

COLLECTIVE AGREEMENT

– BETWEEN –

DHL EXPRESS (CANADA) LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS “THE COMPANY”)



– AND –

**NATIONAL AUTOMOBILE AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW – CANADA)
LOCAL 4050**
(HEREINAFTER REFERRED TO AS “THE UNION”)



Effective: October 1st, 2008 – March 31st, 2013

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THIS AGREEMENT entered into this _____ day of _____, _____

BETWEEN:

DHL EXPRESS (CANADA) LTD.
in the PROVINCE OF ALBERTA
(Hereinafter referred to as the "Company")

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
(LOCAL 4050)**
(Hereinafter referred to as the "Union")

WHEREAS it is the desire of the Company and the Union to enter into an agreement governing the wages, hours of work, and working conditions, of the Hourly Employees and Owner Operators of the Company in the classifications as contained within this Agreement,

During the term of this Agreement there will be no lockout by the Company, nor any strike, work stoppage or slowdown by the Hourly Employees and Owner Operators.

WHEREAS the parties to this Agreement desire to cooperate in establishing and maintaining conditions which will promote harmonious relations and provide methods for a fair and amicable adjustment of disputes which may arise between them.

AND WHEREAS both parties are pledged to cooperate and assist to the fullest extent in promoting safety and efficiency within business operations.

ARTICLE 1: UNION RECOGNITION

- 1.01 The Company recognizes the Union as the sole and exclusive bargaining agent for all Hourly Employees and Owner Operators save and except Supervisors, those above rank of Supervisor, Sales Staff and those that may be excluded by certification orders, unless voluntarily recognized as agreed on.

Local Executive Officers, Shop Stewards and other accredited Union representatives shall be recognized by the Company in discussing any and all matters affecting the relationship between the Company and the Hourly Employees and Owner Operators who are affected by this Agreement. This includes but is not limited to involvement at any step of the grievance procedure. Only differences concerning the application of specific provisions of this Agreement may be grieved.

- 1.02 Hourly Employees and Owner Operators shall be represented by the Union Committee, which shall consist of Hourly Employees and/or Owner Operators elected at each centre of operation of the Company. The Chairperson of this Committee shall act as the liaison between the Union Members and the Company. The Committee and/or Local Chairperson may at any time call upon the services of an accredited representative of the Union to assist them. The Company shall designate an individual representative to act in liaison between the Local Chairperson and the Company.
- 1.03 The provisions of Part I, Chapter L-2, Section 44 of the Canada Labour Code dealing with successor rights and obligations are recognized by the parties.
- 1.04 The Company shall not discriminate against any of the Hourly Employees or Owner Operators who are members of the Union Committee and who, from time to time, represent other Union Members.
- 1.05 The Union shall promptly notify the Company in writing of the names of the Hourly Employees and/or Owner Operators comprising the Union Committee and any changes in the personnel thereof. The Company shall inform the Union, in writing, of the Supervisors with whom said accredited Representatives shall deal and any changes thereof.
- 1.06 a) The Union agrees that there will be no Union activities carried out during working hours, except those necessary in connection with the administration of this Agreement. Accredited Representatives of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to, provided however, that there is no interruption of the Company's working schedule.

The Company will allow the use of the lunchroom to conduct Union business at a time convenient to both the Company and the Union, provided it does not disrupt the normal business operation and that such time is to be scheduled and kept to a minimum.

- b) In a situation which requires a Union Representative's attention during working hours, he/she shall not leave his/her regular duties without first obtaining permission to do so from his/her immediate Supervisor. It is understood that the taking of such time away from regular duties shall be kept to a minimum, and that permission will not be unreasonably withheld. The Union Representative shall return to their regular duties as expeditiously as possible. The Employer reserves the right to limit such time, if the time requested is unreasonable.**

- 1.07 The Company agrees to provide a locked, glass enclosed bulletin board at each of its terminals for use by the Union for posting matters relating to Union meetings and other Union business, provided they are authorized and the documents are signed by an Officer of the Union. The said bulletin board shall not be located in any place where the general public has access. No postings on such board shall be of a derogatory or inflammatory nature towards the Company or any individual.
- 1.08 It is hereby agreed that all Hourly Employees and Owner Operators shall become members of the Union and shall as a condition of employment become and remain members of the Union.
- 1.09 The Company agrees to deduct from the pay of each Hourly Employee and Owner Operator who is a member of the Union or covered by this Agreement, an amount officially designated by the Union. The monthly dues remittance shall be accompanied by a list of certified Hourly Employees and Owner Operators on the payroll for the pay period in which the deductions were made.
- 1.10 The Company shall show the total amount of Union dues deducted on the Hourly Employee's T-4 and Owner Operator pay slips issued at the end of each calendar year.
- 1.11 The Company shall furnish to the Union a list of all new Hourly Employees taken into employment, and Owner Operators contracted to the Company. The Union will supply the Company with deduction authorization forms and membership applications which shall be signed by all new Hourly Employees on the date of hire, or date of contract in the case of Owner Operators. It will be the responsibility of the Company to ensure that all forms and membership fees are forwarded to the Union Treasurer within **fifteen (15) business** days from the date of completion. The Company shall inform, at the time of hiring, the Hourly Employee as to his/her status regarding whether they are a full-time or part-time Hourly Employee.
- 1.12 The Company shall not require an Hourly Employee or Owner Operator covered by this Agreement to cross a legal picket line or to accept any product or goods from any person or employees of any person with whom a Union has a legal picket or placard line around or against, or to deliver any product or goods to any person, or employees of any person with whom a Union has a legal picket or placard line around or against.
- 1.13
- 1) Any Hourly Employee or Owner Operator elected or appointed to a full-time position with the Union shall be granted an indefinite leave of absence without pay provided that thirty (30) days notice is given to the Company prior to the beginning of such leave. During such leave, the Hourly Employee's/Owner Operator's Company seniority shall accumulate, welfare benefits shall be suspended thirty (30) days after such leave commences, and annual vacation benefits shall be suspended immediately.
 - 2) Should the Hourly Employee or Owner Operator request a continuation of welfare benefits during such leave the premium will be remitted to the Company by the Hourly Employee or Owner Operator prior to the month(s) in question.
- 1.14
- 1) The Company shall grant a leave of absence to attend essential Union business: without pay for any Hourly Employee, and provided the Owner Operator has secured or arranged for, with the co-operation of the Company, an acceptable replacement. The Union will give a minimum of fifteen (15) days notice of such request. It is understood that a maximum of ten (10) Union members will be allowed off at one time, provided there are no more than three (3) Hourly Employees, Owner Operators, or combination thereof required from any one location. It is agreed that in the event of an emergency occurring, the Executive and Stewards of the Local will be granted leave of absence upon request.
 - 2) Where an Hourly Union representative makes a reasonable request for paid time-off to attend to Union business at another Company location, such request, will not be unreasonably denied.

- 1.15 The Company may request that a Union representative, **including the Local Unit Chairperson**, be sent to another branch for consultation. Such representative will be paid at the regular rate of pay for travelling time as well as for hours of consultation, up to a maximum of normal shift hours for an Hourly Employee **or Owner Operator**. The Company will assume all necessary expenses **within Company policies, such policies in place as of March 2009 will be considered the minimum payable**.
- 1.16 No officer of the Company shall perform:
- a) hourly bargaining unit work on a regular on-going basis but may assist in an emergency situation,
 - b) the work of the regular Owner Operators except in an emergency situation where no Owner Operators are readily available to be called to perform such work.
- Should such a situation arise the Supervisor will advise the Shop Steward or Lead Hand in their absence of their intention to exercise this clause.
- 1.17 The Company agrees not to enter into any Agreement or contract with the Hourly Employees or Owner Operators individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such Agreement will be null and void.
- 1.18 The Company agrees it will not use any leasing equipment/driver for the purpose of evading this Agreement.
- 1.19 It shall not be a violation of this Agreement for any Hourly Employee or Owner Operator to post the CAW - Canada Union label in a conspicuous place in the cab of the vehicle or equipment he/she is operating. The positioning of the label shall be in accordance with Company policy. The standard position shall be the driver's side no draft window.
- 1.20 A Dependent Contractor (Owner Operator) is deemed to be an "Employee" of the Company as defined by the Labour Code of Canada, Part I. Rules and guidelines and applicable Articles are located in Appendix "A" of this Agreement.
- 1.21 No member of the Union shall use their personal vehicle to conduct any company business (excluding Owner Operators' regular DHL work vehicle, rentals, or other temporary route replacement vehicles).
- 1.22 a) **The Company shall pay for all costs associated to print and distribute a new agreement to the membership. The Company shall ensure that all Employees and Owner Operators are provided with a copy of the agreement as soon as they are printed, or, upon hire. The local Union shall receive an additional allotment, and then as many as necessary upon request subject to availability.**
- b) The Company will provide each Hourly Employee and Owner Operator with a copy of the Collective Agreement. **Within the first thirty (30) calendar days from the date of hire of a new Hourly Employee or Owner Operator, the Company will introduce him/her to a Shop Steward provided that the Steward and the member both work at the same location.**
- 1.23 It shall be the responsibility of every Owner Operator and Hourly Employee to keep the Company and the Union informed of any and all changes of address or telephone numbers. Such information will be supplied in writing within three (3) working days of such change.

The Company shall provide to the local Union office an updated list of all Hourly Employees and Owner Operators name, current address, and phone number, electronically on a quarterly basis.

- 1.24 The Company agrees that Union negotiating members who would have normally been working during contract negotiations shall suffer no loss in pay while involved in negotiations.
- a) Owner Operators shall be remunerated for out-of-pocket expense of a replacement driver while involved in negotiations. This provision will only apply to three (3) Union negotiating members representing Owner Operators.
 - b) For Hourly Employees payment will not include premiums such as overtime and shift differential. If a Data Entry Clerk is a member of the committee, he/she shall be paid \$0.50 per hour in lieu of the one-half cent per entry premium. This provision will only apply to four (4) members representing Hourly Employees.
- 1.25 **The parties commit to address mutual concerns and issues with quarterly labour/management meetings in both Edmonton and Calgary, and bi-annual meetings in all other Alberta branches.**
- 1.26 All storing, handling and delivering of merchandise or other goods and materials shall be carried on by the Company's Employees, members of the Union, in the categories covered in this Collective Agreement where such work is under the control of the Company.
- 1.27 **The Company shall not require, as a condition of continued Hourly employment, that an Employee purchase a truck, tractor and/or trailer or other vehicular equipment, or that an Hourly Employee purchase or assume any proprietary interest or other obligation in the Company business.**
- 1.28 **The Company shall not contract out any bargaining unit work or use any Lease Operator, or lease vehicle other than established in this Collective Agreement.**

ARTICLE 2: MANAGEMENT RIGHTS

- 2.01 The Union recognizes that it is the Company's right and exclusive function to manage and generally direct and operate its business activities to include:
- i) The right to:
 - a) hire, transfer, promote, demote, classify, layoff, suspend, discharge, or otherwise discipline Hourly Employees for just cause.
 - b) enter a Business Agreement (Schedule "B") with, reroute, or terminate the Business Agreement (Schedule "B") for just cause.
 - ii) The right to maintain order and establish and enforce just rules and regulations governing the conduct of Hourly Employees and Owner Operators.
 - iii) The right to reduce overtime hours wherever and whenever possible.
 - iv) The right to determine the products to be handled, the methods of handling and processing and related scheduling of personnel and operations.
 - v) The right to assign work by the most economical means available to the Company.
- 2.02 The Company agrees that these functions will be exercised in a manner consistent with the provisions of this Agreement.
- 2.03 The above clauses shall not deprive Hourly Employees or Owner Operators of the right to exercise the grievance procedures as outlined in this Agreement.

- 2.04 Management personnel will have the authority to hire, enter into business agreements, classify, promote, and demote, lay-off, suspend, discharge or otherwise discipline subject to the provisions of this Collective Agreement.

ARTICLE 3: GRIEVANCE PROCEDURE

- 3.01 It is the intention of the parties that this procedure provide a just and peaceful method of adjusting grievances and the parties agree to act in good faith in settlement of grievances in accordance with the provisions of this Article.
- 3.02 Any complaint, disagreement, or difference of opinion between the Company and the Union, Hourly Employees, or Owner Operators covered by this Agreement, which concerns the application or interpretation of the terms and provisions of this Agreement, shall be considered a grievance.
- 3.03 Any Hourly Employee, Owner Operator, member of the Union or the Company may present a grievance. A grievance concerning a dismissal, or termination of contract, shall be submitted at Step 3. A policy grievance filed on behalf of the Union or the Company shall be submitted at Step 3 of the grievance procedure.

Any grievance which is not presented within ten (10) working days following the event giving rise to such grievance shall be forfeited and waived by the aggrieved parties.

Where a grievance is **filed** by the Union or the Company **but** not processed within the prescribed steps or time limits, it shall be considered dropped and all rights of recourse will be forfeited.

Employees or Owner Operators who have completed probation shall only be disciplined, suspended, or discharged for just and reasonable cause. All disciplinary action will be in writing. A copy of each disciplinary letter will be given to the Chief Shop Steward or designate. All investigations and subsequent discipline will be carried out as expeditiously as possible.

- 3.04 Any Hourly Employee or Owner Operator having a complaint may orally discuss the matter with a Supervisor. Should such discussion not result in a satisfactory resolution of the problem, the following steps will be followed:

Step 1: The Hourly Employee or Owner Operator and his/her Shop Steward shall submit his/her formal grievance in writing to his/her immediate Supervisor, who shall reply in writing within **five (5)** working days. If a satisfactory settlement cannot be reached, or if there is no supervisory position at the Branch then;

Step 2: Within **seven (7)** working days of receiving the decision under Step 1, or in the absence of a Supervisor, the Hourly Employee or Owner Operator with his/her **Chief Steward or designate** shall submit the grievance in writing to the Branch Manager or Hub Operations Manager, who shall give his/her reply within **seven (7)** working days in writing. If a satisfactory settlement cannot be reached, then;

Step 3: Within ten (10) working days of receiving the decision under Step 2, the grievance shall be referred to the local **representative** who shall submit it to the **Regional Operations** Director or designate in writing. If requested by either party, a meeting will be held to discuss the grievance and the National Representative may be present at this meeting. The **Regional Operations** Director or designate will reply within **seven (7)** working days.

If a satisfactory settlement cannot be reached within **twenty (20)** working days, then the grievance may then be referred to a single Arbitrator as established in Article 4 of this agreement.

3.05 The time limitations prescribed in Article 3 may be extended, but only by mutual consent of both parties in writing.

3.06 Where a decision with respect to such grievance other than one for unpaid wages/invoices is not rendered by the appropriate Company Officer within the prescribed time limits, the grievance will **automatically be escalated to Step 3.**

When the appropriate officer of the Company fails without valid reason to render a decision with respect to a claim for unpaid wages/invoice amount within the prescribed time limits, that claim will be paid within three (3) working days if the claim is greater than one (1) day's pay/invoicing. The application of this rule shall not constitute an interpretation of the Collective Agreement.

3.07 **The following procedures will apply when discipline is contemplated.**

- (a) **The employee will be notified of the charges as soon as the Company is prepared to present them. The Unit Chairperson shall be notified at the same time.**
- (b) **When the Union and the employee(s) are notified of the charge(s) as per 3.07 (a) above, an investigation into the allegations shall be scheduled within five (5) calendar days (excluding Saturdays, Sundays and Statutory Holidays) of the charge(s) being presented.**
- (c) **When possible, the Union and the employee will be given at least twenty-four (24) hours notice of the hearing and in addition will be given a complete outline of all charges and evidence known at least twenty-four (24) hours prior to the hearing. After the initial hearing, further evidence relevant to the investigation or issues in dispute will be provided within twenty four (24) hours of the company becoming aware of such evidence.**
- (d) **The employee may be held out of service for serious incidents, pending an investigation, until the time of the hearing. In determining whether to hold the employee out of service, the Employer will consider the nature of the alleged infraction(s). A decision to hold an employee out of service without pay is subject to the grievance procedure after either discipline is levied or the file is closed. If it is determined there was no just cause to be held out of service, he/she will be paid for all time held out of service for an Hourly Employee, or, all lost income for an Owner/Operator. Such payment will be made within three (3) working days.**
- (e) **A Steward or designate will be present at the investigatory hearing along with the employee.**
- (f) **Any known witnesses and/or known evidence will be called by either party at the hearing and such witnesses will be paid for their attendance at applicable rates.**
- (g) **A decision will be rendered by the company within seven (7) calendar days following the hearing.**
- (h) **Either party may request an extension of the time limit(s) outlined above and**

such requests shall be in writing and shall not be unreasonably withheld.

(i) Violations of this procedure may render any resulting discipline null and void.

- 3.08 Any Hourly Employee or Owner Operator shall be allowed to inspect his/her own file in the presence of the Company, during normal business hours. Any officer of the Union, on behalf of the Hourly Employee or Owner Operator, may accompany the Hourly Employee or Owner Operator to inspect his/her own file subject to the written authorization of the Hourly Employee or Owner Operator.

With the Hourly Employee/Owner Operator's consent the Company will forward relevant information from an Hourly Employee's/Owner Operators file as requested to the Local Chairperson.

- 3.09 A copy of all disciplinary notices to any Hourly Employee or, contract violations, contract terminations, or warnings to any Owner Operator covered by this Agreement shall be forwarded to the Union Chief Steward for perusal.
- 3.10 Any reprimand notices or disciplinary measures will be withdrawn from the Hourly Employee's/Owner Operator's file after one (1) year except if there is a recurrence of a same or similar infraction within that one (1) year. Documents concerning a criminal or civil offence will be retained on file indefinitely, and may affect continuation of the Business Agreement. Discipline on matters affecting driving records will be withdrawn after two (2) years.
- 3.11 Any meeting necessary to comply with the formal grievance provisions of this Article will be held during normal working hours at no loss of pay to Hourly Employees or Owner Operators concerned. The Shop Steward/Local Chairperson shall be compensated at his/her regular rate of pay for all time spent in excess of fifteen (15) minutes.
- 3.12 Any Hourly Employee or Owner Operator subject to discipline will have the attendance of his/her Union representative. The Company will arrange for a representative to be present. If the Hourly Employee or Owner Operator does not want a Union Representative present, the Hourly Employee or Owner Operator will sign a waiver stating that they have waived their rights to Union representation.

No Hourly Employee or Owner Operator shall be required to enter the offices of a Supervisor for disciplinary purposes or receive a letter of warning from the same without the presence of a member of the Grievance Committee (i.e. Shop Steward or Local Chairperson).

ARTICLE 4: ARBITRATION

- 4.01 Failing a satisfactory settlement of a grievance at Step 3 of the grievance procedure, either party may request that the matter be referred to arbitration. Such notification must be made in writing within twenty-eight (28) calendar days of the decision being given at Step 3.
- 4.02 A single Arbitrator will be designated by mutual agreement of the Company and the Union.
- 4.03 Selection of the Arbitrator will be made within fourteen (14) calendar days of receipt of notification of either party's desire to proceed to arbitration.

Failing agreement on the selection of an Arbitrator as set out above, the matter shall be referred to the Department of Labour, who shall appoint an Arbitrator.

The Arbitrator selected must, as a condition of engagement, be prepared to:

- a) Hear the matter within ninety (90) calendar days of the request.

- b) Render a decision within thirty (30) calendar days of completion of the hearing, unless, an extension is mutually agreed to between the Company and Union.
- 4.04 No person involved directly in the controversy under consideration shall be an Arbitrator.
- 4.05 The Arbitrator shall receive and consider such material evidence and contentions as the parties may offer, make such independent investigations as it deems essential to a full understanding and determination of the issue involved. In reaching a decision, the Arbitrator shall be governed by the provisions of this Agreement. The Arbitrator shall not be vested with the power to change, modify, or alter any of the terms of this Agreement.
- 4.06 The findings and decision of the Arbitrator on all arbitrable questions shall be binding and enforceable upon all parties.
- 4.07 The expense of Arbitration shall be borne equally by the Company and the Union.
- 4.08 All monetary grievances that are mutually agreed upon shall be paid the following pay period, either by a separate cheque, or, in the alternative, the Hourly Employee's/Owner Operator's regular cheque shall be accompanied by a written statement outlining the amount and the grievance settlement involved.
- 4.09 The calculation of the payment of monies for all monetary grievances shall be limited to the lesser of the period in question or forty-five (45) working days preceding the date of the grievance.
- 4.10 In the event an Owner Operator is terminated and a grievance is filed by the Union, the Company will cover the vacant route pending completion of the initial grievance process excluding arbitration.
- 4.11 The following Arbitrators will be added to the Collective Agreement and used on a rotation basis:
1. Richard Hornung
 2. Andrew Sims

ARTICLE 5: ANTI-HARASSMENT AND DISCRIMINATION

- 5.01 It is agreed by the Company and the Union that in carrying out their obligations under this agreement there shall be no discrimination, harassment, or stronger disciplinary action exercised or practiced with respect to an Hourly Employee or Owner Operator by reason of membership or activity in the Union, **or of a prohibited ground.**

All Hourly Employees and Owner Operators are expected to treat all persons with courtesy and consideration and must not engage in discrimination or harassment because of a prohibited ground contrary to the Canadian Human Rights Act (the "Act"), or as defined below.

Prohibited grounds are race, national or ethnic origin, bullying, colour, religion, age, sex, sexual orientation, marital status, family status, disability or conviction for an offence for which a pardon has been granted.

- 5.02 a) It is understood that both the Company and the Union shall cooperate in every way to reduce or eliminate any type of harassment in the workplace as per the Company Anti-Harassment and Discrimination policy.
- b) Harassment is in no way to be construed as properly discharged supervisory responsibilities including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual.

- c) **Complaint Resolution Procedure:** If an Hourly Employee or Owner Operator believes that he or she has been harassed and/or discriminated against on the basis of a prohibited ground of discrimination the Hourly Employee or Owner Operator may:
- i) Tell the person involved as soon as possible, how you feel, and request that he/she stop the conduct you find offensive.
 - ii) If you feel uncomfortable approaching the person, or if the harassment continues, bring the incident forming the basis of the complaint to the attention of the Manager of Human Resources and/or the National Representative or Local President. Be prepared to provide a written summary of your complaint.
 - iii) The parties will review the complaint and where warranted, will strike a committee and carry out a joint investigation.
 - iv) The joint committee will consist of equal members of Management and the Union. The actual composition of the joint committee will be determined by the parties on a case by case basis.
 - v) It is the intention of the Company and the Union that where practical, the joint investigation will begin within five (5) working days of the lodging of the written complaint and shall be completed within fifteen (15) calendar days after the lodging of the written complaint.
 - vi) All matters brought before the committee will be dealt with in as confidential a manner as possible.
 - vii) Any complaint not resolved through this process may be addressed by the Union pursuant to Article 3.
- d) Anti-harassment and discrimination training will be provided to Management, Union representatives and will be delivered to all Hourly Employees and Owner Operators. The training will be the CAW program with the Company bearing the full costs.

5.03 Any findings by a joint committee shall be used only to determine whether a situation or offence has actually occurred and not to determine any form of discipline.

ARTICLE 6: WORK CONDITIONS

- 6.01 The Company agrees to maintain at its terminal clean and sanitary washrooms, having hot and cold running water with toilet facilities available to all Union Members.
- 6.02 Lunchrooms - The Company shall allow the Union to provide soft drink, coffee and similar vending machines, on the Company's premises, subject to approval of the Company as to location.
- 6.03 **Where lunchrooms are provided for use by all employees, the Company shall ensure the area is clean and properly ventilated. Maintenance of these areas will be the responsibility of the Company, however, all employees agree to observe common courtesy, manners and rules of cleanliness in the use thereof.**
- 6.04 Automobile plug-ins wherever installed shall be available for Union Members use.
- 6.05 Where necessary to comply with Transportation of Dangerous Goods Regulations, the Company will have showers at the Edmonton, Calgary, and Red Deer Branches.

- 6.06 The Company shall not be responsible for the loss, damage or destruction of Employee's personal property while such property is on the Company's premises, in vehicles or equipment, or in use on Company's business.

ARTICLE 7: UNIFORMS

- 7.01 It is imperative for the employees to protect the brand and the image of DHL Express Canada. Therefore the wearing of company issued uniforms is mandatory for employment, and a condition of maintaining a business agreement.
- a) All relief drivers shall be uniformed. The Company will pay for the DHL Express globally authorized quantity of uniforms for all Owner Operators, Hourly Drivers, and one relief driver per year. If more than one relief driver is used during the year the cost of providing uniforms for these relief drivers shall be at the Owner Operator's expense.
 - b) The Company will provide Clerical Employees with smocks where required in the performance of duties.
 - c) Any Employee working in the warehouse will be supplied with three (3) pairs of coveralls. Coveralls and gloves will be provided on a replacement basis. Where extreme working conditions warrant the use of insulated coveralls such reasonable requests shall not be withheld.
 - d) Loaders and Warehousemen will be provided with a uniform if they are required to wait on customers. Warehousemen will be allowed to wear shorts provided they conform to company requirements, and providing they supply same at their own expense.
 - e) All uniforms are and will remain the sole property of the company. All uniforms shall be returned to the company upon termination of employment and when requesting replacements. Upon the relief driver's leaving, it will be the responsibility of the Owner Operator(s) to recover the uniform and return it to the Company.
 - f) Alterations will be paid for by the Company for all alterations that are required for uniforms that do not fit at issue. All other alterations shall be the responsibility of the wearer.
 - g) The Hourly Employees and Owner Operators will be expected to properly care for and to keep all uniforms in good repair and condition at the employees' expense.
- 7.02
- a) It is a condition of employment that safety boots or shoes be worn where required and as such, the Company will pay all employees an amount of \$120.00 (one hundred and twenty dollars) per year for the expressed purpose of purchasing the required footwear.
 - i) **For full time, part time employees and Owner Operators, funds will be paid through payroll in January of each year.**
 - ii) **Casual employees will be required to submit a receipt for reimbursement, or where possible, to present a company issued purchase order or voucher to an approved vendor for purchase on a corporate account. Reimbursement by receipt will occur on the next available payroll.**
 - iii) The Company will replace safety shoes or boots irreparably damaged in the course of the Employee's duties.
 - iv) Said footwear must be black or brown.

b) Warehouse persons must provide their own safety boots during the probationary period at their own cost. Upon successful completion of the probationary period, the company will refund the **cost based on the prorated value from the date of hire of the yearly maximum established above. Reimbursement will be made on the next available payroll.**

c) For the year Canada globally uniforms for Operators shall

Summer Polo Shirt	5
Summer Pants	3
Bermuda Shorts	2
Winter Jacket	1
Wind Stopper	1
Winter Pants	3
Polo Long Sleeve Shirt	3
Turtleneck	1
Light Rain Jacket	1
Ball Cap	1
Belt	1
Winter Cap	1

2006, the DHL Express authorized quantity of Hourly Drivers and Owner include:

ARTICLE 8: SENIORITY

8.01 The purpose of seniority is to provide a policy governing preference **for layoffs, postings, bumping** and recalls. Each Union member will establish a Company seniority date. **Where two or more employees are hired on the same day the order of seniority amongst them shall be determined by the employee's surname alphabetically.**

For Hourly Employees **and Owner Operators**, company seniority means the length of continuous service in the bargaining unit, since the employee's **or Owner Operator's** last hiring.

The following Groups are recognized for the purposes of **Company Seniority exercised within a group as provided for by this agreement:**

- a) Warehouse/Hourly Driver
- b) Clerical
- c) Owner/Operators

8.02 The Company will issue and post a seniority list in each Branch showing position held and Company seniority for all Union members at the Branch or Depot. This list will be renewed every four (4) months with copies to the Shop Stewards, **Local Union Office and** Local Chairperson.

- 8.03 Any Union member may contest the seniority list by submitting his/her appeal in writing to the Company and the Union, within thirty (30) working days following its posting date. Where proof of error is shown, the seniority list will be corrected as agreed on. Afterwards, the list shall become official. There may be an exception to the above-mentioned rule in the event that an Hourly Employee or Owner Operator is absent for a period of at least thirty (30) days following the posting of the seniority list.
- 8.04 For the purposes of seniority, all existing and future locations in Edmonton and in Calgary will be considered one (1) branch in each of the respective cities.

ARTICLE 9: HEALTH & SAFETY

9.01 Company Duties:

The Company shall institute and maintain all precautions to provide every Hourly Employee and Owner Operator a safe and healthy workplace. The Company shall comply in a timely manner with the Canada Labour Code, its regulations, codes of practice, and guidelines and all relevant environmental laws, regulations, codes of practice and guidelines. All standards established under the laws shall constitute minimum acceptable practice. The Joint Health and Safety Committee shall be known throughout the following Articles as the "Committee."

9.02 Joint Health and Safety Committee:

- a) The Company and the Union agree to maintain the established Joint Health and Safety Committee in accordance with Canada Labour Code, its regulations, codes of practice and guidelines. Committee membership shall constitute an equal number of Company and Union representatives. Where there are insufficient volunteers from the Union membership for this committee, Shop Stewards and other elected representatives from the Union, who are Hourly Employees or Owner Operators, will be required to attend the meetings.

The Health and Safety Committee shall meet monthly and the minutes of the meeting will be posted, and copies sent to the Local 4050 President, the Manager and the Health and Safety Manager.

- b) Two co-chairpersons shall be selected from and by the members of the Committee. One of the Co-Chairpersons shall be a Union member chosen by the Union members of the Committee. The other Co-Chairperson shall be a Company member.
- c) During all absences of the Union Co-Chairperson, the Company shall recognize an alternate Co-Chairperson designated by the Union.
- d) The Committee shall assist in creating a safe and healthy place to work, shall recommend actions which will improve the effectiveness of the health and safety program, and shall promote compliance with appropriate laws, regulations, code of practice, and guidelines. The Company shall consider recommendations of the Committee.

9.03 All dangerous conditions; workplace injuries and motor vehicle incidents shall be investigated by a Union member of the Joint Health and Safety Committee or a designate in conjunction with the Company. If a Committee member determines that dangerous conditions exist, the Committee member will utilize the Internal Complaint Resolution Process to seek resolution.

9.04 No Hourly Employee or Owner Operator shall be disciplined for acting in compliance with the Canada Labour Code and its regulations. An Hourly Employee or Owner Operator may exercise his/her right to refuse unsafe work. There shall be no loss of pay during the period of refusal providing the individual performs other duties within his job classification as directed by the Company if such work is available.

- 9.05 It is the responsibility of the Company and its Union members to notify the appropriate authorities if there is a reportable release of a hazardous substance to the air, land or water systems. Said notification is to be according to conditions of the applicable acts and regulations. No Union Member shall be disciplined for performing this duty.
- 9.06 Through the joint safety committees at location, the Committees will review the first aid requirements to determine the most appropriate standards in keeping with regulatory requirements.
- 9.07 Hourly Employees and Owner Operators will not be required to handle articles which can readily be considered as inadequately packaged. The Union member must immediately report such items to his/her Supervisor.
- 9.08 Hourly Employees and Owner Operators involved in an accident will be notified by the Safety Committee, through the Company, whether the accident was preventable or non-preventable.
- 9.09 Hourly Employees shall be paid for all time lost during the investigation period relating to an accident in which that Hourly Employee was not at fault.
- 9.10 The Company will include the Union in the development of the Partners in Injury Reduction Program and its implementation through the Workers' Compensation Board.
- 9.11 The Company will work with the Union on a joint advisory basis regarding the Company's modified work program and the Company will make its best efforts to resolve any concerns the Union has with the modified work program.

- 9.12 Substance abuse is recognized to be a serious medical and social problem that can affect Employees and Owner Operators. The Company and the Union have a strong interest in encouraging early treatment and assisting Employees and Owner Operators toward rehabilitation.**

The Company will continue to provide a comprehensive approach to dealing with substance abuse and its related problems. Company assistance will include referral of Employees and Owner Operators to appropriate counseling services or treatment and rehabilitation facilities.

The Company also provides other services in conjunction with existing company policy and EAP program.

- 9.13 a) **The Union and the Company will immediately form an Ergonomic sub-Committee of the Health and Safety Committee composed of the Unit Chair, the Union Co-Chair of the Health and Safety Committee, and at least two (2) additional Union representatives and an equal number of Company representatives. This Committee will meet on paid time at applicable rates at least four (4) times per year.**
- b) **The Ergonomic sub-Committee and the OH&S Committee will address ergonomic concerns and training on an ongoing and priority basis and will work progressively toward improving the workplace/employee and Owner Operator interface. When an ergonomic concern is beyond the scope and/or expertise of the OH&S Committee members, appropriate external consultants shall be used.**
- c) **The Ergonomic sub-Committee and the OH&S Committee will develop an ergonomics checklist which shall be used in job station designs and/or for the introduction of new processes and procedures.**

ARTICLE 10: TRAINING

- 10.01 The Company will pay 100% of course fees for any accredited defensive driving course and/or industrial first aid course taken and successfully completed by the Hourly Employee or Owner Operator and approved by the Company.
- 10.02 The Company may request the Hourly Employee or Owner Operator attend a defensive driving course.
- 10.03 From time to time, Hourly Employees and Owner Operators will be required to attend training courses and/or educational meetings outside of scheduled hours. The Company will provide two (2) weeks notice of such meetings. On such occasions, attendance is compulsory (in other words, as if scheduled) for Owner Operators.

When these hours fall on a scheduled work day,

- a) Hourly Employees shall be paid at time and a half (1.5) of their hourly rate within their classification except if it is a continuation of a shift and does not carry the hourly employee into an overtime position.
- b) The Owner Operator will be paid as the regular Courier Driver at a straight-time hourly rate of pay for all hours spent in training, or the out-of-pocket expense of a replacement driver, whichever is applicable. For all hours after a normal days work, the Owner Operator shall be paid a rate of **time and ½ (1.5) top rate Courier Driver classification.**

When these hours fall on a non-scheduled work day,

- a) The Hourly Employee will be paid a minimum of four (4) hours pay at straight time within their designated classification except if it is a continuation of a work week which carries the hourly employee into an overtime position.
- b) Training on an Owner Operator's day off shall be avoided, however, where such training is unavoidable, the Owner Operator will be paid a minimum of four (4) hours of pay at **time and ½ (1.5) top rate Courier Driver classification.**

- 10.04 Hourly Employees working split shifts shall be paid time and a half (1.5) for all hours spent training during their split if the total hours required for training puts the employee in an overtime position.
- 10.05 The Company will ensure that each and every Driver is properly trained to meet his/her full responsibilities and duties, including training as required by dangerous goods regulations.
- 10.06 New Employee Orientation:
- a) The Company shall provide a minimum one hour paid orientation for every new Hourly Employee and Owner Operator at their applicable rate prior to their first shift.
 - b) The Company shall also provide each new Owner Operator three (3) continuous days paid training at the commencement of their employment when required.
- 10.07 Hourly Employee Cross Training:

The Company agrees to institute a training program in the Edmonton and Calgary branches only to provide relief for Vacation, WCB, STD, LTD, and Emergency situations.

The training program shall be administered in the following manner:

- 1) During the first six (6) months following ratification of the Collective Agreement, the Company shall post a list of positions that require relief, and, employees who wish to be trained shall signify their intention by posting their name on a training list.
- 2) Employees shall be chosen by seniority on the list and trained on the positions requiring relief for a maximum of 5 days at their current classification rate.
- 3) An Employee, who is trained on a relief position and certified by his/her Supervisor, must work in the relief classification he/she posted to be trained on and will not be permitted to decline work in the relief positions for a period of twelve (12) months unless for a bonafide reason. The Employee shall provide the Company with as much notice as possible.
- 4) When the Employee is transferred to the new positions for relief purposes, he/she shall be paid at the relief position classification rate.
- 5) The Company shall post a list of positions requiring relief on a six (6) month basis when required.
- 6) This article shall not limit or impinge on the rights of Employees to attain extra hours as per the existing Collective Agreement or for the need to train Casuals provided that the Employee meets his/her obligations to work in the relief positions schedule when required.

ARTICLE 11: DEFINITIONS

- 11.01 **Seniority** - the length of continuous service in the bargaining unit since the Union Member's last hiring according to the provisions of clause 8.01. There is no allowance for service acquired before actually joining DHL Express Canada.
- 11.02 **Courier Driver / 3-5 Ton Driver** - **A regular scheduled hourly Employee who holds a posted position as a defined route or who performs cleanup work.**
- 11.03 **Regular Full-Time Employees** - For the Warehouse/Hourly Driver Group, any Employees regularly scheduled to work forty (40) hours per week shall be considered full-time Employees. For the Clerical Group, any Employees regularly scheduled to work thirty seven and one half (37 ½) hours per week shall be considered full-time Employees.
- 11.04 **Regular Part-Time Employees** - Part-time Employees shall be those who work on average less than forty (40) hours and not less than twenty (20) hours per calendar week at the rate established for their respective classifications (subject to B7.02(b)).
- 11.05 **Casual Workers** - Casuals may be employed to relieve positions normally occupied by regular or part-time Employees who are absent from work for any reason. Casuals will be utilized to perform work outside of scheduled work periods and during overload or peak periods of activity, but shall not be used to circumvent the hiring of regular full-time or part-time Employees. Clauses 1.09 and 1.10 are applicable to casual workers.
- 11.06 **Relief Driver** - A regularly scheduled **hourly** Employee who is assigned to various routes as required **to cover absent hourly drivers or Owner Operators. These positions shall be posted as per the Collective Agreement and shall be awarded based on required knowledge and qualifications. Where such knowledge and qualifications are reasonably equal seniority shall prevail.**

There shall be a minimum of one position in Calgary and Edmonton.

The parties agree that the persons listed below will be green circled at the previous "Lead Driver" rate should they not secure a Relief Driver posting.

- 1. Dan Vincent**
- 2. Rick Haddow**
- 3. Tammy Barrett**

- 11.07 **Position** - The assignment held by an Employee which in the case of regular drivers includes the regular route that an Employee normally works.
- 11.08 **Sorter Marker** – a regularly scheduled Employee who performs internal marking on freight and internal and external mail. This would apply to employees working in Edmonton and Calgary.
- 11.09 **Warehouse/Customs Specialist** – a regularly scheduled Employee who expedites the clearance of all inbound shipments.
- 11.10 **Owner Operator** - A Dependent Contractor who holds a valid Business Agreement (Schedule B) for services with the Company and is subject to the terms and conditions of that agreement.
- 11.11 **Business Agreement** - An agreement, between the individual Owner/Operator and the Company, which details specific terms, conditions, and methods of payment, for services provided (Schedule B).
- Where a dispute arises in language interpretation between Collective Agreement and the Dependent Contractor's Business Agreement (Schedule B), the Collective Agreement interpretation will prevail.
- 11.12 **Stop** - The process of physically entering a business premise, or going off route, to carry out a transaction or transactions.
- 11.13 **Swamper** – an individual that assists an Owner Operator in performing his/her route responsibilities. The swamper may work alongside the Owner Operator, but is not authorized to perform delivery and pickup work on behalf of the Owner Operator.

ARTICLE 12: DURATION OF AGREEMENT

- 12.01 This Agreement shall be in full force and effect from and including **October 1, 2008** to and including **March 31, 2013** and shall continue in full force and effect from year to year thereafter, subject to the right of either party to this Agreement within four (4) months immediately preceding the expiry in any year thereafter by written notice to require the other party to commence collective bargaining with the view to conclusion or renewal of a Collective Agreement or a new Collective Agreement.

ARTICLE 13: UNIT CHAIRPERSON

The Union will select and the Company shall recognize, a full-time Unit Chairperson who shall be a DHL employee. The Unit Chairperson shall attend to Union business as required and as necessary for the administration of the collective agreement and shall be given free access to all branches and depots and the Union office for these purposes. The Unit Chairperson shall be permitted to attend all meetings related to bargaining unit members if requested. The Unit Chair shall not be laid off or have any reduction or freezing in hours, pay, seniority or any other benefit during their term of office.

The Company agrees that such Unit Chair shall receive all existing benefits and pension as per

classification the amended agreement and shall also receive one hundred and twenty percent (120%) of the top hourly P&D non heavy equipment driving wage rate based on forty (40) hours per week.

If the Unit Chair is an Owner Operator they shall be allowed to either retain their run with a relief driver or elect to give up their run.

Employees and Owner Operators holding a the Unit Chairperson position who are away from their workstation for a minimum period of six (6) months to fulfill these functions, will receive, if needed at the time of their return to work, sufficient on the job training in line with the training requirements of their classification and position in order to be re-familiarized and to perform their tasks adequately.

Should the Local Unit Chairperson be sent back to the regular work force by way of being removed by the Union or if they are not re-elected then the person may bump as per the collective agreement if they are a former hourly employee. Should the Local Unit Chairperson be a former Owner Operator then they shall assume their former position if they had elected to cover that route with a relief driver or elect to be placed on layoff status until a position comes open at which time they may exercise their rights as per the posting and seniority procedures.

The initial Local Unit Chairperson (or their replacement should that person quit or leave office) shall be elected from and by the existing CAW bargaining committee. Beginning in 2013 and all times after that the Local Unit Chairperson shall be elected from the broader membership in a way as devised by the Local Union.

The Company will provide the Union with an office space and facilities at either Edmonton or Calgary for the exclusive use of the Local Unit Chairperson or authorized Union officers and representatives. The Company will provide filing cabinets, desk, chairs, a phone line, and a secure high speed internet connection for the non-private use of the Union in this office.

The Local Unit Chairperson must work out of one of the two cities above but any employee may run for the elected position when it comes available.

The Local Unit Chairperson must fulfill all of the obligations and expectations as set out by the Local and National Union in regards to this position. The Local Unit Chairperson shall report directly to the CAW Local Union Representative, Local President and or National representative. The Local Unit Chairperson shall also be required to document their activities so as to provide updates to the Company. The Local Unit Chairperson shall be subject to all requirements of the CAW Constitution.

LETTER OF UNDERSTANDING

- BETWEEN -

DHL EXPRESS (CANADA) LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

- AND -

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)
LOCAL 4050**
(HEREINAFTER REFERRED TO AS THE "UNION")

PAID EDUCATION LEAVE

The Company agrees to pay a total of \$25,000.00 per year into the Paid Education fund, for each year of this agreement. This money will be paid in quarterly installments into a trust fund established by the National Union, CAW – Canada. This total annual payment reflects monies for both the Hourly Employees and Owner Operator groups.

The Company further agrees that members of the bargaining unit, selected by the Union to attend such courses, will be granted a leave of absence without pay for twenty (20) days class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Hourly Employees on said leave of absence will continue to accrue seniority and benefits during such leave.

LETTER OF UNDERSTANDING

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DHL EXPRESS (CANADA), LTD.
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AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)**
(HEREINAFTER REFERRED TO AS THE "UNION")

PAID UNION TIME

Effective December 14, 2005, the Company agrees to pay:

- 1) Ten cents (\$0.10) per service day per Owner Operator and
- 2) One cent (\$0.01) per hour per hourly employee for all compensated hours

for the purpose of providing paid union time. Such monies will be paid to Local 4050 on a quarterly basis.

These funds will be held in trust by CAW Local 4050 and shall be used for the sole purpose of the payment of legitimate expenses incurred by the Local Unit Chairperson (except those expenses covered by Article 1.15) as authorized by the Local President or Local Service Representative. The Local Unit Chairperson shall be paid by Local 4050 through this fund when expenses' are submitted on the appropriate Local 4050 expense form, such payments shall conform to the Local Union Bylaws and or Policies.

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VEHICLE SECURITY POLICY

Outlined below are the vehicle security procedures that will be followed by Owner Operators and Hourly Drivers:

- Vehicles used in the transport of shipments must have secure doors (front, side and rear and roll-up doors).
- Vehicles must be locked at all times when shipments are being transported.
- Custodial control of the shipments while on route shall be the responsibility of the Owner Operator or hourly driver.
- Vehicles shall be locked at all times when unattended.
- Cargo vans require a pad lock on the back door and the Owner Operator is responsible to ensure this occurs and the lock is used.
- Cargo located on loading docks or ramps shall not remain unattended; where this is not feasible, the driver will inform the company.

LETTER OF UNDERSTANDING

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LINEHAUL

The Company commits to assessing all line haul lanes in Alberta to establish the most cost effective manner of operation.

Should line haul routes in Alberta become bargaining unit work in the future, the parties agree to meet and establish rates and language at that time.

LETTER OF UNDERSTANDING

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**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
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SURVEILLANCE AND SEARCHES

It is agreed that the Company will not use video surveillance to monitor performance. Access to video surveillance material will be restricted to a small number of Company officials.

In addition to the above, the Company is committed to submitting its current Internal Investigation policy (dated 01-01-05, revised on 09-13-05, number ED-15) to its legal counsel within ninety (90) days of ratification to ensure that it is in compliance in policy and practice with all applicable legislation and regulations relating to surveillance and searches of employees including but not limited to the *Criminal Code of Canada*, the *Personal Information Protection and Electronic Documents Act (PIPEDA)*, and the *Canada Labour Code*.

The Union has raised the following concerns and, without limiting the generality of the foregoing, the Company has committed to having these concerns reviewed by its legal counsel and senior national Management:

1. The Red Pass program is not random either in planning or in execution and is potentially in violation of the above-noted policy.
2. The Union raised the concern that the red pass sticker on personal belongings such as cell phones and MP3 players was an unnecessary step and that the sticker was not entirely secure.
3. The Union suggested that an area outside the secure zone be created for employees who did not want their personal belongings subject to a random search. We suggested a bank of lockers or something similar for the use of employees.
4. The Union requested clarification on what tasks related to security will be delegated to be handled only by DHL Management versus by DHL contracted security staff. For example, if an investigation commences, Management would normally bring in a Union Steward. There have been no clear guidelines given in this area.
5. The Union requested some parameters on the declared intention to search internal bags including guidelines on when such a search might be requested, in what area would it be conducted, and on how Union representation and pay issues might be handled.
6. The DHL policy contemplates "requesting the employee to lift his or her upper garments to expose the waist band area" and that "employees who refuse a clothing search will be subject to disciplinary action up to and including termination." The Union raised concerns that such intimate searches are not permitted by anyone other than law enforcement officials under the correct circumstances as set out in law.

After its legal counsel and senior Management have reviewed the policy and the above issues, the Company will meet with the Union to discuss the findings and any proposed changes to the policy and practice prior to implementation. Disagreements will be handled through good faith discussion prior to either party advancing a grievance on the policy.

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SENIORITY

During the 2008/2009 bargaining process the parties agreed to change the seniority provisions of the collective agreement so as to establish a permanent Company seniority date for all current Casuals and future Employees.

In order to facilitate these changes, as of the date of ratification the casual hours seniority list will be frozen and the casual employees on that list will be assigned that date as their permanent Company seniority date, but will be placed in specific order of seniority by the hours that they have worked.

Existing Owner Operators, part-time and full-time Employees will retain their existing seniority date.

Any Employee or Owner Operator hired after that date will be assigned their date of hire as their Company seniority date.

NEW LETTER OF UNDERSTANDING

Summary of principles between DHL Canada and CAW Canada (Alberta)

During the latest round of negotiations in DHL proposed a number of changes to deal with massive losses that have occurred in different parts of the business.

The Parties have spent an extensive period of time discussing these issues and looking for solutions. It is recognized that each part of the country has its own uniqueness and the Company and Union agree to the following principles to be used as a guideline when the local bargaining committees resume discussions towards reaching a collective agreement.

Therefore the following items are in general agreement and will be part of a settlement in each location when the parties have an opportunity to deal with the local issues and other items that are raised during the course of the collective bargaining process.

1. Contracting Out

During the 2008 / 2009 collective bargaining, the Company advised the Union that it plans to restructure the business across Canada and tabled a list of locations that it intended to close or discontinue service with a plan to third-party / contract out these locations.

Whitecourt	Brooks	High Prairie
Peace River	Manning	Slave Lake
Athabasca	Hinton	Edson
Bonnyville	High Level	Vermillion (partial)

The Union recognizes that the express business is under severe pressure; however, any restructuring must be done ensuring that employees are fairly compensated for a layoff / termination from the Company as a result of this restructuring based on the provisions below. The Union also reserved the right to put forward an alternative strategy for future locations, and, if it can be demonstrated that such a strategy is viable, then the Company will consider such alternative.

The restructuring period will be in effect until all facilities identified to the Union have been closed down.

The following procedure will apply when a restructuring (facility closures or contracting out) is to be considered:

- (a) The Company will notify the Unit Chair or President of the Local Union and the National Representative in writing stating the reasons for such action.
- (b) The Company commits to continually monitor all contracted out work and agent usage to determine the economic viability of having the work transitioned back to the DHL brand and DHL employees and/or Owner Operators. The Company also agrees that any work formerly performed by CAW members which is again performed by a DHL employee, or in a DHL branded or painted truck will immediately become covered again under the collective agreement. The Company agrees to provide relevant information to the Union in writing including the financials in order to allow the Union to investigate. The Company will also provide any financial information to the Research & Benefit / National Representative of CAW to ensure an informed evaluation can be made. The Union agrees to sign any necessary confidentiality documents to receive this information.
- (c) Within fifteen (15) days, the Company and the Union will meet to review all of the relevant information including the implementation of a viable strategy jointly or otherwise.
- (d) The Company has committed that no line haul, warehouse or clerical position will be contracted out.

Major Centre Parameters

The major centres listed below will not be contracted out in their entirety during the life of the Agreement and will be protected from contracting out as per the collective agreement and the provisions listed below.

If there is a major loss of business in a major centre listed below that requires change, the Company will first pursue its ability to reroute, abolish runs, and apply facility consolidation. If these measures are instituted and there are still problems, the Company may contract out a route or routes in each major centre up to a maximum of ten percent (10%) of the total province's number of Owner Operators at the time (calculated every anniversary) unless otherwise mutually agreed with the Union in writing. The Company will not use this percentage to close or contract out an entire facility identified below.

The Company will justify each move outlined above to the Union using the procedure outlined in item #1 above.

Any P&D contractor must load and unload their freight to their vehicle at a DHL Unionized facility. The Company is in agreement with the principle that our warehouse staff will prepare the loads and unloads and the language may need to be revised for any HQ loads. The intent is that no contractor shall perform warehouse work at DHL facilities.

Major Centres for Alberta - Calgary * Edmonton * Red Deer *

* These areas will be protected from a complete closure over the life of the Agreement.

2. Bumping

The Company respects the Union seniority principles as outlined in each collective agreement. The Union and the Company agree to cooperate fully in order to change areas of the collective agreement in reducing the domino effect of bumping and to hasten the process and limit it to a maximum disruption of five (5) days overall after the required information has been fully provided unless agreed to otherwise.

In restructuring initiatives and facility re-routes, the Company and Union agree to the principles noted above, as well as, working together to develop a single move of Union members (a paper bump).

3. Route Flex

The Company and the Union agree to adopt the language noted below from the BC agreement and to have it written into all collective agreements:

"In the event it is determined that the Owner Operator is unable to make a delivery(s) or pickup(s) in his or her area, Management reserves the right to assign these stops to surrounding routes in order to maintain customer service."

"The above is not to be used on an ongoing basis but rather is intended for one-off or short term situations."

It is further understood that the Company's position is that all hourly rated Driver positions shall be flexible, in accordance with the operational needs of the Company and the service levels to our customers. It is also understood that seniority will be respected in the application of this clause.

4. Three (3) Hour Minimum

It is agreed by the parties that the application of the casual language regarding minimum hours of work as applied in the Alberta CBA (casual warehouse) shall be applied in all collective agreements subject to current Local practices as to type of work performed.

Work Assignments - General

In the event that employees have not finished assigned work within their scheduled shifts or volunteered for extra work, employees will be required by reverse seniority to remain on shift until all work has been completed or they have been permitted to depart the work site by the Supervisor or Manager.

5. Payment Methodology for Owner Operators

The Company presented a new payment system for Owner Operators as it believes that the current system does not meet the needs of the Company or the Owner Operators.

The new payment methodology as outlined below will be implemented within sixty (60) days of ratification. The current fuel escalation formula outlined in each collective agreement shall remain in full force and effect. The Unit Chair and two (2) Owner Operator representatives selected by the Union from each province will form a Committee to be consulted on paid time on the implementation of the new methodology and to address any issues arising in an effort to make the transition as smooth as possible.

In addition, the Company commits to extensive monitoring of this payment process and agrees to consult with individual Owner Operators on any and all issues that negatively impact their individual payments.

The parties will ensure that a minimum bi-weekly guarantee of two thousand dollars (\$2000) will apply to all Owner Operators provided this amount is greater than any guarantees already in place.

The Company commits to guarantee that at least eighty percent (80%) of all Owner Operator routes by location shall earn at least the same earnings on the route compared to current methodology in each agreement.

It is understood that the Company intends each route to be completed within ten (10) hours excluding lunch and breaks under the new payment methodology. Once new routes are implemented, the Company will not reroute an Owner Operator unless there are verifiable service failures within a route, as a result of decreased volumes, or a consistent failure to meet time definite or day definite services.

Owner Operators may request a route review at any time and these requests will be handled on an expedited basis through the following procedures:

- A Supervisor or Manager must arrange for a route ride-along or follow along within seven (7) working days of the request being received.
- Any agreed-upon adjustments to rates, volume, stops, or area will be retroactive to the date of the request for a route review.
- The Company will ensure that a team of senior Management from the Operations Department is assigned on an ongoing basis to assist in speedy resolutions of disputes arising out of requests for route review.

6. Severance

The severance benefits outlined in this document is a one time offer to Owner Operators and hourly employees for closures, contracting out, facility consolidation, and re-routes as per severance listed.

Severance benefits identified in each region's CBA may be nullified with the acceptance of this offer based on discussions in local bargaining where it can be shown that the overall total of severance provided under this Agreement meets or exceeds the severance in each Agreement. Situations falling outside of the current restructuring / rerouting initiatives of the Company are not intended to be captured in this understanding.

Hourly Employees

If the termination is as a result of a closure or contracting out of an area or abolishment of hourly driver runs due to closure, facility consolidation or contracting out, then the Company agrees to offer severance pay based on the following:

- Two weeks per year of service (prorated) based on forty (40) hours per week at straight time for full time status employees on date of ratification. Severance for part-time employees shall be based on average earnings for the previous twelve (12) months active paid earnings.
- Extended benefits – Company will continue to provide benefits as per Company policy with salaried personnel for six (6) months following date of termination.

Owner Operators

Initial Restructuring and Reroutes

Under the initial major restructuring reroutes - \$11,500 total for 10+ years in a reroute, \$8000 total for 5-10 years in a reroute, and \$4500 total for 5 years and under in a reroute.

Other Initial Restructuring

Under the current major restructuring, those Owner Operators impacted by a facility closure, contracting out, facility consolidation will be paid severance calculated at two (2) weeks per year of service (prorated) at fifty (50) hours per week based on the straight time hourly P&D driver rates per region. This formula will also be offered to any re-route in an area already listed on the restructuring lists provided to the Union during the week of January 19-23, 2009.

Further Re-Routes

Owner Operators affected by a reroute after the initial major restructuring will be paid severance of \$10,000 total for 10+ years in a reroute, \$7000 total for 5-10 years in a reroute, and \$4000 total for 5 years and under in a reroute. This clause shall be in effect for two (2) years after the date of ratification of each collective agreement.

Further Restructuring

Those Owner Operators impacted by a facility closure, contracting out, facility consolidation will be paid severance calculated at two (2) weeks per year of service (prorated) at forty (40) hours per week based on the straight time hourly P&D driver rates per region.

7. Wages and Compensation

- The General Wage Increase (GWI) will be 2.5%, 2.5%, 2.5%, and 2.5% in each year of the Agreement effective on the ratification date of each Agreement.
- The GWI outlined above will be applied to all hourly wages retroactive from the expiry date of each collective agreement for all hours worked.
- For P&D Owner Operators, the GWI percentage increase will be applied retroactively from the expiry date of each collective agreement to all aspects of the current payment methodology as per past practise for increases to these classifications.
- For Heavy Equipment and Line Haul Owner Operators, the GWI percentage increase will be applied retroactively from the expiry date of each collective agreement as per past practise for increases to these classifications.
- For P&D Owner Operators, the GWI percentage increase applies to: Pieces, Stops, Core Zone, and Quality Payments.

8. Restructuring Issues

- The Company agrees to work with the Union on language to protect severance pay from EI claw backs.
- The Company agrees to provide the Union with \$500 per person in affected by contracting out or closures to put an Adjustment Committee funds. The Company will work with the Union in each province to provide office space to set up an Action Centre for the Adjustment Committee to perform its work.
- The severance packages may be put in escrow where possible provided there are no additional costs to DHL.

SCHEDULE A – FEES (NEW PAYMENT METHODOLOGY)

- It is understood that Schedule A – Fees will remain in place in its entirety as a result of the

new payment methodology except for the following changes:

- **Instead of the items in 1-10 (original waybills, non billable waybills, 9:00am's, dangerous goods, cash collects, over weights (per pound), residential, and security waybills), the following new methodology will be used based on the Framework agreement consultation and implementation provisions:**

Owner Operator Minimum Rates will be as follows:

	<u>Current</u>	<u>10/01/09</u>	<u>10/01/10</u>	<u>10/01/11</u>
Core Zone	\$TBA	\$TBA	\$TBA	\$TBA
Stops	\$1.20	\$1.23	\$1.26	\$1.29
Per Piece	\$0.20	\$0.21	\$0.22	\$0.23

Quality Payment

Time Definite	\$15.00	\$15.38	\$15.76	\$16.15
Deliveries	\$15.00	\$15.38	\$15.76	\$16.15
Pick-ups	\$15.00	\$15.38	\$15.76	\$16.15

The Owner Operator shall receive remuneration based on the formula:

$(\text{Core Zone} \times \# \text{ of stops}) + (\# \text{ of stops} \times \text{rate}) + (\# \text{ of pieces} \times \text{rate}) + \text{Quality Payment} = \text{Total} + \text{Bonuses}$

Density is based on kilometers/stop and will be used to calculate the Core Zone.

The Quality payment is calculated using the following criteria:

- Time Definite Deliveries
- Completing all assigned deliveries
- Picking up all assigned pick-ups

APPENDIX A – OWNER OPERATOR

ARTICLE A1: ROUTE BIDDING, REDUCTIONS

A1.01 When reducing Owner Operators at any location, the Company will reduce the junior Owner Operator according to **company seniority at such location** if it is practicable to do so.

A1.02 An Owner Operator who is affected by Article A1.01 may:

(a) **Elect to be placed on lay-off status, subject to recall, or**

(b) Accept any Owner Operator vacancy that arises within his/her branch **or**

(c) In the event no Owner Operator vacancies exist within the Branch the Owner Operator may then displace the junior Owner Operator at their branch, seniority permitting, or failing that, the junior Owner Operator in the province.

Owner Operators who wish to be considered for recall to a different Group at the Branch must submit a written standing application. These Owner Operators will be considered based on Company seniority if the position is not filled from within the Group at the Branch.

A1.03 An Owner Operator who **is awarded** a vacant hourly rated position will **retain their company seniority date**. Eligibility for all benefits and vacation will be based on the Owner Operator's Company seniority date. Entitlement to vacation and vacation pay will coincide with the Owner Operator's anniversary date of **change** to hourly status. However he or she shall not be eligible to bid on another posted vacancy for a period of three (3) months from the date of transfer into the new Group.

A1.04 The Company will post Owner Operator vacancies for five (5) days at **all locations** and fill the vacancy with the senior applicant from that **branch and then Province**. All postings shall be numbered and dated as well as copied to the Local Union Chairperson and the Local Union office.

The successful applicant for an Owner Operator posting must provide documentation within thirty (30) calendar days of the posting being awarded in writing that the required vehicle has been secured.

If an Employee or Owner Operator is qualified and selected for the vacancy, he or she must be willing and available to commence duties at the new Branch within **thirty (30) calendar days** of the position being offered.

Route postings will contain a full description of the route and its boundaries as well as any exceptions or anomalies for that route. All information provided will be based on historic factors and may be subject to change with the normal fluctuations of business.

All Owner Operators shall assume their new postings within thirty (30) calendar days unless the Company can provide proof that they are unable to replace the affected route(s) within the thirty (30) day timeline.

The Company agrees to post the additional following information:

Daily average earnings **based on the previous sixty (60) working days**

Average kilometres travelled

Area

Vehicle size

Average estimated number of stops, **pieces, route density and core zone payment**

Outstanding termination grievances

(The above is subject to change based on normal business fluctuations)

Any Owner Operator or Hourly Employee who fills an Owner Operator vacancy as a result of a posting will not be eligible to apply on another posting for a period of three (3) months. This requirement does not apply in any reroute process.

This entire Article will apply only to the filling of the original vacancy created, and the next vacancy thus created. All other resulting vacancies will be posted for **forty eight (48)** hours and will be awarded to the senior qualified Owner Operator **or employee as per A1.04 above.**

A1.05 Company, seniority is lost on termination except if an Owner Operator is laid off and recalled within twelve (12) months of layoff. In this event, the Owner Operator shall retain his or her Company, seniority.

A1.06 Owner Operators will be given not less than thirty (30) calendar day's written notice cancellation of their Business Agreement (Schedule "B"), or pay in lieu of **subject to all other provisions of this Collective Agreement. No notice is required if the Business Agreement is cancelled for just cause or default.**

"Pay in lieu of" to consist of average daily income from the last thirty (30) calendar days, less operating costs (rural allowance or fuel), multiplied by the number of days outstanding.

A1.07 **Should the Company transfer a route or routes from one location to another the incumbent Owner Operator** who transfers locations with his/her route will transfer with his/her Company seniority.

A1.08 Notwithstanding any other clause in the Collective Agreement, at the time the Company converts an hourly driver route to an Owner Operator route, it is agreed the hourly driver on that route has the first opportunity to assume the new Owner Operator route and transfers to the Owner Operator seniority Group with full Company, Branch and Group seniority. This is as per existing practice.

A1.09 When a formal re-route is to take place involving some or all of the routes at a Branch or Depot, advance written notice of at least **forty-five (45)** days will be given to the affected Owner Operator(s).

The Company will make every effort to provide **forty-five (45)** days advance written notice of all other major route alterations. The local Shop Steward will be copied on any such notice.

A1.10 To operate on Alberta Family Day or Remembrance Day, on a reduced basis, it is understood routes could be merged, cancelled, or performed by hourly Employees at the Company's discretion. However, no Owner Operator will be required to work unless he is paid a mutually agreed upon payment as agreed to in advance.

ARTICLE A2: HEALTH AND WELFARE/W.C.B. COVERAGE

A2.01 The Company agrees to provide those eligible Owner Operators with current details and information covering all Owner Operators benefits and programs, in which the Owner Operators covered by this Collective Agreement are entitled to participate. This information shall be provided at the date of hire as an Owner Operator.

The Company will provide each Owner Operator with the option of participating in a selected health and welfare package as detailed below.

Dental, Voluntary Personal Accident Insurance and Vision Care are to be provided on a voluntary basis at 100% Owner Operator cost.

The Company will deduct cost of benefits opted for from the Owner Operator invoice.

- Dental plan – includes reimbursement based on the Alberta Dental Fee Guide plus an inflationary protection.
- Voluntary Personal Accident Insurance
- Vision Care - \$250.00 every 24 months for the employee and eligible dependants, no deductible. Eye examinations are covered over and above to a maximum of \$40.00 yearly.

A2.02 Monthly costs to Owner Operators (subject to change by insurers upon thirty (30) days written notice).

	Single	Family
Life Insurance	Paid in full by the Company	
Accidental Death & Dismemberment		
Major Medical *		
* includes prescription card, no deductible		
Dental	Paid in full by the Owner Operator	
Vision Care		
Voluntary Personal Accident		

Dependent Coverage of Major Medical/Dental/Vision:

Any new eligible dependants (spouse, unmarried children) must be enrolled within the thirty-one (31) day eligibility period. Eligibility is defined as the first thirty-one (31) days from which an Owner Operator acquires a dependent.

Eligible dependants include: the Employee's spouse (including a married spouse or a common-law spouse of the same or opposite sex), and the Employee's children (including a natural child, adopted child, stepchild, and a child under a guardianship order).

Declaration of Common-Law Status for Benefit Eligibility:

The Owner Operator must complete a Declaration of Status document in order to qualify for health and welfare benefits. Eligibility commences after one (1) year of common-law status.

A spouse is deemed to be:

- A person married to the Owner Operator as a result of a valid civil or religious ceremony, including a person separated from the Owner Operator.
- A person of the opposite sex, or same gender partner with whom the Owner Operator has a common-law relationship for at least twelve (12) consecutive months prior to the date on which the claim arose. (Common-law relationship means continuous cohabitation and public representation of married status).

A2.03 If an Owner Operator refuses initial entry to the above benefit plans or if he/she terminates participation in the plans, the Owner Operator shall not be eligible to rejoin the plans for a period of two (2) years from the date coverage was declined or terminated. In this event, life insurance coverage may also be subject to medical evidence of insurability satisfactory to the insurance carrier.

In the event of a change in status, the two (2) year waiting period will be waived. Evidence of insurability will be required if employee life insurance is chosen at this time.

A2.04 The Company agrees to pay individual assessments of the Worker's Compensation Boards of the Province of Alberta, for the Owner Operators. If allowed by the Workers' Compensation Act of the Province mentioned above, the Company will be responsible for coverage of replacement drivers for those Owner Operators not registered as a limited or holding company. Such Owner Operators are responsible for WCB coverage for all other persons they may have in their employ.

Should the Worker's Compensation Board of Alberta require an Owner Operator who is registered as a Limited or Holding Company, to maintain his/her own W.C.B. account, such account will be opened by the Owner Operator, and must be maintained in good standing during the life of his/her Business Agreement (Schedule B).

A2.05 If requested by the Company, the cost of obtaining a doctor's note or the completion of physician forms will be fully covered by the Company.

A2.06 The Company agrees to provide updated booklets and forms electronically.

A2.07 The Company shall not lower, change, modify or delete any benefits in place during the term of this agreement without the Union's agreement. **Should it be necessary to change benefit providers, and the composition of the benefit package is unable to be maintained in its current form, the parties agree to meet to resolve the issue prior to any change being implemented.**

ARTICLE A3: EQUIPMENT

A3.01 The Company assumes responsibility for supply and installation of the striping kit (decals). Where the Company is changing the required colour scheme, the Company assumes full cost of painting in accordance with painting price available to the Company.

Repainting, and repainting of replacement vehicles to be shared fifty percent (50%) by the Company in accordance with painting price available to the Company (Not new Owner Operators, and not body work).

Based on the above prices the Owner Operator is free to get his/her work done elsewhere as long as it is done satisfactorily.

The Company will be responsible for the cost incurred in removing the striping/decals on termination in accordance with the price available to the Company.

A3.02 The Company reserves the right to refuse to sign Business Agreements (Schedule "B"), or terminate present Business Agreements (Schedule "B") with Owner Operators whose equipment does not meet the appearance standards as set by the Company, reasonable standards to apply. The Company must first give the Owner Operator not less than ninety (90) days written notice to meet appearance standards.

A3.03 A second malicious occurrence causing a loss of or damage to a scanner shall not have discipline imposed but the Owner Operator shall be responsible to pay the company the full cost of replacement or repair of said scanner.

ARTICLE A4: OWNER OPERATOR LOANS

- A4.01 **An Owner Operator will be eligible for an interest free loan up to a maximum of \$1,200.00 towards vehicle operational costs or, as a new Owner Operator to defray start up expenses.**
- a) **Loan application must be done in writing accompanied by proper documentation identifying the repairs/maintenance to be completed by a third party in the case of an operating loan.**

No supporting documentation is required for a start up loan, however, if the new Owner Operator can not prove that he/she has an owned or leased vehicle at start up, the loan may be denied.
 - b) **No loan application is approved unless and until DHL Finance has verified and accepted the loan request and supporting documentation. This process will be completed within 20 business days of the date of the loan.**
 - c) **Repayment will be a minimum of equal bi-weekly installments over a period no greater than 12 (twelve) months, auto deducted through the Company payroll system. This deduction will be held to a minimum of \$50 per pay unless otherwise agreed to with the Owner Operator.**
 - d) **If an Owner Operator's balance owing against this loan is in excess of \$500.00, no additional funds will be loaned under this provision until the balance falls below \$500.00, and the resulting "top off" loan can be proven to be an emergency situation with supporting documentation.**
- A4.02 **Any newly converted Owner Operator will be afforded an interest free credit limit of up to \$1,200.00 to defray start up expenses, etc. repayable over twelve (12) months.**
- A4.03 **The Company shall reimburse to the new Owner Operator the cost of a ~~chartered accountant~~ professional fees or licensing up to a maximum of \$250.00 specializing in the transportation industry, for assistance in setting up his/her business. Receipts are required.**

ARTICLE A5: REROUTES

The Company will not reroute an Owner Operator unless there are consistent verifiable service failures within a route, as a result of decreased volumes, or a consistent failure to meet time definite or day definite services.

Owner Operators may request a route review at any time and these requests will be handled on an expedited basis through the following procedures:

- **A Supervisor or Manager must arrange for a route ride-along or follow along within seven (7) working days of the request being received.**
- **Any agreed-upon adjustments to rates, volume, or stops, will be retroactive to the date of the request for a route review.**
- **The Company will ensure that a team of senior Management from the Operations Department is assigned on an ongoing basis to assist in speedy resolutions of disputes arising out of requests for route review.**

When reroutes are done they must be done so by area not on an individual customer basis unless that customer's service requirements are the issue behind the reroute.

Owner Operators shall be entitled to all customers within their route area plus any new customers that move into or start dealing with DHL in their route area.

In the event a reroute is required, the Company agrees to measure the Owner Operators pay. Period of measurement for comparison to be used to determine average days earnings is to be the daily average of the 125 working days immediately before the reroute, and that daily average to be the minimum earnings paid to the Owner Operator for the fifty (50) working days immediately following the start of the reroute or the loss of the stop(s), which shall be paid on the regular bi-weekly pay cheque.

The removal of an individual stop from an Owner Operator route as a result of a disciplinary measure or for service related issues will not be considered a reroute and will not trigger the compensation above.

Prior to any reroute, the Company will provide advance notice, as detailed in Article A1.09 and will provide the Owner Operator(s) the opportunity to discuss the reroute change(s) or to propose a resolve to the service issue(s). The Owner Operator(s) will have ten (10) calendar days to submit any recommendations, suggestions in writing which will be reviewed by the Company and if it resolves the service issue then that change will be implemented.

In the event the above does not satisfy the service concern, then the Company will:

- 1) Finalize its reroute plans;
- 2) Meet with the affected Owner Operator(s) to discuss the impending change and the effective date of the change;
- 3) In the event of a major reroute the effective date of the re-route will be implemented no earlier than seven (7) calendar days after the meeting with the affected Owner Operator(s).

Where the reroute involves only one Owner Operator and a new Owner Operator route is created, the Owner Operator will have his/her choice of the two routes. In the event the Owner Operator chooses the route that produces the lower revenue of the two routes, the reroute payment will be based on the route with the higher revenue.

Where the reroute involves more than one Owner Operator, the following process will be utilized to determine route retention, bid pool routes, posting and bidding:

- 1) Route Retention / Bid Pool:
 - a) Any route, where the revenue has been increased by twenty-five (25%) or more, must be included in the Bid Pool. The Company will provide the relevant data to substantiate to the Owner Operator the increase of the revenue.
 - b) If the reroute results in a decrease in the overall numbers of routes, the routes currently occupied by the Junior Owner Operators (of equivalent numbers) must be included in the Bid Pool.
 - c) Only routes that have been impacted by the reroute may be volunteered into the Bid Pool by the Owner Operator.
 - d) Once the mandatory elements of the Bid Pool have been determined (a&b) then the Bid Pool detail will be posted. Those Owner Operators who are in the route

pool (c) will then have two (2) working days to review the posting and subsequently volunteer their route to the Bid Pool in writing.

- e) "Specials" (revenue) will be included in the above scenarios to determine inclusion in the Bid Pool, but will not be included in the reroute compensation formula.

2) Bidding and Posting:

- a) Upon final determination of the Bid Pool a posting will be generated outlining all routes and Owner Operators included in the Bid Pool. The seniority of the Owner Operators and specific route information will be detailed in the posting.
- b) The duration of the posting will be five (5) working days.
- c) All Owner Operators included in the Bid Pool will be required to submit a bid, in writing that clearly identifies their order of preference on every route in the Bid Pool.
- d) Upon completion of the bid process any remaining routes will be posted and filled in accordance with the Collective Agreement.

Reroutes will not take place by reason of service standards adversely affected by temporary delays with air or linehaul.

ARTICLE A6: MISCELLANEOUS

- A6.01 Owner Operators who's Business Agreements (Schedule "B") are terminated for just cause will have reasons for same confirmed in writing. Those Owner Operators who terminate their Business Agreements (Schedule "B") voluntarily shall have all monies owing them paid no later than the next scheduled payment day.
- A6.02 Owner Operators shall be required to produce a valid driver's license and a Motor Vehicle Branch full search report on request which shall be facilitated through the Company by way of a sign up sheet. Any cost will be absorbed by the Company, except for new Owner Operators who must provide these documents at his/her own cost.
- A6.03 In application of required payment for attending meetings or negotiations as agreed elsewhere in this Collective Agreement, the Owner Operator will be paid the regular Courier Driver hourly rate of pay up to a maximum of eight (8) hours per day or the out-of-pocket expense of a replacement driver, whichever is applicable.
- A6.04 The Company will reimburse any Owner Operator the cost of Operating Authority, upon presentation of the appropriate receipt to a maximum of \$100.00.
- A6.05 All Owner Operators shall only be allowed one route and one vehicle.
- A6.06 Owner Operators are normally required to provide their own relief drivers and vehicle for purposes including sickness, injury, bereavement, and vacation coverage. However, on an emergency basis, where all reasonable efforts by the Owner Operator to provide relief driver and/or vehicle coverage have been exhausted, the Company will provide for coverage of the route on the first day or partial day. In this event, the Owner Operator will be paid for any revenue generated (in the event of a partial day) and the Company will assume all related costs for coverage. In the further event that the Owner Operator's vehicle is used in these situations, the Company will reimburse the Owner Operator for his or her vehicle operating costs.

Should the Company have to provide coverage beyond the first day or partial day, the Owner Operator will be credited with all revenues generated during the additional period and the Company will deduct all related expenses incurred.

A6.07 An Owner Operator summoned to jury duty will be compensated for any out of pocket expenses, minus any monies received from court, should he/she supply a relief driver. Intent is the Company will pay for the cost of the relief driver. If the Company supplies an Hourly Driver and Company vehicle, then the Owner Operator forfeits all revenue for that day(s) from his/her route.

A suitable replacement driver may be used by any Owner Operator so as to have personal leaves, vacation, etc.

A6.08 Owner Operators shall not be required to subsidize the cost of developing or maintaining the new scanner system presently called "PULSE".

A6.09 The Company will pay all Owner Operators by direct deposit by 9 a.m. or when the bank opens on payday Thursday. **The Owner Operator pay week will be from Friday to Thursday.**

Only shortages that have resulted due to a Company error and are equal to one day's average earnings or more will be paid by manual cheque, within 3 business days of the Company being notified.

Owner Operator invoices will be submitted by the end of the day when the work was performed. A shortage in pay that is the direct result of the failure to submit an invoice(s) will not be reimbursed through manual cheque.

From time to time, the Company may be required to close a pay period early in order to comply with payroll cutoffs imposed by the payroll provider. In these instances, full day estimates for all Owner Operators may be required and any resulting adjustments will be done on the following pay period.

A6.10 Owner Operators who obtain coverage through the Company's cargo insurance will be assessed a monthly charge of ten dollars (\$10.00).

A6.11 **A person approved by the Local Union will be present during all of the Owner Operator Business Agreement signings as a witness to the negotiation and a copy of the signed Agreement shall be sent to the CAW Local Union office in Edmonton.**

The Business Agreement shall be signed for the duration of the Collective Agreement.

The Regional Operations Director or designate shall have the only signing authority for all Owner Operator Business Agreements.

It is agreed between both parties that during the negotiations of the Business Agreements, Schedules A & B and Appendix C shall be included as one document. This process shall also include the signing of Business Agreements with new Owner Operators.

A6.12 **The Company and the Union agree to the following Liability Waiver for use when a Company Representative is required to accompany an Owner Operator in their vehicle.**

"The Company agrees to accept all liability for any or all persons that it authorizes to accompany any Owner Operator in their vehicle during the course of the business day while on their route, provided that the person is pre-authorized by the Company. This

waiver is valid if the vehicle meets the mechanical safety standards as set out by the Province of Alberta.”

No person pre-authorized by the Company will be allowed to ride in any vehicle that does not have a legal passenger seat or restraining device.

A6.13 If an Owner Operator anticipates that a single stop will occupy too much time or that a stop will bulk out their vehicle thus causing the potential for a negative impact on the quality payment, the Owner Operator must contact their Direct Supervisor to request relief from the situation. The company will make alternate arrangements to complete the stop which in no way will negatively impact the quality payment paid to the Owner Operator. Such requests will not be unreasonably denied.

A6.14 Where an Owner Operator remains on his/her route under the Modified Work program, the Company agrees to reimburse the cost of a swamper up to a maximum of \$150/day.

A6.15 Owner Operators will, upon proof of payment, receive a reimbursement to a maximum of \$100 towards the premium paid for DG Insurance coverage.

SCHEDULE (A) - OWNER/OPERATOR STANDARD FEE SCHEDULE

	<u>Oct 1/08</u>	<u>Oct 1/09</u>	<u>Oct 1/10</u>	<u>Oct 1/11</u>
1. Stop	\$1.58	\$1.62	\$1.66	\$1.70
2. Additional- NB/T	\$0.44	\$0.45	\$0.46	\$0.47
3. Additional- WB/T	\$0.44	\$0.45	\$0.46	\$0.47
4. Additional-Cash Collect WB or transaction	\$1.06	\$1.08	\$1.11	\$1.14
5. Additional-Dang Goods WB or transaction	\$1.06	\$1.08	\$1.11	\$1.14
6. Additional for each residential waybill attempted and/or transaction	\$1.06	\$1.08	\$1.11	\$1.14
7. APW- per stop	\$1.58	\$1.62	\$1.66	\$1.70
APW per piece no weight	\$0.55	\$0.57	\$0.58	\$0.60
8. Overweight: over <u>20</u> lbs per shipment				
3/4 ton van	\$0.01	\$0.01	\$0.01	\$0.01
Dual Wheel Units	\$0.02	\$0.02	\$0.02	\$0.02
9. Security WB	\$0.63	\$0.64	\$0.66	\$0.67
10. 9 am Service	\$1.06	\$1.08	\$1.11	\$1.14

Owner Operators will be expected to make every effort to perform 9:00 am **and Time Definite** deliveries. If it is determined that the Owner Operator cannot perform said deliveries within the service requirement, they will be required to discuss with the appropriate Manager that alternate arrangements will need to be made for said deliveries where possible. For the purposes of 9:00 am **and Time Definite** deliveries only, Owner Operators may deliver in another Owner Operator’s area to successfully complete 9:00 am **and Time Definite** stops.

11. All scannable waybills, laser waybills, shippers own bar coded labels must be scanned, as per Company policy, in order to receive compensations outlined above. In the event of a malfunction of the handheld scanning unit, there will be no reduction in aforementioned compensation, except when the malfunction prevents a delivery scan and the Owner Operator fails to get the waybill (or sub waybill) signed, timed and dated for receipt of shipment.

12. Specials:

This is to include warehouse and/or Janitorial duties. Specials may be reviewed at any time, or a special may be requested at any time.

a) Loading/Unloading-Warehouse - Warehouse top hourly rate.

b) Driving Specials - Minimum rate equivalent to the top hourly rate for the Courier Driver Classification.

c) International Routes base rate increase:

- Oct 1, 2008 – additional 2.5%
- Oct 1, 2009 – additional 2.5%
- Oct 1, 2010 – additional 2.5%
- Oct 2, 2011 – additional 2.5%

13. Rural Mileage:

(Based on point to point through miles originating at the branch does not include in town pickup and delivery mileage)

	<u>Oct 1/08</u>	<u>Oct 1/09</u>	<u>Oct 1/10</u>	<u>Oct 1/11</u>
3/4 ton van	\$0.27 km	\$0.27 km	\$0.27 km	\$0.27km
Dual Wheel Units	\$0.31 km	\$0.31 km	\$0.31 km	\$0.31km

Above mileage rates are minimums. **Additional fuel escalation rates apply as per item #14.**

14. Fuel Escalation Program:

Average daily kilometers are based on work driving only and does not include mileage incurred for travel to/from work or other personal business. Those individuals found padding their mileage will be permanently excluded from this program. Changes to average kilometers will only be adjusted with a re-route or significant geographic change. The base fuel price for this program will be the unleaded fuel price of .508/ltr. In addition, rates will increase for changes over this base pump price based on two separate averages.

The following process will be in effect for determining the average price of fuel for Alberta branches:

- a) **All branches will report the posted price (which includes GST) in their location at the open of business on the 1st and 15th of the month (or the first business day from these dates).**
- b) **The price will be taken from the same establishment every month, the location of which will be mutually agreed upon by both parties.**

- c) **One average fuel price will be calculated for Edmonton and Calgary routes that operate directly out of the city branches (Edmonton International Airport location would be included in this category). This average price will be based solely on Edmonton and Calgary reported prices.**

A separate average fuel price will be calculated for Rural AB branches, and depot locations where the route start and finish does not include the main branch. This average price will be based on reported prices from Medicine Hat, Lethbridge, Red Deer, Grande Prairie, and Vermilion.

\$0.01/km for changes in base fuel price as follows:

	City	Rural
Van	0.04	0.05
Cube	0.03	0.04
5Ton	0.03	0.035

Decreases in the rates will occur when the fuel price falls below the same price triggers that have generated a rate increase, but cannot go below the base price.

These average prices will be recalculated and posted at all locations on the 1st and the 15th of the month (or the first subsequent business day from these dates).

15. DHL requested claims inspections:

Where a claims inspection is requested, a standard payment will be made when a properly completed Claims Inspection Report is filed with the Company.

If a claims inspection is made and no other transaction is performed, the payment will cover the stop and the claims inspection.

If the damaged goods are to be returned to the DHL branch, the regular waybill rates and rules will apply.

Oct 1/08	\$6.31
Oct 1/09	\$6.47
Oct 1/10	\$6.63
Oct 1/11	\$6.80

16. Loading/Unloading of Linehaul Trailer:

As per negotiation with the individual Owner Operator, DHL commits to payment to any Owner Operator required to load or unload the Linehaul to be established consistent with provision 12 above - Specials.

17. Unloading of trucks:

The company will continue the practice of unloading Owner Operator vehicles at its Edmonton and Calgary facilities.

It is further agreed that the Owner Operators will:

- 1) Segregate and tail load all envelopes and Express packages.
- 2) Segregate and tail load all Dangerous goods.
- 3) Segregate and tail load all International Packages
- 4) Segregate, containerize in company provided containers, and tail load all small packages.

If the company cannot provide containers, or easy access to the containers, then provision (4) will not have to be met by the Owner Operator.

It is further understood that a joint review will take place in the event a major time savings could be implemented at Edmonton or Calgary.

18. 3 Ton and Larger Rate:

The Company agrees to negotiate with the Union and Owner Operator, on an individual basis, the rate for specific runs, when the need arises to institute the run. Should the parties fail to agree on the rate, they will submit the dispute to Grievance Mediation as per the Federal Mediation Conciliation Services of the Human Resources Department Canada or arbitration.

19. In the event a change in equipment is required to satisfy the needs of a route, discussions will be held with the Owner Operator prior to the change and he/she will have ~~forty-five (45)~~ **ninety (90)** days to acquire the new equipment. Time extensions will not be unreasonably denied.
20. In the event a change in equipment is required to meet mechanical worthiness standards (**as determined by a licensed mechanic paid for by the company**), discussions will be held with the Owner Operator prior to the change and he/she will have thirty (30) days to acquire the new equipment. Time extensions will not be unreasonably denied.
21. Except for competitive reasons and upon agreement in writing between the Owner Operator and the Company, all freight will be considered cubeable for Owner Operator billing proposes. However, failure by the Owner Operator to cube eligible customer freight may result in disciplinary action and/or loss of the customer without re-route compensation. The Company will provide a standard cube calculation, which shall be as follows:

1 cu. ft. = 15 lbs
22. In the event the Company introduces a Pager system any cost associated with this system shall be borne in full by the Company.
23. An Owner Operator will receive the compensation outlined in Items 4, 5, and 6 only if the waybill has been marked to indicate the special service. Where said waybill does not have a space to indicate the special service, the Owner Operator should write the service on the face of the waybill. The most logical place for this is in the "Instruction Box".
24. **It is understood that any bi-weekly minimum implemented will be applicable to 10 working days within a pay period (9 in the case of a statutory holiday). Any Owner Operator required or requested to work additional days within the pay period will be compensated through a negotiated rate of pay.**

SCHEDULE (B) - BUSINESS AGREEMENT

AGREEMENT ENTERED INTO AT THE CITY OF _____ ON THIS _____
DAY OF _____, 200____.

BETWEEN:

DHL EXPRESS (CANADA), LTD., having its head office at **201 West Creek Blvd, Suite 200, Brampton Ontario, L6T 5S6;**

Hereinafter called the "DHL"

AND:
(Full name)

(Address and postal code)

Hereinafter called the "DEPENDENT CONTRACTOR"

WHEREAS DHL a common carrier by motor vehicle which, in the regular course of its operations, requires the services of dependent contractors;

WHEREAS the dependent contractor has applied to DHL to enter into an agreement to supply transportation services with his/her own equipment on the terms and conditions hereinafter set out;

WHEREAS the dependent contractor warrants that he/she has the permits, equipment, skills and expertise necessary to operate commercial motor vehicles for the benefit of DHL.

THE PARTIES DO MUTUALLY AGREE AS FOLLOWS:

TERM

1. This agreement shall take effect on the date of its signature and shall continue in full force and effect until terminated by either party as a result of a breach of contract or for justifiable business reasons.
2. This agreement may also be terminated, by either party, by serving a written notice to that effect, thirty days in advance.

PAYMENT

3. The schedule of rates is attached to this agreement as annex A. Payments shall be made to the dependent contractor every two (2) weeks or as otherwise agreed by the parties.
4. The remuneration paid to the dependent contractors includes an indemnity for vacation, indemnity for fringe benefits, funeral leaves and statutory holidays.

PURPOSE OF THE AGREEMENT

5. This agreement outlines the terms and conditions related to the provision of services in relation with customers of DHL, to ensure that those services will be sufficient and to the satisfaction of DHL and its customers.

DEPENDENT CONTRACTOR'S OBLIGATIONS

6. The dependent contractor agrees to:

- a) Maintain at all times valid permits as required by law, and abide by and operate within the limits of all related provincial and federal laws and regulations.
- b) Accept sole responsibility for the operation of any and all vehicles supplied, freight handled, any and all personnel used to provide services, claims, fines, costs and legal expenses related to any infraction to the applicable laws.
- c) Obtain and maintain insurance coverage, as more fully described in Schedule D of the collective agreement.
- d) Promptly report any accident and any claim which could involve DHL and fully cooperate with DHL and any other person involved, for the settlement of any insurance claim.
- e) Ensure that the best interests of DHL and its customers are maintained through a safe, efficient and professional operation.
- f) Provide, on a consistent and reliable basis, safe equipment and sufficient and satisfactory services to meet the business requirements of DHL and its customers.
- g) Make every reasonable effort to meet established delivery times unless otherwise prevented by severe weather, operational or other extraordinary circumstances beyond the control of the dependent contractor.
- h) Owner-Operators upon notification to the company will be permitted to take Leave of Absence of up to thirty (30) calendar days to provide for holidays, vacation or authorized leave. This provision does not apply to the regular use of a relief driver for up to one day per week.

Leave of Absence may be extended upon mutual agreement between the Company and the Union.

- i) Where a replacement driver or swamper can be employed, provide at all times, licensed, competent and qualified personnel and make appropriate deductions and payments, as required by law, including deductions at source and worker's compensation.
- j) Recognize the right of DHL to modify areas of service from time to time, where necessary for service or efficiency.

7. The dependent contractor agrees that, in the performance of this contract, especially where he/she collects moneys on behalf of DHL, he/she shall assume all the legal obligations of a person charged with administration of the property of others.

GENERAL

8. It is expressly agreed between the parties that DHL shall, in no way, be responsible to the dependent contractor or to third parties, for any services and/or supplies provided to the dependent contractor. In the event of a claim resulting from supplies or services so provided, the dependent contractor agrees to indemnify DHL and to plead in its stead.

9. DHL may require, from time to time, proof that the dependent contractor abides by any and all of his/her obligations. The dependent contractor will, upon demand, give DHL a written authorization to verify his/her status and the discharge of his/her contractual obligations with any government or person.
10. The dependent contractor recognizes that he/she cannot obtain more rights than those of a registered user of DHL's trade name, trademarks and logo-types and, as such, has no proprietary interest in same and where the equipment is withdrawn from service for any reason, all DHL symbols, insignias, decals or other identification will be removed, prior to the release of final payments owing to the carrier.
11. The dependent contractor agrees that, during the term of this contract and in any case of termination thereof, he/she will not solicit any of DHL's customers nor will he/she compete directly or indirectly with DHL, with respect to DHL's customers. In the event of termination by either DHL or the dependent contractor, the dependent contractor will not solicit any of DHL's customers directly for a period of three months following termination.
12. The dependent contractor and any employee, partner or associate of the dependent contractor may not be entitled to any benefits or rights which would not be afforded to an employee of DHL, including but not limited to benefits such as company pension, governmental pension contributions, dental or medical insurance, life insurance, or unemployment or disability insurance.

SIGNED, SEALED AND DELIVERED:

DHL EXPRESS (CANADA), LTD.

By:

WITNESS

WITNESS

DEPENDENT CONTRACTOR

SCHEDULE (C) – Liability Insurance

The Owner Operator shall, at their own expense and without cost or expense to DHL Express (Canada) Ltd., obtain and maintain during the term of this Agreement the following insurance in respect to the vehicle and in relation to the performance of services under this Agreement:

- a) Motor vehicle third party liability insurance in an amount of not less than two million dollars (\$2,000,000) per occurrence on any vehicle utilized by the Owner Operator in providing services to DHL Express (Canada) Ltd. under the terms of this Agreement together with any further statutory motor vehicle liability or other insurance which may be required under applicable laws or regulations;
- b) Comprehensive general liability insurance in an amount not less than two million dollars (\$2,000,000) per occurrence against claims arising out of bodily injury or death or loss or damage to, or the destruction of property belonging to DHL Express (Canada) Ltd. or its customers, including the loss of use thereof covering such perils as DHL deems necessary and in such amounts and with such terms and conditions as are reasonably acceptable to DHL Express (Canada) Ltd.. The Policy referenced herein shall contain an endorsement specifically covering the contractual liability of the Owner Operator under the terms of this Agreement.

The foregoing insurance must be placed with an insurer reasonably acceptable to DHL Express (Canada) Ltd. The Owner Operator must further provide DHL Express (Canada) Ltd. with a Certificate of Insurance evidencing the foregoing insurances prior to services being commenced. Said Certificates of Insurance evidencing the coverage's herein shall also contain the following provisions:

- 1) DHL Express (Canada) Ltd. will be added to said policies as an additional insured but only with respect to liability that may result from the performance of the Agreement;
- 2) The Owner Operator and the insurers further agree to waive all rights of subrogation as against DHL Express (Canada) Ltd.;
- 3) The policies shall contain severability of interest and cross liability clauses;
- 4) The Insurers will provide DHL Express (Canada) Ltd. with thirty (30) days prior written notice of any cancellation or material change in the policies.

LETTER OF UNDERSTANDING

BETWEEN:

DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
(HEREINAFTER REFERRED TO AS THE "COMPANY")

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA)
(LOCAL 4050)**
(HEREINAFTER REFERRED TO AS THE "UNION")

CONVERSION

In the event that the Company decides to convert any Owner Operator route(s) to hourly, the following shall apply:

- 1) The Company will provide at least ninety (90) days notice of the conversion to the Union and the Union and the affected Owner Operator(s).
- 2) The Company will meet with the Union and the affected Owner Operator(s) to discuss any issues of mutual concern relating to the conversion.
- 3) The affected Owner Operator(s) will be given the first opportunity to accept any hourly route(s) resulting from the conversion or may exercise their seniority rights pursuant to the Collective Agreement or may elect to resign and accept a severance payment equivalent to two (2) weeks per year of service at the prevailing hourly driver rate. These options will also be available to any Owner Operator who is bumped by another Owner Operator as a direct result of the conversion. An Owner Operator who, by accepting an hourly route or otherwise exercising his/her seniority rights to bump into an hourly position, will be given credit for all continuous service since her/her original date of service for the purposes of the collective agreement.
- 4) If the Owner Operator requests, the Company will either assume responsibility for the vehicle leases of affected Owner Operator(s), or, if the Owner Operator(s) owns his/her vehicle, the Company will purchase it at fair market value (**based on three (3) independent quotes paid for by DHL**), provided the vehicle was acquired or committed to by the Owner Operator prior the date of notice under paragraph 1 above.

If the vehicle is leased and there remains residual equity in the lease, the Owner Operator will be compensated accordingly.

- 5) The Company will indemnify the affected Owner Operator(s) for any reasonable and customary business expenses already incurred or committed to for the current year which are not otherwise recoverable by the Owner Operator, including insurance, benefits, permits and cancellation fees, provided such costs were incurred prior to the date of notice under paragraph 1 above.
- 6) The Company will indemnify the affected Owner Operator(s) for any legal or accounting fees reasonably incurred as a result of the conversion, to a maximum of \$1,000 per Owner Operator.
- 7) **It is understood that any Owner Operator that takes an hourly driving position as a result of these provisions will be awarded a forty hour per week position. If no such position exists, then the Owner Operator may exercise their rights to bump in the new classification.**

- 8) If, prior to the notice under paragraph one above, the Owner Operator has incurred indebtedness directly related to the operation of his/her vehicle which exceeds the equity in the vehicle, the Company will provide the Owner Operator with reasonable financing assistance relating to such indebtedness including, if necessary, a loan to a maximum of \$5,000 subject to the conditions set out in paragraph 7) above.
- 9) Any dispute over the application of this Letter of understanding may be submitted to arbitration in accordance with Article 4 of the Collective Agreement.

LETTER OF UNDERSTANDING

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RURAL MILEAGE – FIVE TON

The following fuel escalation program will apply to the three (3) rural five-ton routes (Peace River, Lethbridge & Drumheller) based on point to point through miles, excluding in town pick-up and delivery mileage.

Rates will increase for changes over the Calgary fuel price of \$0.508/litre (unleaded fuel) as follows:

\$0.01 per kilometer for every \$0.035 change in base fuel price

Decreases in the rates will occur when the fuel falls below the same price triggers that have generated a rate increase, but cannot go below the base price. Fuel prices to be posted at all locations at the first of each month.

LETTER OF UNDERSTANDING

BETWEEN:

**DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
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**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
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(LOCAL 4050)
(HEREINAFTER REFERRED TO AS THE "UNION")**

PAYMENT FROM PULSE

During the term of this agreement, the Company intends to implement the paying of Owner Operators from the hand held device thereby eliminating paying from Owner Operator invoices.

The Company will work with the Union and Owner Operators to develop, test, and only if successful, implement the electronic payment.

It is agreed by both parties that a pilot project will be implemented at a branch of the Company's choice for a period of sixty (60) working days, in the province of Alberta. At the expiration of the sixty (60) working days the Company will meet with a committee of no less than three (3) Owner Operators appointed by the Union for the purposes of studying and resolving any issues related to the program.

This program will not be implemented without the Union's approval in writing.

LETTER OF UNDERSTANDING

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COMMUNICATION

This will confirm the parties' agreement on a resolution to the issue for Owner Operators in Alberta.

The Company will be reviewing alternatives to provide either pagers or other communication devices for the current Owner Operators that have not been provided with a Company-issued communication device. In the event that we are unable to provide an alternative to these Owner Operators within thirty one (31) days of ratification, they will be provided with a \$25.00 per month payment as compensation for cellular phone expenses, provided that the drivers will be contactable during working hours.

This payment will cease when a pager or other communication solution is provided to these Owner Operators for receiving customer pick up requirements and other operational communications.

LETTER OF UNDERSTANDING

BETWEEN:

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(LOCAL 4050)
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MESSENGER DELIVERY BUSINESS

In the event that DHL Express (Canada) Ltd. reenters the messenger delivery business, the Company commits that it will meet with the Union 120 days in advance to discuss and agree on classifications and rates.

LETTER OF UNDERSTANDING

BETWEEN:

**DHL EXPRESS (CANADA), LTD.
IN THE PROVINCE OF ALBERTA
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AND:

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(LOCAL 4050)
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OWNER OPERATOR VACATION

The Company will investigate the Ontario model for vacation relief to determine the feasibility of implementing in AB. It is necessary to properly evaluate the rural nature of the routes as well as the price/availability of contractor options vs. relief driver use.

If feasible, a program could be developed for the year 2010.

APPENDIX B – HOURLY EMPLOYEES

ARTICLE B1: SCHEDULING WORKING HOURS AND OVERTIME

B1.01 The Company and the Union designates at a depot shall meet monthly to review all hours available for the purpose of maximization to determine future postings or increases to existing postings.

The Company shall maximize all hours at each depot to provide the most full time eight hour shifts possible.

The Company must also maximize shifts of less than eight (8) hours in length by combining all available hours to build shifts as close to eight (8) hours as possible. This will include casual hours.

B1.02 The work week will be Monday through Sunday, consisting of five (5) consecutive days of work, eight (8) hours per day, forty (40) hours per week for all regular full-time employees, except as provided in clauses B1.07 and B1.08. All time worked in excess of forty (40) hours per week and over eight (8) hours per day will be paid at one and one-half (1-1/2) times the basic rate.

The Company shall provide a minimum of two (2) hours notice for mandatory overtime except in the event of an emergency where employees will be required to work on short notice. Where it is proven that the Company did have two (2) or more hours notice but used the short notice requirement, then all overtime hours worked shall be paid at double time.

B1.03 Any regular full-time or part-time Hourly Employees working twenty (20) hours or more per week shall be entitled to the full or pro-rated rights and benefits of this Collective Agreement.

B1.04 Any full-time or part-time Hourly Employee ordered to report to work at a time specified by the Company, and who does report for work at the said time will be guaranteed a minimum of four (4) hours work or four (4) hours pay in lieu thereof; unless the Employee quits, or is discharged for just cause prior to the completion of four (4) hours. Any full-time employee who works beyond four (4) hours on his or her regularly scheduled work day will be paid according to the regular hours scheduled for that day unless the Employee quits, or is discharged for just cause prior to the completion of the shift.

B1.05 **The following employees will be grandfathered on the banked OT program:**

Richard Halliday	Brenda Cleall
Carl Adams	Wekamot Oneka
Steve Potter	Farhan Abbass
Therese Slinger	Jason Bryan
Sharon Roberts	Val Hokanson

B1.06 Upon mutual agreement, in writing, between the Company and the Union, a shift comprising four (4) consecutive days and ten (10) consecutive hours per day, excluding lunch period shall be established.

- B1.07 Regular part-time Hourly Employees will be given the first opportunity by **company** seniority and by classification to supplement their hours of work by indicating their desire in writing to be called for additional hours.
- B1.08 The Company shall not contract out any bargaining unit work within the Clerical Group except in the event of incidental absence or work overload where no qualified Hourly Employee is available on a straight time or overtime basis. The Company may then use the services of a clerical agency for a period not exceeding ten working days unless mutually agreed by the Union.

The Company and Union agree to jointly monitor the use of temporary agency Hourly Employees by:

- a) Providing to the Union a monthly list of all temporary agency Hourly Employees who have worked more than ten days in the month showing classification worked, number of days worked and reason for engagement, and
 - b) Upon request a meeting will be convened to review the use of agency Hourly Employees with the view of investigating ways and means to return this work to bargaining unit Hourly Employees, i.e. creation of seasonal temporary positions (vacation relief).
- B1.09 All Hourly Employees working split shifts with a break of two (2) hours or more excluding lunch period will receive a ten (10) dollar payment. No split shift shall exceed twelve (12) hours in duration excluding a lunch period of one (1) hour. Should it exceed twelve (12) hours, then the succeeding hours shall be at the overtime rate.
- B1.10 (a) The Company, wherever practicable, will endeavor to utilize the qualified available Hourly Employee with the most **company** seniority in that classification for overtime assignments when those assignments are known in advance and involve four (4) or more hours of work.

Any Hourly Employee who wishes to be considered for such assignments must advise the Company in writing and update the advice by the first (1st) working day of each month.

- (b) In instance of early call out involving less than four (4) hours overtime, and where the hours of overtime will be equal, and where practicable, the qualified Employee with the most **company** Seniority within the classification is to be offered the overtime.
 - (c) Additional hours which are a continuation of a regularly scheduled run or shift are exempt from the provisions of Clauses B1.08 and B1.09 (a). In this situation, overtime will be voluntary down the seniority list for qualified Hourly Employees and mandatory up the seniority list for qualified Hourly Employees based on **company** seniority **within the classification**.
 - (d) The maximum mandatory overtime will be twenty-five (25) hours per month.
- B1.11 All Hourly Employees covered by this Collective Agreement shall, for each four (4) hour period or major portion thereof, have a fifteen (15) minute Company paid rest period.

- B1.12 All shifts over five (5) consecutive hours shall have a one half (½) hour unpaid meal break, between the **third (3rd)** and sixth (6th) hour, unless otherwise mutually agreed to by the Company and the Employee.
- B1.13 Employees scheduled on out of town routes requiring a short layover before returning to their home terminals will be paid \$3.75 per hour at the layover destination, excluding a one (1) hour meal period.

ARTICLE B2: HOLIDAYS

B2.01 The following Statutory Holidays will be observed with pay:

New Year's Day	Labour Day
*Family Day (Alberta)	Thanksgiving Day
Good Friday	*Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
First Monday in August	

*The Company may substitute **lieu** days for Family Day and/or Remembrance Day for all Hourly Employees or part of the Hourly Employees eligible for these holidays. Such **lieu** day to be taken on a day selected by the Employee, providing the Employee gives the Company not less than one (1) week's notice of his/her intention to take this **lieu** day.

- B2.02 An Hourly Employee shall be paid for any statutory holiday falling during his/her vacation, in addition to vacation pay.
- B2.03 If a recognized holiday occurs during an Hourly Employee's vacation or on a regular day off, the Employee, by mutual consent, shall receive a day off with pay or a regular day's pay at straight time. Should the Employee choose a day off, it may be taken on the first working day following his/her vacation.
- B2.04 Eligible Employees are those Hourly Employees who are full-time and part-time Employees regularly scheduled to work a minimum of twenty (20) hours per week, and have been employed in excess of thirty (30) calendar days. An eligible Employee will be entitled to pay for the above noted holidays, although no work is performed, provided that on the regularly scheduled day preceding and the scheduled day following such holidays the employee is at work or on an approved leave of absence or vacation.
- B2.05 Part-time Hourly Employees will be paid five percent (5%) of his/her previous thirty (30) days earnings for the holiday.

Full-time Hourly Employees will be paid their normal days pay if the holiday falls on their regularly scheduled day of work, and the same amount if the holiday falls on a non regularly scheduled day of work.

Casual workers will be entitled to vacation and statutory holiday benefits as outlined in the Canada Labour Code.

- B2.06 Holiday pay will be computed by multiplying the Employee's basic hourly rate of pay by the number of hours worked in the Employee's regularly scheduled work day.
- B2.07 Those Employees working under a long day, short week agreement will receive their normal days pay if the holiday falls on their regularly scheduled day of work. If the

holiday falls on a non-regularly scheduled day of work, the Employee will receive ten (10) hours pay at the basic rate for his/her classification.

- B2.08 If an Employee's normal shift starts prior to twelve (12) midnight of the day before the declared holiday, he/she will be paid at his/her regular scheduled rate. Any Employee commencing work before twelve (12) midnight of the declared holiday will be paid at time and one-half (1 ½ times) for the day worked in addition to the holiday pay but this will not apply if the Employee receives a day off in recognition of the holiday.
- B2.09 In the event a statutory (general) holiday is proclaimed by the Federal Government, such holiday shall also be observed if not already listed in the above holidays.
- B2.10 In the case of a general holiday falling on a Monday, Hourly Employees whose work week commences on Sunday, Sunday shall be their general holiday and their work week will then commence on Monday. In the case of a general holiday falling on a Friday, Employees whose shift commences on Thursday and ends on Friday, Thursday shall be their general holiday and their work week would then be completed on Thursday morning.
- B2.11 It is agreed for the Statutory Holidays of Family Day and Remembrance Day, to facilitate operational needs, there may be the occasion that some Employees' shifts may be altered to accommodate the fluctuations in business. In these cases, the Employees will be given the day before or the day following the holiday or on a day mutually agreed between the Employee and the Company.

ARTICLE B3: VACATION AND VACATION PAY

- B3.01 No later than the 15th of January of each year, the Company will post on the Union bulletin board a list of Hourly Employees in order of seniority using the Employee's respective Company seniority dates.
- B3.02 Each Hourly Employee will select his/her desired time for vacation, understanding that vacations cannot be taken until after his or her Company seniority date. An Employee shall be required to select his/her vacation dates prior to March 31st of each year. Any Employee failing to select his/her vacation date, except for bona fide sickness or injury where the Company is unable to contact, shall forfeit his/her Company seniority rights for vacation selection and will be required to wait until all other eligible Employees within the depot or Branch have selected their dates. Any Employee who wishes to change his/her selection after the 31st day of March will not be able to exercise his/her Company seniority rights on his/her revised selection, which shall require the Company's approval.
- Such approval or disapproval shall be given in writing within fourteen (14) calendar days of the request.
- The completed vacation schedule shall be posted by April 15th and copied to the Local Chairperson and Local Union office.
- B3.03 The Company shall permit at least ten percent (10%) of the Employees within **each shift of each group at each depot** and covered by this Agreement, to take vacation at the same time.
- B3.04 Employees with more than three (3) years of service may split one week of their vacation per calendar year into days. Should an Employee elect this option, selection of these days will take place within fifteen (15) calendar days after all other employees within the Branch have had their opportunity to elect vacations outlined in Article B3.02.

Employees may request to split up to five (5) additional days provided they are not utilized on consecutive weeks or between June 15 and September 15.

- 1) Understanding that seasonal lay-off period ie. Christmas excluded in using up split days allotment.
- 2) Understanding that the additional 5 day split is not intended to be used on a consecutive basis to shorten the normal work week during the summer period (June 15 - September 15).

B3.05 Full-time and part-time Hourly Employees who have completed one (1) year as regular Employees shall be entitled to vacation pay on or after their Company seniority dates. Regular full-time Employees only **will be paid the greater of:**

- **all amounts accrued to their vacation bank from the preceding (12) months allocated over the number of hours of entitlement**
- **or the vacation weeks entitlement at their current rate of pay**

For Owner Operators that transfer to an hourly position, entitlement to vacation & vacation pay will coincide with the Owner Operator's anniversary date of transfer to hourly status.

VACATION SERVICE REQUIREMENTS AND ENTITLEMENT:

Years of Service	Entitlement Weeks	% of Earnings	Or entitlement in hours
One (1)	Two (2)	4%	80
Three (3)	Three (3)	6%	120
Seven (7)	Four (4)	8%	160
Twelve (12)	Five (5)	10%	200
Twenty (20)	Six (6)	12%	240

B3.06 Regular part-time Employees will receive vacation pay to the percentage entitlement applied to their annual gross earnings for the anniversary year for which they are receiving their vacation in accordance with B3.05 above.

B3.07 Vacation pay shall be paid to the Employee by separate cheque with the pay immediately preceding his/her departure on vacation by request only. Otherwise, the Employee shall receive their pay as per the normal schedule.

B3.08 Hourly Employees, while on vacation, cannot be called in to work unless the Employee agrees. When an Employee is called in, by mutual agreement, the Employee will have the right to negotiate his/her remaining vacation prior to returning to work.

B3.09 Employees must take their earned vacation for which they are eligible, within twelve (12) months from the end of the anniversary year for which the vacation was earned. No Employee will be permitted to accumulate vacation from year to year.

B3.10 For the purpose of determining when a full-time Employee qualifies for vacation and vacation pay, the parties agree that when a regular full-time Employee has worked a

minimum of sixteen hundred (1600) hours in the first twelve (12) months following the anniversary date, the Employee will be eligible for vacations as set forth above.

B3.11 Sixteen hundred (1600) accredited hours will constitute one (1) years service but no Employee will be permitted to accumulate more than one (1) years service or additional fraction thereof in any single anniversary year.

B3.12 Credited hours will be those hours actually worked or credited as follows including: recognized holidays, vacations, funeral leaves, jury duty, leave of absence due to Union business and hours lost by reason of accident or illness during an anniversary year for a period not to exceed sixty (60) days or four hundred and eighty (480) hours if the Employee has less than sixteen hundred (1600) hours of work in that anniversary year to qualify for a vacation herein stipulated.

B3.13 Regular part-time and those regular full-time Employees, who have been credited with less than sixteen hundred (1600) hours in their anniversary year, will be paid the appropriate percentage of their regular pay. That is, four (4) percent, six (6) percent, eight (8) percent, ten (10) percent, or twelve (12) percent based on their length of service, earned since their last completed anniversary year.

B3.14 Any Employee who notifies the Company not later than March 31st, will be allowed to work any week or weeks of vacation entitlement at straight time, providing he/she takes not less than the minimum vacation required by Labour Canada.

ARTICLE B4: HEALTH AND WELFARE

B4.01 The Company shall provide a comprehensive health and welfare plan, the cost of which, to the Employee, will be the equivalent of one percent (1%) per month of regular earnings.

- Major Medical – includes prescription card, no deductible
- Dental Plan – includes reimbursement based on the Alberta Dental Fee Guide plus an inflationary protection.
- Life Insurance
- Accidental Death and Dismemberment
- Wage Indemnity: Short-term Disability
Long-term Disability
- Felonious Assault Insurance
- Personal Accident (Optional)
- Vision Care - \$250.00 every 24 months for the employee and eligible dependents, no deductible. Eye examinations are covered over and above to a maximum of \$40.00 yearly.

At the Employee's option, the Company will pay the Alberta Health Care Insurance premiums.

The Company agrees to provide all Employees with current details and information covering all Employee benefit programs for which Employees covered by this Agreement are entitled to participate.

The company shall not lower, change, modify or delete any benefits in place during the term of this agreement without the Union's agreement. **Should it be necessary to change benefit providers, and the composition of the benefit package is unable to be maintained in its current form, the parties agree to meet to resolve the issue prior to any change being implemented.**

- B4.02 The Company will make available to all eligible Employees and their dependents a group accident insurance plan for those Employees who voluntarily enroll in the plan and who continue to pay the required monthly premiums.
- B4.03 The Company will provide the medical and hospital services plan for those eligible Employees who work a minimum of twenty (20) hours per week.
- B4.04 The Company will provide the dental plan for eligible Employees and their eligible dependents. The effective date of the dental plan is the first day of the calendar month following ninety (90) days after date of hire.
- B4.05 Short Term Disability benefit commences on the first day of accident/surgery and the fourth day of sickness. Benefit is based on seventy percent (70%) of average weekly earnings up to five hundred dollars (\$500.00) per week for the first fifteen (15) weeks. Average weekly earnings will be based on the six weeks prior to disability. An increase in the maximum payment will be automatic in accordance with U.I.C. standard. Any decrease in the U.I.C. maximum shall not affect the average weekly earnings rate.
- B4.06 Wage Indemnity: Upon completion of ninety (90) days employment, the Company will make available to eligible Employees a Long Term Disability Group Plan (Salary Continuance). Eligibility commences after fifteen (15) weeks. The plan provides a disability income based on seventy (70) percent of average weekly earnings up to five hundred dollars (\$500.00) per week. The total disability period shall be a maximum of eighteen (18) months calculated from the commencement of the short-term disability claim.
- B4.07 The Company will provide felonious assault insurance for all employees on the payroll from the date of employment in the amount of twenty thousand dollars (\$20,000.00).
- B4.08 Dependent coverage of Major Medical / Dental / Vision

Any new eligible dependents (spouse, unmarried children), must be enrolled within the thirty-one (31) day eligibility period. Eligibility is defined as the first thirty-one (31) days from which an employee acquires a dependent.

Eligible dependents include: the Employee's spouse (including a married spouse or a common-law spouse of the same or opposite sex), and the Employee's children (including a natural child, adopted child, stepchild, and child under a guardianship order).

Declaration of Common-law Status for Benefit Eligibility

The employee must complete a Declaration of Status document in order to qualify for health & welfare benefits. Eligibility commences after one (1) year of common-law status.

A spouse is deemed to be:

- A person married to the employee as a result of a valid civil or religious ceremony, including a person separated from the employee.
- A person of the opposite sex, or same gender partner with whom the employee has a common-law relationship for at least twelve (12) consecutive months prior to the date on which the claim arose. (Common-law relationship means

continuous cohabitation and public representation of married status.)

B4.09 The Company agrees to provide updated booklets and forms electronically.

ARTICLE B5: RETIREMENT AND PENSION

B5.01 **RETIREMENT:** The retirement date for all Employees will be the first day of the month following the Employee's sixty-fifth (65th) birthday unless the Employee was born on the first day of the month, in which case his/her retirement date is his/her sixty-fifth (65th) birthday.

Three (3) months prior to the scheduled retirement date, the Administrator will provide the opportunity for a full discussion on all matters relevant to retirement benefits.

B5.02 (a) The Company **and employees** shall contribute to the National Automobile, Aerospace, Transportation and General Workers Union of Canada's Pension Trust Fund **on a mandatory basis**.

The effective date of the pension plan is the first day of the calendar month following one (1) year of hire for all Employees.

(b) **CONTRIBUTIONS - BY COMPANY**

For each Employee covered by the Pension Plan the Company shall contribute the equivalent of three and a half percent (3.5%) of his/her earnings as defined in the Collective Agreement.

CONTRIBUTIONS - BY EMPLOYEE

Every Employee covered by the Pension Plan shall contribute three and a half percent (3.5%) of his/her earnings as defined in the Collective Agreement, to be deducted from the first pay cheque of each fiscal month.

(c) The contributions are payable to the Trustees of the Pension Trust Fund by the fifteenth (15th) of the month following the work month completed. The payment will include the Employee's contributions.

(d) The contributions are to be forwarded to the Pension Trust Fund Administrator as designated by the National Automobile, Aerospace, Transportation and General Workers Union of Canada.

(e) The Pension Plan Administrator agrees to provide full disclosure to a representative of the Company on a regular basis (minimum one (1) year).

B5.03 The Administrator agrees to provide those eligible Employees with current details and information covering all Employee benefits and programs, in which the Employees covered by this agreement are entitled to participate. This information, including enrollment forms to participate in the pension plan, shall be provided at the date of hire.

ARTICLE B6: SICK LEAVE BENEFITS

B6.01 Employees who work sixteen hundred (1600) hours or more per year in the previous year shall, upon each anniversary year of employment, have six (6) days, forty-eight (48)

straight time hours sick leave with pay placed in their sick leave bank. Unused sick leave days will be paid out at straight time rate at the end of each anniversary year.

- B6.02 Regular part-time Employees will be credited with sick leave based on hours worked for each anniversary year of employment multiplied by a factor of .023. Unused sick leave days will be paid out at straight time rate at the end of each anniversary year.
- B6.03 There will be no loss of Company seniority for Employees on medical leave of absence, illness, workers' compensation, except as may be mutually agreed upon in writing between the Company and the Union.
- B6.04 In the event of a disabling injury on the job, an Employee will be paid for the number of hours for which the Employee was scheduled to work on the date of injury.
- B6.05 Dependent Contractors who have transferred from hourly status will be paid out immediately upon signing.
- B6.06 Employees will be eligible to use their sick leave entitlements for day care conflicts, family emergencies, and dental/medical appointments.

ARTICLE B7: HOURLY SENIORITY

- B7.01 Under the following conditions an Employee shall have the right to exercise his/her **Company** seniority to any position within their Group to which his/her **Company** seniority will entitle them **at their location**:
 - i) When his/her hours of work are reduced,
 - ii) When his/her start or finish times are changed one and one half (1-1/2) hours or more except where a split shift is involved where the shift is changed one hour or more.

In the event a case of personal hardship can be substantiated the employee may by mutual agreement between the Company and the Union, exercise their seniority rights for a shift schedule change greater than fifteen (15) minutes.

- B7.02 Casual workers will **be allotted work or called in for work in company seniority order by location**.
 - (a) Casuals shall be employed to relieve in positions occupied by regular full-time and part-time Employees or during overload or peak periods of work subject to item (b) below.

Without limiting the foregoing, the Company may call casual workers to relieve positions normally occupied by regular or part-time Employees who are absent from work for any reason. Casuals will be utilized to perform work outside of scheduled work periods and during overload or peak periods of activity, but shall not be used to circumvent the hiring of regular full-time or part-time Employees. Clauses 1.09 and 1.10 are applicable to casual workers. The above conditions include but are not limited to:

- (i) Vacation relief,
- (ii) Sick leave relief (W.C.B., weekly indemnity),

- (iii) Leave of absence - education, maternity, compassionate,
 - (iv) Work that cannot be made part of an existing position except as provided in Clause B7.02 (a).
- (b) Casual work shall be posted as a regular part-time or full-time position when any of the following applies:
- (i) The work involves a minimum of twenty (20) hours per week for four (4) weeks in seven (7) or
 - (ii) The work has, after the fact, resulted in an average of twenty (20) hours per week for four (4) weeks in seven (7).

In order to ensure the Company is able to schedule an adequate number of Hourly Employees on each shift, Casual Hourly Employees will provide the Company with their available dates on a bi-weekly basis.

- (d) A regular Employee who is laid off for lack of work may, at his/her option, have his/her name placed first on the casual call list. Such declaration shall be made in writing within five (5) calendar days of actual lay off. Regular Employees who elect to protect casual work shall maintain and accumulate Company seniority and benefits. Benefits will consist of continuous health and welfare items, i.e. Provincial Medical and Dental for a maximum period of sixty (60) days following the month of layoff.
- (e) The Company shall provide to the Union, a monthly report of all casual workers showing branch, classification and number of hours worked during each pay period for the previous six (6) month period of this Agreement.

B7.03 All new Employees shall be considered on probation during the ninety (90) days following the beginning of their employment. In the event that a casual worker secures a part-time or full-time position, he/she will be required to serve a probationary period of 514 hours with the Company which will include hours worked as a Casual Employee, if found unsuitable during this period, such Employee will not be retained in the service. Following completion of this ninety (90) day period, the Employee shall be placed on the seniority list and his/her Company seniority shall be established retroactively from his/her date of last hire.

B7.04 An Employee shall lose his/her Company seniority in any of the following events:

- (a) He/she is discharged for cause or during the probationary period;
- (b) He/she voluntarily leaves the employ of the Company;
- (c) He/she fails to report for work after a lay-off within five (5) working days following the recall date of return to work and notification by registered mail;
- (d) He/she fails to report to work for three (3) working days without notifying the Company, except for a bona fide emergency;
- (e) He/she is promoted and remains outside the bargaining unit for sixty (60) calendar days or longer;

- (f) He/she has been on lay-off for a period of twelve (12) months or longer;
- (g) He/she transfers to another district or terminal with the Company but outside the bargaining unit.
- (h) He/she fails to provide ongoing proof of disability every three (3) months while on a medical leave of absence (not WCB) or as otherwise required by the insurance carrier.

B7.05 An Employee shall forfeit his/her Company seniority if he/she does not notify the Company and the Branch Shop Steward, in writing, of his/her choice to accept the layoff or to exercise their bumping rights within one (1) calendar week from the date the Employee is given notice of actual displacement or abolition of his/her position.

B7.06 Employees on leave of absence may not exercise seniority for job vacancies posted during this period.

B7.07 Clerical Employees who have the desire and ability to work extra hours in the warehouse will be allowed to, provided they are aware of the required safety equipment and provide same at their own expense, and this opportunity will be given after all other Employees in the Warehouse Group, including casuals, are given the opportunity as per the Collective Agreement.

Clerical employees who perform or have performed warehouse duties in excess of four hundred (400) hours in the previous twelve (12) months, will upon application be provided the reimbursement identified in Article 7.02. Any subsequent reimbursement shall be provided every additional 2,080 hours of warehouse work performed.

ARTICLE B8: LAYOFFS

B8.01 The Company and the Union accept the principle of seniority in lay-offs and recalls and agree that seniority will govern if the Employee possesses the required qualifications and ability, according to the following steps.

- (a) Casual Employees within a Group shall be the first to be laid off **in reverse order of company seniority; no casual shall be able to bump any part time or full time employee.**
- (b) **A part time or full time** employee with the least **Company** seniority within the **group** affected by the layoff shall have the option of accepting the layoff or exercising his or her seniority rights as follows.
- (c) The Employee may:
 - (i) Exercise his/her **Company** seniority to bump any junior employee within the same group at the **depot**, or
 - (ii) If no position is available at the **depot**, the employee may exercise his/her company seniority to bump an employee with less company seniority within the same group at any **other location** covered by this agreement. The employee in this case shall retain their company seniority upon transfer to the new **location**

- (d) If the Employee does not obtain a position through the exercise of seniority rights, the Employee shall be laid off.

B8.02 When adding to the **work** force of Employees covered by this Agreement, any Employees previously laid off will be **recalled** on the basis of **Company** seniority **by group and by depot** if the Employee possesses the required minimum qualifications and ability to perform the job. Employees who wish to be considered for recall to a different Group at the Branch must submit a written standing application. These Employees will be considered based on Company seniority if the position is not filled from within the Group at the Branch.

Part time and full time employees will be recalled prior to any casual employee regardless of seniority.

B8.03 The Company will notify such Employees at their last known address by registered mail. If such Employees fail to report within five (5) working days after notification, the standing as an Employee of any such person failing to report within five (5) days will be forfeited.

B8.04 In the event of a lay-off, Employees employed more than three (3) consecutive months will receive two (2) weeks notice of such layoff or two (2) weeks pay in lieu of notice.

B8.05 Technological Change:

The Definition of technological change to include operational and organizational change, the provisions of the Canada Labour Code to apply.

B8.06 Severance Pay:

All employees who have completed one (1) year of company service shall receive a separation allowance of two (2) weeks of regular pay for each completed (or major portion thereof) year of service.

If the Employee accepts the severance pay, then they will be stricken from the seniority list and will no longer be considered an employee of the Company.

B8.07 An Employee returning from vacation or leave of absence (including illness, injury, workers' compensation, maternity/paternity leave) shall resume his/her former position at his/her former Branch. Should this position be altered, then the rules outlined in Clause B7.01 shall apply.

ARTICLE B9: SPECIAL LEAVES

B9.01 Bereavement Leave:

If a regular Employee suffers a death in the immediate family such Employee, upon request, will be granted such time off with pay as is necessary to make arrangements for the funeral, and to attend, not to exceed four (4) working days. If necessary, in case of members of the immediate family, funeral leave may be extended by an extra two (2) days. The extra two (2) days so granted are to be deducted from the employee's sick leave bank. This provision does not apply if the death occurs during the Employee's paid vacation or while the Employee is on leave of absence or lay off.

For the purposes of this provision, the immediate family will be restricted to spouse (included is the spouse of an alternative lifestyle couple), parents, children, sisters, brothers, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandparent, grandchildren, step-parents, brother-in-law, sister-in-law and any relative in the Employees' domicile.

B9.02 Jury Duty:

When a full-time or part-time Employee is required to serve on a jury or is subpoenaed as a witness, the Employee will be paid the wages he/she would normally have earned at work, but the Employee shall reimburse the Company the amount of fees he/she will have received for the period served while on jury or witness duty.

B9.03 Leave of Absence:

If an Employee desires an unpaid leave of absence for reasons other than those referred to in this Agreement, proper justification, in writing, must be submitted to the Company as soon as possible. The Company agrees that no legitimate or reasonable request will be denied. A leave of absence for a period of sixty (60) days or less shall not be deemed a loss of Company, Branch, or Group seniority. Extensions beyond sixty (60) days must mutually agreed to in writing between the Company and the Union.

B9.04 Maternity/Paternity Leave:

An Employee will be granted a leave of absence from employment for the purpose of maternity, paternity and adoption leave as per the parental benefits in the Employment Insurance Act.

ARTICLE B10: JOB POSTING

- B10.01 (a)** When an Employee permanent vacancy occurs for any reason, the Company will post within five (5) days at **all locations** the appropriate depot or Branch, the said vacancy for five (5) working days, in order that the employees may bid for the vacancy in writing. Such notice shall provide information regarding the classification, route number if applicable, service area and scheduled hours. A copy of such notice will be forwarded to the **Local Chairperson and Local Union Office**. Selection will be on the basis of the Employee's seniority and qualifications. The senior qualified applicant will be awarded the position within five (5) working days of the closing of the posting. **The posting will be awarded first by Company seniority within the Branch then the Province. The successful Employee or Owner Operator** shall not be eligible to bid on another posted vacancy for a period of three (3) months from the date of his or her **awarding of the position**.

Employees shall assume their new postings within (30) calendar days unless the Company can provide proof that they are unable to replace the affected position within the thirty (30) day timeline.

If an Employee or Owner Operator is qualified and awarded the vacancy, he or she must be willing and available to commence duties at the new Branch within **thirty (30) days** of the position being **awarded**.

- (b)** The Company shall accept standing applications from Employees or Owner Operators outside the Branch where the vacancy exists. These applications will remain valid and on file for a period of one (1) year. These applications will be

considered based on Company seniority only if no qualified Employee or Owner Operator applies from within the Branch where the vacancy exists.

- (c) All existing Employees or Owner Operators who are awarded a posted position must serve a sixty (60) day trial period in their new position. Unless requirements have changed, Employees or Owner Operators who have previously qualified will not be required to repeat the sixty (60) day trial period. Any Employee the Company determines does not qualify for an awarded position after a trial period will revert to their former position and rate of pay.

B10.02 A work schedule change of one and a half (1.5) hours or less will not require job posting. In an emergency one-time situation a work schedule may be changed by more than one and a half (1.5) hours without the required one (1) week posting.

B10.03 Eligible employees who apply for posted job vacancies shall be notified in writing of the name of the successful bidder. A copy of this notification will be given to the **Local Chairperson and Local Union Office**.

B10.04 Should a full- time **or part time** Employee be absent from work for thirty (30) working days or more for legitimate reasons, his/her position will be posted as a temporary vacancy and awarded to Employees in order of **Company seniority by group** within that Depot. To be eligible to fill such a posted position, an Employee must be qualified for the position and in the case of a full-time Employee; he/she must have worked or trained in the position prior to the posting.

This procedure will apply for the duration of the full-time Employee's absence. Upon his/her return, those filling the vacancies created by the absence will return to their pre-absence positions.

B10.05 This entire Article will apply only to the filling of the original vacancy created, and the next vacancy thus created. All other resulting vacancies will be posted for **forty eight (48)** hours and will be awarded to the senior qualified Employee **or Owner Operator as per B10.01 above**.

When hourly positions are restructured and the result is less or the same amount of positions after such restructuring then the positions shall be posted and awarded by company seniority in the affected group only.

Should an employee not secure a posting due to restructuring then they may exercise their rights as per B8.01 (c) above.

Should the restructuring or movement of employees create a vacancy then B10.01 above shall apply.

B10.06 The Company agrees to follow this posting procedure, but reserves the right to implement changes to the position. Altering of work hours may be done, in which case B7.01 shall prevail.

ARTICLE B11: EQUIPMENT

B11.01 The Company will not require Employees to operate any vehicle on the streets or highways that is not in a safe operating condition or equipped with safety appliances prescribed by law or that has not been passed by the Safety Inspection Board of the Department of Motor Vehicles, where applicable. It will not be a violation of this

Agreement when the Employees refuse to operate unsafe vehicles or those not properly equipped as prescribed by law. All unsafe vehicles shall be locked out and red tagged.

- B11.02 Employees will immediately, or at the end of their respective shifts, report all vehicle malfunctions and defects of equipment. Such reports will be made on a suitable form furnished by the Company and will be made in multiple copies; one (1) may be retained by the Employee.
- B11.03 The Company will not ask any Employee to take out a vehicle until it has been approved as being safe by the Company. In the event of a dispute over the condition of a vehicle, the matter shall be resolved after consultation between a member of Management and a certified mechanic. Such certificate shall be in writing.
- B11.04 Employee operated vehicles will be equipped with a handcart.
- B11.05 It is the responsibility of the Company to maintain Company vehicles and equipment in good running condition.
- B11.06 All vehicles will be equipped with adequate heaters, wipers and defogger. These will be kept in good operating condition at all times. The driver's area will include a protective barrier between the driver and the freight.
- B11.07 Windshield washer solution and motor oil shall be made readily available at all times at the Company's expense for Company vehicles.
- B11.08 Drivers will not be responsible for damage while towing or pushing a vehicle, if instructed to do so by the Company.
- B11.09 The Company will provide qualified competent people to move vehicles on company property when required who shall do so in a safe and proper manner.

ARTICLE B12: MEDICAL EXAMINATIONS

- B12.01 Any medical examination requested by the Company shall be promptly complied with by the Employee, provided, however, that the Company shall pay for such examination.
- B12.02 (a) When a medical examination is required by the Company, other than a medical for pre-employment, for W.C.B. or Wage Indemnity, the Employee shall be paid for actual time involved not to exceed four (4) hours if during working hours.

(b) Any Employee who drives a motor vehicle in the course of employment must take a medical examination to verify his/her right to drive such motor vehicle. Such examination not paid for under the Provincial Health Plan will be paid for by the Company.
- B12.03 If, following a Company requested medical examination, any Employee is deemed physically incapable of carrying out his/her regularly assigned duties, the following procedures shall be followed:
 - (a) The Company shall notify the Employee of the medical findings in respect to the Employee. Should the Union or the Employee disagree with the said findings, the Employee, at his/her own expense, if such expenses are not

covered by the Provincial Health Plan, shall have the right to be examined by his/her personal physician.

- (b) Where there is no agreement between the Company's physician and the Employee's physician on the condition of the Employee, the two (2) physicians shall select a medical consultant to examine the Employee with respect to the dispute.
- (c) The findings of the consultant shall be final and binding on all parties.
- (d) The remuneration of the consultation shall be borne by the Company if the decision is for the Employee and against the Company and by the Union if the decision is against the Employee.
- (e) Should the consultant deem the Employee to be capable of carrying on with his/her assigned duties, then the Employee shall not suffer any loss of earnings caused by his/her having been removed from, or temporarily suspended from his/her regularly assigned duties.

- B12.04 (a) The Parties will make every effort possible to locate a suitable position for an employee deemed physically incapable of performing his regularly assigned duties. Should an employee be reclassified as a result, he/she will be paid at the then existing rate of his new classification. All exceptions to the seniority provisions of the Collective Agreement must be mutually agreed upon in writing by the Parties. An employee placed on a job because of a disability will have their status reviewed at least annually, jointly by both parties. For the purpose of this Article, the parties shall be the Local President, National Representative and the Manager, Human Resources or designate.
- (b) In the event that no position can be identified to accommodate the employee, they will be placed on medical leave of absence without pay.
 - (c) When an employee is cleared medically for light duty work, and there is no suitable position for the employee, the employee will be entitled to remain on Weekly Indemnity, as per the time limits of the benefits contract. In the event an employee is placed on a light duty position and is subsequently determined to be medically unsuitable, he/she may return to Weekly Indemnity with no impact on the plan.
 - (d) An employee who is incapacitated as a result of on the job illness or injury will be entitled to Workers compensation and the prevailing WCB policy and practice regarding vocational rehabilitation shall govern.

B12.05 Furthermore, the Company shall advise the Employee at least two (2) working days in advance, wherever possible, of such medical examination. The time and date of examination to be mutually agreed upon.

B12.06 If requested by the Company, the cost of obtaining a doctor's note or the completion of physician forms will be fully covered by the Company.

ARTICLE B13: MISCELLANEOUS

B13.01 LAYOVERS –

- a) During the period layover, the Employee is relieved of all responsibility for the vehicle and cargo and is free to come and go as he/she desires. The Employee is in no way regarded to be on duty during such layovers. The vehicle will be parked/secured in a designated secured parking area.
- b) Employees scheduled on out-of-town routes requiring a non scheduled layover due to acts of God will be paid five dollars (\$5.00) per hour for each hour of layover outside their scheduled shift.

During this off duty period the Employee is absolved of all responsibility for company property, as long as the agreed to security policy has been adhered to.

- B13.02 Employees who are discharged for cause will have their discharge and reasons for same, confirmed in writing. These Employees as well as Employees who terminate their employment voluntarily shall have all monies owing them paid per Canada Labour Regulations.
- B13.03 Employees employed in driving classifications shall be required to produce a valid driver's license and a Motor Vehicle Branch full search report upon request. Whenever the Company requires an hourly rated Employee to submit a driver abstract (not new hires) the Company will be responsible for any cost for that abstract charged by the Motor Vehicle Branch.
- B13.04 The Customer Service counter positions at the main Branches in Calgary and Edmonton shall remain part of the warehouse section. Wherever practical, the Company will follow this same practice in other branches.

ARTICLE B14: CLASSIFICATION AND WAGES

B14.01 FULL AND REGULAR PART-TIME HOURLY EMPLOYEES

	Year 1 (Oct 1, 2008)			
	0-3 Months	4-10 Months	11-18 Months	19+ Months
Warehouseperson	15.13	16.73	17.13	18.45
Warehouse Customs Specialist	15.13	16.73	17.13	18.45
DG Warehouseperson	16.29	17.88	18.28	19.60
Sorter/Marker Warehouseperson	16.29	17.88	18.28	19.60
Lead Loader	-	18.37	18.70	20.03
Courier Driver	16.22	17.89	18.28	19.97
3 Ton Driver	-	18.87	19.21	20.96
Relief Driver	-	18.61	19.21	21.02
Tractor Driver	21.49	-	-	-
Clerical	14.09	14.73	15.45	16.16
Lead Hand Clerical	15.02	15.65	16.37	17.09
	Year 2 (Oct 1, 2009)			
	0-3 Months	4-10 Months	11-18 Months	19+ Months
Warehouseperson	15.51	17.15	17.56	18.91
Warehouse Customs Specialist	15.51	17.15	17.56	18.91
DG Warehouseperson	16.69	18.32	18.73	20.09
Sorter/Marker Warehouseperson	16.69	18.32	18.73	20.09
Lead Loader	-	18.83	19.16	20.53
Courier Driver	16.62	18.33	18.73	20.47
3 Ton Driver	-	19.34	19.69	21.49
Relief Driver	-	19.08	19.69	21.55
Tractor Driver	22.03	-	-	-
Clerical	14.45	15.10	15.83	16.57
Lead Hand Clerical	15.39	16.04	16.78	17.51

	Year 3 (Oct 1, 2010)			
	0-3 Months	4-10 Months	11-18 Months	19+ Months
Warehouseperson	15.89	17.57	17.99	19.38
Warehouse Customs Specialist	15.89	17.57	17.99	19.38
DG Warehouseperson	17.11	18.78	19.20	20.59
Sorter/Marker Warehouseperson	17.11	18.78	19.20	20.59
Lead Loader	-	19.30	19.64	21.04
Courier Driver	17.04	18.79	19.20	20.98
3 Ton Driver	-	19.83	20.18	22.02
Relief Driver	-	19.56	20.18	22.09
Tractor Driver	22.58	-	-	-
Clerical	14.81	15.47	16.23	16.98
Lead Hand Clerical	15.78	16.44	17.20	17.95

	Year 4 (Oct 1, 2011)			
	0-3 Months	4-10 Months	11-18 Months	19+ Months
Warehouseperson	16.29	18.01	18.44	19.87
Warehouse Customs Specialist	16.29	18.01	18.44	19.87
DG Warehouseperson	17.54	19.25	19.68	21.10
Sorter/Marker Warehouseperson	17.54	19.25	19.68	21.10
Lead Loader	-	19.78	20.13	21.57
Courier Driver	17.46	19.26	19.68	21.50
3 Ton Driver	-	20.32	20.69	22.57
Relief Driver	-	20.05	20.69	22.64
Tractor Driver	23.15	-	-	-
Clerical	15.18	15.86	16.63	17.41
Lead Hand Clerical	16.17	16.86	17.63	18.40

Dangerous Goods (DG) Warehouse and Sorter/Marker positions will exist in Edmonton and Calgary only.

Full and Regular Part-time Clerical Employees Include:

- Telephone Clerk (Dispatch)
- Sales Department Clerk
- Billing Clerk
- Reception/Switchboard
- Office Clerk/Typist
- General Clerk (Tracing, Claims, Dispatch, Admin.)
- Audit Clerk
- Data Entry Clerk
- Accounts Receivable Clerk (Calgary, Edmonton, Red Deer, Vermilion)
- Route Data Entry Clerk
- Sales Coordinator
- Claims Clerk (Edmonton & Calgary)

Casual Workers – working less than twenty (20) hours per week shall be paid at the 0 – 3 month payment category for their classification.

Shift Differential – All hours worked between 2200 hrs. (10:00 p.m.) and 0600 hrs. (6:00 a.m.) are subject to a premium payment per hour:

Oct 1/08	\$0.70
Oct 1/09	\$0.75
Oct 1/10	\$0.75
Oct 1/11	\$0.75

Route Data Entry Clerk positions to be paid one-half cent (\$0.005) per entry.

Route Data Entry Clerks hired prior to December 14, 1993 shall have the option to be paid an additional fifty (50) cents per hour premium in lieu of the one-half cent per entry premium (not subject to be increased beyond fifty (50) cents when working overtime). Those receiving the fifty (50) cent premium may elect, at any time, to switch to the one-half (\$0.005) cent formula; however, they may not revert back once this election has been exercised.

B14.02 Any Employee temporarily assigned to a higher rated position for a minimum of three (3) hours or fifty percent (50%) of their scheduled shift, whichever is less, shall receive the higher rate of pay for his/her entire shift, including any overtime hours worked.

Any Employee temporarily assigned to a lower rated position shall not have his/her rate of pay reduced.

B14.03 All Employees will be paid by direct deposit.

If an error occurs in the payroll computation of an Employee's pay cheque and the amount is equal to one (1) day's pay or more, he/she shall be entitled, on request, to receive same as soon as practicable but not later than three (3) working days after the error was reported; if the Employee is overpaid then he/she shall return said cheque or the overpaid amount within three (3) working days. In the event that the same shortage of any amount occurs on two (2) consecutive paydays, then on request, the money will be paid within three (3) working days.

B14.04 At the request of an Employee, DHL Canada will make available a printout stating the actual hours swiped by an Hourly Employee on the Friday prior to the pay period close.

B14.05 When new categories of employment for which rates of pay are not established by this Agreement, are put into use or effect, rates governing such categories of employment shall be subject to negotiations between the parties. The rate established shall be retroactive to the date of implementation. Should the parties not be able to reach an agreement, it is understood that the parties will defer the decision to an arbitrator, in accordance with Article 4.

B14.06 All clerks currently performing split duties working outside of Edmonton and Calgary prior to date of ratification will receive the warehouse rate of pay for their clerical duties.

LETTER OF UNDERSTANDING

- BETWEEN -

DHL EXPRESS (CANADA) LTD.

IN THE PROVINCE OF ALBERTA

(HEREINAFTER REFERRED TO AS THE "COMPANY")

- AND -

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW - CANADA)**

LOCAL 4050

(HEREINAFTER REFERRED TO AS THE "UNION")

SMALL DEPOT CLERICALS

The parties agree that the two clerk positions discussed at negotiations (one in Peace River and one in Fort McMurray) will be made Lead Hand positions effective date of ratification. These positions will remain Lead Hand Clerical positions unless a management role is added to the facility.