

COLLECTIVE AGREEMENT

between



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

and



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

Effective: September 9, 2014 to July 18, 2018

COLLECTIVE AGREEMENT

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

ARTICLE 1 - SCOPE OF THIS AGREEMENT

1.1 - Recognition

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

1.2 - Union Co-operation

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

ARTICLE 2 - UNION SECURITY

2.1 - Certificate of Bargaining Authority

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

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

2.2 - Bargaining Authority

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

2.3 - Posting of Agreement

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

2.4 - Check-off

Each new Owner-Operator/Driver when hired by the Company will be informed by the Company that he is to contact the Union office or shop steward for the purpose of becoming a Union member and signing the authorization card authorizing the Company to deduct from his earnings union initiation fees, union dues and/or other assessorial charges as levied against him in accordance with the constitution and by-

laws of the Union of which he is a member and so indicated on the monthly or quarterly check-off list as provided by the Union to the Company. The Company shall remit same to the Union not later than (15) days from the date that the deduction was made from the Owner-Operator/Driver's wages.

2.5 - Union Shop

(a) An Owner-Operator shall have the authority to select and recommend for hire a prospective driver for his truck providing the prospective driver must meet the hiring requirements for the job he is being hired for as set by the Company. The Company will make a decision on hiring within two (2) weeks of receipt of the written application from the Owner Operator.

(b) (i) For a period of six (6) months, the Company will not solicit directly a driver who was proposed for hire by an Owner Operator as an Owner Operator Driver, and who was rejected by the Company.

(ii) The Company will not solicit directly for employment any Owner Operator Driver actively employed by the Company.

(c) Should the Company violate these provisions, as determined through the grievance procedure, the Company, shall pay the affected owner-operator a penalty of \$2250.00.

(d) Provided, however, there shall be no restriction on the Company's right to hire any driver, including an Owner-Operator/Driver, who applies to the Company, and who meets the Company qualifications and requirements.

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

2.6 - Hired Cartage

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

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

2.7 - Conflicting Agreements

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

2.8 - New Equipment and Classifications

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

ARTICLE 3 – OWNER-OPERATOR/DRIVER CATEGORIES

3.1 - Regular Owner-Operator/Driver

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

- (a) he has completed his probationary period;
- (b) he makes himself available to the Company for full time employment;
- (c) The Owner-Operator vehicle(s) cannot be operated for any use other than Company business without written permission of the Company.
- (d) it shall not be a cause for discipline or discharge for an Owner-Operator/Driver to seek and/or accept gainful employment while on lay-off, provided the Owner-Operator complies with sub-sections (b) and (c) herein;
- (e) Notwithstanding the above sections, the Owner-Operator shall not be permitted to use his vehicle for non-Company work unless satisfactory arrangements have been made with the Company to return all Company property, including, fuel cards/licensing/decals, and cancelling Company insurance.

3.2 – Relief Drivers

Owner-Operators may, on a temporary basis, use a relief driver for their vehicle(s) to be used for illness, injury or vacation relief. The relief driver shall be hired and paid by the Owner-Operator in accordance with the Collective Agreement. Health and Welfare Plan fees will be paid by the Company. Subject to the relief driver working a minimum of twelve (12) shifts in a month. All other terms and conditions apply. The use of a relief driver shall not lead to any interruption to service of the customer account.

ARTICLE 4 - SENIORITY

4.1 - Seniority

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

There shall be one (1) seniority list comprised of Owner-Operators and Drivers. Seniority shall be the length of actual service with the Company since the last hiring date.

The implementation of this Agreement shall not affect the current position or shift of any truck or Owner-Operator/Driver. When new shifts are available they will be posted as provided. It is understood that as shifts become available they will be posted and up for bid and seniority will prevail.

4.2 - Job Vacancies/Posting

- (a) All new jobs and vacancies are subject to seniority and shall be posted promptly for five (5) days in a conspicuous place at all terminals, stating starting time, job description and location. All regular Owner-Operators/Drivers 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. Employees absent by reason of accident, sickness or vacation, shall have the opportunity to bid on such job posting or vacancy on the following basis:

- (i) the Owner-Operator/Driver shall inform the Branch Manager or designate prior to his leave of his wish to be informed of any vacancy or posting;
 - (ii) where the Company has been so notified the Company will inform the Owner-Operator/Driver of any posting by
 - a. phone, or
 - b. email to email address supplied by Owner-Operator/Driver
- (b) The successful Owner-Operator/Driver must demonstrate the ability to perform the work in a satisfactory manner within a trial period of fifteen (15) working days. During this time period, with reasonable cause, the Owner-Operator/Driver, at his request, may return, or at the insistence of the Company with reasonable cause (including justifiable written customer complaints) will be returned to his previous position. The Owner-Operator/Driver will not be permitted to apply for another posting with that customer for a period of six (6) months.
- (c) The Company shall have the right to fill any vacant positions for up to fifteen (15) working days without regard to the seniority list, as the situation requires with notification to the Union; the fifteen (15) day period may be extended by the Company for bona fide business purposes, in which case the Company shall discuss the matter with the Union and any affected Owner-Operator/Driver.
- (d) Provided the Owner-Operator/Driver is capable and is given the opportunity to demonstrate his capability, seniority shall prevail in the appointments to new jobs or vacancies. Except where a job or shift has been discontinued, there will be no job or shift bumping privileges. Senior Owner-Operator/Drivers shall be given preference to fill vacancy on differential rated equipment if qualified.

4.3 - Probation Period

- (a) All newly hired Owner-Operators/Drivers shall be considered as probationary for the first sixty-five (65) working days. There shall be no responsibility on the part of the Company in respect of the engagement/employment of probationary Owner-Operators/Drivers should they be laid-off for lack of work or dismissed for unsuitability or any other reason during the probationary period. However, the Company shall inform the probationary Owner-Operators/Drivers as to whether he has been dismissed or laid-off.
- (b) Upon the conclusion of the probationary period the Owner-Operators/Drivers name shall forthwith be placed on the seniority list, effective from the first day of engagement/employment, and the Owner-Operators/Drivers shall be entitled to all rights and privileges as provided in this Agreement.

4.4 - Casual

Casual Owner-Operators/Drivers will not be used to deprive any of the regular Owner-Operators/Drivers the conditions of this Agreement.

4.5 - Seniority Lists

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

4.6 - Termination of Seniority

- (a) When an Owner-Operator's/Driver's employment is terminated by the Company for proper cause or he leaves by his own choice, he will automatically be struck from the seniority list. If an Owner-Operator/Driver on his own volition obtains a withdrawal card from Local 31 he shall be struck from the Company seniority list.
- (b) When the Company tries to contact any Owner-Operator/Driver 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.
- (c) An Owner-Operator/Driver shall lose all seniority, shall be removed from the seniority list, and shall cease to be employed in any of the following circumstances:
 - (i) If the Owner-Operator/Driver quits;
 - (ii) If the Owner-Operator/Driver is discharged and not reinstated through the grievance or arbitration procedure;
 - (iii) If the Owner-Operator/Driver retires;
 - (iv) If the Owner-Operator/Driver:
 - a. Fails to return to work at the expiration of an authorized leave;
 - b. Fails to respond to a recall notice within twenty-four (24) hours of receipt of the notice;
or
 - c. Fails to return to work within fifteen (15) calendar days after receipt of the notice without providing an explanation satisfactory to the Company.
- (d) An Owner-Operator desiring to terminate engagement shall give notice in writing of the date on which engagement is to terminate; the period between the date on which notice to terminate and date of termination shall not be shorter than thirty (30) calendar days; for Drivers the notice period shall be ten (10) working days.
- (e) Where an Owner-Operator terminates engagement, or has his engagement terminated, an affected Owner-Operator Driver shall be placed in the "call cartage" department.

4.7 - Layoff Provisions

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

ARTICLE 5 – LEAVE OF ABSENCE

5.1

- (a) When the requirements of the Company's services will permit any Owner-Operator/Driver hereunder upon written application to the Company with a copy of said application to the Union may, if approved by the Company, be granted a leave of absence without pay in writing (with a copy to the Union) for a period up to thirty (30) calendar days.
- (b) Upon six (6) months prior notification an Owner-Operator/Driver 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 Owner-Operator/Driver and the Company. Under such leaves the Owner-Operator/Driver will retain and accrue seniority only.

- (c) Any Owner-Operator/Driver requesting leave of absence for compassionate reasons shall not be unreasonably denied such request.
- (d) 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.
- (e) Any Owner-Operator/Driver hereunder on leave of absence engaged in gainful employment without prior written permission from both the Company and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an Owner-Operator/Driver of the Company.
- (f) It is understood and agreed that Owner-Operators are required to give notice to the Company of any impending absence from duty of either the Owner-Operator or his Driver, and whenever possible, such notice shall be given as soon as the Owner-Operator/Driver involved becomes aware of such pending absence from duty and in no event shall such notice be given less than three (3) hours prior to the Owner-Operator's/Driver's scheduled work time.
- (g) Owner-Operators who have pre-arranged doctor's or dentist's appointments will notify the Company at least twenty-four (24) hours in advance of their, or their Driver's pending absence from duty.
- (h) The Company may, in its sole discretion, grant a leave of absence to such an Owner-Operator/Driver who has suffered a revocation of his driver's license of up to twelve (12) months duration in writing with a copy to the Union. The Owner-Operator/Driver may only take advantage of this section once while in the employ of the Company.

5.2

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

ARTICLE 6 - SAFETY CONDITIONS

- 6.1 The Company shall inform, direct and supply to the Owner-Operators/Drivers proper information and handling devices or equipment for handling dangerous cargo.
- 6.2 Owner-Operators / Owner-Operator Drivers shall not be ordered by the Company to take out on the streets or highways, any Company controlled or Owner-Operator equipment which is considered unsafe by the Owner-Operators / Owner-Operator Driver, and the objecting party shall complete the necessary defect forms supplied by the Company regarding the defects.
- 6.3 Owner-operators/Drivers failing to report immediately any accidents or claims to the Company may be subject to disciplinary action and/or dismissal. Owner-operators/Drivers must complete an accident report before going off service from the shift when involved in a workplace injury or motor vehicle collision.
- 6.4 The Company must be made aware of any suspension or other restriction imposed on an Owner-Operator/Driver's driver's license. Failure to disclose a suspension or restriction on the Owner-Operator/Driver's driver's license while continuing to operate a Company vehicle will result in immediate dismissal.
- 6.5 Owner-Operators/Drivers shall be responsible to pay all fines, provided the Company will give due consideration to any circumstances raised by the Owner-Operator/Driver.
- 6.6 In the event that a customer requests an Owner-Operator/Driver be removed from an account with reasonable cause (including a justifiable written request from the customer), the Owner-Operator/Driver will be placed in the "call cartage" department.
- 6.7 Where the Company determines material handling equipment is required, it shall be supplied by the Company. Owner-Operators / Owner-Operator Drivers must immediately notify Company if such required equipment is not available.
- 6.8 The Company shall not designate a specific vendor for tires or repairs.
- 6.9 The Company shall provide at no cost the following items:
1. Company ID's
 2. Company-issued cell phones, GPS, or any other communication devices. Installation and maintenance shall be paid for by the Company.
 3. Decaling (cost of decal and installation)
 4. Tolls if directed by Company to take a "toll route", Fastcard
 5. No unauthorized personnel or living beings will be allowed to ride in any Owner-Operator vehicle driven by the Owner-Operator or his Driver unless permission is granted by the Company.

ARTICLE 7 - PAY PERIOD

7.1 - Pay Period

- (a)
- i. Except as otherwise mutually agreed between the Parties all Owner-Operators / Owner-Operator Drivers covered by this Agreement shall be paid not less frequently than the fifteenth (15th) and thirtieth or thirty-first (30th or 31st). The Company shall provide every

Owner-Operator covered by this Agreement with a separate or detachable written or printed itemized statement (fuel surcharge, mileage, work wait and layover times and trip rates) in respect of all wage payments made to such Owner-Operator.

- ii. All Owner-Operator pay stubs and trip sheets to be in a sealed envelope and all Owner/Operators to have pay stubs on the date of pay for Owner-Operators at the hub.
 - a. For Owner-Operators who work at a designated location away from the hub (ie. Safeway) will receive paystubs no later than the following Monday.
- (b) For Owner-Operators who work away from a designated location will receive paystubs by mail or email. Owner-Operators shall designate one of these two delivery methods and provide Company with proper information with any updates or changes.

7.2 - Errors

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

ARTICLE 8 - PAID FOR TIME

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

ARTICLE 9 – BEREAVEMENT LEAVE

- 9.1 Regular Owner-Operator/Drivers will have bereavement leave entitlement as follows:
- 9.2 When death occurs to a member of a regular Owner-Operator/Driver's immediate family, the Owner-Operator/Driver will be granted, upon request, bereavement leave on any of his normal working days that occur during the three (3) working days immediately following the day of death.
- 9.3 In the event the funeral is held on an Owner-Operator/Driver's regular work day other than the three (3) days immediately following the day of death, the Owner-Operator/Driver will be granted, upon request, leave on that day to attend the funeral.
- 9.4 Members of the Owner-Operator/Driver's immediate family are defined as the Owner-Operator/Driver's spouse, mother, father, son, daughter, sister, brother, mother-in-law, father-in-law, step-sons and step-daughters.
- 9.5 Step-father and step-mother will be recognized provided such step-father or step-mother had the status of the Owner-Operator/Driver's father or mother.
- 9.6 In the event of the death of the Owner-Operator/Driver's grandfather or grandmother or the Owner-Operator/Driver's spouse's grandfather or grandmother, the conditions of this Article will apply only if the Owner-Operator/Driver attends the funeral.
- 9.7 The "spouse" of the Owner-Operator/Driver shall be defined as the spouse on record with the Company's personnel department).

- 9.8 In addition, if the Owner-Operator/Driver is notified of the death while he is working, he will be excused from the balance of the working shift.
- 9.9 In lieu of requirement to cover the absence related to any bereavement leave, the Owner-Operator/Driver shall provide Company with as much advance notice as reasonably possible.
- 9.10 All bereavement leave under this Article is unpaid.

ARTICLE 10 - JURY DUTY

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

ARTICLE 11 - COMPENSATION SICKNESS COVERAGE

- 11.1 When an Owner-Operator/Driver goes off work ill or on compensation or grievance is invoked on his discharge, the Company shall continue to pay both his Health and Welfare Plan fees and Union dues so that the Owner-Operator/Driver shall be protected to the utmost provided:
- (a) the Owner-Operator/Driver reimburses the Company for such contributions normally paid by said Owner-Operator/Driver and is at no time more than five (5) months in arrears; and
 - (b) the period of such coverage shall exceed twelve (12) months only by mutual agreement of the two Parties.
- 11.2 When an Owner-Operator/Driver returns to work, the Company shall deduct from his earnings any monies the Company has paid out in respect of his contributions.
- 11.3 In the event any Owner-Operator/Driver does not return to work, and the Owner-Operator/Driver refuses or neglects on demand at his last known address to make restitution for such monies paid out, the Union shall then reimburse the Company for said amount.

ARTICLE 12 - LICENCE TESTS

- 12.1 Owner-Operators/Drivers will be required to supply written authorization to enable the Company to obtain Drivers' abstracts. The Company will be responsible for the costs incurred for Drivers' abstracts. If the Company requires more than one abstract per year, the Company will pay the costs of the additional abstracts. The Company will be responsible for all administration costs. In the event that an Owner-Operator/Driver's driver's license has been called under review and/or suspension, the Company must be notified in writing within forty-eight (48) hours. Results of such review shall be made known to the Company within forty-eight (48) hours.

ARTICLE 13 – MANAGEMENT'S RIGHTS

- 13.1 Subject to the terms of this Agreement, all matters concerning the operations of the Company business shall be reserved to the management. The Union recognizes that it is the function of the Company:
- a) to maintain order, discipline and efficiency;

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

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

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

ARTICLE 14 - UNION ACTIVITY

14.1 - Picket Line

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

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

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

14.2 - Inspection Privileges

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

14.3 - Shop Stewards

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

hours, the steward shall be paid for all the time spent during the processing of the grievances with the Company on the Company's property or at any other place which is mutually agreed upon by both the Union and the Company.

14.4 - Union Label

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

ARTICLE 15 - SAFETY

15.1 - Sanitary Conditions

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

15.2 - First Aid Supplies

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

15.3 - Uniforms Supplied

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

15.4 - Protective Clothing

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

ARTICLE 16 – HEALTH AND WELFARE

16.1 - Health and Welfare

The Teamsters' National Benefit Plan (the Health and Welfare Plan) covering members of the Union as set out in Appendix "B" hereunto annexed and forming part of this Agreement shall continue. The

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

16.2 - Payment of Dues and Contributions

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

16.3 - Trust Agreement

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

16.4 - Delinquency

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

ARTICLE 17 – HOURS OF WORK

17.1 - Regular Work Day/Week

- (a) The Company does not provide any daily or weekly guaranty of hours
- (b) It is understood and agreed that the work week is intended five (5) consecutive days or on some other modified work schedule as may be agreed upon; the Company does not provide Owner-Operator/Drivers with a guarantee of hours, which may fluctuate due to customer demand. The Canada Bread runs will include modified days off (i.e. split days off). If bids are not filled, the position will be filled through reverse seniority.

- (c) When an Owner-Operator/ Owner-Operator Driver is specifically asked to report to work and reports to dispatch in person, he shall be paid a minimum of four (4) hours, at the applicable hourly rate. In such situation the Owner-Operator/ Owner-Operator Driver shall accept work as assigned by the Company.

ARTICLE 18 - VACATIONS

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

Owner-Operator/Drivers vacation entitlement:

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

All vacation leave shall be without pay.

ARTICLE 19 - SAVINGS CLAUSE

19.1 - Savings Clause

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

19.2 - Negotiations for Replacement of Articles Held Invalid

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

ARTICLE 20 - GRIEVANCE PROCEDURE

All questions, disputes and controversies arising under this Agreement or any supplement hereto shall be adjusted and settled within the terms and conditions as set forth in this Agreement in the manner provided by this Article, unless otherwise expressly provided in this Agreement. The procedure for such adjustment and settlement shall be as follows:

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

Time limit to institute Grievance:
Termination or layoff - Ten (10) days. All others Fifteen (15) days.

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

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

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

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

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

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

ARTICLE 21 - TERM OF AGREEMENT

This Agreement shall be for the period from and including September 9, 2014 to and including July 18, 2018. Either Party to this Agreement may, within four months immediately preceding July 18, 2018 give to the other Party written notice to commence collective bargaining.

SIGNED THIS 30th DAY OF JULY, 2015

FOR THE COMPANY

[Signature]
[Signature]
[Signature]

FOR THE UNION

[Signature]
[Signature]

APPENDIX "A"
WAGE SCHEDULE

Signing bonus as of Ratification - \$1,000 per Owner-Operator/Driver who is on the payroll within seven days of date of ratification; paid on a separate cheque on next pay period.

Owner-Operators – Hourly Rate

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

Wheels not turning

July 1, 2015 - \$30.00

July 1, 2016 - \$30.00

July 1, 2017 - \$30.00

Wheels turning

July 1, 2015 - \$40.00 + 19% fuel surcharge

July 1, 2016 - \$40.00 + 19% fuel surcharge

July 1, 2017 - \$40.00 + 19% fuel surcharge

Wheels not turning (ALC)

July 1, 2015 - \$41.00

July 1, 2016 - \$41.00

July 1, 2017 - \$41.00

Drop Rate (per stop)

July 1, 2015 - \$35.00

July 1, 2016 - \$35.00

July 1, 2017 - \$35.00

Mileage Rates:

Class 1 Tractor

Loblaws Okanagan

July 1, 2015 - \$1.185

July 1, 2016 - \$1.185

July 1, 2017 - \$1.197

ALC Contract Only

July 1, 2015 - \$1.860

July 1, 2016 - \$1.860

July 1, 2017 - \$1.879

Safeway

July 1, 2015 - \$1.185

July 1, 2016 - \$1.185

July 1, 2017 - \$1.197

CoreMark

July 1, 2015 - \$1.260

July 1, 2016 - \$1.260

July 1, 2017 - \$1.273

Canada Bread

July 1, 2015 - \$1.260

July 1, 2016 - \$1.260

July 1, 2017 - \$1.273

Canadian Mileage

July 1, 2015 - \$1.135

July 1, 2016 - \$1.135

July 1, 2017 - \$1.146

US Mileage

July 1, 2015 - \$1.175

July 1, 2016 - \$1.175

July 1, 2017 - \$1.187

Trip Rates

UPS Seattle

July 1, 2015 - \$465.00

July 1, 2016 - \$465.00

July 1, 2017 - \$469.65

UPS Auburn (Supply Chain Solutions)

July 1, 2015 - \$585.00

July 1, 2016 - \$585.00

July 1, 2017 - \$590.85

Drivers of Owner-Operators – Hourly Rate

Any current Owner-Operator/Driver whose rate of pay is superior to what is listed below shall be red-circled for the life of the agreement or until such time as the rates as stated below surpass his red circle rate.

Class 1 Tractor (work time/wait time/layover time)

July 1, 2015 - \$22.22

July 1, 2016 - \$22.22

July 1, 2017 - \$22.44

Mileage Rates

Category #1 200-300 Miles Return Trip

July 1, 2015 - \$0.528

July 1, 2016 - \$0.528

July 1, 2017 - \$0.533

Category #2 301-400 Miles Return Trip

July 1, 2015 - \$0.491

July 1, 2016 - \$0.491

July 1, 2017 - \$0.496

Category #3 401+ Miles Return Trip

July 1, 2015 - \$0.473

July 1, 2016 - \$0.473

July 1, 2017 - \$0.478

Trip Rates

UPS Seattle

July 1, 2015 - \$220.00

July 1, 2016 - \$220.00

July 1, 2017 - \$222.20

UPS Auburn (Supply Chain Solutions)

July 1, 2015 - \$250.00

July 1, 2016 - \$250.00

July 1, 2017 - \$252.50

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

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

ALC account mileage rates are paid "all miles"

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

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

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

All Highway mileage rates include the following:

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

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

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

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

**APPENDIX B
TEAMSTERS' NATIONAL BENEFIT PLAN**

Plan A

1 - Participation

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

Section 2 - Board of Trustees

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

Section 3 - Trust Agreement

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

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

Section 4 - Plan Administration

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

Section 5 - Eligibility Conditions

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

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

Section 6 - Rehabilitative Employment

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

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

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

Section 7 - Benefits

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

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

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

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

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

Section 8 – Costs

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

Section 9 - Payment of Contributions

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

Section 10 - Termination of Coverage

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

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

Section 11 - Failure to Remit Contributions

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

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

Section 12 - General

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

APPENDIX "C"

ADDITIONAL OWNER OPERATOR TERMS

Section 1

Insurance – Plates, Registration & Insurance

\$10,000,000 Auto Liability

\$1,000 Deductible on Collision

\$1,000 Deductible on Comprehensive

License & Registration based on 46,500 KG

Loss of Use Coverage - \$450 per day, Max \$9000

\$100,000 – Non-Owned Trailer Insurance

\$1,000 Deductible – Non-Owned Trailer Insurance

Owner-Operator to be responsible for full cost of ICBC registration & insurance program

Company to contribute \$9,000 to annual cost of insurance (to be paid semi monthly)

Company to cover cost of cargo insurance with a \$2500 deductible

There will be no "buy-down deductible" or excess insurance offered or charged by the Company.

Section 2

1. The Owner-Operator shall be an incorporated entity.
2. The Owner-Operator must operate its vehicle(s) on license plates and registration that are in the name of the Company.
3. The Owner-Operator vehicle(s) shall display Company logo and name.
4. The Owner-Operator vehicle(s) must run under the Company's Commercial Vehicle Operator's Registration (CVOR).
5. The Owner-Operator is required to pay all costs associated with any Owner-Operator Drivers employed by it except Health & Welfare BC Medical.
6. The Company shall have the right to hold the Owner-Operator vehicle(s) out of service if the vehicle(s) is unsuitable for the services to be provided.
7. The Owner-Operator and Owner-Operator Drivers shall comply with the Company's claims process and cooperate with the Company and/or the Company's insurers, as required.
8. The Owner-Operator and its Drivers shall comply with all customer required terms and conditions for the service imposed upon the Company. These terms will be provided by the Company to the Owner-Operator and the Owner-Operator Drivers.
9. The Owner-Operator is responsible for all costs related to the operation of its vehicle(s) in providing services to the Company, including all costs related to any Owner-Operator Drivers.
10. The Owner-Operator must have the required WCB coverage for him/herself and any Owner-Operator Drivers, and be responsible for payment of all employment related fees/costs including but not limited to Owner-Operator Driver wages.
11. The Owner-Operator and Owner-Operator Drivers shall agree to maintain the confidential information of the Company and its customers that the Owner-Operator and Owner-Operator Drivers may learn while engaged by the Company, and this covenant shall survive termination of employment and one year post-termination of employment.
12. Owner Operator pay shall include a "holdback" of two weeks. In addition the Company will accumulate for the Contractor's account a reserve up to a maximum amount of \$3,000.00. The reserve will be accumulated by deducting \$500.00 per pay period. Commencing on the date that the full \$3,000.00 deposit has been made, interest shall be paid to the Contractor at the rate of 2% while the monies are on deposit, per annum monetary deduction. This reserve will

be held as security by the Company for the duration of the Owner-Operator's tenure to deal with expenses incurred by the Company on the Owner-Operator's behalf, or if applicable, pursuant to Owner-Operator Agreements relating to Fuel Cards or Telematics, including but not limited to taxes, penalties, deductibles, Customer pick up/delay penalties, fuel card purchases, Owner-Operator damage to Company-owned cell phones or telematics devices, and other expenses incurred in the name of the Company. At termination or expiry of the Owner-Operator agreement, the holdback amount (less any applicable deductions) shall be returned to the Owner-Operator.

13. The Owner-Operator is responsible to maintain all records related to operation of its vehicle(s), including log books, for inspection by the Company as required.
14. The Owner-Operator and its Drivers are responsible for complying with all applicable federal and provincial laws respecting the maintenance of its vehicles, operation of the vehicles and the provision of transportation services generally.
15. The Owner-Operator and Owner-Operator Drivers must respect the terms and conditions of any non-solicitation agreements between the Company and its customers. In the event the Owner-Operator or any Owner-Operator Drivers seek employment or engagement directly with a company customer, the Owner-Operator and Owner-Operator Drivers agree to obtain Company's consent.
16. Upon termination of employment for any reason, the Owner-Operator shall return to the Company any and all Company property in the Owner-Operator's possession, and immediately shall arrange for removal of the Company decals and marks from its vehicles.
17. The Owner-Operator vehicle(s) shall be considered to be a Company workplace for the purposes of federal health and safety legislation, and the Owner-Operator shall be obligated to ensure the vehicle complies with all such requirements.

LETTER OF UNDERSTANDING NO. 1


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

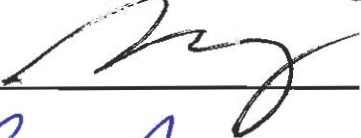
AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")


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

SIGNED THIS 30th DAY OF JULY, 2015

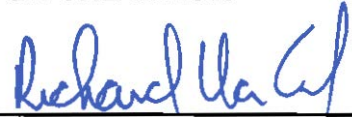
FOR THE COMPANY







FOR THE UNION



LETTER OF UNDERSTANDING NO. 2

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

Red Circled Employees

Effective September 9, 2014 all new trucks must be driven by the owner. No absentee owners will be permitted. All current owners with more than one (1) truck will be red-circled.

Shane Brown – Owner-Operator – Drivers: Kelvin Buck, Dan Schmidt, Nicolai Andriyenko

Ray Post – Owner-Operator – Drivers: Camil Migneault, Richard Xiang

Balvinder Cheema – Owner-Operator – Drivers: Amarinderjit Cheema

Jatinderjit Dhatt – Owner-Operator

Harpal Aulak – Owner-Operator

Atma Sidhu – Owner-Operator

Ranjit Rai – Owner-Operator – Driver: Charan Rai

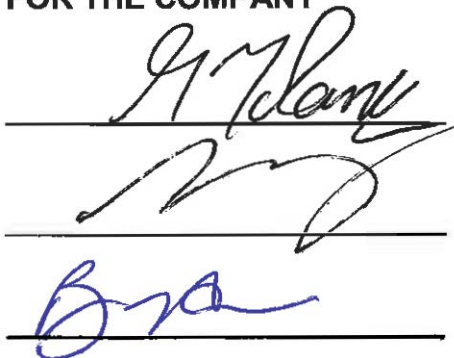
The current vehicles driven by the Owner-Operators/Drivers shall be red-circled and the Company shall not impose its current practise (maximum age of tractor to be 10 years) on the age limit of the red-circled vehicles.

- (a). The implementation of the this Agreement shall not affect the current position or shift of any truck or Owner-Operator/Driver.
- (b). If an Owner-Operator Driver ceases for any reason to be the driver of that truck the Owner-Operator may replace that Driver through a posting or if no Owner-Operator/Driver posts, then by hiring a driver. This shall not affect the schedule of the truck.
- (c). A Driver may bid on any vacant position and if he is the successful bidder may take up that new position as soon as a replacement is available for the position he is leaving. If the Owner/Operator agrees and the equipment is suitable and available, the Driver shall move with the vehicle to the new position. The successful Owner-Operator/Driver must demonstrate the ability to perform the work in a satisfactory manner within a trial period of fifteen (15) working days. During this time period, with reasonable cause, the Owner-Operator/Driver, at his request, may return, or at the insistence of the Company with reasonable cause (including justifiable written customer complaints) will be returned to his previous position. The Owner-Operator/Driver will not be permitted to apply for another posting with that customer for a period of six (6) months.
- (d). A Driver may exercise his seniority to change shifts when a vacancy is posted but if his movement would create a vacancy he may not take up the new position until a replacement is available for the position he is leaving.

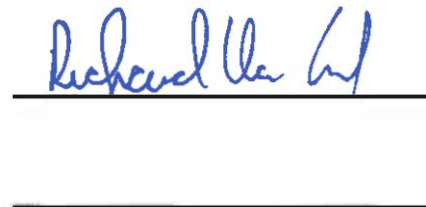
- (e). With the consent of the Company, not to be unreasonably withheld, Owner-Operators/Drivers may change their shifts among themselves by mutual agreement upon providing 48 hours' notice to the Company. No other shift switches may occur other than through the normal posting procedure.
- (f). The Company agrees that before any changes to the schedule which may have a negative impact on the revenue of an Owner-Operator/Driver or which are intended to be permanent or long term are implemented it will advise the Union and if requested, discuss the need for the changes with Owner-Operators/Drivers. This shall not prevent temporary reassignments or schedule changes to meet operational needs. Unless the parties otherwise agree, permanent or long term shift schedule changes (in excess of 60 days) will be posted as per Article 4.
- (g) (a) If the Owner-Operator leaves the Company, the Driver of the departing Owner-Operator shall have the right to purchase a vehicle at the discretion of the Driver. If he takes that option he will maintain his bid and hold his seniority, provided there is no disruption in service to the customer.
- (b) If the Driver of an Owner-Operator chooses not to purchase a vehicle he will have the option to offer his services to other red circled Owner-Operators. If the Owner-Operator chooses to let the affected Driver drive one of his trucks, he will be allowed to do so and continue on his current bid but shall not be allowed to bump any other Driver of other red circled Owner-Operators.
- (c) The Company will have the option to hire the displaced Driver of the Owner-Operator as a Company Driver. He will not carry over his seniority and will be placed in sequence on the company seniority list in the Company Driver Bargaining Unit under a separate collective agreement with the Union.

SIGNED THIS 30th DAY OF July, 2015

FOR THE COMPANY



FOR THE UNION



LETTER OF UNDERSTANDING NO. 3

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

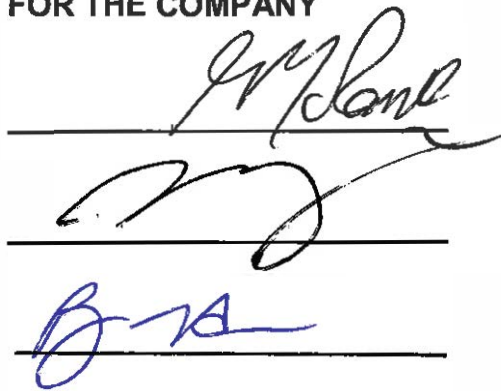
AND: TEAMSTERS LOCAL UNION NO. 31 ("Teamsters")

RE: FUEL CARD, TELEMATICS AND BLACKBERRY AGREEMENTS

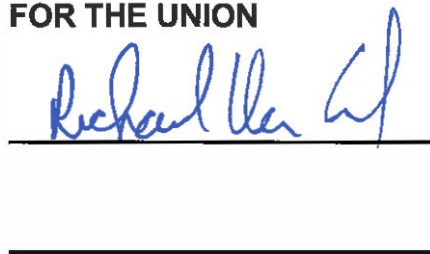
The Company to provide the Union with copies of each agreement as stated above. The Company will make no changes to any of the above agreements without prior consultation with the Union.

SIGNED THIS ^{30th} DAY OF ^{JULY}, 2015

FOR THE COMPANY



FOR THE UNION



LETTER OF UNDERSTANDING NO. 4

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

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

SIGNED THIS 30th DAY OF July, 2015

FOR THE COMPANY

M. Klomp
[Signature]
B-1d

FOR THE UNION

Richard [Signature]

LETTER OF UNDERSTANDING NO. 5

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

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

Re: Rest Periods and Breaks


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

SIGNED THIS 30th DAY OF JULY, 2015

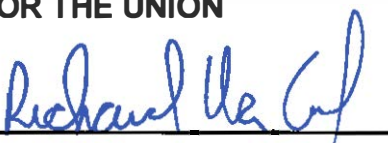
FOR THE COMPANY







FOR THE UNION



LETTER OF UNDERSTANDING NO. 6

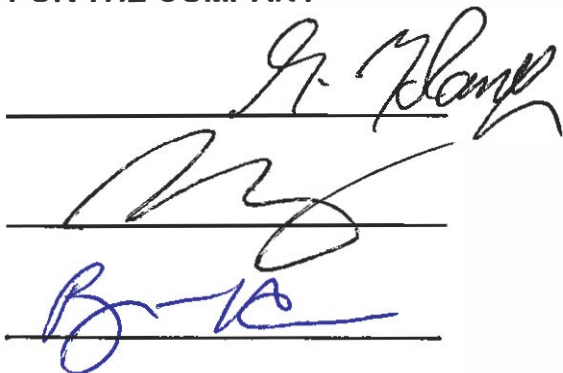
BETWEEN: DIRECT LIMITED PARTNERSHIP O/A CANADA CARTAGE SYSTEM ("DLP")

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

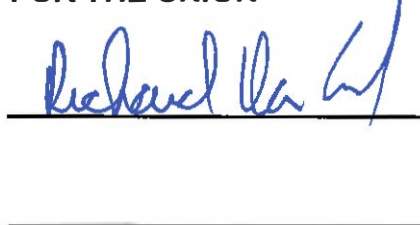
Where a dispute arises between an Owner Operator and an Owner Operator Driver relating to any term of this Agreement, they shall attempt to resolve the dispute between them, and where that is not possible, the matter may be referred by either of them to the Union. The Union will investigate the matter under dispute and make a recommendation to the Company on a resolution.

SIGNED THIS 30th DAY OF JULY, 2015

FOR THE COMPANY



FOR THE UNION



LETTER OF UNDERSTANDING NO. 7

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


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

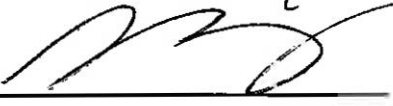
RE: APPENDIX "C"

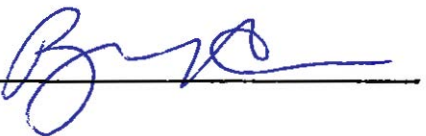
1. Current Owner-Operators red-circled are exempt from Appendix "C" Section 2(1).
2. The annual buy-down premium of \$960 will no longer be charged by the Company.
3. The excessive insurance premium of 1.8% will no longer be charged by the Company.

SIGNED THIS 30th DAY OF July, 2015

FOR THE COMPANY







FOR THE UNION

