

July 2003 to June 2005

BETWEEN:

ADBY TRANSPORT LIMITED, a body corporate,
with head office at the city of Calgary,
in the Province of Alberta, (hereinafter
called "the Company").

OF THE FIRST PART

AND:

ADBY EMPLOYEES' ASSOCIATION, of the Cities
of Edmonton, Calgary and Grande Prairie,
in the Province of Alberta, (hereinafter
called "the Association").

OF THE SECOND PART

Gender:

Wherever the use of male gender is used herein, it shall also apply to the female gender where applicable.

THIS AGREEMENT WITNESSETH that in consideration of the performance by each part of the covenants set out and hereinafter contained the Parties agree as follows:

ARTICLE 1

The expression "Employee" or "Employees" means the Company Employees, employed in the Province of Alberta and such other points or areas outside the Province of Alberta, wherein the Company may from time to time establish additional depots or expand their trucking operations in a manner which Employees in the Company may legally become members of the Association and in the classifications of Employees as set out in Article 8 of this Agreement.

Temporary employee is defined to be a term of less than six (6) months or a student on school breaks. Temporary employees are not subject to the collective agreement

ARTICLE 2

The Company recognizes the Association subject to the provisions of the Canada Labour Code and other such covering Acts which, from time to time, the Company may be obligated to operate in accordance with and during the term of this Agreement as the exclusive bargaining agent for collective bargaining of the Employees of the Company.

ARTICLE 3

The Association recognizes the right of the Company to continue to exercise the rights and functions of management and in particular to make, alter and enforce rules and regulations not inconsistent with the provisions of this Agreement.

ARTICLE 4

The Company agrees to require of all full-time and part-time Employees as a condition of employment, an authorization to deduct an initiation fee. Such initiation fee will be required only once in a lifetime. Initiation fees and Association dues will be as set from time to time by the Association. The Company agrees to deduct from each Employee an amount equal to the monthly Association dues required by the Association and its Members, and to forward such monies once each month to the Treasurer of the Association or to a person duly authorized by the Association to receive such monies.

An Employee who has been employed with the Company for thirty (30) days shall be subject to deduction of monthly Association Dues. The Company agrees to submit to the Association a list of all Employees obligated to pay; such list to be up-dated on a monthly basis. The Association agrees to notify the Company as to whom such monies should be forwarded. Initiation fees are established at thirty dollars (\$30.00) with Association dues being twenty dollars (\$20.00) per month. Any change in the aforementioned fees or dues requires thirty (30) days written notice from the Association to the Company.

ARTICLE 5

The hours of work shall be governed by regulations as set out under the Canada Labour (Standards) Code.

1. Drivers

- a) City Drivers - Standard Hours for the regular work week shall be as defined by the Canada Labour (Standards) Code
 - 9 hours per day
 - 45 hours per week

- b) Highway Drivers - Standard Hours for the regular work week shall be as defined by the Canada Labour (Standards) Code
 - 60 hours in a seven day period

For the purposes of determining overtime on a daily basis the majority of kinds of time will prevail (City hours versus highway hours).

2. Maintenance Employees

Standard Hours of work for a regular work week shall be as defined by the Canada Labour (Standards) Code.

2a Calgary Plant Operator

Standard Hours of work for a regular work week shall be as defined by the Canada Labour (Standards) Code.

3. Statutory Holidays

- | | | |
|----------------|---------------|-----------------|
| New Year's Day | Canada Day | Remembrance Day |
| Good Friday | Civic Holiday | Christmas Day |
| Victoria Day | Labour Day | Boxing Day |
| | Thanksgiving | |

shall be considered paid Holidays. Statutory Holiday pay will be governed by regulations as set out under the Canada Labour (Standards) Code. All regular Employees shall be paid statutory holidays at the work time rate of pay, excepting that Employees will not be paid if they did not report for work after having been called to work or they make

themselves unavailable to work or they have not worked for at least fifteen (15) days during the thirty (30) calendar days immediately preceding the general holiday. If an Employee works in excess of ten productive hours on the Statutory Holiday, he shall be paid twice his regular hourly rate for productive hours worked in excess of ten, provided the trip originates and terminates on the Statutory Holiday. For calculations of Statutory Holiday Pay, the basis shall be, the average of the Driver's daily earnings (exclusive of overtime) for the days he has worked in the four (4) week period, immediately preceding the Statutory Holiday.

If the Employee does work on the Statutory Holiday he shall be paid the regular rate of pay and shall be given a holiday with pay at some other time, which may be by way of addition to his annual vacation or granted as a holiday with pay at a time convenient to him and the Company.

If an Employee does work on a Statutory Holiday, and will not be given a holiday with pay at some other time as mentioned above, he will be entitled to rates of pay governed by regulations under the Canada Labour Code.

Statutory Holiday pay for drivers at Grande Prairie will be calculated based on average earnings for the four week period previous to the statutory holiday.

ARTICLE 6

1. Seniority shall commence to accrue upon completion of thirty (30) days probationary service with the Company and will revert back to actual starting date. The Company shall maintain a seniority list at all times and such lists shall be available for inspection at reasonable times by Officials of the Association.
2. "Branch seniority" is the total number of continuous months an Employee has been employed at an individual location, excluding part time Employees.
3. Branch seniority shall be used, where qualifications and ability are equal, in determining the allocation of equipment. There shall be no bumping privileges used in the seniority system.
4. At any time that a reduction in the personnel of the Company is necessary such reductions shall be determined on the basis of Company seniority within classification similarly in the re-hiring of laid-off personnel. The Employees with the greatest seniority shall be the first to be re-hired unless the classification does not warrant this, provided qualifications and ability are equal.
5. Any Employee who has been laid-off for a period exceeding six (6) months shall, unless otherwise agreed, by the Officials of the Association and the Company, lose his seniority and if he is hereafter employed by the Company he shall be deemed to be a new Employee.

6. An Employee may be granted a Leave of Absence for a period not exceeding six (6) months and shall not during the period lose his branch seniority nor accumulate seniority among the Employees of the Company provided the said leave is applied for in writing and agreed to by the Association and the Company. Should the Employee wish his medical aid* to be maintained he must deposit with the Company three (3) months total costs of premiums on leaving and pay the last three (3) months premiums on notice, otherwise the Medical Aid Programme* is terminated on lay-off. Upon return the employee will pay to the Association back dues owed.

* Provincial Health Care Only.

7. Employees transferred to supervisory positions within the company shall retain their seniority for a period of nine (9) months in the Association should they not be able to hold the new job, back dues. Upon return the employee will pay to the Association all back dues owed.
8. If an Employee has been laid-off in accordance with the terms of this Article, he shall maintain contact with the Company by informing the Company of his current address and of any change or changes which occur in his address during the period of lay-off. In the event that an Employee becomes eligible for work in accordance with this Article the Company shall give notification to him. In the event that the said Employee does not contact the Company within one (1) week of the mailing of the said letter, the Company shall be free to call in to work the next Employee on the seniority list. This will not apply to a temporary call-back.
9. The Association shall have the right, from time to time and at any time, to approach the Company in reference to lay-off, seniority and other matters in connection with this Article.
10. When medically unfit to perform their duties, all employees will be continued on the seniority list until fit, or for two (2) years, whichever comes first.
11. Add the following driver classifications
 - Bush/Mine Drivers
 - Highway Sleeper Drivers
 - Non-Sleeper DriversDriver with seven or more years of seniority will be exempt from layoff within classification rule
12. At no time if there is a Company Driver available within two (2) hours will the Company be allowed to put a non-Association member on a Company vehicle.
13. Time of allocation of vehicles is to be determined by management and executives of the Association at the respective branches. Allocation is by seniority, and classification; new

tractors and displaced tractors are allocated by seniority. If a Driver's unit is disabled after a maximum of three (3) days including weekends, such Driver goes to spareboard with top seniority for work but may work spareboard for those three (3) days provided spareboard workers are not affected.

14. The company agrees to make a reasonable effort to give as much notice as possible when taking an assigned truck and give the driver first choice on taking the truck or an opportunity to remove personal belongings.

ARTICLE 7

1. For the purpose of determining the period in which any Employee shall be granted a vacation, a list shall be established and the Employee having the greatest Branch seniority shall have the first choice as to the period in which he shall be granted his vacation. The Association recognizes that the Company shall have the final say in determining the period for the vacation of each of the Employees, but the Company undertakes to comply as closely as possible with the wishes of each of the said Employees of the Company, the Company will post by February 28th each year all holiday periods for the current year.
2. Vacations will be granted on the following basis:

Upon completion of one (1) full years' employment, Employees will be granted two (2) weeks vacation time with pay at four percent (4%) of gross, since the last vacation was taken.

Upon completion of three (3) full years' continuous employment, Employees will be granted three (3) weeks vacation time with pay at six percent (6%) of gross, since the last vacation was taken.

Upon completion of ten (10) full years' continuous employment, Employees will be granted four (4) weeks vacation time with pay at eight percent (8%) of gross, since the last vacation was taken.

Upon completion of eighteen (18) full years' continuous employment, Employees will be granted five (5) weeks vacation time with pay at ten percent (10%) of gross, since the last vacation was taken.

ARTICLE 8

1. All newly-hired Employees shall be considered as probationary Employees up to the first ninety (90) calendar days of Employment. The Company may, in its sole discretion,

designate a probationary Employee as a regular Employee prior to the completion of ninety (90) days.

- Probationary employees do not effect the Preventable Incident Pool and the Cost Reduction Incentive Pool. Benefit is prorated based on end of probation.

2. All new Employees shall be paid at eighty-five percent (85%) of the base rates (and 90% rates) for the first ninety (90) calendar days of full-time employment.

RATES - SEE

ARTICLE 8 - SUPPLEMENT A

ARTICLE 8 A - 1

ARTICLE 8 B - 1, SUPPLEMENT B – 1

3. A Driver who performs work normally done by an Alberta company which is related to Adbly Transport will be paid on the same rate scale as that company. And the driver must be qualified and trained to do the work. A Driver who performs work normally done by a non-Alberta company which is related to Adbly Transport will be paid on regular Adbly rate scale. The driver must be fully qualified and trained to do the specific work that is assigned from a related company.
4. Effective May 01,2002 and May 01,2003 all driver pay rates to be adjusted by the cost living adjustment negotiated with Inland. Pay rates will not be adjusted down if there is a negative Inland adjustment

ARTICLE 8 - SUPPLEMENT A

WORK TIME Working at branch as directed
Working on equipment
Deadhead and call-out paid at work time rates
Bush miles will be paid at \$19.00 per hour effective July 01,2003.
Bush miles will be paid at \$19.50 per hour effective July 01,2004.

(Bush hours will be agreed to by the Company and Association on a haul by haul basis)
Pre and post trip to be paid when on hourly work time, but does not apply to mileage trips or tonnage rates.

LAYOVER Actual hours spent away from home terminal by Driver Employees

TIME	<p>after the first fourteen (14) hours in each twenty-four (24) hour period when Driver is required by the Company to layover during any trip.</p> <p>Pay up to ten (10) hours in each twenty-four (24) hour period at work time rate of pay.</p> <p>Layover must be designated on the bill of lading prior to or at time of dispatch.</p>
LOADING AND UNLOADING PAY	<p>Load/unload actual hours paid at work time rate only on hourly work. when actual load and unload times exceed the standard due to equipment performance or other reasons beyond the drivers control, the driver will be paid the extra time at the work time rate. Driver is responsible to identify and document any delays. Delays at consignee must be signed by same. When actual load and unload times exceed the standard due to equipment performance or other reasons beyond the drivers control, the driver will be paid the extra time at the work time rate. Driver is responsible to identify and document any delays. Delays at consignee must be signed by same.</p> <p>Standard Times Train – one half hour to load One and half hour to unload</p> <p>5 & 6 axle – 24 minutes to load One hour to unload</p>
OVERTIME PAY	<p>This pay rate will be based on one-half (1/2) the work time rate of pay.</p> <p>Overtime pay will be calculated as per the Canada Labour (Standards) Code.</p>
SLEEPER OPERATION	<p>When it is a requirement for sleeper cab operations, it is understood that each Driver shall be paid for driving one-half the mileage the vehicle travelled. Pay will be based on a mileage basis. If both Drivers are required to work during the loading and unloading then they shall both be paid at the work time rate. Pay will be work time rate for each Driver for off-highway and abnormal road conditions.</p> <p>A sleeper operation will be paid an eight cent (8 ¢) differential over the single rate. (total is split)</p>

When it is a requirement of the Company for a sleeper crew to layover at a point away from home, each Driver shall split the work time rate of pay for the duration of the layover.

Hours of work for sleeper crews shall be in accordance with the regulations of the Canada Labour (Standards) Code.

WAIT TIME Wait time shall be paid at work time rates of pay. Wait time shall be paid for all time spent waiting to load or unload, waiting for equipment to be repaired and waiting for roads to be cleared and shall be so designated on the bill of lading. While on wait time a Driver is to perform Driver related duties as directed.

PIGGY - BACKING In the event of piggy-backing (i.e., one truck hauling another), both the operator of the truck being hauled and the one doing the hauling shall receive their full rate of pay.

CELLULAR PHONES The Company agrees to pay each driver \$35.00 per month when the company requires the driver to have a cell phone. The Company and the Association will review annually the actual costs versus the allowance and adjust to an actual average.

Re-classification

Upon three (3) months of full-time employment, an individual's probationary status shall be reviewed.

Shift Differential and Lead Hand Pay (Maintenance Employees)

Shift differential of one dollar (\$1.00) per hour will be applied on all afternoon shift hours. Shift differential of one dollar and fifteen cents (\$1.15) per hour will be applied on all midnight shift hours.

Lead Hand pay will be seventy-five cents (75 ¢) per hour and designated by the shop supervisor.

Shift Differential and Lead Hand Pay - Warehouse

Shift differential of thirty-five cents (35 ¢) per hour will be applied on all afternoon shift hours. An Employee assigned to an afternoon shift who is required to report for such shift prior to 3:30 P.M. will be paid the afternoon shift differential for hours worked. Shift differential of fifty cents (50 ¢) per hour will be applied on all midnight shift hours.

Maintenance Helper Rate

When Warehouse Employee(s) aid a Maintenance Man in the performance of his duties a rate differential of fifty cents (50 ¢) per hour will be paid in excess of the Warehouse Employee(s) regular rate while he is performing Maintenance Helper duties.

Special Rates

Inventory moves from Edmonton to Saskatoon and Edmonton to Regina, and Flyash haul will be paid at 90% of regular Rates of Pay, unless part of 2-way loaded trip.

Safety Incentive Pay Mechanics

The Company and the Association will administer the Mechanics incentive plan per Appendix 1A

Student Training

The Company shall designate Drivers to do training and said Drivers are to receive an additional three dollars (\$3) per hour when training.

Employee Training

New Employees in all locations will be paid the applicable hourly rates for all days of initial training. 'Initial training' is defined as all training occurring within the probationary period, and being led by a more experienced Employee or member of management.

Experienced Employees receiving training in the field, shop, classroom or yard will be paid at regular rates.

ARTICLE 9

The Company recognizes that the Employees of the Association while in the course of their duties shall incur various expenses and for the purposes of reimbursing the said Employees, the Company agrees as follows:

Room allowance shall be reimbursed to the Employee upon presentation of receipt for room cost when Employee requires bed sleep on a trip. The Company asks that Driver Employees use discretion and that whenever possible hotel expense be kept to a minimum.

When an Employee has to use his own vehicle for Company business, compensation will be at thirty cents (35¢) per kilometre, for use of vehicle.

ARTICLE 10

Funeral leave is subject to the conditions as set out in the Canada Labour (Standards) Code. In the event of death to a member of the Regular Employees' immediate family, the Employee shall be granted, upon request, leave of absence and shall be compensated for a maximum of three (3) days pay at the Employee's regular rate of pay. This leave can be utilized only on a working day occurring during the three (3) days immediately following the day of the death. If the death occurs on Friday, the Employee is entitled to three (3) days leave Monday, Tuesday, Wednesday. If the Employee has completed three (3) consecutive months of employment, this leave will be with pay.

Members of the Employees' family are defined as Employees' spouse, Common-law spouse, mother, father, grandparents, sons and daughters, brothers and sisters, father-in-law, and mother-in-law, spouses' brothers and sisters, step-parents and step-children.

ARTICLE 11

The Company, the Association, and the employee shall all co-operate in the matter of safety and health. Employee medicals are required in accordance with the Canada Labour Safety Code. Employees shall submit promptly to such examination. The expense of the medical examination will be the responsibility of the Company.

In the event any member of the Association feels unjustly reprimanded, the Association may request a fact finding with the Company. Representation of the Association will be comprised of two (2) executive members or one (1) executive member and a member appointee.

In the event the Company requests members of the Association other than the reprimanded Employee for a fact finding, said Association members will be compensated at work time rate for actual time spent in the fact finding.

ARTICLE 12

The Company recognizes the need for one (1) coffee break in every four (4) hour period. However, in order that planned production and delivery of products will not be jeopardized, the Employee shall agree to take the break at a time which will not result in disruption of the Company's operation. Coffee breaks will not be paid for on Mileage Trips.

ARTICLE 13

When an Employee is called to report for work he shall be guaranteed a minimum of four (4) hours pay at work time rate. When an Employee is called out after he has been allowed to check-off he shall be paid four (4) hours minimum for this recall.

A minimum of four (4) hours pay at work time rate of pay shall be provided to an Employee when he is called to work and no work is available.

ARTICLE 14

All differences between the Company and the Association or between the Company and any Employees or Employee concerning the interpretations, application, operation or any alleged violation of this Agreement shall be settled, without stoppage of work by referring such dispute or differences in writing, to a Committee for the Association and representatives of the Employer. A notice of motion must be filed by the aggrieved party within fourteen (14) days of the occurrence. The Committee and the Employers' representative shall within five (5) days of having a dispute or difference referred to them, attempt to reach an agreement as to the dispute. Upon failure of the Parties to reach an agreement within the five (5) day period, the dispute or difference shall be referred to arbitration by either party within 30 days, as hereinafter provided. In the event that the two (2) arbitrators so appointed shall fail to agree on a third, either Party to the dispute may request the Minister of Labour of Canada to appoint a third arbitrator or Chairman.

Where arbitration is to be instituted as above, each Party within five (5) days shall appoint his representative to the Board and the two (2) appointees shall, within five (5) days, endeavour to agree upon a Chairman. If they are unable to do so within the time required, then the Minister of Labour shall be requested to appoint a Chairman. The Arbitration Board shall meet and render their decision within ten (10) days of the appointment of the Chairman, although this period may be extended on mutual consent of the Parties. The majority decision of this Board shall be final and binding upon both Parties.

ARTICLE 15

The discipline process.

(1) The Company has the right to discipline and discharge for just cause. The Company recognizes the value of a good working relationship and that discipline should be instructive and corrective.

(2) All disciplinary action shall be fully documented laying out the offence that resulted in the discipline, the discipline issued and the consequences of further offences. The employee must acknowledge, by his signature, that he is aware he has received discipline.

- (3) An association representative shall be present when discipline is issued.
- (4) All discipline shall be placed in the employee's file, with a copy given to the employee and the association representative.
- (5) Verbal warnings will not be part of the discipline process but shall be documented in the employee's file.
- (6) The severity of discipline will be determined by the employee's work record, previous disciplined offences of a similar nature, other previous disciplined offences, the length of time since a previous disciplined offence, and the seriousness of the offence itself. A serious offence may result in discharge on the first offence.
- (7) All disciplinary action shall be subject to the grievance and arbitration procedures.
- (8) An association representative attending fact findings or other meetings with management where they are requested by the Company to attend, shall be paid their regular straight time hourly rate for time spent in these meetings. Additional association representative who attend fact findings, disciplinary interviews, grievance hearings, informal discussions and other meetings with management where their attendance is not requested by the Company shall not be paid.

APPENDIX A

Aaby Transport Limited

To:

Date: _____

From:

Subject: Written Warning

Incident:

Corrective Actions:

Follow-up:

I have received a copy of this warning:

Copy: Association Representative

Signature _____

Print Name _____

This is to document disciplinary action. Additional information may be attached. All disciplinary action is subject to the grievance and arbitration procedure.

APPENDIX A

Aaby Transport Limited

To:

Date: _____

From:

Subject: Verbal Reprimand

Incident:

Corrective Actions:

Follow-up:

APPENDIX A

Adby Transport Limited.

To:

Date: _____

From:

Subject: Suspension

Incident:

Corrective Actions:

Follow-up:

Suspension: From _____ to _____.

Return to work date _____.

Any future incidents will result in further discipline up to and including termination.

I have received a copy of this suspension letter.

Copy: Association Representative

Signature _____

Print Name _____

This is to document disciplinary action. Additional information may be attached. All disciplinary action is subject to the grievance and arbitration procedure.

ARTICLE 16

Upon completion of the probationary period, Drivers may desire to obtain a uniform on the following basis:

Uniforms shall consist of one (1) jacket, two (2) trousers, two (2) shirts, **CSA boots and prescription safety glasses** and shall be ordered on a once-a-year basis.

The Driver will have the option in any year to substitute a winter parka or coveralls on condition that the total cost of a uniform in a year does not exceed the annual limit of the cost of a uniform.

The Company will pay up to \$350.00 per year for uniform reimbursement upon presentation of receipt.

ARTICLE 17 -SAFETY EQUIPMENT

Due to the nature of the shop employees work, the Company agrees to reimburse **\$150.00** per year for the purchase of safety boots. Proof of purchase is required.

Coveralls and gloves shall be supplied to Maintenance Personnel on completion of the probationary period. Three (3) pairs of coveralls shall be provided on a weekly basis, cost of which shall be the full responsibility of the Company.

In all cases where safety equipment is necessary it will be supplied by the Company. Each Employee shall sign for said equipment and be responsible for same. Each Employee shall use safety equipment as required.

Company to provide CSA or OSHA approved back braces and knee pads where requested by Maintenance employees.

ARTICLE 18- APPRENTICES

Amendment to Apprenticeship – There is no option for the company to pay full wages while the apprentice is in school. The apprentice must take the EI. The apprentice has the option not to take the top up while on EI if he does not want to make the commitment to stay six months as an apprentice or One year after successful completion of the apprentice program on becoming a licensed journeyman. The company will not top up wages for a repeat of non-successful terms.

Company discretion on number of apprentices. Apprentice agrees to work for the company during the entire apprenticeship program and a one-year period after completion of the apprenticeship program. If the apprentice leaves the Company on his own volition after six months year and prior to one year after completion of apprenticeship 100% of the subsidy paid to complete the prior year will be repayable.

ARTICLE 19

It is the intent of Adbly Transport Limited at their discretion to provide a Driver Incentive Program for the purpose of adding financial incentive to Drivers who practice safe and efficient driving habits, including accident prevention and protection of equipment, cargo and property.

Incentive pay will be credited to all full-time Driver Employees and payment, less deductions will be made semi-annually in June and December. Incentive pay or deductions will not be applicable to any probationary Driver Employees.

Damage or loss to cargo, equipment, property and accident damage will be assessed against responsible Drivers' credit balance, only once in each six (6) month period (i.e. January to June or July to December).

Incentive Rate of Pay

Mileage

- Single 3/8¢ per mile
- Sleeper 1/2¢ per mile (split)

Hourly Work Time

- Single 15¢ per hour
- Sleeper 15¢ per hour (split)

Wait, Layover and Standby Hours

- are not included in the Incentive plan

Appendix 1B

Shop Incentive Program

The Company will accrue **\$0.25** per hour for all shop employees for all hours worked.

The incentive will be paid twice per year , June and December.

The employee must be employed for a minimum of 90 days prior to becoming eligible for the incentive program.

WCB incidents:

No Lost Time and Medical Aid will not be deducted from the pool.

Lost Time incidents will be charged to the pool at the rate of \$25.00 per day up to a maximum of ½ (one half) the total amount of the accrued incentive for the applicable 6 (six) month period. Note that a re-injury will be assessed back to the original claim, and will be calculated as a continuation of that original claim.

Incidents and accidents within the Shop and Washrack will be charged to the to employees incentive. Costs that exceed the employees incentive will be deducted from group Incident Incentive Program

Tool damage and replacement will be charged to the employee incentive, the balance of the costs will be deducted from the group Incident Incentive Program.

Warranty work will be monitored and charges assessed by a committee consisting of the Branch Manager or Shop supervisor and a Mechanic and a driver.

Any damages caused by a probationary employee will not be charged to the Group Incentive. Probationary employees are not eligible for the program prior to completing their 90 day probationary period.

ARTICLE 20

Key Performance Indicators Incentive Plan

Mechanic's Incentive Plan – The Company agrees to maintain an incentive plan based on KPI's. The KPI incentive plan will have a potential pay out on ten graphs each with a maximum pay of \$10.50 per month.

Benefits

Any change in the Company's policy on Employee benefits shall not constitute a re-opening of the Agreement provided, however, no changes shall be made without prior discussions with the Association. The Labour Management Committee will discuss present established benefits and make recommendations for improvements.

Present Employee Benefits include:

- Major Medical
- Life Insurance
- Weekly Indemnity
- Dental Plan
- Pension
- Provincial Health Care

The waiting time period for Short Term Disability will be three (3) days for illness and 0 zero days for hospitalisation. Employees will pay 50% of the cost of Provincial Health Care Premiums.

ARTICLE 21

Negotiation Pay

The Company will pay the Association for negotiating each contract at the 8 axle work rate as follows: Calgary sixty (60) hours, Edmonton one hundred (100) hours, and Grande Prairie sixty (60) hours. A mileage allowance of thirty cents (35¢) per kilometre for one (1) vehicle per location will be paid.

SUPPLEMENT B - 1

TOOL INSURANCE

Employees' tools will be fully insured in the event of fire, vandalism, and disasters; and for theft, when all of the tools are stolen. To be covered, each Employee must supply to the Company a complete brand-name list upon starting, with an update following any purchases.

TOOL ALLOWANCE

The Company will reimburse Shop employees to an annual maximum of \$450.00 for the purchase and repair costs for job related tools and to assist in repair and/or replacement of air hand tools. The tools must be registered with the Company and receipts provided at time of reimbursement.

The Company will reimburse Washrack employees to an annual maximum of \$50.00 for the purchase and repair costs for job related tools and to assist in repair and/or replacement of air hand tools. The tools must be registered with the Company and receipts provided at time of reimbursement.

ARTICLE 22

NEW HIRE PROBATION

New-hire Adbly Association Member/Employees shall be reviewed by a panel prior to becoming full-time permanent Employees. This panel will consist of the following Management and Association designates:

- (1) Management
- (2) Member of Association Executive
- (3) Shop and/or washrack foreman
- (4) Dispatcher.

The above review may occur at any time during any Employee's probation period and will cover performance issues such as

- proper use and treatment of Company equipment
- work habits
- attitude
- willingness to work within Company policies.

This new hire probation review is not intended to replace Management's rights to hire and terminate Employees. Rather, it is a consultative process designed to table all pertinent information regarding an Employee's performance to date, and facilitate any decisions Management may have to make regarding an Employee continuing employment with the Company.

Management will have the final decision on retention or termination of probationary Employees. The objective is to eliminate sub-standard work performance at Adbly branches.

ARTICLE 23

The Company agrees to maintain a cost and incident reduction plan for Company drivers per plan Appendix I1

ARTICLE 24

1. Except as herein provided this Agreement shall become effective June 30, 2003 and shall remain in full force and effect up to and including the 30th day of July 2004 and from year to year thereafter unless either party gives notice of its' desire to terminate the Agreement or commence negotiations to amend the Agreement. Such notice shall be given not less than thirty (30) days and not more than ninety (90) days prior to the termination of this Agreement.

2. It is agreed that this Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns, and supplements the previous Agreement

ADBY TRANSPORT LIMITED

ADBY EMPLOYEES' ASSOCIATION

Supplement 8A-1

Attached Exel file

Effective July 01,2003 – June 30, 2003

**Rates of Pay
Drivers**

	Full - Time <u>Regular</u>	Full - Time <u>Probationary</u>	Inventory Moves @ 90% <u>Regular</u>	Inventory Moves @ 90% <u>Probationary</u>
<u>City Work</u>				
Hourly Work Time	18.00	15.30	16.20	13.77
Overtime Premium	9.00	7.65	8.10	6.88

**Effective July
01,2004– June 30,
2005**

City Work

Hourly Work Time	19.00	17.10	17.10	14.53
Overtime Premium	9.50	8.55	8.55	7.26

Br72S

Effective July 01, 2003, work on non-dry bulk work to be paid at \$16.52 per hour.

Effective July 01, 2004, work on non-dry bulk work to be paid at \$16.85 per hour

Logan Lake and Line Creek

Mileage rate to be paid the 40,500 kg minimum

Hourly portion to be paid at bush work rate

Backhauls will be paid at the higher net tonnage rate of the fore-haul or backhaul. Circuit hauls (3 legs or greater) are exempt.

When a Company driver is required to return from Bearspaw or Dawes to the yard for trailer clean the driver will be paid one (1) hour at the city rate.

Appendix I1

January 23, 2002

TO: ADBY COMPANY DRIVERS
FROM: DARCY BOOHER, BRANCH MANAGER
RE: ADBY INCENTIVES 2001

The following are the incentive calculations for the cost and incident reduction pools for 2001. As requested in the 2001 labour negotiations, the pools place increased emphasis on the individual driver's ability to reduce operating costs and incidents.

Cost Reduction Pool

The cost reduction pool is based on the following individual and pooled variable costs per mile versus the budgeted variable costs per mile:

Tractor Repairs	Individual Cost per mile
Tractor Fuel	Individual Cost per mile
Tractor Transport	Individual Cost per mile
Tractor Tires	Individual Cost per mile
Driver Cost	Pooled Cost per mile
Trailer Repairs	Pooled Cost per mile
Trailer Cleaning	Pooled Cost per mile
Trailer Transport	Pooled Cost per mile
Trailer Tires	Pooled Cost per mile

The cost reduction pool incentives are calculated based on the drivers ability to operate their allocated unit at a cost per mile that is less than the budgeted cost per mile. 10% of the reduction, is then multiplied by the annual miles of the unit, equating to the incentive amount.

Example:

	<u>Budgeted CPM</u>	<u>Actual CPM</u>
Tractor Repairs	\$0.131	\$0.062
Tractor Fuel	\$0.411	\$0.391
Tractor Transport	\$0.023	\$0.031
Tractor Tires	\$0.041	\$0.033
Driver Cost	\$1.043	\$0.932

Trailer Repairs	\$0.138	\$0.146
Trailer Cleaning	\$0.052	\$0.073
Trailer Transport	\$0.009	\$0.008
Trailer Tires	\$0.004	\$0.040

Total Cost per mile \$1.852 \$1.716

Cost Reduction \$0.136 x 10% = \$0.0136

Annual miles 81,756

Cost Reduction Incentive 81,756 x \$0.0136 = \$1,111.88

If 2 drivers slip seat the allocated unit, FSS reports will be utilized to determine the percentage of miles each driver operated the unit. The percentage of driving miles is then multiplied by the incentive amount thus equating to the individual incentive.

Example:

Cost reduction incentive	\$1,111.88
Annual Miles	81,756
Driver A. annual miles	36,500 = 44.6%
Driver B. annual miles	45,256 = 55.4%
Driver A. incentive	\$1,111.88 x 44.6% = \$495.89
Driver B. incentive	\$1,111.88 x 55.4% = \$615.99

Incident Reduction Pool

Each branch location will start the year with an amount of money in this pool. The total expense of each preventable incident or WCB claim will be subtracted from the pool for the branch whose employee was deemed responsible. Employees who do not have a preventable incident or WCB claim will have their individual incentive deducted to a minimum of \$250.00 annually or a percentage of the minimum based on their length of employment.

Individual employees will have the amount of the incident deducted from their portion of the pool. If the incident exceeds the individual amount, the balance will be deducted from the collective pool.

Example:

Incident cost	\$1,300.00
Individual incentive deduction	\$1,000.00

Collective pool deduction \$300.00

The costs associated with a preventable WCB claim will be calculated by determining the driver's average daily earnings utilizing pay statements divided by the number of days worked, multiplied by 90% (WCB equivalent), multiplied by a wage burden of 20%, multiplied by number of days lost.

Example:

Days lost	7
Earnings	\$24,200.00
Days worked	128
Average daily earnings	\$24,200.00 divided by 128 = \$189.00/day
Claim calculation	\$189.00 x 90% x 20% x 7 days = \$1,428.84

Individual employees will have the amount of the WCB claim deducted from their portion of the pool. If the claim exceeds the individual amount, the balance will be deducted from the collective pool as indicated in the previous example.

The money in the Incentive pools at each branch location will be distributed to eligible employees at the end of the year. Employees are eligible if they are employed 24 weeks or more during the year, (excluding time on lay-off). Each employees share of the pool will be determined based on their length of employment.

Congratulations to all of you who qualified for incentives in 2001, keep up the great work.

Should you have any questions on the pools, please contact me at the branch.

Sincerely,

Darcy Booher
Branch Manager

