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BRITISH COLUMBIA

MASTER FREIGHT AND CARTAGE AGREEMENT

MEMORANDUM OF AGREEMENT made this Day of , 2013.

BETWEEN: SALT SPRING FREIGHT SERVICE LTD.

(hereinafter called the "Company")

OF THE FIRST PART

AND: TEAMSTERS LOCAL UNION NO. 31

AND: TEAMSTERS LOCAL UNION NO. 213

(hereinafter called the "Union")

OF THE SECOND PART

Gender: Wherever the use of the male gender is used herein, it shall also apply to the

female gender where applicable.

ARTICLE 1

Section 1 - Recognition

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

Section 2 - Union Co-operation

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

ARTICLE 2

Section 1 - Certificate of Bargaining Authority

The Company agrees to recognize the Union as the sole bargaining agent for:

(a) employees and categories of employees referred to in the Certificate of Bargaining Authority held from time to time by the Union, and

(b) all dependent contractors and owner/operators employed by Companies signatory to this Agreement in the work categories falling within the area of jurisdiction of this Agreement.

Section 2 - Bargaining Authority

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

ARTICLE 3

Section 1 - Posting of Agreement

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

Section 2 - Check-off

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

Section 3 - Union Shop

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

When additional employees are required within an area which is not serviced by a permanently established and operating Union Hiring Hall, the Company will extend first opportunity to Union members who meet the Company's requirements and who apply for employment or have been referred to the Company.

In the event that a person, not a member of the Union, is taken into employment by the Company, such person shall make application to join the Union and if approved by the Union shall join the Union within three (3) days of his hiring and shall be added to the checkoff list forthwith. In the event the person is not approved such person shall be replaced forthwith.

The Company shall furnish to the appropriate Union area office designated in writing by the Union a list of new employees taken into employment by the Company, showing the location of their employment within seven (7) calendar days of their being hired.

Section 4 - Union Security

(a) Every motor vehicle and every piece of mobile equipment used by the Company, categories of which are set out in Appendix "A", whether by the Company or leased by the Company, shall be operated by a member of the Union. In the hiring of equipment on any basis, the Company shall first make every effort to obtain equipment operated by a member of the Union from a company signatory to this Agreement. However, if unable to do so and if equipment is to remain in the hire of the Company in excess of forty-eight (48) hours, it shall be replaced by equal equipment operated by a member of the Union if available in immediate or adjacent area from a company signatory to this Agreement.

The Company agrees that where leased or hired equipment is used, such equipment shall only be used or hired from companies, individuals or firms whose employees are covered by Collective Agreement with Teamsters Local Union No. 31. If it becomes necessary for the Company to dry lease equipment, said equipment shall be operated by members of the Teamsters Local Union No. 31.

- (b) All storing and handling of merchandise or other goods or materials shall be carried on by Company employees, members of the Union, categories of which are set out in Appendix "A", where such work is under the control of the Company.
- (c) Wherever physically possible and where such work is under the control or direction of the Company, all equipment shall be loaded and unloaded by the employees of the Company, members of the Union. The practice of loading and unloading equipment by other than employees of the Company where such work

is under the control or the direction of the Company shall not be increased and shall wherever possible be discontinued.

- (d) The Company agrees not to contract out any work normally performed by employees covered by this Agreement if any employee is on lay-off for lack of work at the time such contracting out is introduced or if the contracting out would cause the lay-off of any employee.
- (e) Provided capable employees are available, all suitable equipment must be in use before additional equipment can be leased or hired.

ARTICLE 4 DEPENDENT CONTRACTORS

Section 1 - Definition

A dependent contractor (which for the purposes herein, shall include owner/ operator) is the owner and/or purchaser and, except as permitted herein the exclusive operator of equipment supplied for the Company's services pursuant to this article and appendix "C".

The title to the equipment shall be in the name of the Company for registration and licensing purposes only, and the Company has no financial interest other than as required by the Motor Carrier Act.

Section 2 - Increases, Decreases in Services

(a) The Company shall not engage the service of a dependent contractor to replace or displace any regular employee.

The Company shall have the ability to hire owner operators. It is understood this additional work will not be derived from work presently being performed by company driver employees. Owner operators who are hired by the Company shall work under the terms and conditions as outlined in the Appendix "C".

All dependent contractors shall be bound by the maximum hours of work as prescribed by Labour Canada in the Safety Code and/or the U.S. Department of Transport and this Collective Agreement, and proof of failure to abide by such hours of work shall be grounds for such Company to be denied the use of dependent contractors as contained in this Collective Agreement and the Parties shall have recourse to the grievance procedure in this Collective Agreement in this matter.

Section 3 - Company Not Lessor

Under no circumstances shall the Company or a subsidiary or representative of the Company, either directly or indirectly, be a lessor, vendor or seller of equipment to a dependent contractor, nor shall the Company directly or indirectly specify a lessor of equipment to a dependent contractor as a condition of entering into an agreement with a dependent contractor.

Section 4 - Industry Standards

- (a) All Parties to the Agreement will exert every legal and ethical effort, individually and collectively, to promote the standards set forth in the foregoing and as contained in appendix "C", in every instance where the services of dependent contractors are utilized within the industry.
- (b) The dependent contractor and the Company must conform to not less than the minimum standards and practices as established by this Agreement regarding monetary compensation, hours of work and general working conditions.

Section 5 - No Mandatory Source

The Company shall directly or indirectly specify a mandatory source of fuel and insurance to be used by a dependent contractor as a condition of entering into a contract with a dependent contractor.

ARTICLE 5

Section 1 - Regular Employee

A regular employee shall be considered as such an employee of the Company when:

- (a) he has completed his probationary period;
- (b) he makes himself available to the Company for full time employment;
- (c) he has no other outside employment, except where such employment may be specifically permitted under the provisions of this Agreement;
- (d) it shall not be a cause for discipline or discharge for an employee to seek and/or accept gainful employment while on lay-off, provided the employee complies with sub-section (b) herein;

(e) when a Company tries to contact any regular employee who is either on lay-off in excess of two weeks or has failed to report for duty within twenty-four (24) hours of contact, and cannot be contacted by telephone regarding his availability for employment, the Company will then make final contact by registered mail, with copy to the Union. Failure to then contact the Company with sufficient justification may then constitute grounds for dismissal.

Section 2 - Part-time Employees

A Part-time Employee shall:

- (a) be defined as an employee who works less than twenty-four (24) hours per week, however from time to time part-time employees way work more than twenty-four hours (24) because of seasonal fluctuations or emergent conditions; if the part-time employee however continues to work consistently over and above the part-time hours, the Union may deal with this through the grievance procedure.
- (b) be hired on an incidental and temporary basis to provide for additional manpower;
- (c) be given first opportunity to qualify as a regular employee as openings become available, providing he meets all Company qualifications and requirements;
- (d) not be covered under the provisions of the Health and Welfare or Pension Plan until such time as he becomes a regular employee;

ARTICLE 6

Section 1 - Conflicting Agreements

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

Section 2 - Transfer of Company Title or Interest

This Agreement shall be binding upon the Parties hereto, their successors, administrators, executors and assigns. In the event an entire business or any part thereof is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such business or any part thereof shall continue

to be subject to the terms and conditions of this Agreement for the life thereof. The Company shall notify the Union in writing, not later than the effective date of the fact of any sale, transfer, lease, assignment, receivership or bankruptcy proceeding, not including financial arrangements thereof.

Section 3 - Protection of Conditions

It shall be a violation of this Agreement for the Company to require that an employee purchase truck, tractor and/or tractor and trailer or other vehicular equipment or that any employee purchase or assume any proprietary interest or other obligation in the business as a condition of continued employment.

Section 4 - New Equipment and Classifications

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

ARTICLE 7

Section 1 - Seniority

Seniority shall be maintained in the reduction and restoration of the working force, providing the senior man is capable of performing the remaining job or jobs.

Section 2

All new jobs and vacancies are subject to seniority and shall be posted promptly for three (3) days in a conspicuous place at all terminals, stating starting time, job description and location. All regular employees shall be entitled to bid on such postings and the Company shall designate, on the original posting, the successful bidder within three (3) working days of the closing date of the posting. Any regular employee absent by reason of accident, sickness or vacation, shall have the opportunity to bid on such job posting or vacancy within three (3) days after he returns to work, provided he is capable.

Provided the employee is capable and is given the opportunity to demonstrate his capability, seniority shall prevail in the appointments to new jobs or vacancies and,

except by mutual agreement of the Parties hereto, for the purpose of shift preferential on established shifts. Starting times preference shall be given to senior employees on established shifts and operators of mobile equipment will be given this preference wherever practical. Except where a job or shift has been discontinued, there will be no job or shift bumping privileges. Senior employees shall be given preference to fill vacancy on differential rated equipment if qualified.

Section 3

At all terminals there will be four (4) separate seniority lists – one for city company drivers; one for company linehaul; one for owner operator city; and one for owner operator linehaul. If an employee transfers from one terminal to another or from one seniority list to another within the terminal, he/she will go to the bottom of that seniority list, but will keep his/her vacation accrual.

When an employee is laid-off for lack of work, he will then have the right to fill, if qualified and capable in all respects, provided he has been given the opportunity to demonstrate his capability any position to which his seniority will entitle him.

Section 4

All newly hired employees shall be considered as probationary employees for the first ninety (90) calendar days for regular employees and sixty (60) working days for part-time employees. There shall be no responsibility on the part of the Company in respect of the employment of probationary employees should they be laid-off for lack of work or discharged during the probationary period. However, the Company shall inform the probationary employee as to whether he has been discharged or laid-off and the reasons therefor shall be written and notified to the Union.

Upon the conclusion of any thirty (30) calendar day period during which a probationary employee has worked one hundred and twenty (120) hours, the employee's name shall forthwith be placed on the regular employees' seniority list, effective from the first day of employment of the thirty (30) calendar day period, and the employee shall be entitled to all rights and privileges as provided in this Agreement with the exception of those as specified, i.e. Health and Welfare and Pension provisions.

Section 5

If, as and when terminals are closed down or partially closed down or amalgamated or moved to another location, the seniority of such employees shall immediately become a subject of discussion and failure of the Parties to agree may be submitted to the grievance procedure hereinafter provided for a final decision.

Section 6

Part-time employees will not be used to deprive any of the regular employees the conditions of this Agreement.

Section 7

Within each branch and/or division the Company will post and maintain seniority listings for both company employees and dependent contractors. Such up-to date listings will be posted as of January and July of each year. Copies of current lists will be provided to the Union. Such lists to state starting date of employees and dependent contractors.

Section 8

When an employee's employment or a dependent contractor is terminated by the Company for proper cause or he leaves by his own choice, he will automatically be struck from the seniority list. If an employee on his own volition obtains a withdrawal card from Local 31 he shall be struck from the Company seniority list.

Section 9

In the event that the Company purchases a business or any part thereof, the employees of which are covered by a Collective Agreement with a Local Union of the International Brotherhood of Teamsters, the seniority of such employees shall be computed from the date that they respectively first become employees of the business aforesaid.

Section 10

Any employee who has been on lack of work lay-off for one (1) year or more shall be removed from the seniority list and the Company shall be under no further obligation to such employee except in the case where a lay-off is a direct result of a labour dispute involving another company or when the laid-off employee has accrued five (5) years or more seniority in which case seniority will be carried for eighteen (18) months.

Section 11 - Leave of Absence

(a) (i) When the requirements of the Company's services will permit any employee hereunder upon written application to the Company with a copy of said application to the Union may, if approved by the Company, be granted a

leave of absence in writing (with a copy to the Union) for a period of thirty (30) calendar days.

Upon six (6) months prior notification an employee may request every three (3) years and may be granted up to thirty (30) days leave of absence in conjunction with his holidays. When considered by the Company approval or rejection is to be given in writing with a copy to the Union within thirty (30) calendar days and if approved such approval may not be withdrawn except by mutual consent of the employee and the Company. Under such leaves the employee will retain and accrue seniority only.

- (ii) Such leave may be extended for additional periods of thirty (30) calendar days when approved by both the Company and the Union in writing and seniority will accrue during such extensions.
- (iii) Any employee hereunder on leave of absence engaged in gainful employment without prior written permission from both the Company and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an employee of the Company.
- (iv) If an employee, employed in a classification requiring a drivers license, suffers the revocation of his drivers license, he will be re-classified provided he is capable and work is available and such work will not result in the bumping of regular employees. If such employee cannot be re-classified, the Company may grant a leave of absence to such an employee who has suffered a revocation of his drivers license of up to twelve (12) months duration in writing with a copy to the Union. The employee may only take advantage of this section once while in the employ of the Company.
- (v) Any employee requesting leave of absence for compassionate reasons shall not be unreasonably denied such request.
- (vi) If a regular employee for certified health reasons is unable to perform the work in his regular job, he will be re-classified according to his seniority and capability to perform work in another classification if it exists within the Company. The employee must provide a valid medical opinion of his physical and/or mental ability to perform the new job in accordance with the provisions of this Agreement as it relates to Company required medical examinations.

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

The starting date of such an appointment shall be posted in the terminal. Notice shall be given to the Union in writing prior to the employee leaving the bargaining unit for any period of time. During this leave of absence such employee shall continue to be covered by the Health and Welfare and the Pension Plan as provided in this Agreement.

Employees who have been granted such a leave of absence must remain a member of the Union and be covered under all benefits of the Collective Agreement but shall not perform any duties covered by the bargaining unit. In such appointments seniority shall be a consideration. The successful appointee shall not have the right to hire and fire during the ninety (90) day leave of absence.

Not later than on the ninetieth (90) calendar day of this period, the employee must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the employee return or be returned to the bargaining unit for any reason, he must remain within the unit for a minimum period of one hundred and twenty (120) calendar days prior to exercising such privilege again.

Section 12 - Accrual of Sick Days

Employees will accumulate sick days at the rate of one quarter (1/4) day per month to a maximum of three (3) days. First sick day paid out at ½ day for each occurrence. If second and/or third day used consecutively, day two and three paid out at full. This applies to full-time employees only.

ARTICLE 8

Section 1 - Meal Period

The employee shall, except by mutual agreement between the parties hereto, take at least one (1) continuous period for meals at not less than thirty (30) minutes or more than one (1) hour in any one day. Wherever reasonably possible, meal periods will be thirty (30) minutes. Further, no employee shall be required to take more than a thirty (30) minute period, except between the hours of 11:30 a.m. and 1:30 p.m. No employee shall be compelled to take more than one (1) continuous hour during such period, nor compelled to take any part of such continuous hour, before he has been on duty three

and one-half (3 1/2) hours or after he has been on duty five (5) hours. However, any employee directed by the Company to stay with or operate equipment during his meal period will be paid at the regular rate of pay.

Where an employee is required to work in excess of two (2) hours overtime, he shall be entitled to paid time off for the purpose of eating at the end of his regular shift, except in a situation where interruption of work is not practical in which event the period may be staggered or postponed. Such meal period shall be paid at the applicable overtime rate of pay as provided in article 24, section 2 of this Agreement.

Section 2 Rest Breaks

Any employee shall be entitled to one (1) break of fifteen (15) minutes during both the first half and second half of any shift and, where practical, during each two (2) hour period of overtime, excepting during that period where a meal period is provided under section 1 above. A rest break shall be provided if the overtime worked is to exceed thirty (30) minutes. The commencement of this break may be staggered, but not beyond one half hour.

ARTICLE 9

Section 1 - Safety Conditions

- a. The Company will comply with all current applicable Federal, Provincial and Municipal regulations with regards to the maintenance and safe operation of all Company equipment.
- b. It shall be the duty of the employee to report in writing on the appropriate forms of the company, promptly, but not later than the end of the shift, trip, or tour all safety and/or mechanical defects on the equipment which they have operated during that shift, trip or tour.
- c. In the event essential repairs cannot be effected to make the equipment safe, the equipment will be correctly identified and kept out of service until repaired and it shall not be considered a violation of his employment when a Company employee refuses to operate such identified equipment.
- d. The Company will ensure that all employees will be adequately trained in safety procedures and the safe operation of equipment.

Section 1 - Pay Period

- (a) Except as otherwise mutually agreed between the Parties all regular employees covered by this Agreement shall be paid not less frequently than on every other Friday all wages earned by such employee to a day not more than seven (7) days prior to the day of payment. The pay period shall commence each Sunday at 00:01 hours. The Company shall provide every employee covered by this Agreement with a separate or detachable written or printed itemized statement in respect of all wage payments made to such employee. Such statement shall set forth the dated pay period, the total hours worked, the total miles driven or paid for, the total overtime hours worked, either time and one-half or double time, the rate of wages applicable and all deductions made from the gross amount of wages. Pay cheques shall be made available before an employee starts his shift except under circumstances beyond the control of the Company. Where this section applies to Interior employees, the payday will be Thursday afternoon unless other arrangements have been agreed to between the Union and the Company.
- (b) Except where otherwise mutually agreed immediately prior to an employee leaving on annual vacation, he shall be entitled to receive vacation pay by separate cheque in accordance with article 25 of this Agreement, for that period of time that he will be absent from work. However, if the employee fails to exercise this entitlement, such vacation pay will be paid to him on the first regular pay day following his return to work.

Section 2

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

Section 3 - Separation of Employment

Except as elsewhere herein provided, upon termination or quitting, the Company shall pay all money due to the employee as soon as possible, but not later than seven (7) calendar days thereafter.

Section 1 - Paid for Time

- (a) All employees covered by this Agreement shall be paid for all time spent in the service of the Company. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work or registers in, whichever is later, until he is effectively released from duty.
- (b) When employees are required to ride ocean ferries with their equipment on ferry trips that exceed eight (8) hours (i.e. Port Hardy-Prince Rupert and Alaska ferries), they shall be compensated at their straight time hourly rate for one-half the total hours spent in making the trip. It is understood that the paid hours will not be used in the calculation of overtime.
- (c) Employees required to travel on public transportation or Company equipment in a deadhead manner shall be paid in accordance with article 24, section 1 (a) (b) and (c).

Section 2 - Bereavement Leave

An employee shall be granted a maximum of three (3) regularly scheduled work days leave, without loss of pay or benefits, in the case of death of a parent, spouse, brother, sister, child, parent-in-law, sister-in-law, brother-in-law, step-children, legal guardian and grandparents which include spouses' grandparents.

Funeral leave is not compensable when the employee is on leave of absence, bona fide lay-off, or annual vacation.

Upon giving twenty-four (24) hours notice, an employee shall be granted time off without pay for the purpose of attending a funeral provided that the granting of such time off shall not be inconsistent with the efficient operation of the business.

A working day lost shall be not more than eight (8) hours for hourly employees or not more than ten (10) hours for line drivers.

This clause will have no application for an employee on leave of absence or when receiving benefits under the health and welfare plan, annual vacations, workers' compensation, or as otherwise covered by this Agreement.

Section 3

An employee summoned to jury duty or subpoenaed as a witness on a day that he would normally have worked shall be paid wages amounting to the difference between the amount paid for such service and the amount they would have earned had they worked on such days. Employees on jury duty shall furnish the employer with such statements of earnings as the courts may supply. A working day lost shall not be more than the employees regular assigned shift.

This clause will have no application for an employee on leave of absence or when receiving benefits under the health and welfare plan, annual vacations, workers' compensation or as otherwise covered by this Agreement.

Section 4

- (a) Any Company or Government required physical or medical examination shall be promptly complied with by all employees provided, however, the Company shall pay for all such physical or medical examinations or for any time lost as a result thereof during his working hours.
 - Where a regular employee is required by the Company to take a medical outside of his regular hours of work, the Company shall pay, to a maximum of two (2) hours straight time, wages for such time spent excepting in instances where an employee is returning to work or is about to return to work following illness or disability.
- (b) If following a medical examination under (a) of this section, the employee is dissatisfied with the decision of the Company doctor, the employee may seek a decision from his personal doctor. Should the decision of the Company's doctor and the employee's doctor differ, the Company or the Union is entitled to direct that the employee be examined by a medical specialist whose speciality covers the disability. The Company's doctor and the employee's doctor together, shall then select such a specialist.
 - The decision of the medical specialist shall be final and binding upon the parties involved and the employee shall not suffer loss in wages or health and welfare Plan benefits, whichever applies as a result of such examination(s).
- (c) An employee absent from work because of illness or accident shall upon request provide a medical certificate confirming the employee's fitness to return to work. The employee shall not suffer a reduction in his regular wages only because the

Company requires a medical examination prior to the employee resuming work. If such employee is entitled to work under seniority and recall procedures, he will be paid his regular wages for each day or days until he returns to work, provided the Company medical examiner certifies the employee fit to resume work.

Section 5 - Compensation Sickness Coverage

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

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

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

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

Section 6 - Licence Tests

- (a) Whenever it becomes necessary for an employee to undertake tests for renewal of licences or tickets, the Company shall upon request provide appropriate equipment for this purpose. Time taken off for such purpose shall be paid for at the employee's straight time rate.
- (b) Any driver with one (1) or more years of seniority who is required under The Motor Vehicle Regulations to undertake a physical examination as a condition of continuing to hold a valid driver's licence shall receive a Company contribution to a maximum of seventy-five dollars (\$75.00) to the cost of the examination, provided a receipt is submitted to the Company.

ARTICLE 12 WORK ASSIGNMENTS

(a) The Company agrees to respect the jurisdictional rules of the Union and assignments shall not direct or require its employees or persons, other than the

employees in the bargaining unit here involved to perform work of the employees in the said unit. This is not to interfere with bona fide contracts with bona fide unions.

(b) In the event that members of a union, other than the Union which is signatory to this Agreement, attempt to encroach on the working practices and arrangements as laid down by the Company and that contravene the Union's jurisdiction pursuant to the certificate of bargaining authority, the Union agrees that it shall inform the employees affected of their obligation to carry out the terms and conditions of this Agreement.

<u>ARTICLE 13</u> <u>DISCHARGE OR SUSPENSION - MANAGEMENT'S RIGHTS</u>

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

- 1. to maintain order, discipline and efficiency;
- 2. to discharge, classify, suspend for proper cause, direct or transfer employees from one classification to another, move employees from one location to another for proper cause;
- 3. to increase and decrease working forces;
- 4. to make or alter from time to time rules and regulations to be complied with by its employees. These rules and regulations are to be filed with the Union; and
- 5. an employee will receive a copy of any written reprimand or warning letter placed on his file with a copy to the Union. Such written reprimand or warning letter shall become a permanent part of the employee's personal work history. However, any incident causing such written reprimand or warning letter over a period of eighteen (18) months will not be used to compound other disciplinary action against the employee, providing there is not other disciplinary action within the set time period.

ARTICLE 14

Section 1 - Protection of Rights

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

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

Section 2 - Controversy With Other Unions

If a dispute arises as the result of the employees of a Company bound by the terms of the B.C. Master Freight and Cartage Agreement handling or transporting any commodities for a company or business that is being legally picketed by a Local Union of Teamsters Canada, the Company and the Union shall immediately meet with the objective of arriving at a mutually satisfactory solution.

Section 3

It is agreed in the event of a strike among the employees of any other firm with which the Company does business, the Company will not ask its employees to perform any labour they do not ordinarily perform.

Section 4

It is mutually agreed that there shall be no strike, lockout, or slowdown whether sympathetic or otherwise during the term that this Agreement shall be in force.

ARTICLE 15

Section 1 - Inspection Privileges

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

Section 2 - Shop Stewards

(a) The Union shall elect or appoint shop stewards from among its members in the bargaining unit and shall notify the Company in writing forthwith of such appointments and deletions of those employees so elected or appointed. The Company will recognize shop stewards and not discriminate against them for lawful Union activity. The Company will notify the Union forty-eight (48) hours prior to dismissal of a shop steward.

- (b) Grievances shall be processed during the normal working hours of the shop steward. A steward shall receive his regular rate of pay when grievances or pending grievances are processed with the Employer on Employer property or at any other place which is mutually agreed upon by both the Union and the Employer.
- (c) If the Employer representative is unable to meet the steward during the steward's normal working hours, the steward shall be paid for all the time spent during the processing of the grievances with the Employer on the Employer's property or at any other place which is mutually agreed upon by both the Union and the Employer.

Section 1 - Sanitary Conditions

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

Section 2 - First Aid Supplies

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

Section 3 - First-Aid Attendant

Any employee holding a first-aid certificate recognized under WorkSafe BC regulations who is designated by the Company to carry out duties of a first-aid attendant, Class C, shall receive in addition to his regular rate as provided in Schedule "A" herein a premium of fifty (50) cents per hour. The employer shall be responsible for the cost of maintaining or upgrading the employee's first-aid certificate to the extent that course fees will be paid by the Employer.

Section 1 - Union Label

It shall not be a violation of this Agreement for an employee to post the Teamsters Union Label in a conspicuous place on the glass area of the equipment he is operating. The said label to be a size not in excess of three (3") by four inches (4") and not to be attached to any area which will impair the vision of the driver.

Section 2 - Uniforms Supplied

Where any employee is required to wear any kind of uniform or coveralls as a condition of continued employment, such uniform or coveralls shall be furnished and maintained by the Company at no cost to the employee. No employee shall be disciplined or discharged for refusing to wear a uniform or coveralls that are not clean or do not fit properly or that do not bear a Union label.

Section 3 - Protective Clothing

- (a) Any employee who is exposed to a hazard by reason of handling toxic or noxious chemicals shall be provided with adequate protective clothing and equipment as required by WorkSafe BC regulations and the cost shall be borne by the Company.
- (b) Where the Company makes it a condition of employment for all employees to wear safety-toed boots, the Company will pay up to one hundred dollars (\$100.00) per year with receipt.

ARTICLE 18

Hourly rated employees shall be notified before quitting time the day previous to their not being required for duty except as otherwise mutually agreed by the Parties hereto.

ARTICLE 19

If an employee after starting work meets with an accident which incapacitates him from carrying on his duties, he shall be paid his full day's wages for the day of his injury, provided he is not in receipt of compensation from the Workers' Compensation Board for that day.

Section 1 - Pay For Change in Classification

When an employee from a higher rated classification is requested to work temporarily or until permanently reclassified at a lower-rated classification, he shall continue to be paid at the rate paid for the higher-rated classification.

Where an employee from a lower-rated classification is requested to work in a higherrated classification for (a) one hour and up to two hours, he shall be paid for the period worked at the higher rate and (b) for two or more hours, he shall be paid for the entire day at the rate paid for the higher-rated classification.

An employee who is required, as a condition of employment, to be the holder of a valid and subsisting license shall receive the appropriate rate of pay for whichever license he is required to hold. This clause shall not apply if an employee exercises his seniority into a different classification.

Section 2 - Leadhand Defined

A leadhand, when so designated and classified by the Company, shall be defined as an employee who shall direct the work of other employees while performing similar work himself. He shall not have the authority to directly hire, fire, suspend, or discipline employees. He shall be a member of the Union and shall have seniority in accordance with article 7 herein.

Section 3

Any employee temporarily assigned by the Company to a terminal or operation located beyond reasonable commuting distance shall be reimbursed by the Company for reasonable expenditures for room and board.

ARTICLE 21

The regular hourly rates paid shall be those set out in appendix "A" attached hereto and forming part of this Areement.

Section 1 - Health and Welfare

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

Section 2 - Pension

The Teamsters National Pension Plan covering members of the Union as set out in appendix "D" hereunto annexed and forming part of this Agreement shall continue.

Section 3 - Payment of Dues and Contributions

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

Section 4 - Trust Agreement

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

Section 5 - Delinquency

(a) The Company acknowledges that the trustees of the Health and Welfare Plan and the Pension Plan or any other plan or trust to which contributions are payable shall

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

Section 1 - Hours of Work, Overtime and Sunday Labour

- (a) The regular work week for employees shall be forty-five (45) hours. Employees regularly working less than twenty-four (24) hours per week shall be considered part-time employees. While all efforts will be made to keep overtime to a minimum, employees recognize that customer service is the cornerstone of the business and, in the interest of customers, overtime may be required. If required, overtime will be offered to the most senior employee first and then progress down the list until an employee accepts the overtime or the least senior employee has been assigned the work.
- (b) Work performed in excess of nine (9) hours per day or forty-five (45) hours per week (excluding daily overtime) shall be paid at the rate of one and one half (1 1/2) times the regular rate of pay. Work performed in excess of eleven (11) hours per day or forty-eight (48) hours per week (excluding daily overtime) shall be paid at the rate of two (2) times the regular rate of pay. Trip rated hours will not be included in the calculation of overtime. Employees regularly scheduled to work 10 hour days shall be paid overtime at 1 1/2 times the rate for all hours in excess of ten (10) hours per day and a two (2) times the rate for all hours worked over twelve (12) hours per day.

- (c) Except in case of emergency or where it is unavoidable, no employee shall work weekly overtime until all regular employees in their unit have worked the full quota of regular hours provided there are capable and qualified regular employees amongst those who have not worked their full quota of regular hours. Provided the foregoing has been complied with, seniority will prevail in classifications for the allocation of overtime.
- (d) There shall be a fifteen (15) minute rest period, with pay, during each half of the shift, and before overtime is worked, assuming overtime will be in excess of one (1) hour.
- (e) There shall be an unpaid lunch period of one-half (1/2) hour after the first four (4) hours of the shift.
- (f) On trips to and from Vancouver, one-half (1/2) hour will be unpaid in each direction for travel time.
- (g) Any employee on lay-off who requests his Record of Employment shall not be considered terminated.

Section 2 - General Holidays

Pay for holidays when not worked shall be as follows:

Employees shall be paid for time not worked at the regular rate on New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and in the event a general holiday is proclaimed by the Federal or Provincial Government, such holiday shall be observed as a general holiday. The rates of pay for these general holidays will be at the regular applicable work time rate.

Employees entitled to those paid holidays shall have been on the payroll thirty (30) calendar days previous to the holiday.

Employees absent from work by reason of accident or illness not in excess of six (6) months shall receive full pay for general holidays as designated herein. Employees in receipt of Workers' Compensation Wage Loss Benefits shall not be paid for the general holidays as designated herein.

Employees absent by reason of leave of absence, discharge, quit or suspension shall

not be entitled to general holiday pay.

The employee who is terminated or discharged for just cause within the thirty (30) calendar day period shall not be entitled to general holiday pay. If an employee who has been laid off temporarily is returned to work within thirty (30) calendar days after the holiday, he shall be entitled to the paid general holiday.

When a general holiday falls on a regular employee's regular day off, then such employee will be granted a day off in lieu of such general holiday on either the last working day preceding or the first working day following such general holiday.

ARTICLE 24

Section 1 - Two Weeks Vacation

Upon completion of one year's service employees shall receive two (2) consecutive weeks vacation with eighty (80) hours pay at their hourly rate of pay in effect at the time they take their vacation or four percent (4%) of annual gross earnings, whichever is the greater. Vacation pay at four percent (4%) shall be paid to all employees with less than one (1) year of service.

Section 2 - Three Weeks Vacation

Any employee completing four (4) years of continuous service shall thereafter receive six percent (6%) or one hundred and twenty (120) hours at their hourly rate of pay in effect at the time they take their vacation, whichever is the greater.

Section 3 - Four Weeks Vacation

All employees with ten (10) years or more continuous service shall thereafter receive eight percent (8%) or one hundred and sixty (160) hours at their hourly rate of pay in effect at the time they take their vacation, whichever is the greater.

Section 4 - Five Weeks Vacation

All employees with fifteen (15) years or more continuous service shall thereafter receive ten percent (10%) or two hundred (200) hours at their hourly rate of pay in effect at the time they take their vacation, whichever is the greater.

Section 5

Absence by reason of accident or illness shall be counted as hours worked in the intervening years between the employee's first year and final year of employment. In any such year, the employee will be credited with a maximum of five hundred (500) hours for such absence if he has less than fifteen hundred (1500) hours of work in that year to qualify for vacation herein stipulated.

In any year where an employee has not qualified for a full vacation as a result of accident or illness, he will still be credited with a year of service to determine future vacations.

Section 6

Fifteen hundred (1500) hours shall constitute a year's service, but no employee will be permitted to accumulate more than one (1) year of service or any additional fraction thereof in any single calendar year. However, general holidays shall count as hours worked.

Section 7

- (a) A calendar year shall be the period between January 1st and December 31st.
- (b) Where the date of commencement of employment is the anniversary date for the purpose of calculating annual vacations, employees shall receive vacations in accordance with the provisions contained in sections 1 and/or 2, 3, 4, 5 and 6 of this article.
- (c) Irrespective of whether vacation benefits are calculated on the basis of (a) or (b) of this section, vacation pay cheques will be issued to all employees in accordance with the provisions of article 10, section 1 (b) of this Agreement.
- (d) An employee hired after January 1st in any year and who does not qualify for a full annual vacation, shall be paid an amount equal to four percent (4%) of his total wages from the date of employment to December 31st of that year.
 - Employee then to work a full year before receiving a full annual vacation with pay. Time off (without pay) will be allowed during this year with such time off being calculated on the basis of holiday pay.
- (e) Employees who receive their vacation pay on the percentage basis shall be paid

the appropriate percentage of gross income shown on their T4 income tax statement.

At the same time T4 slips are made available, the employer shall type on the amount of Union Dues paid by each Union member in that year.

Section 8

(a) All employees entitled to more than two (2) weeks vacation may receive them in one continuous period, only if they take their vacation in the off-season. The Union and the Company may, however, waive this provision where an employee requests, for compassionate reasons, that he be granted all of his vacation continuously, within the prime season. Prime Season defined:

June 1st - September 30th inclusive December 15th - January 15th inclusive

Spring Break - When it occurs

- (b) Employees entitled to three (3) weeks vacation, but whose seniority is such that they would not otherwise qualify for a vacation in the prime season, shall be given one week in that season.
- (c) Employees, with the exception of those described in (b) above, requesting a vacation during the prime season shall receive two (2) weeks in one (1) continuous period. The remainder of the vacation to which such employee is entitled shall be given during the off-season.
- (d) Employees shall be granted their vacation dates, in order of their seniority, consistent with the efficient operation of the business. Vacation lists shall be posted and remain posted on or before January 31st of each year.
- (e) Vacation period to start on completion of employee's normal work week, and end on the first day of his normal work week on the completion of his vacation.
- (f) Where an employee has less than fifteen hundred (1500) hours and is terminating employment, voluntarily or otherwise, he shall receive 4%, 6%, 8%, or 10% of his earnings in lieu of the holidays to which he is entitled.
- (g) Unless otherwise mutually agreed between the Company and the employee, every employee shall be notified at least fourteen (14) days prior to being required to take any vacation period. Once vacation periods are established the time shall not

be changed except where mutually agreed between the employee and the Company.

- (h) Any employee who accepts gainful employment while on vacation may be terminated.
- (i) Any regular employee receiving a differential or premium pay on a regular basis, this differential or premium will become part of his regular hourly rate of pay, and shall be paid on all general holidays and annual vacations.
- (j) In the event a general holiday falls during an employee's vacation, the employee will be allowed a day off without pay in lieu of such general holiday, either immediately preceding or immediately following his vacation period. Such day off without pay in lieu of a general holiday will be designated on the final vacation schedule.

General holidays that fall within the vacation periods that are not designated on the final vacation schedule, the day in lieu of such general holiday will be designated at the time the vacations are booked and approved.

<u>ARTICLE 25 – MINIMUM STANDARDS</u>

The Company agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of signing of this Agreement.

Higher rated Union employees shall be subject to all the terms and conditions of this Agreement.

ARTICLE 26

Section 1 - Savings Clause

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

Section 2 - Negotiations for Replacement of Articles Held Invalid

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

ARTICLE 27

The marginal section and article heading shall be used for purposes of reference only, and may not be used as an aid in the interpretation of this Agreement.

ARTICLE 28

Section 1 - Grievance Procedure

Whenever any dispute arises between the Company and the Union or between the Company and one or more employees, the men shall continue to work and the dispute shall be adjusted in accordance with the following procedures.

Time limit to institute this Grievance Procedure:

- (a) Termination or lay-off ten (10) calendar days.
- (b) All other grievances thirty (30) calendar days.

In any dispute over a pay cheque or pay statement or any matter thereon the time limit shall be calculated from the date the employee received the pay cheque or pay statement.

- Step 1: Any grievance of an employee shall first be taken up between such employee and the Company supervisor, however, the employee will be entitled to be represented by a shop steward or a Union representative.
- Step 2: Failing settlement under Step 1, such grievance shall be taken up between a representative of the Union or a shop steward and the Company supervisor.
- Step 3: Failing settlement under Step 2, such grievance and any dispute arising

between the Union and the Company over the interpretation or application of the provisions of this Agreement, including any dispute as to whether a matter is subject to this grievance procedure shall be referred to two (2) authorized representatives of the Union and two (2) authorized representatives of the Company. The representatives of the Union and the Company shall exchange statements in writing setting forth their respective positions relative to the matter(s) in dispute not later than at their initial meeting.

Step 4: Failing settlement under Step 3, either Party may refer the matter to an agreed upon neutral arbitrator who will meet with the authorized representatives of the Union and the Company to hear both sides of the case.

Section 2 - Minister of Labour

If the Parties fail to agree upon a neutral arbitrator within five (5) days (excluding Saturdays, Sundays and General Holidays) after one Party has served written notice on the other Party of its intention to refer the matter to a neutral arbitrator, the Minister of Labour will be requested to appoint a neutral arbitrator.

Section 3 - Arbitrator's Decision

The arbitrator shall be required to hand down his decision within fourteen (14) days (excluding Saturday, Sunday and General Holidays) following completion of the hearing, and his decision will be final and binding on the two Parties to the dispute and shall be applied forthwith.

The decision of the arbitrator shall be specifically limited to the matter submitted to him, and he shall have no authority in any manner to amend, alter, or change any provisions of this Agreement.

Section 4 - Costs

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

Section 5 - Meeting Chairman and Minutes

Under step 3, the Company will act as recording secretary and will furnish the Union with a copy of any such minutes. All copies of minutes will be signed by both the Union and the Company representative(s). Under step 3, the meeting chairman will be rotated

between the Union and the Company.

ARTICLE 29

Section 1 - Term of Agreement

This Agreement shall be for the period from and including January 1, 2013 to and including December 31, 2016. Either Party to this Agreement may, within four months immediately preceding December 31, 2016 give to the other Party written notice to commence collective bargaining.

Section 2

After expiry of the term of this Collective Agreement, and subject to the limitations necessarily resulting from the exercise of the rights of the Parties under part 5 of the Labour Relations Code including the right to strike or lockout the terms and conditions of employment as set out in this Agreement will be observed and not varied except by the Parties mutual consent during the period that the Union remains the bargaining agent for employees identified in this Agreement.

Section 3

It is mutually agreed that the operation of Section 50(2) and (3) of the Labour Relations Code specifically excluded from operation in this Agreement.

DATED THIS DAY OF ,2013.

IN WITNESS WHEREOF the Parties hereto have set their hands and seals the day and year first above written.

SIGNED ON BEHALF OF THE PARTY OF THE FIRST PART	SIGNED ON BEHALF OF THE PARTY OF THE SECOND PART		
	TEAMSTERS LOCAL UNION NO. 31		
	TEAMSTERS LOCAL UNION NO. 31		
	TEAMSTERS LOCAL UNION NO. 213		

APPENDIX "A" - WAGE SCHEDULE

CLASSIFICATION	Jan. 1/13	Jan. 1/14	Jan. 1/15	Jan. 1/16
Class 1 Tractor-Trailer Rate	\$21.25	\$21.25	\$21.75	\$22.25
5-Ton P&D	\$19.00	\$19.00	\$19.50	\$20.00
Courier/Others	\$18.50	\$18.50	\$19.00	\$19.50
Warehouseman	\$18.00	\$18.00	\$18.50	\$19.00

Upon date of ratification each full-time employee will receive a five-hundred dollar (\$500.00) signing bonus. This includes all company employees and dependent contractors.

On January 1, 2014 each full-time employee will receive a five-hundred dollar (\$500.00) signing bonus. This includes all company employees and dependent contractors.

Leadhand premium rate is seventy-five cents (\$.75) over and above the regular hourly rate for the classification.

First aid attendant premium is fifty cents (50¢) over and above the regular hourly rate for the classification.

All new hire employees will receive one dollar (\$1.00) less from the wage schedule from the first date of work until the completion of the probationary period, after which he shall be increased by fifty cents and to the full rate after one year from the date of hire.

Mileage Rate:	Jan.	Jan.	Jan.	Jan.
	1/13	1/14	1/15	1/16
Mileage rate for over 200 miles/360 kilometres	\$0.4875	\$0.4875	\$0.4975	\$0.5075

Employees paid by mileage rates, work time, shall be paid hourly. Work time is defined as loading and unloading freight.

APPENDIX B

TEAMSTERS' NATIONAL BENEFIT PLAN Plan A (All employees will move from Plan B to Plan A)

1 - Participation

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

Section 2 - Board of Trustees

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

Section 3 - Trust Agreement

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

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

Section 4 - Plan Administration

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

Section 5 - Eligibility Conditions

- (a) Any member of the Union who is a regular employee on the date of this Agreement shall join the Plan on the first day of the month following the date of this Agreement.
- (b) Any member of the Union, employed pursuant to this Agreement, shall join the

- Plan on the first day of the month coincident with or immediately following the date on which the employee becomes a regular employee.
- (c) Notwithstanding subparagraph "(a)" above, any member of the Union, employed pursuant to this Agreement, who has been covered under the Plan within the 30 day period immediately prior to the date on which he commences work with the Company, and who becomes a regular employee, shall join the Plan on the later of his date of hire or the day following termination of his previous coverage.
- (d) If an employee whose coverage has been terminated due to lay-off or any other temporary interruption of work, is recalled and works a minimum of one shift, coverage for the weekly indemnity and long term disability benefits will commence on the date of return to work, and all other benefits will be reinstated as of the first day of the month in which return to work occurs.
- (e) For the purposes of this Appendix "B", a regular employee or member of the Union hired pursuant to this Agreement, shall include a dependent contractor as defined in the appropriate section(s) of this Agreement.
- (f) Notwithstanding the provisions of this section, any employee not covered under the Plan who is absent from work due to layoff, leave of absence, disability or any other temporary interruption of employment on the date coverage would normally take effect shall not be eligible to become covered until the date on which he returns to active employment and works one shift. Coverage for all benefits except weekly indemnity and long term disability will be established as of the first day of the month in which the return to work occurs. Weekly indemnity and long term disability benefits will be established as of the date of return to work.

Section 6 - Rehabilitative Employment

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

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

- (a) The employee will be paid by the Company at his normal rate of pay for hours worked.
- (b) The duration of such rehabilitative employment shall exceed thirty (30) days only

by mutual consent of all parties.

Section 7 - Benefits

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

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

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

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

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

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

Section 8 – Costs

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

Section 9 - Payment of Contributions

(a) Contributions will be made on a calendar month basis for each eligible employee

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

Section 10 - Termination of Coverage

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

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

Section 11 - Failure to Remit Contributions

It is agreed that, if the Company fails, due to reasons other than clerical error, to remit contributions due under this Agreement on behalf of any eligible employee, the Company shall be liable for the payment of all benefits the employee does not receive from the Benefit Plan but would have received had the Company remitted the required contributions. In the event of clerical error, the Company shall be liable for the payment of any benefits for which the Trustees are unable to obtain insurance due to late application.

Section 12 - General

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

APPENDIX "C"

DEPENDENT CONTRACTORS

Hourly rate

	Jan. 1/09	Jan. 1/10	Jan. 1/11	Jan. 1/12
Tractor trailer drivers:	\$45.00	\$45.75	\$46.50	\$47.25
5ton/P&D:	\$37.00	\$37.75	\$38.50	\$39.25
Courier and others:	\$30.00	\$30.75	\$31.50	\$32.25
	Jan. 1/13	Jan. 1/14	Jan. 1/15	Jan. 1/16
Tractor trailer – tandem mileage rate:	Jan. 1/13 \$1.67	Jan. 1/14 \$1.67	Jan. 1/15 \$1.69	Jan. 1/16 \$1.71

\$0.05 per mile for all miles in the Kootenays

Fuel surcharge: drivers reimbursed 100% by the Company for any costs over one dollar (\$1.00) per litre for the price of diesel.

The Company agrees that deductible for trailer and cargo insurance for owner operators will be paid by the Company and the o-o will be responsible for the tractor deductible.

In the event that the company directs the o-o's to use toll highways or bridges and ferries, the Company will pay all appropriate fees.

The Company agrees that WCB premiums for owner operators will be deducted quarterly.

The Company agrees to a mid-month draw for owner operators currently paid on a monthly basis, providing the monies are due and owing.

The Company agrees to pay for health and welfare premiums for all owner operators, Plan "C".

Owner operator replacement driver: owner operators may, on a temporary basis, have a replacement driver for their vehicle. The maximum replacement under this clause will be a 26 week period. The replacement driver will be placed at the bottom of the dispatch list for dispatch only. The replacement driver will not accrue seniority or a place on the seniority list. The replacement driver shall be paid in accordance with the collective agreement. Wages and benefits will be paid by the Company with set amounts deducted from the owner operator's revenue. Such replacement drivers will be for illness or injury only. Owner operators shall also be permitted a holiday relief driver in accordance with his/her holiday entitlement. The foregoing is subject to the approval of the Company.

APPENDIX D

TEAMSTERS' NATIONAL PENSION PLAN

Section 1 - Participation

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

Section 2 - Board of Trustees

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

Section 3 - Trust Agreement

The Plan and the activities of the Board of Trustees will be governed by an Agreement and Declaration of Trust (the Trust Agreement), established January 1, 1982 and amended by the Trustees from time to time.

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

Section 4 - Plan Administration

The terms of the Plan and its administration shall be entirely the responsibility of the Board of Trustees provided the Plan is administered in accordance with the Collective Agreement, the Trust Agreement and any applicable government law or regulation.

Section 4 - Plan Administration

The terms of the Plan and its administration shall be entirely the responsibility of the Board of Trustees provided the Plan is administered in accordance with the Collective Agreement, the Trust Agreement and any applicable government law or regulation.

Section 5 - Eligibility Conditions

(a) Any member of the Union, employed pursuant to this Agreement, shall join the Plan on the first day of the month coincident with or immediately following the date on which the employee becomes a regular employee.

(b) Notwithstanding subparagraph "(a)" above, any member of the Union, employed pursuant to this Agreement, who has been covered under the Plan within the 30 day period immediately prior to the date on which he commences work with the Company, and who becomes a regular employee, shall join the Plan on the later of his date of hire or the day following termination of his previous coverage.

It is understood that any person who is not subject to the terms of this Agreement, or any person employed on the basis of being a dependent contractor is not eligible to participate in this Plan.

Section 6 - Benefits

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

Section 7 - Contributions

- (a) The cost of contributions to the Plan shall be borne wholly by the Company.
- (b) The Company shall contribute in respect of each employee in accordance with the following:

Effective Date	Amount Per Hour		
January 1, 2009	\$0.40		
January 1, 2010	\$0.50		
January 1, 2011	\$0.60		
January 1, 2012	\$0.80		
January 1, 2015	\$0.90		
January 1, 2016	\$1.00		

- (c) The following shall be deemed to be periods of work for which contributions are required to be paid by the Company:
 - All straight time hours not to exceed 40 hours per week or 168 hours per month
 - Periods of Paid vacation
 - Jury Duty
 - Sick Leave (under the Sick Leave Provision of this Agreement)
 - Bereavement leave
 - Statutory holidays
 - Special personal floating holiday
 - Accumulated Time Off

- Periods of Banked Overtime
- For Line Drivers All on duty hours

No contributions are required to be paid for:

- Change in shift penalty
- Call time where a call involves a four hour minimum embodying call time and hours worked, contributions are only required for hours worked.
- Severance allowance.
- Non-work hours as described in Section 7, hereunder.
- (d) In no case shall the employer remit hours in excess of 40 hours per week or 168 hours per month.
- (e) (i) Contributions shall be made on a calendar month basis for each eligible employee and the Company shall submit the total contribution to the Trust aforesaid, not later than the 20th day of the following month.
 - (ii) The Company agrees to hold in trust, until remitted, all amounts payable in respect of the Plan pursuant to this Agreement and shall be liable, as such, for failure to remit for any reason including, but not limited to liquidation, assignment or bankruptcy of the Company.
 - (iii) The Company acknowledges that the Trustees of the Plan shall have the right to take legal action against the Company to obtain payment of all contributions and interest thereon due pursuant to this Agreement.
 - (iv) The Company agrees that, if contributions are not received by the Plan Administrator within the agreed time period (or postmark on the envelope enclosing the contributions is not within the agreed time period), then the Company shall be liable for the payment of such contributions plus interest on the contributions at a rate determined by the Trustees but not to exceed 2% per month from the date such contributions were due to the date of receipt by the Plan Administrator.
 - (v) The Company agrees that, if the Union or the Trustees of the Plan incur any legal or other costs to recover contributions due and payable by the Company, the Company shall be liable to reimburse the Union or the Trustees for such costs.

Section 8 - Non-Work Hours

In order that the Trustees may properly adjudicate any pension credits that may be due to an employee during periods of absence from work due to disability, the Company agrees to provide, on a monthly basis, a report of all hours of work lost by any employee due to disability for which the employee is receiving temporary time loss benefits from the Workers Compensation Board, Weekly Indemnity or Long Term Disability Benefits under a group insurance plan provided pursuant to this Agreement or Maternity / Parental Benefits under the Employment Insurance Act.

This report shall be provided no later than the 20th day of the month following the month in which the employee suffered loss of hours due to disability or maternity.

APPENDIX "E" TEAMSTERS LOCAL NO. 31 UNION/INDUSTRY ADVANCEMENT FUND

The Teamsters Local No. 31 Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by Teamsters Local Union No. 31.

The Employer shall make contributions of five cents (\$.05) per hour for which wages are payable hereunder for each employee and dependent contractor covered by this Collective Agreement.

Payment of said funds shall be made to the Teamsters Local No. 31 Union/Industry Advancement Fund by the 15th of the month following that to which they refer.

This payment will be independent and separate from any other payment made to Teamsters Local Union No. 31.

APPENDIX "F" TEAMSTERS LOCAL UNION NO. 213 INDUSTRY ADVANCEMENT FUND

The Teamsters Local No. 213 Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by Teamsters Local Union No. 213.

The Employer shall make contributions of five cents(\$.05) per hour for which wages are payable hereunder for each employee and dependent contractor covered by this Collective Agreement.

Payment of said funds shall be made to the Teamsters Local No. 213 Industry Advancement Fund by the 15th of the month following that to which they refer.

This payment will be independent and separate from any other payment made to Teamsters Local Union No. 213.

APPENDIX "G" TEAMSTERS LOCAL UNION NO. 213 FREIGHT CARTAGE HEALTH AND WELFARE PLAN

A. HEALTH AND WELFARE PLANS

Effective January 1, 2013, the Company agrees to participate in the Teamsters Local 213 Health and Welfare Plan and Trust Fund (The Plan and Fund) for all regular employees and Owner Operators subject to the jurisdiction of this Agreement (hereinafter referred to as "employees"). The Company will contribute to the Plan and Fund on the following basis:

- (a) From the effective date for all employees who have completed the requirements set forth in (2) below as of the effective date;
 - For all other employees as of the effective date and all employees whose date of employment is after the effective date, from the first (1st) day of the month next following or coincident with the date which is three (3) months after his date of employment.
- (b) Part-time (or Casual) employees shall not be covered under the provisions of the Health and Welfare plan until the first (1st) of the month following ninety (90) calendar days after the date they become regular employees.

The Company agrees to make such monthly contributions to the Trust Fund for the benefits to be provided to its employees as the Trustees of the Plan and Trust Fund shall establish from time to time and do such other things as may be required to become and remain an Employer under the Plan and Trust Fund.

It will be the responsibility of the Company to ensure that all employees complete such forms as are required in the operation and administration of the Plan and for making the required contributions to the Trust Fund on their behalf. Failure of the Company to secure the necessary administration forms from employees, forward completed forms and/or remit contributions on the due date to the Administrator as appointed by the Trustees will cause the Company to be liable for any claims arising as a result of such failure.

It shall be the Union's responsibility to supply all necessary administration forms to the Company.

B. The required contributions may be increased by the increase of the Medical

Services Plan of B.C. from the date of such increase and the portion of the contribution attributed to the Dental benefits may be increased by the increase of the College of Dental Surgeons of B.C. Fee Guide.

Should there be a further increase in premiums after January 1, 2013, and prior to signing of a new collective agreement; the Company agrees to pay such increases.

- C. The Company may request that the Weekly Indemnity, short term disability, benefit be increased to the minimum required to establish or retain E.I. Premium Reduction and agrees to pay the increased contributions required to provide for this benefit increase.
- D. When an employee goes off work ill or on compensation or a grievance is invoked on his discharge, the Company shall continue to pay his health and welfare fees and Union dues for a maximum of three (3) months, so that at all times the employee shall be protected to the utmost. At the end of three (3) months, the affected employee may clear up his deficit, upon so doing he will be eligible for a further three (3) months' protection. When an employee returns to work and the employee refuses or neglects on demand at his last known address to make restitution for such monies normally paid by the employee, the Union shall then reimburse the Company for said amount.

The employee shall be notified when he is three (3) months in arrears and the period of such coverage shall exceed twelve (12) months only by mutual agreement of the two (2) parties.

E. The Company shall contribute one hundred percent (100%) of the contributions rate established by the Board of Trustees for any month in which an employee is covered by the Plan for one day or more.

APPENDIX "H" TEAMSTERS LOCAL UNION NO. 213 PENSION PLAN

The Company shall contribute in respect of each employee at a rate of contributions for each hour worked as follows:

All straight time hours worked by (or paid for) an eligible regular employee, not to exceed forty (40) hours per week or 168 hours per month.

A. Eligibility Conditions

- (i) Any member of the Union, employed pursuant to this Agreement, shall join the Plan on the first day of the month coincident with or immediately following the date on which the employee becomes a regular employee.
- (ii) Notwithstanding subparagraph (i) above, any member of the Union employed pursuant to this Agreement, who has been covered under the Plan within the thirty (30) day period immediately prior to the date on which he commenced work with the Company, and who becomes a regular employee, shall join the Plan on the later of his date of hire or the day following termination of his previous coverage.

It is understood that any person who is not subject to the terms of this Agreement, or any person employed on the basis of being a dependent contractor is not eligible to participate in this Plan.

B. Regular hourly rated employees

Effective January 1, 2013 the Company will contribute eighty cents (\$0.80) per hour for which wages are payable, to the Teamsters Local Union No. 213 Pension Plan.

Effective January 1, 2015 the Company will contribute ninety cents (\$0.90) per hour for which wages are payable, to the Teamsters Local Union No. 213 Pension Plan.

Effective January 1, 2016 the Company will contribute one dollar (\$1.00) per hour for which wages are payable, to the Teamsters Local Union No. 213 Pension Plan.

C. Line Drivers

Effective January 1, 2013 the Company will contribute eighty cents (\$0.80) per hour for which wages are payable, to the Teamsters Local Union No. 213 Pension Plan.

Effective January 1, 2015 the Company will contribute ninety cents (\$0.90) per hour for which wages are payable, to the Teamsters Local Union No. 213 Pension Plan.

Effective January 1, 2016 the Company will contribute one dollar (\$1.00) per hour for which wages are payable, to the Teamsters Local Union No. 213 Pension Plan.

For Line Drivers who are paid by the mile, contributions shall be on the basis that forty (40) miles will equal the contribution for one (1) hour.

D. Contributions and remittances referred to in B and C shall be remitted monthly by the fifteenth (15th) day of the month following the month to which they refer, together with a form, supplied to the Company by the Union, which shall provide full instructions.

Timely payment of contributions to the Trust Funds provided for in this agreement is essential for the protection of the beneficiaries. Delinquency and continue failure to remit contributions to the Trust Fund shall be dealt with as follows:

- E. The Union will advise the Company, in writing, of any delinquency.
- F. If the Company has failed to respond within forty eight (48) hours of receipt of notification exclusive of Saturdays and Sundays and Holidays the Union ay then request a meeting with the Company to provide for payment of funds.
- G. In the case of failure of the Company to contribute into the funds on the due date the Trustees in their joint names may take legal action against the Company for recovery of the amount due.

LETTER OF UNDERSTANDING #1

BETWEEN:	Salt Spring Freight Service Ltd.			
AND:	Teamsters Local Union No. 31			
		oloyees who have completed their probationary r monthly MSP premiums by the Company.		
Signed this	day of	2013		
FOR THE COMPANY		FOR TEAMSTERS LOCAL UNION 31		
		FOR TEAMSTERS LOCAL UNION 213		
		<u> </u>		

LETTER OF UNDERSTANDING #2

Between: Salt Spring Freight Service Ltd.

And:	Teamsters Local Union No. 31 Teamsters Local Union No. 213					
additiona		s per mile for Ro	paid by the mile, the company will pay an ocky Mountain Doubles and six and one-half			
Mountair	n Doubles and	/or Turnpikes, i	any intend to use Lease Operators to pull Rocky n the future, that the Company will discuss aplementing the practice.			
Signed t	his	_ day of	2013			
FOR THE COMPANY			FOR TEAMSTERS LOCAL UNION 31			
			FOR TEAMSTERS LOCAL UNION 213			

LETTER OF UNDERSTANDING #3

Between: Salt Spring Freight Service Ltd.

And:	Teamsters L	ocal Union No.	31 (the Unior	ነ)		
		loyed on Vancou e pay period pro			pay within sev	en
employees payment w	s will be requi vithin fourteen	ches those emp red to change to (14) days of the negatively affect	the same tele e end of the p	rms as other em pay period. This	ployees – change in	ne
		give the effected ge and to work w				
Signed this	S	_ day of		_ 2013		
FOR THE	COMPANY		FOR TEAM	STERS LOCAL	UNION 31	