

**AGREEMENT
BETWEEN
ABF FREIGHT SYSTEM B.C. LTD.
AND
TEAMSTERS LOCAL UNION NO. 31
VANCOUVER, BC**

January 1, 2003 through December 31, 2007

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**ABF FREIGHT SYSTEM, B.C. LTD. & TEAMSTERS LOCAL UNION 31
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Between
ABF FREIGHT SYSTEM, B.C. LTD.
and
TEAMSTERS LOCAL 31
VANCOUVER, BC
January 1, 2003 –December 31, 2007

ARTICLE 1 – PREAMBLE

This Agreement is made and entered into by and between ABF Freight System, B.C. Ltd., hereinafter referred to as “The Company”, and Teamsters Local 31, hereinafter referred to as “The Union”.

The purpose of the Agreement is to promote the mutual interest of the Company and the employees which will further, to the fullest extent possible, the efficiency and economy of the operation, the continuation of employment and to establish between the Company and the Union orderly collective bargaining for conditions of reasonable hours, compensation and working conditions. It is recognized by this Agreement that it is the duty of the Company, the Union and the employees to cooperate fully, both individually and collectively, in all ways stated for the purpose of mutual benefits.

ARTICLE 2 – RECOGNITION, UNION SHOP AND CHECK-OFF

Section 1. Recognition

The Company recognizes and acknowledges that the Union is the exclusive representative of ABF’s employees in the classifications of work covered by this Agreement for the purpose of collective bargaining as provided by applicable Federal and Provincial law, excluding supervisory, sales and office clerical employees.

Section 2. Union Shop

All present employees who are members of the Local Union on the effective date of this Agreement shall remain members of the Local Union in good standing as a condition of employment. All employees who are hired hereafter shall become and remain members of the Local Union in good standing as a condition of employment on and after the 15th day following the acquisition of seniority status as provided in this Agreement. When additional employees are to be added to the seniority roster, the Company shall give the Union first opportunity to provide applicants suitable to the Company.

An employee who fails to acquire, or thereafter maintain membership in the Union as herein provided, shall be terminated seventy-two (72) hours after the Company has received written notice from an authorized representative of the Union, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and, further, that the employee has had notice and opportunity to make all dues or initiation fee payments.

When the Company needs additional employees, the Union shall be given first opportunity to provide suitable applicants. However, the Company shall not be required to hire those referred by the Union. The Company shall notify the Union in writing of any new union employees hired by the Company. Such notice will be sent to the Union within seven (7) calendar days of their hire date.

Section 3. Checkoff

The Company shall deduct from the first pay of each month, upon written authorization from the employee, an amount equal to the regular monthly dues as established by the Union in accordance with their Constitution and Bylaws, initiation fees or other accessorial charges as established by the Union. Within thirty (30) calendar days following the pay day on which the deduction has been made, the Company shall deliver to the Union treasurer a check for the amount due payable to the Union and a list of the names of employees from whose pay deductions were made.

Section 4. Inspection Privileges

Authorized agents of the Union will have access to the Company's establishment during working hours for the purpose of investigating conditions related to clauses in this Agreement and shall in no way interrupt the Company's working schedule. Agents of the Union will present themselves to a member of management immediately upon arrival at the Company's establishment.

ARTICLE 3 – GENERAL

Section 1. Transfer of Company Title

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event the entire business or any portion thereof is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such business 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 any sale, transfer, lease, assignment, receivership or bankruptcy proceeding not including financial arrangements thereof. This provision shall not apply to the sale of assets only.

Section 2. Bulletin Boards

The Company will provide reasonable space for the posting of official union business. The said Union notices shall be posted and signed by an elected or appointed officer or other authorized representative of the Union.

Section 3. Employment Equity

The Company and the Union shall be fair in relation to employment privileges and opportunities. The Company and the Union shall not unlawfully discriminate against any individual with respect to compensation, terms, conditions or privileges of employment because of race, religion, color, sex or national origin.

Section 4. Picket Lines

It shall not be a violation of this Agreement and it shall not be cause for discharge, disciplinary action or permanent replacement in the event an employee refuses to go through or work behind any picket line which has not been declared to be unlawful by the Canada Labour Relations Board or a court of proper jurisdiction, including picket lines at the Company's place of business. However, if the employee elects not to cross the picket line at the employer's place of business, all benefit contributions, including health, welfare and pension shall immediately cease. Vacations, holidays, etc., shall not be paid while employees refuse to cross the picket line.

ARTICLE 4 – CONFLICTING AGREEMENTS

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

ARTICLE 5 – SCOPE OF AGREEMENT

The Company and the Union agree that the terms and conditions of this Agreement shall apply to the bargaining unit employees of the Company at the Company's Burnaby, British Columbia terminal as outlined in the Union's certificate of bargaining authority.

ARTICLE 6 – MANAGEMENT RIGHTS

The right to manage and to direct the working forces and operations of the Company, subject to the limitations of this Agreement, is vested in and retained by the Company. The Company may, consistent with this Agreement, implement reasonable written rules. Rules may include reasonable appearance, grooming standards, safety and work methods. A copy of the rules shall be provided to the Local Union.

ARTICLE 7 – SENIORITY

Section 1. Definitions

The terms “employee” and “regular employee” as used in this Agreement describe employees who have gained seniority pursuant to this Article. The term “casual employee” is defined in Article 8 of this Agreement.

Section 2. Gaining of Seniority

The Company, at its discretion, may award seniority at any time, or, may award seniority pursuant to the provisions of Article 8 of this Agreement after which, in either case, the employee shall be subject to a probationary period of forty (40) days during which period the employee may be terminated without recourse to the grievance procedure of this Agreement.

Section 3. Loss of Seniority

Seniority may be lost as follows:

- a. Termination for just cause.
- b. Failure to return as scheduled from an authorized leave of absence.
- c. Resignation or voluntary quit.
- d. More than one (1) year continuous layoff for employees with less than five (5) years seniority and eighteen (18) months continuous layoff for employees with five (5) years or more seniority.

Section 4. Application of Seniority

Seniority shall apply as follows:

- a. In the offering of daily work opportunity to qualified employees.
- b. In the scheduling of earned vacation periods.
- c. In the offering of daily and weekly overtime to qualified and available employees. This shall not imply an obligation by the Company to offer work to regular employees who have completed eight (8) consecutive hours of work or pay in a day or forty (40) hours of work or pay in a week from Sunday through Saturday.

Section 5. Reduction and Restoration

Seniority shall be maintained in the reduction and restoration of the working force providing the senior employee is capable of performing the remaining job or jobs. A copy of the current seniority list shall be posted and furnished to the Union. The seniority list shall be posted in January of each year.

ARTICLE 8 – CASUAL EMPLOYEES

Section 1. Definition

A casual employee is one who is not on the seniority roster. A casual employee may be utilized to supplement or to replace the absent regular work force as needed. Casual employees are not entitled to any of the benefits or guarantees of this Agreement except as specified in this Article. When casual employees are worked as a supplement to the regular work force for eight (8) hours per day for one hundred twenty (120) hours in any thirty (30) calendar day period, the Company shall be required to add one (1) regular employee of its choice to the seniority roster. Seniority date shall be the date of selection by the Company.

When a casual employee works over 90 days as a replacement for an injured employee, the Company shall pay the premium contributions to the Teamsters Transport Health and Welfare Trust plan on behalf of the casual employee until such time as the injured employee returns to work. Should the injured employee be unable to return to full-time work status, the casual employee used to replace the injured employee shall be awarded seniority status beginning on the day of written notification from the injured worker. The provisions of Article 7 Section 2 of this Agreement would then apply.

Section 2. Casual Guarantee and Rate of Pay

- a. The hourly rate of pay for casual employees shall be 85% of the current rate of pay as outlined in Article 17, Section 2.
- b. Casual employees shall be paid the applicable hourly rate for actual time worked, subject to a four (4)-hour guarantee when put to work.

ARTICLE 9 – LEAVE OF ABSENCE

Section 1.

In the event of an emergency or for compassionate reasons an employee may request a leave of absence in writing specifying the reason(s) therefor and the time required which shall not exceed thirty (30) days. If the Company approves the request, the employee shall be notified in writing with a copy to the Union. Leaves of absence may be extended for periods of thirty (30) days upon approval of both the Company and the Union. Seniority shall continue to accrue during authorized leaves of absence.

Section 2.

Prior to a leave of absence becoming effective, the Company will collect from the employee the appropriate health, welfare and pension contributions to cover the entire period of absence.

Section 3.

Leaves of absence will not be granted for the purpose of obtaining or engaging in other employment. Any violation of this subsection shall result in loss of seniority without recourse.

Section 4.

If an employee, employed in a classification requiring a driver's license, suffers the revocation of his driver's license for reasons other than Driving Under the Influence (DUI), the Company may grant a leave of absence to such employee for a period of up to twelve (12) months. This request must be in writing with a copy to the Union. The employee may take advantage of this Section only one (1) time while in the employ of the Company.

ARTICLE 10 – GUARANTEES

Regular employees shall be guaranteed eight (8) hours' work or pay when put to work. The guarantee may be broken by mutual agreement between the Company and the employee. If instructed to report to work and not put to work, a regular employee will be guaranteed four (4) hours' pay at the straight time rate of pay. This provisions shall not apply in the event of an Act of God.

ARTICLE 11 – HOLIDAYS

Section 1.

Regular employees shall be entitled to eleven (11) statutory holidays as follows:

New Year's Day, Good Friday, Victoria Day, Canada Day, B. C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, one personal holiday.

Section 2. Holiday Pay

Holiday pay shall be eight (8) hours at the applicable straight time hourly rate.

Section 3. Qualifying for Holiday Pay

In order to qualify for holiday pay, an employee must have completed a probationary period and must work the days immediately preceding and following the holiday if requested to do so in addition to working at least one other day in the fifteen calendar days immediately preceding or following the holiday.

Section 4. Holiday Work Pay

Regular employees shall not be required to work on a specified holiday. However, any regular employee offered and accepting work on a holiday shall be guaranteed eight hours of work or pay at the straight time hourly rate of pay, in addition to the holiday pay. The guarantee may be broken by mutual agreement between the Company and the employee.

Section 5.

When a holiday falls during an employee's vacation period, he will be granted a day off in lieu of such holiday immediately following the last day of the vacation period.

ARTICLE 12 – VACATIONS

Section 1.

Based on a minimum of 1500 hours worked, anniversary date to anniversary date (including paid time off), bargaining unit employees may qualify for vacation upon completion of a minimum number of years as follows:

<u>Years of Service</u>	<u>Earned Vacation</u>
1	2 Weeks
3	3 Weeks
9	4 Weeks
15	5 Weeks

** (Employees presently receiving six (6) weeks vacation will continue to receive same.)

If an employee does not have the minimum of 1500 hours worked, in any year based on anniversary date to anniversary date, then the computation for vacation pay shall be adjusted accordingly.

Section 2. Computation of Vacation Pay

Vacation pay for each week of vacation shall be two (2) percent of the gross annual earnings of the employee during the twelve (12)-month period immediately prior to the employee's anniversary date, or 40 hours at the employee's applicable hourly wage, whichever is greater.

Section 3. General Provisions

- a. An employee, after qualifying for a vacation and upon giving notice of not less than thirty (30) days, shall be given vacation pay before starting vacation.

- b. The vacation period of each qualified employee shall be set with due regard to the desire, seniority and preference of employees consistent with the efficient operation of the Company's business. The Company will not be required to permit more than 10% of its regular employees to be off on vacation at the same time.
- c. Vacation period to start on completion of employee's normal workweek and end on the first day of his normal workweek on the completion of his vacation.
- d. Vacation time off will be posted for bid in January of each year under the conditions outlined below:
 - 1. Seniority shall prevail in the selection of vacation period subject to subsection b above.
 - 2. Employees with two (2) or more weeks of earned vacation may split the vacation period into no less than one (1) week increments.
 - 3. Employees who elect to split their vacations shall be paid for each segment as taken.
 - 4. Employees who elect to split their vacation must bid all segments. In the event an employee elects to split accrued vacation, such employee shall not be allowed to exercise seniority for selection of vacation time beyond his first choice until such time as all other affected employees have had the opportunity to select their first choice and continuing in this manner until all split vacations have been selected.
 - 5. In addition, employees may elect to schedule up to one (1) week of accrued vacation in increments of one (1) day or a combination thereof, subject to the following:
 - (a) Employee must notify the Company at the time of the annual bid of his/her election to schedule one (1) week of accrued vacation in incremental days.
 - (b) Employee must notify the Company fourteen (14) days prior to the date the employee elects to schedule the first day of such vacation.
 - (c) Only those employees with two (2) or more weeks of vacation are eligible to elect to schedule one (1) week of incremental days.

The scheduling of incremental days shall be subject to the number of employees requesting such time off, including the number of employees who had previously scheduled a Personal Holiday.

ARTICLE 13 – HEALTH & WELFARE

For employees on the seniority list, the Company shall continue to make premium contributions to the Teamsters Transport Health and Welfare Trust Plan for the life of this Agreement.

By reference herein, the attached Appendix A language shall apply.

ARTICLE 14 – PENSION

The Company shall make contributions to the Teamsters B.C. Master Pension Plan as follows:

Effective <u>01-01-03</u>	Effective <u>01-01-04</u>	Effective <u>01-01-05</u>	Effective <u>01-01-06</u>	Effective <u>01-01-07</u>
\$3.75 per hour	\$4.35 per hour	\$4.95 per hour	\$5.55 per hour	\$6.25 per hour

The above rates are to be paid for all hours worked by (or paid for) an eligible regular employee, not to exceed 2080 hours per year, and will be retroactive to 01/01/03.

Contributions shall be made on a calendar month basis for each regular employee and the Company shall submit the total contribution to the Trust aforesaid no later than the twentieth (20th) day of the following calendar month.

By reference herein, the attached Appendix B language shall apply.

ARTICLE 15 – WORKDAY AND WORKWEEK

The regular workday shall be eight (8) consecutive hours of work broken by a meal period. The regular workweek shall be any five (5) days from Sunday through Saturday. The Company shall have no further obligation to an employee who has completed eight (8) hours in a day or forty (40) hours in a week from Sunday through Saturday.

ARTICLE 16 – MEAL PERIOD AND BREAKS

Section 1. Meal Period

Employees shall be entitled to a meal period of not less than one-half (1/2) hour nor more than one (1) hour, at the Company’s discretion. Every effort will be made to schedule such meal period between the fourth and sixth hour following the employee’s starting time.

Section 2. Breaks

Employees shall be entitled to a fifteen (15) minute break approximately halfway through the first half of their shift, and a fifteen (15) minute break approximately halfway through the second half of their shift. Employees shall be entitled to an additional fifteen (15)-minute break after two (2) hours of overtime at the end of the regular shift if work beyond the two (2) hours is required. Such breaks shall be taken without loss of pay and the employee shall not be required to make up such time. Time spent by the employee walking from his assigned work area is included in the fifteen (15) minute break period and time spent returning to his assigned work area is excluded from the break period.

ARTICLE 17 – RATES OF PAY

Section 1.

The Company and the Union agree to the principle of “one rate for all work performed”.

Section 2.

For employees hired prior to January 1, 1992, the rates of pay will be as follows:

Effective <u>01-01-03</u>	Effective <u>01-01-04</u>	Effective <u>01-01-05</u>	Effective <u>01-01-06</u>	Effective <u>01-01-07</u>
\$21.53 per hour	\$21.93 per hour	\$22.33 per hour	\$22.78 per hour	\$23.28 per hour

Section 3.

The rate of pay for employees who are placed on the regular seniority list on or after January 1, 2003, shall be as follows:

- a. During the 40-day probationary period – 85% of scale
- b. Next 6 months – 90% of scale
- c. Next 6 months – 95% of scale

Therefore, at the end of 12 months and 40 days, a new hire will be at 100% of scale.

Section 4.

The rate of pay for casual employees shall be as prescribed in Article 8 of this Agreement.

ARTICLE 18 – PREMIUM PAY

One and one-half (1½) times the straight time hourly rate of pay shall be paid for all work performed in excess of eight (8) consecutive hours in a day and forty (40) hours in a week from Sunday through Saturday. Two (2) times the straight time hourly rate of pay shall be paid for all work performed after 11 continuous hours on duty. When the work performed is for a trade show or convention, the Company will be exempt from paying the double time rate of pay after the eleventh (11th) hour.

ARTICLE 19 – PROFIT SHARING AND ESOP'S

Profit Sharing and employee stock ownership programs (ESOP's) are permitted under this Agreement provided wage deduction under any plan hereinafter adopted shall not exceed fifteen percent (15%) of the applicable wage rates, and such plan shall be adopted only if approved by seventy-five percent (75%) of the employees voting by secret ballot (in which case all unit employees shall be covered by such plan).

ARTICLE 20 – JURY DUTY

All regular seniority employees called for jury duty will receive the difference between eight (8) straight time hours' pay at their applicable hourly wage, and actual payment received for jury service (including mileage pay) for each day of jury duty, to a maximum of ten (10) days per contract year. Written proof of jury service and a written statement from the court showing total monies received for jury service must be submitted to the Company prior to payment of the jury pay. Employees reporting for jury duty and not selected for service or released early shall be required to report for a regularly scheduled shift, if by reasonable efforts such employee can complete at least two (2) hours of the regularly scheduled shift.

ARTICLE 21 – SICK LEAVE

Employees on the regular seniority list who have been employed six (6) months shall be entitled to five (5) days' sick leave pay per contract year. Such pay will be for days lost due to off-the-job illness or injury. Each day of sick leave will be paid at the employee's straight time hourly rate for eight (8) hours.

Upon completion of the contract year, the employee will be entitled to unused sick leave provided the following applies:

- a. Must be on the active (not laid off) seniority roster at the beginning of the contract year and remained on the roster until the completion of the contract year.
- b. Must have worked a minimum of six (6) months.
- c. It shall be the responsibility of the employee to make a claim for unused sick leave on the form prescribed by the Company.

ARTICLE 22 – BEREAVEMENT LEAVE

Effective January 1, 2003, regular seniority employees who have been employed three (3) months shall be entitled to bereavement leave as follows: In the event of a death in the family, a regular seniority employee shall be entitled to a maximum of three (3) days off with pay to attend the funeral, subject to the following provisions:

- a. The relatives designated shall include father, mother, wife, husband, brother, sister, daughter, son, brothers and sisters having one parent in common; and those relationships generally called step provided persons in such relationship have lived or have been raised in the family home and have continued an active family relationship.
- b. To be eligible for bereavement leave the employee must attend or make a bona fide effort to attend the funeral.
- c. Pay for compensable bereavement leave shall be eight (8) hours at the straight time hourly rate.
- d. Compensable days will be limited to those days from and including the date of death to and including the day of the funeral.
- e. Bereavement leave is not compensable when the employee is on leave of absence, vacation, bona fide layoff or for days falling outside the employee's regular workweek, or any day the employee would not have otherwise worked, the intent being that the employee be compensated for work time lost.

ARTICLE 23 – PAY, TIME CARDS AND CLOCKS

Employees, whether paid by cash, check, draft or voucher, shall receive an itemized statement of all earnings and deductions,; i.e., regular hours, overtime hours, holidays, vacations, mileage (if any), subsistence, layover, taxes, etc.

Upon termination, all monies due to the employee shall be paid as soon as possible, but not later than seven (7) calendar days thereafter.

A daily time record covering all employees shall be maintained at the Company's place of business.

Normal paydays will be on Thursday. Pay shall be through direct deposit at the bank of the employee's choice.

ARTICLE 24 – SHOP STEWARD(S)

Upon not less than seventy-two (72) hours' written notice from the Local Union, the shop steward shall be allowed time off without pay for the purpose of contract negotiations, with the Company, or to serve on a Union committee.

No employee shall be suspended, discharged, or discriminated against for serving as a shop steward on a Union Committee.

The Company recognizes the right of the Local Union to designate shop stewards from the Company's seniority list. The authority of shop stewards designated by the Local Union shall be limited to and shall not exceed the following duties and activities:

- a. The investigation and presentation of grievances with his Company or the designated company representative in accordance with the provisions of the collective bargaining agreement;
- b. The transmission of such messages and information which shall originate with and are authorized by the Local Union or its officers, provided such messages and information:
 - (1) Have been reduced to writing, or
 - (2) If not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods or any other interference with the Company's business.

- c. Shop stewards have no authority to take strike action or any other action interrupting the Company's business, except as authorized by official action of the Local Union. The Company recognizes these limitations upon the authority of shop stewards and shall not hold the Union liable for any unauthorized acts. The Company in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the shop steward has taken unauthorized strike action, slowdown or work stoppage in violation of this Agreement. The shop steward shall be permitted reasonable time to investigate, present and process grievances on the Company property without loss of time or pay during his regular working hours without interruption of the Company's operation. Such time spent in handling grievances during the shop steward's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the "shop steward".

ARTICLE 25 – EXAMINATIONS

Section 1.

Any Company-required physical or medical examinations 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 working hours. Where a regular employee is required by the Company to take a medical examination outside of regular hours of work, the Company shall pay up to a maximum of two (2) hours straight time wages for such time spent, except in instances where an employee is returning to work or is about to return to work following illness or disability.

Section 2.

If following a medical examination under Section 1 above, 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 Local Union is entitled to direct that the employee be examined by a medical specialist whose specialty covers the disability. The Company's doctor and the employee's doctor, together, shall then select such a specialist; however, failing agreement within five (5) days, the College of Physicians and Surgeons shall be requested to make such appointment. The decision of the medical specialist shall be final and binding upon the parties involved. The cost of such specialist shall be shared between the Company and the Union.

Section 3.

When an employee is returning to work or is about to return to work following an illness or injury, the employee must furnish the Company with a complete and unrestricted release to return to work from his/her doctor. In addition, the Company may also require the employee to be examined by the Company doctor. Should the decision of the employee's doctor and the Company's doctor differ, the third doctor provisions outlined in Section 2 above may be invoked.

ARTICLE 26 – SAFETY

Section 1.

The Company shall make and maintain reasonable provisions and take and maintain reasonable measures to assure employee safety and protection.

Section 2.

Employees must comply with all federal, provincial and local laws pertaining to safety and shall immediately or at the end of their shift report all defective equipment.

Section 3.

Employees involved in any on-the-job accident, incident or injury, with or without Company equipment, shall immediately report same and any physical injuries sustained.

ARTICLE 27 – WARNINGS AND REPRIMANDS

An employee will receive a copy of any written reprimand or warning letter placed in their 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 twelve (12) months will not be used to compound other disciplinary action against the employee.

ARTICLE 28 – SAVINGS CLAUSE

Section 1.

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 affected thereby.

Section 2.

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 29.

ARTICLE 29 – GRIEVANCE PROCEDURE AND ARBITRATION

Whenever a dispute arises between the Company and the Union, or between the Company and one or more employees, the employee(s) shall continue to work except in the event of a termination or layoff, and the dispute shall be adjusted in accordance with the following procedures.

Time limit to institute this grievance procedure:

1. Termination or layoff – Ten (10) calendar days from first knowledge of the grievance.
2. All other grievances – Thirty (30) calendar days from first knowledge of the grievance.

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

- Step 1.: An employee grievance shall first be taken up between the employee and the Company; however, the employee will be entitled to be represented by a shop steward or a Union representative, if so requested by the employee.
- 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.
- 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 an authorized representative of the Union and the Company's Industrial Relations representative. 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.
- Step 4. a. Failing settlement under Step 3, either Party shall have thirty (30) days from the completion of Step 3 to 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.

- b. If the Parties fail to agree upon a neutral arbitrator within five (5) days (excluding Saturday, Sunday 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.
- c. 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.
- d. The cost of the arbitrator will be borne equally by the Union and by the Company.

ARTICLE 30 – INDUSTRY ADVANCEMENT FUND

Effective January 1, 2003, subsequent to the ratification of this Collective Agreement, the Company shall pay five cents (\$0.05) per hour for the first forty (40) hours paid to each regular full-time employee covered by this Collective Agreement per week to the Teamsters, Local Union 31 Industry Advancement Fund. The funds shall be remitted not later than the 20th day of the month following the month in which the rate is paid.

Except as set out herein, the Company shall have no other obligations to the Teamsters, Local Union 31 Industry Advancement Fund.

The Union shall indemnify the Company and hold it harmless against any and all suits, claims, demands and liability, including all legal fees and disbursements reasonably incurred that may arise as a result of the Employer complying with the provisions of this clause.

ARTICLE 31 – COMPLIANCE WITH THE LAW

The Company agrees to abide by all federal, provincial and local laws and regulations pertaining to discrimination, safety, employee benefits and other matters relating to employment in general which impact on the employees covered by this Agreement.

ARTICLE 32 – DURATION

This Agreement shall continue in full force and effect from January 1, 2003, to and including December 31, 2007, and shall thereafter be automatically renewed from year to year unless either party notifies the other of its desire to change, modify or terminate the Agreement. Either party desiring to change, modify or terminate this Agreement must notify the other party in writing at least sixty (60) and no more than ninety (90) days prior to the expiration date of this Agreement or any year in which notice of change or termination is given.

IN WITNESS WHEREOF, the parties have sent their hands and seals on the dates written below.

ABF FREIGHT SYSTEM (B.C.) LTD.

By: *A Phillips*

Date: 6-24-03

Witness: (Connie Chambers)

GENERAL TRUCK DRIVERS AND
HELPERS LOCAL 31

By: *[Signature]*

Date: 6/30/03

Witness: *[Signature]*

APPENDIX A
HEALTH AND WELFARE

Section 1 – Participation:

It is agreed that the Company will participate in the Teamsters-Transport Health and Welfare Trust Plan (the Plan) instituted July 1, 1971, and operated under an Agreement and Declaration of Trust revised on November 26, 1990.

The Company's participation in the Plan will continue throughout the life of this Agreement.

Section 2 – Board of Trustees:

A Board of Trustees will be constituted of those persons provided for in the Agreement and Declaration of Trust (the Trust Agreement) and will include no less than three (3) people appointed by the Teamsters Local Union No. 31.

Section 3 – 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 and any applicable government law or regulation.

The Plan and the activities of the Board of Trustees will be governed by an Agreement and Declaration of Trust, and benefit entitlement 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 4 – Eligibility Conditions:

- (a) Any member of the Union who is a regular employee in the employ of the Company on the date of this Agreement shall join the Plan on the date of this Agreement.
- (b) Any member of the Union who is hired by the Company after the date of this Agreement shall join the Plan on the first day of the month coincident with or immediately following the month in which the employee becomes a regular employee.
- (c) Notwithstanding subparagraph (b) above, any member of the Union who is hired by the Company after the date of 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 layoff is recalled and works a minimum of one full 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,

Section 5 – 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 B.C.

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 Company will be fully responsible for providing such coverage, and that the cost of such coverage will be paid for by the Company. 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.

Section 6 – Cost:

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

Definition: The Company agrees to the contribution rate established by the Board of Trustees from time to time and also any increase in the premium rates of the B.C. Medical Plan. This means that the Company will be responsible for any monies required to keep the Plan whole.

Section 7 – Payment:

Contributions will be made on a calendar month basis for each eligible employee and the Company shall remit the total contribution to the Trust aforesaid, not later than the twentieth (20th) day of the month for which coverage is required.

Section 8 – Termination of Coverage:

- (a) All coverages under the Plan will terminate at the end of the month in which layoff 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 coverages 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 9 – Failure to Remit Contributions:

It is agreed that, if the Company fails 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 Health and Welfare Plan but would have received had the Company remitted the required contributions.

Section 10 – General:

- (a) It shall be the responsibilities of the Trustees of the Plan to provide all necessary enrollment and administrative forms to the Company.
- (b) It shall be the responsibility of the Company to provide the employee the necessary forms to enroll and make claim under the Plan.
- (c) It shall be the responsibility of the employee to cause such forms to be completed.

APPENDIX B

TEAMSTERS – B.C. MASTER EMPLOYEES’ PENSION PLAN

Section 1:

The Teamster – B.C. Master Employees’ Pension Plan is designed to supplement other forms of Pension an employee may have.

The Company together with other Companies signing a Collective Agreement that is the same or substantially the same as the B.C. Master Cartage and Warehousing Agreement on the one Part, and Teamsters Local Union No. 31 on the other Part, have together established a Pension Plan to be known and described as:

TEAMSTERS – B.C. MASTER EMPLOYEES’ PENSION PLAN

The Plan will continue throughout the life of the Collective Agreement.

The Plan will operate under the supervision and guidance of 5 Trustees appointed by the Companies and 5 Trustees appointed by the Union.

The Plan and activities of the Trustees will be governed by a Trust Agreement aforesaid.

The following eligibility conditions shall apply to the Plan:

- (a) Any member of the Union who is a regular employee in the employ of the Companies described as part one above on the effective date of the Plan shall join the Plan from that date.
- (b) Any member of the Union who is hired by the Companies after the effective date shall join the Plan on the first day of the month immediately following that month in which the employee becomes a regular employee.
- (c) Notwithstanding the provisions of Sub-Section (b) of this Section, any member of the Union who is hired by the Company after the effective date of the Plan shall join the Plan as an active participant on the day he is so hired, provided that within the previous thirty (30)-day period he was a participant in the Plan.

Section 2:

The Trustees shall establish benefits from time to time in conformity with the sound financial applications of the negotiated contributions.

Section 3:

The cost of the Plan shall be borne by the Companies.

The Company shall contribute in respect of each employee at a rate of contribution for each hour worked (not to exceed 2,080 hours per year) as follows:

(1) The following rate of contribution shall apply:

Effective <u>01-01-03</u>	Effective <u>01-01-04</u>	Effective <u>01-01-05</u>	Effective <u>01-01-06</u>	Effective <u>01-01-07</u>
\$3.75 per hour	\$4.35 per hour	\$4.95 per hour	\$5.55 per hour	\$6.25 per hour

(2) All hours for an employee within the regular bargaining unit on leave of absence by reason of their being appointed or elected to a part-time or full-time position in the Union. (These contributions shall be paid by the Union.)

(3) The following shall be deemed to be periods of work for which contributions are required to be paid by the Company:

- Jury Duty
- Bereavement Leave
- Vacation Pay
- Statutory Holiday Pay
- Special Personal Floating Holiday Pay

No contributions are required to be paid for; however, the Company is required to report hours for the following based on an employee's regular hours of work.

- (a) Workers' Compensation
- (b) Weekly Indemnity
- (c) Long-Term Disability

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, only hours worked are contributed for
- Severance allowance

Contributions shall be made on a calendar month basis for each regular employee and the Companies shall submit the total contribution to the Trust aforesaid, not later than the twentieth (20th) day of the following calendar month.