

LETTER OF UNDERSTANDING

BETWEEN

DHL EXPRESS (Canada), LTD.

(Hereinafter referred to as "the Company")

AND

UNIFOR LOCAL 4050

(Hereinafter referred to as "the Union")

**ALBERTA OWNER OPERATOR AVERAGE KILOMETERS (KM)
CHANGE TO ACTUAL KM DRIVEN**

The parties agree to amend the following article of the Alberta Appendix of the Collective Bargaining Agreement (CBA) to reflect the change of average kilometers to actual kilometers. Unless specifically listed, all articles not mentioned in this agreement are to remain in the collective agreement unchanged.

A27.04 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, they 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.

The Company agrees to post the additional following information:

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

Estimated daily 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)

The parties agree to modify the first paragraph of article 14. Fuel Escalation Program as follow. Otherwise stated below, the remainder of the article will remain unchanged.

14. Fuel Escalation Program:

Daily driven 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.. 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.

It is understood that either party may give 30 days notice in writing to end this LOU should there be any issues that cannot be resolved after joint discussions

FOR THE COMPANY:

FOR THE UNION:

