurrence of unsatisfactory conduct - suspension from employment without pay;
- (d) fourth occurrence of unsatisfactory conduct - termination of employment.

It is important to note that the steps in the progressive disciplinary procedures need not always be followed. From time to time employees may commit serious acts of misconduct which justify by-passing certain steps in the disciplinary process. Also, an employee's misconduct may be such to warrant the repetition of any one step in the disciplinary procedure.

A7.02 (a) It is agreed that, whenever an employee is to be discharged, an investigation will be held as soon as possible. When the nature of the alleged offence is one in which dismissal is contemplated, an employee may be suspended pending investigation up to a maximum of five (5) working days. During this time, he shall be given three (3) days' written notice of hearing for investigation of his case and the statement of charges against him. The employee concerned shall be entitled to the assistance of Union representative for the purpose of any

investigation or meeting with the Company. A letter indicating the discipline assessed must be rendered within five (5) working days after completion of the investigation and the holding of any meeting between the parties.

- (b) Any discipline assessed will be imposed without delay. Postponements of above procedures may be mutually arranged.

A7.03 An employee suspended or discharged away from his home terminal will receive transportation to his terminal.

7.04 The following offences will result in discharge:

- (a) reporting for work or being on Company premises while under the influence of alcohol or hallucinatory drugs;
- (b) consumption of alcoholic beverages or hallucinatory drugs while on duty or on Company property. The term "on duty" shall mean any time from the beginning of a shift to the end of same, including all coffee breaks or lunch periods which may fall within the time period;
- (c) where reasonably possible, failure to notify dispatch in the case of an accident, or failure to fill out and hand in accident report of any accident or damage to Company equipment within twenty-four (24) hours of an occurrence;
- (d) stealing from or misappropriation of Company property;
- (e) misuse of credit cards;
- (f) fraud against the Company;
- (g) passenger in cab except as authorized in 13.01;
- (h) punching another employee's time card, or altering it in any way;
- (i) refusing to do work as directed by his supervisor, or other members of management, unless work is deemed unsafe;
- (j) grossly unsafe driving practises;
- (k) any employee guilty of leaving a vehicle running, or of smoking of any form, while fuelling upon any vehicle, or guilty of any form of smoking within fifteen (15) feet of the fuel pumps. Any employee guilty of leaving any vehicle unattended while fuelling up same;

- (l) any employee guilty of repeated breach of Company policy.
- (m) transportation of alcohol, drugs or any undeclared items crossing any international border point.

A7.05 Any written warning which relates to an employee's conduct and which could be used in the administration of discipline shall be placed in an employee's file for a period of two (2) years and then removed. A copy of all such written warnings shall be sent to the employee and to the Union and they will be required to acknowledge receipt of same. Any written reply from the Union shall also be placed on the file.

A.7.06 Any driver that has 7 or more demerit points showing on their license will be required to attend a 1 day safe driver course provided by THSHO or similar organization. Company will pay for course but not driver's day pay.

ARTICLE A8

STRIKES AND LOCK-OUTS

A8.01 There will be no lock-out by the Company or any strike, sit-down, slow-down, work stoppage or suspension of work either complete or partial for any reason by the employees, during the term of this Agreement.

ARTICLE A9

EQUIPMENT

A9.01 It shall be the duty of the Company in accordance with government regulations to maintain its own vehicles in a safe operating condition and equipped with safety appliances required by law. employees shall report promptly to the Company in writing all defects in equipment. The senior qualified maintenance man on premises or, where necessary, the senior qualified representative of the Company present shall be responsible for the condition of the equipment.

A9.02 Each employee shall be supplied with a form to report defects in equipment, with sufficient copies so that one can be held available for the employee and one will be on file in the Company office. The report will be signed by a representative of the Company and the mechanic will sign it when repair work is completed. When a unit is "bad-ordered" for reasons making the vehicle unsafe for use, it shall be tagged and the

keys removed and placed in the maintenance department along with the report. No employee shall remove the tag until the repair work is completed.

A9.03 The Company will provide sufficient equipment for Company drivers consistent with the work available, in order to dispatch in normal seniority order, except in case of emergencies.

A9.04 Employees will be required to operate their vehicle using a tachograph, telephone, or any other equipment requested by the Company. The Company will provide the necessary training required and employees will be paid their applicable rate during such training.

ARTICLE A10

BULLETIN BOARDS

A10.01 The Company agrees to permit posting of any notices of Union meetings or functions on a bulletin board conspicuously placed and provided for the purpose at all terminals. The Company will also provide an additional bulletin board for Health and Safety material.

ARTICLE A11

TOOL ALLOWANCE

A11.01 The Company shall allow maintenance employees a credit of forty dollars (\$40.00) per month to be applied to the purchase of tools. All maintenance employees will be required to supply their own sockets and wrenches up to 2" size.

ARTICLE A12

SAFETY EQUIPMENT

A12.01 The Company shall provide safety glasses, hearing protection other materials and/or safety equipment as deemed proper by the Health and Safety Committee.

A12.02 All dock employees will be supplied with proper protective clothing.

ARTICLE A13

PASSENGERS

A13.01 No employee shall allow anyone except employees of the Company on duty or other transport drivers broken down on the highway to ride in his truck or to render emergency assistance.

Note: Any driver allowing any unauthorized passengers shall be terminated immediately.

A13.02 Employees' personal vehicles shall at no time be on Company property, except in that section which is designated for employee parking, without the permission of management.

ARTICLE A14

EXTRA CONTRACT AMENDMENTS

A14.01 Neither party to this Agreement shall enter into any contract with the employees which conflicts with this Agreement.

ARTICLE A15

WORK PERFORMANCE AND HOURS OF WORK DRIVERS

A15.01 The Company shall arrange runs in a manner that will give preference to senior employees.

A15.02 Drivers shall not normally drive in excess of 2,500 miles per week. Work preference for Driver shall be subject to this mileage consideration. Every attempt will be made to equalize the work between employees of different terminals. Where it does not effect the efficient operations of the Company, employees having run more than 2,000 miles or 45 hours in a given week may request to book off, however work preference will continue to be given on the basis of seniority.

A15.03 Seniority shall prevail in the allocation of work throughout the week, to the extent that it is consistent with the foregoing conditions.

- A15.04 Drivers Brokers held over away from their home terminal shall be given preference on the first return loads travelling in the direction of their home terminals.
- A15.05 Drivers who book off shall be considered unavailable for work for one (1) complete shift equivalent to ten (10) hours (excluding book-offs for Union Business, sickness, mechanical breakdown and/or personal reasons, providing that personal reasons are divulged to one member of supervision).

ARTICLE A16

GENERAL

- A16.01 The Company agrees to provide clean, sanitary and adequate facilities in respect to lunch rooms and washrooms and showers, where practical.
- A16.02 All employees shall be supplied an account showing the amount earned by hours and the amount earned by miles along with pay on pay day.
- A16.03 The mileage shown in the P. C. Miler, latest edition, shall apply, except in cases where mileage is determined to the mutual agreement of the Company and the Union. A copy of the guide to be posted at each Terminal in a conspicuous place.
- A16.04 Employees shall not be held responsible for damage while towing or pushing a vehicle as instructed to do so by the Company.
- A16.05(a) The Company reserves the right in emergencies to have management do any of the work normally done by the employees.
- (b) A part-time employee shall be considered an employee working twenty (20) hours or less per week, on a regular basis. When the employee exceeds twenty (20) hours per week for four (4) consecutive weeks, he shall, commencing with the fifth (5th) week he exceeds the twenty (20) hours limitation, be considered a full-time employee and all conditions of this Agreement shall then apply. Seniority will begin the first day of the first week he worked as a full-time employee.
- (c) Students working during vacation periods will also be considered as part-time regardless of hours worked.

- (d) Part-time employees, excluding students, will be required to pay Union dues providing they have worked more than twenty (20) hours in the month.
- A16.06 Every employee is required to have a telephone or tone beeper at his place of residence.
- A16.07 All employees must be bondable if required by the Company.
- A16.08 The maximum speed for all vehicles will be the legally-posted limits on provincial or state highways with a maximum of fifty-five (55) miles per hour/ninety kilometres per hour (90 kph).
- A16.09 The Company agrees that, before any new basic forms of transportation are introduced, the Company and the Union will arrange a meeting to discuss the matters involved.
- A16.10 If any government legislation is introduced that would restrict employees to forty (40) hours standard per week, the Company and the Union shall meet thirty (30) to sixty (60) days prior to effective date of such legislation to negotiate amendments to this Agreement with respect to such legislation.
- A16.11 The Company may during the term of this contract institute specific piece rates and incentive rates for specialized application. No such rates will be implemented without the approval of the Union.
- A16.12 Bereavement - An employee experiencing the unfortunate circumstances of a death of his spouse, mother, father, mother-in-law, father-in-law, sister, brother, or children shall receive three (3) days off with their appropriate rate of pay (highway drivers will receive 10 hours, city drivers will receive 8 1/2 hours, maintenance will receive 8 hours).
- A16.13 All dispatches that remain within a fifty (50) mile radius will be paid at the applicable hourly rates.
- A16.14 The Company hereby acknowledges that at this time its terminal locations are:
Oshawa and St. Catharines, Ontario

Further, it is understood that, if the Company should open additional terminals, it will advise the Union in writing prior to doing so and will give any employees at other terminal locations a one-time opportunity to relocate to that new terminal location. Any Driver so relocating would do so at his own expense and would carry his original seniority with him.

- A16.15 All Drivers including all and any drivers from any source performing duties must comply with and maintain current medical and licensing credentials as required by the U.S. Interstate Commerce Commission Department of Transport as well as Canadian and Provincial licensing requirements. The Drivers whose work does not require them to operate within the United States need only comply with Canadian requirements.
- In the event a seniority driver is displaced by any driver on a route because of qualifications he/she will be paid the difference of the route.
- A16.16 Once shifts have been established for maintenance, the shift(s) may only be changed upon fourteen (14) days' notice.
- A16.17 It is understood that the present practice of the Company in not using U.S. drivers beyond the Windsor Terminal will be continued. In the event that the Company finds it necessary to use U.S. Drivers beyond the Windsor Terminal, it will first meet with the Union to discuss the matter. In no event will the use of U.S. Drivers in Canada result in the lay-off or shortage of work for Canadian Drivers.
- A16.18 It is agreed that the Company shall have adequate heaters, windshield wipers, defrosters, and AM radios in all power units. It shall be the Driver's responsibility to report any defects in the operation and safety of the equipment. Electrical hook-up and CB antenna to accommodate the requirements of customers will be installed in all new and existing trucks working on such routes.
- A.16.19 It is expressly understood that all Drivers and Maintenance will, in addition to the foregoing general rules, be subject to the rules and conditions as set out herein in Section AB@.
- A.16.20 Current practice of dispatching drivers to customs office for obtaining CPRD or FAST cards will continue. Cost for application to be paid by driver.

ARTICLE A17

JOB BIDS

- A. 17.01 Annual job bids will be posted in September of each year. The bids will show the number of openings and whether they are Highway, City or Maintenance. It is agreed that within the Highway or City Department there will be specific job postings. The Union Chairperson shall receive a copy of all bids and the list of choices selected by members.
- The liquor postings will be deemed to be in the Highway Department and may be bid by Company Drivers or Contractors based on seniority.
- The Automodular posting will be in the City Department.
- The bid will be posted for fourteen (14) days.
- After fourteen (14) days each employee will be contacted in order of seniority to select a bid. All employees will be placed on the bids no later than October 15th in each year.
- A.17.02 All jobs are for a one year duration except in the case of a new job which will terminate at the yearly bidding occasion. Unless reasons of health are involved, employees shall not use their seniority for the remainder of that bid year when transferring for any other reason.
- A.17.03 All new jobs will be posted for a period of seven (7) days at the terminal where the work is located. Employees desiring such jobs are to make their intentions noted in writing on the job bid. The senior qualified applicant will be awarded the job within seven (7) days after the implementation of the new job. If a job bid starting time changes by one (1) hour or more, it will be treated as a new bid.
- A.17.04 All Automodular jobs to be posted by start time and plant assignment. It is understood that employees who bid Automodular will be required to work at any of the Automodular plants.
- A.17.05 For any job bids that are cancelled, employees affected may exercise their overall seniority to any position they are qualified for with full seniority within their Terminal.
- 17.06 The Company may establish bid runs for any work that has established starting times.
- 17.07 Automotive work to be reviewed and arrive at a rate (mileage & hourly) for Company Drivers and be posted accordingly.

SECTION "B"
DRIVERS AND MAINTENANCE

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ARTICLE B1

WAGES

- B1.01 The mileage and hourly rates in attached Appendix "A" shall apply to Drivers in accordance with the terms of this Agreement.
- B1.02 The highway mileage rate shall include the normal inspection and pre-/post-trip inspection and preparation of the vehicle, initial hook-up of the equipment and final unhooking and storing of equipment. It will be the responsibility of the Drivers to check oil, fuel, tires, water and replenish, as required, and lights on equipment. Any defects in same shall immediately be reported to dispatch authorities and any time required to repair the equipment or any time other work over and above those aforementioned, or other delays shall be paid at the prevailing hourly rate of the Driver, such time being calculated from the time of the report. All Drivers will be responsible for refuelling the vehicle which they have been using and will book out and not be paid for time required for fuelling.
- B1.03 All time payments of Drivers, which shall include breakdowns or other unavoidable delays, shall be calculated at the prevailing hourly rate of the Driver. Any claim for payment must be accounted for by the representative in charge.
- B1.04 In the event of breakdowns or other allegedly unavoidable delays in areas without supervisors, the Company may, at its discretion, require Drivers to sign and declare a statutory declaration of the same force and effect as a statement made under oath and by virtue of the Canadian Evidence Act, in which they shall set forth the cause or causes to the best of their knowledge and belief for such breakdowns and/or delays which occurred.
- B1.05 The Company will provide suitable sleeping accommodation when requesting a Driver to stay away from home overnight, and also, the Driver will receive twenty-seven dollars and fifty cents (\$27.50) extra toward expenses. Reimbursement for validated expenses (hotel, meal allowances and tolls, etc.) shall be paid within 48 hours of receipts turned in.
- B1.06 The Company will provide benefits as set out in Appendix "B" which may be revised from time to time by mutual agreement with the Union.
- B1.07 Any shortages in payroll including reimbursements or statement errors in excess of fifty dollars (\$50.00) will be paid within seventy-two (72) hours of the Company being notified or the employee will be paid at the applicable hourly rate until payment received. Payment at the hourly rate will not apply in the event the Company has a

reasonable explanation for shortage.

ARTICLE B2

VACATION WITH PAY

B2.01 Vacation pay will be accrued weekly for all Maintenance and Drivers based on the following formula:

- (a) from the date of employment and to the end of their fifth (5th) year of continuous employment, accrual will be at the rate of four percent (4%) of gross earnings;
 - (b) from the beginning of the sixth (6th) to the end of the eleventh (11th) year, accrual will be at the rate of six percent (6%) of gross earnings;
 - (c) from the beginning of the twelfth (12th) year to the end of the seventeenth (17th) year, accrual will be at the rate of eight percent (8%) of gross earnings.
- (b) (d) from the beginning of the eighteenth (18th) year onward, accrual will be at 10% of gross earnings.

Individuals wishing to take their vacation will give notice in writing using the Company procedure at least two (2) weeks prior to taking their vacation.

B2.02 Vacation time off work will be provided in accordance with the following schedule:

- (a) Maintenance and Drivers with less than one (1) year's continuous employment at the time of taking their vacation will be entitled to one (1) week's vacation.
- (b) Maintenance and Drivers who have more than one (1) year but less than the completion of their fifth (5th) year of continuous service at the time of taking vacation shall be entitled to two (2) weeks' vacation.
- (c) Maintenance and Drivers who have more than five (5) years but less than the completion of their eleventh (11th) year of continuous service shall be entitled to three (3) weeks' vacation.
- (d) Maintenance and Drivers who have completed eleven (11) years of continuous employment shall be entitled to four (4) weeks' vacation.
- (c) Maintenance and Drivers who have completed eighteen (18) years of continuous employment shall be entitled to five (5) weeks vacation.

- B2.03 A Maintenance employee or Driver who in any year severs or has severed his employment shall receive, at the time of the severance or as soon as reasonably possible thereafter, vacation pay computed at the proper percentage in accordance with the length of continuous employment with the Company, as set out above.
- B2.04 Any of the statutory holidays falling within an annual vacation shall be paid for at the rate of eight and one half (8 1/2) hours for City Drivers, eight (8) hours for Maintenance, and at the rate of ten (10) hours for Highway Drivers. In addition to the vacation pay, providing the Maintenance or Driver is available for work on the normal shift preceding and following his annual vacation. If a paid holiday occurs during the vacation week an additional vacation day may be taken consecutively from the employee's holidays providing he receives prior approval from the Company.
- B2.05 The choice of vacation period shall normally be according to seniority, providing it does not conflict with the maintenance of an efficient work force.
- B2.06 No Maintenance employee or Driver shall take more than two (2) consecutive weeks' vacation at any one time. Any such employee desiring to take more than two (2) weeks' vacation at one time must make a written request, at least six (6) weeks prior to the requested time, to the Company. The request shall be considered by the Company and, if felt necessary or advisable, the Union executive shall be consulted.
- B2.07 In all cases, the employee making the request shall be given an answer to his request within fifteen (15) days of the Company receiving the said request and copies to be provided to the Unit Chairperson.
- B2.08 Vacation pay will be paid once yearly on the first pay week of the month of June. Vacation Pay may also be taken when vacation is booked with 2 weeks written notice of such request. Vacation pay shall be taxed at your normal percentage rate.

ARTICLE B3

HOLIDAYS

B3.01 The following holidays will be observed for Maintenance and Drivers.

New Year's Day
Good Friday
Victoria Day
Canada Day
Civic Holiday

Labour Day
Thanksgiving Day
Christmas Day
Boxing Day

Holidays for Automodular Bid Drivers ONLY:

All employees on Automodular Bid will receive fifteen (15) paid holidays per year. The days to be observed will be as locally arranged.

Civic Holiday will be a normal work day for Automodular Bid Drivers.

In the case of Quebec-based employees, they will observe Ste. Jean the Baptiste Day in lieu of Civic Holiday. Arrangements to be made to have afternoon shifts report on days the day before Christmas and the day before New Year's to ensure that no-one will suffer a lay-off on these days provided the Company is operating on that day.

- B3.02 (a) City Drivers available for work in the normal shift preceding and following, or who are legitimately ill on the shift preceding and following the observed holiday, shall be paid eight and one half (8 1/2) hours at hourly rates.
- (b) Maintenance available for work in the normal shift preceding and following, or who are legitimately ill on the shift preceding and following the observed holiday, shall be paid eight (8) hours at hourly rates.
- (c) Highway Drivers available for work in the normal shift preceding and following, or who are legitimately ill on the shift preceding and following the observed holiday, shall be paid ten (10) hours at hourly rates.
- B3.03 All Maintenance and Drivers, laid off or working short hours and who have worked any time in the seven (7) working days, excluding Saturdays and Sundays, preceding the observed holiday, or the seven (7) working days, excluding Saturdays and Sundays, following the holiday, will be entitled to pay for the holiday.
- B3.04 Maintenance and Drivers legitimately ill for a period not exceeding seven (7) working days, Saturdays and Sundays excluded, prior to the holiday shall be paid for the holiday. In case of illness, the Company may require a doctor's certificate supplied by Maintenance employee or Driver to substantiate reasons for absence.
- B3.05 If a Maintenance employee or Driver is required to work on any of these holidays, he shall receive, in addition to his statutory holiday pay, one and one-half (1 1/2) times the rate for his actual hours worked on the Statutory Holiday.
- B3.06 When one of the observed holidays falls on a Saturday or Sunday, the day proclaimed shall be the day observed.
- B3.07 A Maintenance employee or Driver shall not be entitled to pay for the aforementioned holidays until such time as he has been in the employ of the Company for sixty (60) calendar days.

B3.08 Should there be loads that must be moved on the eve of an observed holiday, the most junior highway Drivers may be required to accept such dispatches.

ARTICLE B4

JURY DUTY:

- B4.01 (a) A City Driver required to perform Jury Duty will be paid the difference between his appropriate rate of pay (eight and one half (8 1/2) hours) and Jury Duty pay.
- (b) Maintenance required to perform Jury Duty will be paid the difference between his appropriate rate of pay (eight (8) hours) and Jury Duty pay.
- (c) A Highway Driver required to perform Jury Duty will be paid the difference between his appropriate rate of pay (ten (10) hours) and Jury Duty pay.

COURT DUTY:

B4.02 In cases where employees are required to attend court hearings, employees shall be paid their appropriate rate of pay (highway drivers will receive 10 hours, city drivers will receive 8 1/2 hours, maintenance will receive 8 hours) for each day lost when requested by the Company to attend court.

ARTICLE B5

HOURS OF WORK AND OVERTIME:

- B5.01 (a) The daily hours of work for City Drivers will be eight and one half (8 1/2) and the work week will consist of forty-two and one half (42 1/2) hours. All time worked in excess of eight and one half (8 1/2) hours per day or forty-two and one half (42 1/2) hours per week will be paid at time and one half (1 1/2). All work performed on Saturday or Sunday will be paid at one and one-half (1 1/2) times the employee's regular rate of pay (City).

Employees called in for work shall receive no less than eight (8) hours' pay on a normal work day from Monday until Saturday inclusive, and no less than four (4) hours' pay on Sunday or holiday. All employees on the Automodular Bid will be guaranteed 8 hours per day. All other city drivers will be guaranteed 8 1/2 (eight and one half) hours per day. Time and one-half will apply after 8 1/2 (eight and one

half) hours per day. All regular shifts that commence on a Sunday, will be paid at the straight time hourly rate. All time worked prior to the start time will be paid at the overtime rate.

- (d) All Highway Drivers to receive overtime (time and one-half (1 2) for total combined hours of twelve (12).
- (e) Overtime will be allocated on the basis of seniority within each Department (City Highway). All City Drivers will be given the first opportunity for City Work and all Highway Drivers will be given first opportunity for highway work. Posting for weekend work will be on the bulletin board the Monday of every week. It will be taken down on Thursday of every week @ 12 Noon. Employees required to work weekends will be notified no later than 4 PM on the Thursday.
- (d) In the event of an unscheduled shutdown of General Motors, all City Drivers will be afforded any other work that is available in their Department. In the event there is no work available, they will be paid for a maximum of one (1) day per calendar year.
- (e) When a Highway Driver is on a layover, it is the employee's responsibility to call dispatch after his off duty. A maximum of 12 hours shall be deemed as off duty time.
- (f) If a Driver is held away from his home terminal overnight and the return load does not develop the next day, he shall receive ten (10) hours= pay for the first day and ten (10) hours= pay for each day he is held over after the second night.

B5.02 When a Driver or Maintenance employee is required by management to transfer to another job for various reasons, such as shortage of work, there will be no loss in rate of pay.

B5.03 Maintenance shall be paid overtime for all time worked in excess of eight (8) hours in any one shift, or forty (40) hours in any one week shall be paid at the rate of time and one-half (1 1/2) for excess hours worked.

In the case of Highway Drivers, the normal shift shall be paid at the rate of miles plus hours worked. All time worked at the hourly rate of pay (as a City Driver) in excess of eight and one half (8 1/2) hours in any one shift, or sixty (60) hours in any one week, shall be paid at the rate of time and one-half (1 1/2) for the hours worked.

B5.04 All hourly-rated Drivers and Maintenance will be allowed a ten (10) minute coffee break in the first half shift after two (2) hours of work and in the second half shift after six (6)

hours of work, without loss of pay. In the event of overtime, there will be a ten (10) minute break after two (2) additional hours of overtime. It is understood that this privilege shall not be abused.

Hourly paid employees shall take one hour for meals. However, should the taking of a full continuous hour for meals cause additional waiting time, the Company may request the employee to take not less than thirty (30) minutes. No employee shall be compelled to take more than one continuous hour for lunch and shall not, however, take any time off for meals before he has been on duty for four (4) hours nor after he has been on duty six (6) hours. Drivers at Automodular who are requested to work through lunch will have the customer sign for "no lunch".

B5.05 Any local cartage work performed after completion of the mileage-rated trip shall be paid at applicable hourly rates.

B5.06 Maintenance called in for work shall receive no less than eight (8) hours' pay on a normal work day from Monday till Friday inclusive, and no less than four (4) hours' pay on Saturday, Sunday or holiday.

B.5.07 All employees who have a regular starting time will not be required to contact the Company before reporting to work, however, if an employee wishes to book off, a two (2) hour notice must be given (personal, sick or mechanical).

Ten (10) minute buffer time on punching out (overtime not involved).
Regular hours only (city).

DURATION AND TERMINATION

This Agreement shall become effective July 1, 2003 and shall remain in force and effect until June 30, 2005.

Either party may give notice in writing to the other party within a period which shall not be more than ninety (90) days nor less than thirty (30) days prior to the date of expiry of its intention to terminate the Agreement or seek amendments thereto and, in the latter case, the present Agreement shall remain in full force and effect until the next agreement is signed.

Negotiations shall commence within fifteen (15) days of giving of notice by either party.

IN WITNESS WHEREOF the parties hereto have signed at Oshawa, Ontario this _____ day of _____, 2003.

FOR THE COMPANY:

Don Flesch

Frank Cassano

Bruce Johnston

FOR THE UNION:

Dave A. Tilley

John Roemer

Wm Taylor

Jim MacDonald

Len Poirier

APPENDIX A & B

APPENDIX

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B	BENEFITS	30

APPENDIX "A"

WAGES

CLASSIFICATION	RATIFICATION Sept. 22, 2003	July 1, 2004
Driver Hourly	\$19.06	\$19.54
Automodular	\$17.75	\$18.25 – Jan.1/04
Driver Mileage (per mile)	.37.2	.38.1

Triaxle Rate:

Company Drivers' rate to be increased by one-half cent per mile when triaxle is in use. Any additional axle rates to be negotiated.

Maintenance:

CLASSIFICATION	Ratification September 22, 2003	July 1, 2004
Maintenance	\$19.11	\$19.59

Maintenance Note:

New employees shall be paid at the appropriate rate for their classification into which they are hired.

Maintenance will receive one-half hour unpaid lunch, plus two (2) ten (10) minute coffee breaks without loss of pay.

Utility classification to be used for non-driving jobs for training purposes.

A premium of 25 cents per hour will be paid to an employee in the Maintenance Department for his full shift when the majority of his hours worked fall between 6:00 p.m. and 7:00 a.m.

Hooks and Drops:

Hooks and Drops - \$10.20 per tour of duty.

Liquor Rates :

The case rate applies only to stores that are unloaded by hand (skid drop stores will be paid at hourly rate).

Classification:	Ratification September 22, 2002	July 1, 2004
Hourly	\$19.06	\$19.54
Mileage	.37.2	.38.1
Case Rate	6.1	6.3

- All Saturday deliveries paid at overtime rate of 1 1 /2.
- 26 miles or under paid 1/2 hour
- 27 - 49 miles paid 1 1/2 hours
- 50 miles and over paid mileage rate and case rate when unloading
- 15 minutes paid set up per store
- \$5.00 flat rate in between stores in Oshawa and Whitby

The case rate applies only to stores that are unloaded by hand. Skid drop stores will be paid at the hourly rate.

Boot Allowance:

The Company will contribute \$80.00 per yeartowards the cost of safety boots. Employees will be required to wear safety boots while on the job.

As of July 1, 1995:

Paid Education Leave paid at rate of \$0.03 per hour
Social Justice Fund paid at a rate of \$0.01 per hour

APPENDIX "B"

HEALTH AND WELFARE BENEFITS - DRIVERS AND MAINTENANCE

The following premiums for benefits will be provided for all Company drivers and Maintenance who have completed the probationary period in accordance with Article 6.04.

1. Coverages

Short-Term Disability - In cases of illness, the Company will pay the second week with medical verification.

In cases of accident or hospitalization, the Company will pay the first two (2) weeks after medical verification.

The Company further agrees to compensate employees at the EI rate until benefits are received, at which time employees will be required to repay the Company. Employees will sign waiver to that effect, where required.

Major Medical Benefits - covers cost of hospital expenses, prescription drugs, with a deductible of \$50.00 per family or \$25.00 per single for every calendar year. ***Company pays 100% of cost.***

Life Insurance - employee will be covered for \$30,000 and an additional \$30,000 for accidental death and dismemberment insurance. *** Company pays 100% of cost.***

Long-Term Disability - Must be totally or partially disabled from own occupation for two years; any occupation thereafter. Insured for \$1,200 per month. ***Company pays 100% of cost.***

Dental Plan - employee will be covered for basic dental coverage at most current O.D.A. schedule and orthodontic coverage to a lifetime limit of \$1,500.00. ***Company pays 100% of Cost.***

Vision Care - \$125.00 per family every 24 months. ***Company pays 100% of the cost.***

Medicals - All medicals required by the Company will be paid for by the Company.

2. Pension Plan for Employees of Can-Truck Inc.

Pension Plan

The Company shall contribute to the C.A.W.'s Pension Trust Fund after an employee has completed ninety (90) days and has acquired seniority.

Contributions - Employer

The Company shall contribute 3.1% of the employee's earnings as defined in the Collective Agreement.

Contributions - Employee

The employee shall contribute 3.1% of the employee's earnings as defined in the Collective Agreement.

The contributions are payable to the Trustees of the Pension Trust Fund by the fifteenth (15th) of the month following the work month completed. The payment will include the employee's contributions.

The contributions are to be forwarded as directed by the Union.

The Pension Plan Administrator agrees to provide full disclosure to a representative of the Company on a regular basis. (minimum one (1) year)

Employee may contribute more for the term of the Agreement (not matched by Company).

3. If an employee is off work for medical reasons, the Company will continue to pay his benefits for up to twelve (12) months.

APPENDIX "C"

CAN-TRUCK INC.

CONTRACTOR AGREEMENT

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THIS AGREEMENT made this _____, day of _____, 2004.

BETWEEN: CAN-TRUCK INC., a Corporation under the laws of Ontario, with its registered office at the Township of Sidney, in the County of Hastings, in the Province of Ontario, Canada.
(hereinafter referred to as the "Company")

OF THE FIRST PART

- and -

of _____
in the Province of Ontario Canada
(hereinafter referred to as the "Contractor")

OF THE SECOND PART

WHEREAS the Company is in the business of transporting goods and commodities by motor vehicle on a contract carriage basis for various shippers;

AND WHEREAS the Contractor carries on business as an independent trucking contractor providing a truck and services of the driver of the truck (the "Services");

AND WHEREAS the parties desire to enter into an agreement under which the Contractor will provide the truck and the Services to the Company;

SECTION 1

EQUIPMENT

- 1.01 Subject to the Collective Agreement, the Company agrees to use the Contractor's commercial vehicle equipment, which equipment is described in Schedule "A" attached hereto (the "Equipment"), and the Services, upon the terms and conditions provided in this Agreement.
- 1.02 The Contractor agrees with the Company to hold his services as driver and the Equipment available for the exclusive use of the Company in the carriage of goods and commodities as may be tendered from time to time by the Company to the Contractor, in accordance with the terms and conditions as are hereinafter set out.

- 1.03 The parties agree that, upon execution of this Agreement, the Contractor shall lease the Equipment to the Company and the Company, in conformity with all applicable laws, shall conform to the CVOR Act to permit the operation of commercial motor vehicles in the carriage of goods for compensation in the Company's service in Ontario and such other jurisdictions as may be required. Legal title to the Equipment shall remain with the Contractor.
- 1.04 For dispatch purposes, the parties hereto agree that the Contractor's approved junior designated driver carries seniority under the Collective Agreement and that the Equipment does not carry any seniority.
- 1.05 The Contractor shall, immediately upon the termination of this Agreement, remove plates and all of the Company's identification from the Equipment and retransfer the vehicle registration of the Equipment back to the Contractor and the cost of so doing shall be borne by the Contractor (i.e., PRP plates, M.P.S.C., all bingo stamps, Customs sticker, Toll cards and cards).

SECTION 2

MAINTENANCE AND OPERATION OF EQUIPMENT

- 2.01 The Contractor shall, at his own expense, maintain the Equipment in good and safe operating condition and in appearance satisfactory to the Company and in accordance with all applicable federal, provincial and municipal regulations.
- 2.02 While this Agreement is in effect, the Contractor shall:
- (a) provide flares, first aid kits, jacks and such other accessories as may be required for safe and lawful operation of the Equipment;
 - (b) be responsible for all repairs to the Equipment.
- 2.03 While this Agreement is in effect, the Contractor agrees to be responsible for the operation and maintenance and the cost of operation and maintenance of the Equipment and the Contractor agrees to repay the Company for all expenses which may from time to time be charged against the Company arising out of the operation, maintenance, or repair of Equipment, including, but without limiting the generality of, the foregoing charges for:
- (a) repair tires;
 - (b) diesel fuel;

(c) truck parts and repairs in emergency.

SECTION 3

USE OF EQUIPMENT

- 3.01 Immediately upon the signing of this Agreement by the Contractor, he shall designate the driver of the Equipment and the driver shall be approved by the Company.
- 3.02 The Contractor shall, upon being offered cargo by the Company or by a customer of the Company, upon the Company's instruction, accept the said cargo and transport the cargo in accordance with the provisions of this Agreement, the Collective Agreement and the Rules and Regulations of the Company as they may be varied by the Company from time to time while this Agreement is in effect.
- 3.03 The Contractor and/or his approved designated driver shall be a competent and experienced driver and duly licensed for the operation of the hired commercial vehicle equipment and completely familiar with the highway traffic laws of Ontario, Quebec, and those states of the United States where the Company now operates and where it may operate in the future. Subject to the provisions of paragraph 4.01(f) hereof, the Company specifically reserves the right to prohibit any person other than the Contractor or the approved designated driver from operating the Equipment. The Contractor shall be responsible for all cargo carried by him or his employee while in his or their possession and control and such liability shall commence upon acceptance of the cargo from the Company or the Company's customer in good order in accordance with the terms of the bill of lading and without exception.
- 3.04 The Contractor hereby covenants and agrees to unconditionally indemnify the Company from any and all claims, judgments or orders against the Company and all expenses incurred in connection therewith arising from breaches of the terms of the bill of lading, or negligence of the Contractor or his employees, which occur between the time cargo is accepted by the Contractor and delivery is made by the Contractor either to the Company or the consignee named in the bill of lading; and, in the event that the Company is required to pay such claims, judgment, or order, such amounts shall be chargeable by the Company against the Contractor and shall be deducted by the Company from monies owing to the Contractor as hereinafter provided. Notwithstanding any other provision hereof, when hauling sealed trailers delivered with seals unbroken, the Contractor is not responsible for cost loss or minor damage to cargo within the trailer or for axle overloads.
- 3.05 If the Contractor wishes the Equipment slip-seated, he shall advise the Company and the Company may slip-seat the Equipment using other approved Company drivers.

SECTION 4

CONTRACTOR OBLIGATIONS

4.01 The Contractor hereby agrees to:

- (a) pick up and deliver all cargo assigned to him efficiently and promptly;
- (b) promptly notify his designated Company terminal in the event of breakdown, accident or unserviceability of Equipment;
- (c) promptly notify the nearest Company terminal of any breakdown or delay which may result in the inability of the Contractor to complete the bill of lading transaction with which he is then concerned and to complete delivery in accordance with originating Company instructions;
- (d) promptly report details of any accident in writing upon such forms as will be provided by the Company and co-operate fully with police and insurance investigations;
- (e) use only personnel other than himself or his designated approved driver, when the approved designated driver is ill and unable to work, who are from driver service organizations acceptable to the Company or other drivers previously approved by the Company;
- (f) ensure that the Equipment and all accessories conforms to Company specifications and is at all times maintained in a clean and presentable appearance;
- (g) carry out his obligations hereunder efficiently and courteously and always so as to represent the Company to its customers as being an efficient contract carrier;
- (h) carry out his obligations hereunder in accordance with the terms of the Collective Agreement between the Company and its employees then in force;
- (i) All new Contractors as of the date of this Agreement must have Company-approved telephone installed at their expense prior to commencement of service and operable at all times. The Company agrees to pay for calls made to contractors cell phones by Can Truck Management.
- (j) The Contractor shall have the Equipment certified as mechanically fit and an appraisal of unit submitted as law requires.

- (k) The Contractor shall pay the full cost of vehicle registration plates at a registered gross weight of thirty thousand (30,000) kilograms for single-axle tractors or fifty thousand (50,000) kilograms for a tandem axle. Vehicles must be licensed for a period not less than six (6) months.
- (l) In the event the Company wishes to impose specifications on tractors, the Company and the Union will meet and agree on same. Brokers' tractors at the time of imposing specifications will be grandfathered.
- (m) Any new equipment to be installed in the Contractor's equipment will be fully paid for by the Company, including a premium not to exceed \$200.00 to cover depreciation of equipment due to installation. It is agreed that, where possible, damages caused by installation will be repaired at Can-Truck shops.

SECTION 5

COMPANY OBLIGATIONS

5.01 The Company hereby agrees to:

- (a) supply the Contractor with all necessary licenses and other operating authorities in other jurisdictions or regular operations (o/t Base Plates). In the event a Contractor replaces his tractor prior to three (3) years' service with the Company, the Company will pay 50% of replacement cost of fuel stickers. If the tractor has exceeded three (3) years' service with the Company, then the Company shall pay 100% of the replacement cost of fuel stickers. All decals required to denote Company and licensing particulars shall be supplied by the Company.
- (b) provide the Contractor with trailer equipment, as required, properly licensed and compatible with the Equipment and to maintain such trailers to ensure safe and efficient operation;
- (c) endeavour to make available to the Contractor diesel fuel and price to be posted in dispatch.
- (d) in its sole discretion and in the event of breakdown of the Equipment, substitute other commercial vehicle equipment or trailer equipment as may be required to complete the transportation services initially undertaken by the Contractor;
- (e) The Company will contribute twenty-five dollars (\$25.00) toward the cost of

sleeping accommodation (upon presentation of receipts) for those owner-operators purchasing or leasing Company trucks (without bunks) when the owner-operator is requested to stay away from home overnight by the Company.

SECTION 6

INSURANCE

6.01 During the term of this Agreement, the Company agrees to procure and maintain insurance for Public Liability, Property Damage, Cargo, Collision, Fire and Theft to the extent from time to time deemed adequate by the Company and at least to the extent required by law and not less than \$2,000,000.00 in respect of the Equipment and the Company's assigned cargo.

6.02 The maximum responsibility of the Contractor for deductibles arising out of any one occurrence shall be fifteen thousand dollars (\$15,000.00) except as provided in paragraph 6.03 hereof.

A compulsory group deductible fund will be established. It shall be governed by a Board consisting of 3 Brokers and 3 Company officials, who shall meet and determine all operations of such fund. The purpose of the fund is to reduce the deductible from \$15,000.00 to no deductible.

6.03 The Contractor agrees that, when an accident claim occurs when:

- (i) an unauthorized driver is dispatched by the Contractor;
- (ii) an unauthorized passenger is carried by the Contractor in his truck;

- (iii) the truck is on unauthorized services;
- (iv) the truck is on unauthorized routes;
- (v) a Contractor or his driver is involved in an accident in which he is proven to be under the influence of alcohol or drugs,

The deductible amounts provided for in Section 6.03 hereof shall be increased from Fifteen Thousand Dollars (\$15,000.00) to Fifty Thousand Dollars (\$50,000.00).

For the purposes of this paragraph 6.03, authorized purposes are:

- (i) in Can-Truck Inc. services;
 - (ii) between a terminal and home or shop;
 - (iii) between home and shop;
 - (iv) at shop of Contractor.
- 6.04 Insurance (fire and theft) does not apply to personal effects such as CB radio, stereo and tape systems, televisions, refrigerators, etcetera.
- 6.05 W.S.I.B. Premiums:
The Company represents and warrants that coverage is now in place and will remain in place during the life of this Agreement in accordance with the W.S.I.B. and further agrees to pay all premiums.

SECTION 7

RESPONSIBILITY FOR COSTS, DAMAGES, EXPENSES AND PENALTIES

- 7.01 The parties hereby agree that the Contractor shall be responsible for the following costs of operation which are to be paid from the compensation received by the Contractor from the Company:
- (a) any costs or expense incurred by the Company in completing pick-up or delivery services for the Contractor in assisting the Contractor in moving assigned cargo from the consignor to the consignee;
 - (b) all loss or damage of or to tacks, chains, bunks, ridge poles, crossbows, tires, or other similar equipment or any additional repairs to the Company's trailers or

property caused by the negligence of the Contractor or his employee;

- (c) all operating expenses of the Equipment;
- (d) purchase orders issued by the Company for the Contractor as hereinafter provided for;
- (e) fuel purchased from the Company, together with any parts supplied or repair services provided by the Company to the Contractor in the maintenance of his equipment;
- (f) all claims, judgements, fines or other costs (however incurred) arising as the result of the negligence, breach of contract, or any violation of law (including but not limited to violations of federal, provincial or municipal statutes) by the Contractor or his employees in operating the Equipment while in service for the Company.

SECTION 8

COMPENSATION ACCOUNTS

- 8.01 The parties agree that the rates of compensation set out in Schedule "B" hereto shall be the rates payable by the Company to the Contractor for the Services and the Equipment.
- 8.02 The parties agree that the Contractor shall not at any time, except with the prior consent of the Company evidenced by the assignment by the Company of Company purchase order number, pledge the credit of the Company nor incur bills, accounts or liabilities in the name of the Company or on the Company's behalf.
- 8.03 The Contractor represents and warrants to the Company that coverage is now in force and will remain in force during the term of this Agreement under the various applicable provincial Workers' Compensation statutes and regulations for his approved designated driver.

If coverage is cancelled or terminated for any reason whatsoever, the Contractor agrees to notify the Company in writing within two (2) days of such cancellation or termination.

8.04 The Contractor agrees that the compensation payable pursuant to the provisions herein and Schedule "B" include all services performed by the Contractor and, without limiting the generality of the foregoing, include:

- (1) fuelling;
- (2) document preparation;
- (3) hook-up;
- (4) equipment safety check.

SECTION 9

SERVICE CHARGES

9.01 The parties agree that no chargebacks will be submitted to the Company for any amount under \$250.00. A flat charge of \$20.00 to defray administrative expenses will be charged to the Contractor on any transaction involving outside suppliers provided that the \$20.00 charge will not apply to emergency road service or Can-Truck Inc. invoices for repairs and parts.

SECTION 10

TERM

10.01 The term of this Agreement shall commence on the date of execution hereof and expire on June 30, 2005 and thereafter shall continue from year to year unless terminated as herein provided. For the purposes of this Agreement and from and after July 1, each year shall begin on July 1 and end the succeeding June 30. Unless terminated as herein provided, this Agreement shall automatically renew for successive one-year periods commencing July 1, 2005.

10.02 It is contemplated that each year that this Agreement remains in effect after June 30, 2003, that Schedule "B" will be amended or replaced with new rates of compensation.

SECTION 11

TERMINATION

- 11.01 Notwithstanding any of the foregoing, this Agreement may be terminated by either party upon thirty (30) days' written notice to the other. Any Contractor who leaves without providing thirty (30) days' written notice will be assessed a Five Hundred Dollars (\$500.00) charge.
- 11.02 In the event that the Contractor, or the employees of the Contractor's Equipment, provides service to the Company in an unsatisfactory manner or is guilty of misconduct in the course of providing the services, the Company may take the following procedures:
- (a) first occurrence of unsatisfactory conduct:
written warning to the Contractor that his Agreement may be terminated;
 - (b) second occurrence of unsatisfactory conduct:
a temporary suspension of this Agreement;
 - (c) third occurrence of unsatisfactory conduct:
immediate termination of this Agreement.
- 11.03 The Company and the Contractor agree that serious acts of misconduct by the Contractor or employed drivers may warrant the Company bypassing certain steps in the procedures set out above.
- 11.04 The following actions by the Contractor or his approved designated driver may result in the immediate termination of this Agreement by the Company:
- (a) the Contractor, or his employed driver, providing service to the Company, or being on Company premises, while under the influence of alcohol or drugs;
 - (b) the consumption of alcohol or drugs by the Contractor or his employed driver while providing services or being on Company property;
 - (c) where reasonably possible, failure by the Contractor or his employed driver to notify the Company's dispatch in the case of an accident and failure by the Contractor or his employed driver to fill out and hand in accident report of any accident or damage to Company equipment or the Equipment within twenty-four (24) hours of such accident or damage;

- (d) the Contractor, his officers, agents, employees or employed driver stealing from or misappropriating Company property;
- (e) the Contractor, or his employed driver, misusing credit cards extended to the Contractor by the Company;
- (f) the Contractor, his officers, agents, or employed driver committing fraud against the Company;
- (g) the Contractor, or his employed driver, allowing passengers in the Equipment except employees of the Company on duty or other transport drivers broken down on the highway or for the purposes of rendering emergency assistance;
- (h) the Contractor, or his employed driver, refusing to provide service under this Agreement as directed from time to time by the Company;
- (i) the Contractor, or his employed driver, driving the Contractor's commercial vehicle in an unsafe manner;
- (j) the Contractor, or his employed driver, leaving a vehicle running, or of smoking in any form while fuelling Equipment, or smoking within fifteen (15) feet of any fuel pump while fuelling, or of leaving the Contractor's Equipment unattended while fuelling;
- (k) the Contractor, his officers, agents or employees, or employed driver being guilty of repeated breaches of Company policy as it may vary from time to time during the term or any renewal term hereof;
- (l) providing false information (written or oral) to Company on application to become Contractor of approved designated driver of Equipment.

11.05 The Contractor may utilize the grievance procedure set out in the Collective Agreement (as it may be amended from time to time) covering employees of the Company in the event of a disagreement with respect to Company action taken pursuant to these paragraphs.

11.06 Upon the termination of this Agreement by expiration of time or for any other reason whatsoever, the Contractor shall return all placards and decals and other property found in or about the Equipment which indicate that the lessor was carrying on business with the Company and all property of the Company used in and about the Equipment, including, without limiting the generality of the foregoing, all chains, tie-downs and tarpaulins.

- 12.04 It is specifically understood and agreed that this Agreement is not assignable by the Contractor without prior written consent of the Company, which consent may be withheld by the Company in its unfettered and absolute discretion.
- 12.05 Time shall be of the essence of this Agreement and every part hereof.
- 12.06 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.
- 12.07 Each of the parties hereto covenants and agrees that their heirs, executors, administrators or successors and permitted assigns will sign such further agreements, assurances, papers and documents, attend such meetings, enact such by-laws, pass such resolutions and exercise such votes and generally do and perform or cause to be done and performed such further and other acts and things that may be necessary or desirable from time to time in order to give full effect to this Agreement and every part hereof.
- 12.08 All monies payable hereunder are in Canadian funds. Where expenses are incurred in U.S. funds, they shall be converted at the exchange rate in effect at the time the expense(s) were incurred to Canadian funds before payment or deduction.
- 12.09 It is agreed that this Agreement embodies the entire agreement of the parties hereto with regards to the matters dealt with herein and that no understandings or agreements, verbal or otherwise, exist between the parties except as herein expressly set out.
- 12.10 The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect his right thereafter to enforce such provision. Nor shall the waiver by either party of any breach of any covenant, condition or proviso hereof be taken or held to be a waiver of any further breach of the same covenant, condition of proviso.
- 12.11 It is hereby agreed and declared that words importing the masculine gender include the feminine and neuter genders where the context so requires.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed this _____ day of _____, 2004.

CAN-TRUCK INC.

Per. _____

CONTRACTOR

Per. _____

SCHEDULE "A"

Being the Schedule of the Equipment referred to in the foregoing Agreement.

Make Model Year Serial Number

SCHEDULE "B"

Being the Schedule of Rates and Compensation for the Services of Contractors from July 1, 2003 to June 30, 2005.

MILEAGES: All mileages shall be calculated based on the P.C. Miler

Mileage Rates	Effective Ratification September 22, 2003	July 1, 2004
Mileages	102.5	1.03
Tri-Axle Loads	105.8	106.3
Empty Miles	95	96
Loading Unloading and Cartage Rates	33.00	34.00

Waiting time will be paid after three (3) hours at the Loading and Unloading Cartage Rate.

WAITING TIME RATE 18.38

NOTE: Waiting time rate will be paid for "over the road" breakdowns of Company equipment which occurs on route between destinations and from the time the Company has been notified.

CONTRACTORS LAYOVER

Any Contractor who is required to layover will after completing 10 hours on duty after due up time will be paid \$50.00

FUEL SURCHARGE:

The Company agrees to pass on all fuel surcharges paid by any of its customers to the

contractors. The Company will provide reasonable documentation from the customer to verify levels of surcharge as they may vary from time to time.

LETTER OF UNDERSTANDING

The parties hereby agree to strike a committee to review the time card system for Automodular and L.C.B.O.

The parties hereto agree this _____ day of _____ 2004.

FOR THE COMPANY:

Don Flesch

Frank Cassano

Bruce Johnston

FOR THE UNION:

Dave A. Tilley

John Roemer

Len Poirier