

## AGREEMENT

**BETWEEN:**                    **SOURCE ONE TRANSPORT LTD.**

(herein known as the "Company")

OF THE FIRST PART

**AND:**                         **UNITED STEELWORKERS, LOCAL 2009**

(herein known as the "Union")

OF THE SECOND PART

### PREAMBLE

The purpose of this Agreement is to secure for the Company, the Union, the owner operators **and dependent contractors** the full benefit of orderly and legal collective bargaining, and to ensure to the utmost extent possible the safety and physical welfare of the owner operators economy of operation, quality and quantity of output, and protection of property. It is recognized by this Agreement to be the duty of the Company and the Union, the owner operators **and dependent contractors** to co-operate fully, individually and collectively, for the advancement of said conditions.

The Company and the Union agree to abide by the terms set out in this Agreement. The Union further agrees that it will at all times instruct its members to act in accordance with the terms contained in this Agreement. The Company agrees, in the exercise of the functions of Management that the provisions of this agreement will be carried out.

### ARTICLE I — BARGAINING AGENCY

#### Section 1: Recognition

- (a) The Company recognizes the Union as the sole collective bargaining agency of the owner operators **and dependent contractors** of the Company in and out of British Columbia except confidential dispatchers, office employees and those employees with the authority to hire or discharge.
- (b) It is agreed that when a dispute arises as to whether or not a person is an owner operator **or a dependent contractor** within the bargaining unit it shall be subject to grievance procedure as provided in Article VII, Section 2 Step Three and, in the event of failure to reach a satisfactory settlement it shall be dealt with by arbitration as set forth in Article VIII.
- (c) The Union agrees to issue a withdrawal card to owner operators **or dependent contractors** transferred from the bargaining unit to a job outside the bargaining unit provided that no dispute arises within the meaning of clause (b) herein.

## **Section 2: Meetings**

The Company and the Union will meet at such time and place as may be mutually agreed upon for the purpose of discussing wages and working conditions and adjusting any matters within the confines of this Agreement which come within the scope of collective bargaining between employer and owner operator/**dependent contractor**.

## **Section 3: Bargaining Authority**

The Party of the First Part agrees that the bargaining authority of the Party of the Second Part shall not be impaired during the term of this Collective Agreement. The Party of the First Part agrees that the only certification that they will recognize during the term of this agreement is that of the Second Part, unless ordered by due process of law to recognize some other bargaining authority.

## **Section 4: Access to Operation**

Official union representative shall obtain access to the Company's operations for the purpose of this Agreement by written permission which will be granted by the Company on request and subject to such reasonable terms and conditions as may be laid down by the Company.

## **ARTICLE II — COMPANY'S RIGHTS**

### **Section 1: Management and Direction**

The management and the operation of, and the direction and promotion of the working forces is vested exclusively in the Company; provided, however, that this will not be used for purposes of discrimination against owner operators/**dependent contractors**.

### **Section 2: Hiring and Discipline**

The Company shall have the right to select its owner operators/**dependent contractors** and to discipline or discharge them for proper cause.

## **ARTICLE III — UNION SECURITY**

### **Section 1: Co-operation**

The Company will co-operate with the Union in obtaining and retaining as members the owner operators/**dependent contractors** as defined in this Agreement, and to this end will present to new owner operators/**dependent contractors** and to all supervisors and foreman the policy herein expressed.

## **Section 2: Union Shop**

All owner operators/**dependent contractors** shall, within thirty (30) calendar days after the execution of this Agreement, or thirty (30) calendar days after starting work, whichever date last occurs, become members of the Union and maintain membership therein throughout the term of this Agreement, as a condition of continued work.

## **Section 3: Maintenance of Membership**

Any owner operator/**dependent contractor** who is a member in good standing, or is reinstated as a member of the Union shall as a condition of continued work maintain such membership in good standing throughout the term of this Agreement.

## **Section 4: Discharge of Non-Members**

Any owner operator/**dependent contractor** who fails to maintain his membership in the Union as prescribed herein by reason of refusal to pay dues shall be subject to discharge after seven (7) days' written notice to the Company of the said owner operator refusal to maintain his dues.

## **Section 5: Check-off**

The Company shall require all new owner operators/**dependent contractors** at the time of hiring to execute the assignment of wages in duplicate, the forms to be supplied by the Union, said forms to be forwarded to the Union not later than fifteen (15) calendar days following the date of hiring.

This assignment in the case of owner operators already members of the Union shall be effective immediately and or those owner operators/**dependent contractors** not previously members of the Union, it shall come effective thirty (30) calendar days from the date of execution.

The Union shall notify the Company by letter of the amount of back dues owed by new owner operators/**dependent contractors** and copies of such letter shall be furnished to the owner operators/**dependent contractors** and the plant committee.

The Company shall remit the dues deducted pursuant to such assignment by the owner operator/**dependent contractor** to the Union named therein not less often than once each month, with a written statement of names of the owner operator/**dependent contractor** for whom the deductions were made and the amount of each deduction.

## **Section 6: Social Insurance Number**

The company shall furnish the Union with the Social Insurance Number of each owner operator/**dependent contractor** on its payroll on the first occasion when dues are forwarded to the Union after the execution of this Agreement or after the owner operator/**dependent contractor** enters the employment of the Company, whichever date last occurs.

## ARTICLE IV — DRIVERS' COMMITTEE

### Section 1: Composition

The Drivers' Committee shall consist of not more than three (3) owner operators/**dependent contractors** who are members of the Union.

### Section 2: Notification

The Union will, within sixty (60) days from the date of this Agreement, notify the Company in writing of the members of the Drivers' Committee. The Union or the Drivers' Committee will inform the Company in writing when any member change takes place on the said Committee. No member of the Drivers' Committee will be recognized by the Company unless the above procedure is carried out.

### Section 3: Exceptions

The provisions of Section 1 and 2 will not apply in reference to:

- (a) Article 15 — Accident Prevention Committee where the members are designated according to the provision of the Workers' Compensation Act.

## ARTICLE V — LEAVE OF ABSENCE

### Section 1: Injury or Illness

The Company shall grant leave of absence to owner operators/**dependent contractors** suffering injury or illness for the term of this Agreement, subject to a medical certificate if requested by the Company. The owner operator/**dependent contractor** shall have one (1) week to present such medical certificate. The owner operator/**dependent contractor** shall report or cause to have reported the injury or illness, which requires his absence to the Company. The owner operator/**dependent contractor** will advise the Company of intent to return to work with a minimum of one (1) week (5 working days) in advance of the expected return date, wherever reasonably possible.

### Section 2: Written Permission

Any owner operator/**dependent contractor** desiring leave of absence must obtain permission in writing from the Company for such leave, except in cases of illness or injury covered by Section 1 above, and during any leave of absence shall receive no regular pay. However, an owner operator/**dependent contractor** may arrange with the Company, prior to his taking the leave of absence for benefit coverage to continue through the leave of absence at the owner operator's/**dependent contractor's** expense.

### Section 3: Compassionate Leave — Training Leave

The Company shall grant leave of absence up to a maximum of six (6) months without pay to owner operators/**dependent contractors** for compassionate reasons or for educational or training reasons. The above leaves of absence shall be conditional on the following terms:

- (a) That the owner operator/**dependent contractor** applies at least one month in advance unless grounds for such application could not be reasonably foreseen.
- (b) That the owner operator/**dependent contractor** shall disclose the grounds for application.
- (c) That the Company shall grant such leave where a bona fide reason is advanced by the applicant.
- (d) The Company retains the right to refuse or postpone the leave to meet the operational needs of the Company.

## ARTICLE VI — SENIORITY, REVENUE SPLIT AND BENEFITS

### Section 1: Owner Operators/Dependent Contractors Revenue

- (a) Owner operators/**dependent contractors** will be dispatched in line with their company seniority. When the work is slow all drivers will be dispatched in rotation.
- (b) Except where otherwise mutually agreed in writing by the Union and the Company, the Company shall retain the following portion of revenue and pay to the owner operators/**dependent contractors** for services rendered, on or before the 15<sup>th</sup> of the succeeding month, their portion of the revenue on the following basis:
  - (i) owner operators/**dependent contractors** that own and operate, according to this agreement, their own truck shall be paid on the basis of seventy percent (70%) of the total gross revenue earned by the unit, with thirty percent (30%) retained by the Company;
  - (ii) owner operators/**dependent contractors** that own and operate, according to this agreement, their own truck and trailer(s) shall be paid on the basis of eighty percent (80%) of the total gross revenue earned by the unit, with twenty percent (20%) retained by the Company.
- (c) The owner operator/**dependent contractor** shall be responsible for any expenditures made by the owner operator in the name of the Company unless the owner operator/**dependent contractor** has received written authorization from the Company prior to the making of such expenditures. The amount of such expenditures made without prior written authorization shall be subject to deduction by the Company from the owner operator's revenue share.
- (d) The owner operator/**dependent contractor** shall display the name of the Company on the vehicle and have the vehicle painted as required by the Company or by the Motor Carrier Commission and/or Motor Vehicle Regulations, at the owner operator's/**dependent contractor's** expense.
- (e) The Company shall assume complete financial responsibility for the following:
  - (i) M.C.C. Operating Authority Plates;
  - (ii) Cargo insurance; trailer insurance only if it is a Company-owned trailer.

- (f) The owner operator/**dependent contractor** shall assume complete financial responsibility for the following:
- (i) Union dues, initiation fees and assessments;
  - (ii) All statutory contributions, premiums or remittances normally assessed for Employment Insurance, Canada Pension Plan and holiday/vacation pay;
  - (iii) Workers' Compensation;
  - (iv) Total cost of the operation of the vehicle and equipment (including trailer(s) owned by the owner operator), including fuel, tires and maintenance;
  - (v) Painting of truck and equipment (including trailers owned by the owner operator);
  - (vi) The insurance on the truck and the owner operator's equipment, including owner-operator owned trailer(s);
  - (vii) All licenses on trucks and owner operator-owned trailers as required by provincial or municipal statutes, except M.C.C. Operating Authority Plates. However, any rebates on licenses and/or pro-rated plates shall be returned to the owner operators;
- (g) Within twenty-four (24) hours of his services being terminated the owner operator/**dependent contractor** shall return to the Company the M.C.C. Operating Authority Plates and any other Company owned equipment, and shall remove all Company identification and signage, but he will not be required to repaint his vehicle. Failure to comply with this requirement may result in some or all of the cash performance and/or holdback bond being withheld until compliance, or forfeited for non-compliance;
- (h) The Company may require, at its sole discretion, the owner operator/**dependent contractor** to post a cash performance and/or hold back bond in the amount of Two Thousand (\$2000.00) dollars. This amount will be deducted from the owner operator's/**dependent contractor's** portion of revenue in five hundred (\$500.00) amounts each month for four months. Such a bond shall be returnable to owner operator minus the deduction of legitimate charges one hundred (100) days following the date that the owner operator/**dependent contractor** ceases providing services through the Company. The owner operator/**dependent contractor** is to be paid bank interest annually and/or pro-rated quarterly upon the termination of his services on the amount of holdback bond;
- (i) When the owner operator/**dependent contractor** ceases providing services through the Company, he will not solicit Company accounts on his own behalf or on behalf of any company or business other than the Company for a period of ninety (90) days. Breach of this non-solicitation requirement shall result in the cash performance and/or holdback bond being forfeited.

## **Section 2: Benefits**

- (a) The Company will contribute premiums toward certain benefit insurance plans as specified below:
- (i) in the owner **operator's/dependent contractor's first year:**  
  
the Company will pay the government-specified premium for the Basic BC Medical Plan (MSP) on a single, couple or family basis, as necessary;  
  
The Company will pay monthly premiums for an extended health benefits insurance plan;
  - (ii) **Chiropractor** coverage will be increased from \$600.00 to **\$750.00 per year.**
  - (iii) **Vision Care** coverage will be increased from \$400.00 to **\$600.00 per 24 month period.**
  - (iv) **Medical Notes**, requested by the Company for clearance to return to work, shall be paid for by the Company.
  - (v) the Company will pay premiums for:
    - Group Life Insurance for each qualified employee: **\$150,000**
    - Accidental Death and Dismemberment Insurance for each qualified employee: **\$150,000**
  - (vi) **As per the Benefit plan** the Company will pay the owner operator's/**dependent contractor's** premiums as follows:
- (b) **A Dental Plan will be provided based on the following general principles:**
- (i) Basic dental services (Plan A) — Plan pays 80% of approved schedule of fees;
  - (ii) Prosthetics, crowns and bridges (Plan B) —Plan pays 60% of approved schedule of fees;
  - (iii) Orthodontic (Plan C) — Plan pays 60% of approved schedule of fees (lifetime maximum \$2,500), with no waiting period.  
  
**Effective June 15, 2014, the lifetime maximum limit will be increased to Four Thousand Dollars (\$4,000.00) with no waiting period. The lifetime maximum will be Three Thousand Dollars (\$3,000.00) for children only.**
  - (iv) **For individuals sixteen (16) years and older, one check-up will be covered every nine (9) months and for children under the age of sixteen (16), one check-up will be covered every six (6) months.**

- (v) **Bite-wing x-rays will be covered every eighteen (18) months.**
  
- (vi) **Include composite (white) fillings to be covered a covered item beginning June 15, 2014.**

The payment of the above premium amounts toward the insurance plan(s) fulfills the Company's obligations pursuant to this collective agreement. If an owner operator or his spouse or his dependent children are enrolled or covered by another plan of insurance for the same or similar benefits, they will not be eligible for the payment of premiums under this Article.

(vii) **Standby or Waiting Time**

Wherever the Company agrees to pay standby time for owner operators/**dependent contractors** to Source One Trucking Ltd., the owner operators/**dependent contractors** will receive their normal revenue share.

**ARTICLE VII — ADJUSTMENT OF GRIEVANCES**

**Section 1: Grievances**

- (a) Where a difference arises between an owner operator/**dependent contractor** and the Company, or between the Company and the Union, relating to the dismissal or discipline of an owner operator/**dependent contractor** or to the interpretation, application, operation or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, it shall be finally and conclusively settled, according to the grievance and arbitration procedure which follows, without stoppage of work.

**Section 2: Procedure**

The Company and the Union mutually agree that, when a grievance arises in the Company coming under the terms of this Agreement, it shall be taken up in the manner set out below:

**Step One**

The individual owner operator/**dependent contractor** involved shall first take up the matter with the supervisor directly in charge of the work within fourteen (14) days of the said grievance.

**Step Two**

If a satisfactory settlement is not reached, the Shop Committee shall take up the problem with the President or representative designated by the Company. A statement in writing of the alleged grievance, together with a statement in writing by the supervisor, shall be exchanged by the Parties concerned.



**Step Three**

If the problem is not then satisfactorily solved, it shall be referred to the Union and the Management.

**Step Four**

If a satisfactory settlement is not then reached, it shall be dealt with by arbitration as set forth in Article XVII.

**Section 3: Time Limit**

- (a) If a grievance has not advanced to the next stage under Step Two, Three or Four within fourteen (14) days after completion of the preceding stage, then the grievance shall be deemed to be abandoned and all rights of recourse to the grievance procedure shall be at an end. The Union shall be bound to proceed in such a case as quickly as may be reasonably possible.
- (b) Time limits may be extended by mutual agreement of the Company President and the Union.

**ARTICLE VIII — ARBITRATION**

**Section 1: Grievances**

- (a) In the case of a dispute arising under this Agreement, which the Parties are unable to settle between themselves as set out in Article XVII, the matter shall be determined by arbitration in the following manner:

Either Party may notify the other Party and the arbitrator in writing, by registered mail, of the question or questions to be arbitrated.

After receiving such notice and statement, the arbitrator and the other Party shall within three (3) days acknowledge receipt of the question or questions to be arbitrated.

- (b) No one shall serve as an arbitrator who:
  - (i) either directly or indirectly has any interest in the subject of the arbitration;
  - (ii) has participated in the grievance procedure preceding the arbitration;
  - (iii) is, or has been, within a period of six (6) months, preceding the initiation of arbitration proceedings, employed by any Local Union of USW Canada, or a Company directly engaged in the trucking industry.
- (c) The decision of the arbitrator shall be final and binding on the Parties.

**Section 2: Single Arbitrator**

- (a) By mutual agreement, a grievance may be referred to a single mutually agreed upon Arbitrator who shall comprise the Arbitration Board.

- (b) Where the Parties are unable to agree upon an arbitrator, either party may apply to the Ministry of Labour to appoint an arbitrator.
- (c) After receiving the notice of referral to arbitration, the other Party shall, within five (5) working days, acknowledge receipt of the question or questions to be arbitrated, and give notice in writing to the other party of the name and address of its appointed representative to the Arbitration Board.

### **Section 3: Cost Sharing**

The Parties shall each bear the fees and expenses of its representative on any Arbitration Board, and shall bear in equal proportions the expenses and fees of the Chairperson or single Arbitrator.

### **Section 4: Place of Hearing**

Any arbitration to be held hereunder shall be held in the City of Vancouver or at such other place as may be decided by the Parties.

**ARTICLE IX — NO STRIKES OR LOCKOUTS** There shall be no strikes or lockout by the Parties to this Agreement with respect to any matter arising out of this Agreement for which arbitration is provided under the terms of the Agreement.

- (a) The Parties to this Agreement expressly agree that there will be no activity within the meaning of (a) above, threatened, declared, authorized, counseled, aided or brought about on its part.
- (b) In the event of a strike during the term of this Agreement, the Union will instruct its members and officers who may be involved to cease such activity and comply with the terms of this Agreement.

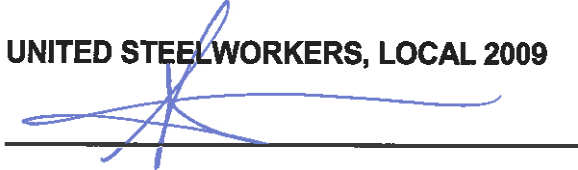
**ARTICLE X — DURATION OF AGREEMENT**

(a) The Parties hereto mutually agree that this Agreement shall be effective from and after

**The 1st day of January, 2020, to midnight of the 31st day of December 2025.** and thereafter from year to year unless written notice of contrary intention is given by either Party to the other Party within four (4) months immediately preceding the date of expiry. The notice required hereunder shall be validly and sufficiently served at the Head Office of the Party of the First Part, or at the Local Office upon the Local Officers of the Union, party of the Second Part, within four (4) months immediately preceding the **31st day of December 2025**. If no agreement is reached at the expiration of this Contract and negotiations are continued, the Agreement shall remain in force up to the time an agreement is reached or until negotiations are discontinued, by either Party.

Signed this Feb 19, 2021 on behalf of:

**UNITED STEELWORKERS, LOCAL 2009**



**SOURCE ONE TRANSPORT LTD.**



**LETTER OF UNDERSTANDING**

**BETWEEN:**

**UNITED STEELWORKERS, LOCAL UNION 2009**

**AND:**

**Source One Transport Ltd. (the "Company")**

The Company agrees to provide to its owner-operators/**dependent contractors** extended health benefits that shall equal to or better than the extended health benefits provided for in the **USW-Coastal Forest Industry Health & Welfare Plan**

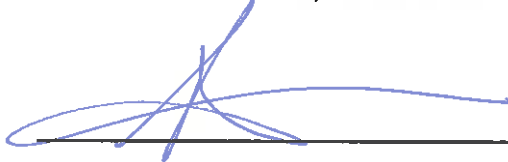
Signed on this Feb 19, 2021

On behalf of

On behalf of

**United Steelworkers, Local 2009**

**Source One Transport Ltd.**



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