

MEMORANDUM OF AGREEMENT

for a renewal collective agreement

between

**Loomis Express (Canada), Ltd.
a division of TransForce**

and

**National Automobile, Canada, Transportation and
General Workers Union of Canada (CAW-Canada)
Locals 114, 4050, 4005, 755, 4457**

June 10, 2013

LOOMIS EXPRESS (CANADA)

The Union and the Company met for collective bargaining and concluded a tentative agreement on the terms established in this Memorandum of Agreement.

The Union Bargaining Committee unanimously recommends this tentative settlement for ratification as per the following:

1. This Memorandum of Agreement is subject to ratification by the Union and the Company. Ratification will be communicated in writing.
2. All provisions of this Memorandum of Agreement will become effective on the date of ratification unless specified otherwise.
3. National Collective Agreement

The Company and the Union agree to combine the current collective agreements and any related appendixes, schedules, business agreements, and letters of understanding, intent, or agreement between Loomis Express (Canada) and CAW-Canada and its Locals 114, 4050, 4005, 755, and 4457 covering British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, and Nova Scotia into one national collective agreement as described in this Memorandum of Agreement.

Following ratification of this Memorandum of Agreement in each provincial certification, it is agreed that this document shall be used to prepare a signing copy of a national collective

agreement and it is also understood and agreed that the Union intends to apply for a national certification from the Canada Industrial Relations Board ("CIRB") under the applicable provisions of the *Canada Labour Code*. The Company agrees to support such an application before the CIRB and agrees that this national collective agreement is immediately applicable to all employees and owner operators once ratification has been confirmed from each province covered under the Union's jurisdiction in the certifications outlined above on the terms as set out in this Memorandum of Agreement.

All articles and clauses from both hourly and owner operator sections of each provincial agreement including any appendixes, schedules, business agreements, and letters of understanding, intent, or agreement shall be renewed without change into the national collective agreement unless specifically referenced in this Memorandum of Agreement.

All articles or clauses from both hourly employee and owner operator sections of each provincial agreement including any appendixes, schedules, business agreements, and letters of understanding, intent, or agreement not specifically in direct conflict with the common provisions set out in this Memorandum of Agreement shall be included in one of the Appendixes outlined below as applicable:

- Appendix A: Alberta Specific Provisions
- Appendix B: British Columbia Specific Provisions
- Appendix C: Manitoba / Saskatchewan Specific Provisions
- Appendix D: Nova Scotia Specific Provisions
- Appendix E: Ontario Specific Provisions

Article 10.02 – Note: Include Article 10.02 Union proposal from Ontario agreement.

The parties agree to meet following a decision of the CIRB on the national certification to continue discussions on harmonizing language from each Appendix into the general section of the national collective agreement. No article or clause shall be removed from one of the Appendixes into the general section of the national collective agreement without mutual written agreement between the parties.

For further clarity, and in addition to the above, the parties have set out the following agreed items:

NATIONAL COLLECTIVE AGREEMENT: COMMON LANGUAGE

ARTICLE 1 – UNION RECOGNITION AND RIGHTS

- **Note: Unless otherwise identified, all provisions related to provincial agreements shall continue as outlined above.**

1.01 Union Recognition

The Company recognizes the Union as the sole collective bargaining agent of the

employees and owner operators covered by this agreement. Properly qualified Officers and Committeepersons of the Union shall be recognized by the Company in discussing any and all matters affecting the relationship between the Company and the employees and owner operators who are members of the Union and are affected by this agreement.

1.02 No Discrimination

The Company shall not discriminate against any of the employees or owner operators who are member of the Union for Union activity and/or for their activities in representing other employees or owner operators.

1.03 Successor Rights

The provisions of Part 1, Chapter L-2, Section 44 of the *Canada Labour Code* dealing with successor rights and obligations are recognized by the parties.

1.04 Union Membership

It is hereby agreed that all employees and owner operators shall become members of the Union and shall as a condition of employment become and remain members of the Union.

1.05 Union Dues Deduction

The Company agrees to deduct from the pay of each employee and owner operator, who is a member of the Union, or covered by this Collective Agreement, an amount of Union dues or their equivalent, as specified by the National Secretary-Treasurer of the Union and forward the full amount so deducted to him or her, or such other person or local union as may be officially designated. Said deductions to be made as directed by the National Secretary-Treasurer of the Union or such person or local union as that official may designate. The monthly dues remittance shall be accompanied by a list of employees or owner operators on the payroll for the pay period in which the deductions were made. A copy of said list only will be forwarded to the local union office as directed by the Union.

1.06 Union Dues on T4 Slips

The Company shall show the total amount of Union dues deducted on the employee's T-4 slip or T4-A's for owner operators at the end of each calendar year.

1.07 No Individual Agreements

The Company agrees not to enter into any agreement or contract with the Union employees or owner operators, individually or collectively, which in any way conflicts with the terms and provisions of the agreement. Any such agreement will be null and void.

1.08 Picket Lines

The Company shall not require an 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 or owner operators 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 or any person with whom a Union has a picket or placard line around or against.

1.09 Union Label

It shall not be a violation of this agreement for an employee or owner operator to post the 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-draught window.

1.10 Provision of Collective Agreements

The Company shall pay for all costs associated to print and distribute a new collective agreement to the membership. The Company shall ensure that all employees and owner operators are provided with a copy of the collective agreement as soon as they are printed or upon hire. Each Local Union shall receive an additional allotment upon request as required for collective agreement administration, subject to availability.

1.11 Payment for Collective Bargaining

The Company shall pay for the lost wages and/or revenue required for each employee or owner operator to participate on the Union's Bargaining Committee for all days involved in collective bargaining with the Company including the days for the 2012-2013 round of collective bargaining.

1.12 Contracting Out

- (a) 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.
- (b) Leased Owner Operators will not be used for the purpose of depriving regular Employees of their regular hours of work on their regular shifts.
- (c) The Company agrees it will not use any leasing Equipment/Driver for the purpose of evading this Agreement.
- (d) Any pre-existing P&D contracting out in effect prior to June 1, 2013 may continue to be contracted out for the life of this agreement. No P&D contractor shall drive a vehicle or wear a uniform identifying them as

working for Loomis Express. P&D contractors must continue to load and unload their freight to their vehicle at a Loomis facility represented by the CAW.

- (e) No line haul, warehouse or clerical position will be contracted out.
- (f) Unless otherwise specified in this agreement, warehouse staff will prepare the loads and unloads and the language may need to be revised for any HQ loads unless there are local agreements in place to the contrary. No contractor shall perform warehouse work at Loomis facilities unless otherwise specified. The status quo in these issues as of June 1, 2013 shall be maintained for the life of this agreement.

Note: The Union will enter into a national Letter of Understanding as per the current Letter of Understanding relating to in sourcing between DHL and Loomis as per the letter already in place with the addition that if the contract with DHL ends, the Letter of Understanding also expires. The Company will provide an update in writing to the Union if the contract ends.

1.13 Bargaining Unit Work

- (a) All storing, handling and delivering of merchandise or other goods and materials shall be carried on by the Company's employees or owner operators, members of the Union, in the categories covered in this Collective Agreement where such work is under the control of the Company.
- (b) No person not in the bargaining unit shall perform bargaining unit work on a regular and/or on-going basis but may assist in a temporary overload or emergency situation. A Supervisor or Manager must advise the Shop Steward or Designate on shift when this clause is invoked and provide an explanation at that time.

1.14 Notification of Representatives

The Union shall promptly notify the Company in writing of the names of the employees and owner operators who are authorized Union Representatives including their positions and of any changes in the personnel thereof. The Company shall inform the Union, in writing, of the Supervisors and Managers with whom said accredited Representatives shall deal and any changes in personnel thereof.

1.15 Leave for a Full-Time Union Position

Any employee or owner operator elected or appointed to a full-time position with the National or Local Union or affiliated organizations shall be granted an indefinite leave of absence without pay provided that thirty (30) days notice is given the Company

prior to the beginning of such leave. During such leave, the employee or owner operators seniority shall accumulate. Health and welfare benefits shall be suspended thirty (30) days after such leave commences, and annual vacation benefits shall be suspended immediately. They will both again be in effect the first (1st) day the employee or owner operator returns to work.

ARTICLE 2 – MANAGEMENT RIGHTS

2.01 Management Rights Defined

The Union recognizes, except to the extent Management Rights have been abridged or modified by specific terms and conditions in this Agreement, that it is the exclusive function of management only to:

- (a) Hire, classify, promote, demote, lay-off, suspend, discharge or otherwise discipline hourly /Owner Operators for just/reasonable cause.
- (b) Maintain order, discipline and efficiency; and establish and enforce rules and regulations governing the conduct of hourly and Owner Operators, and which will not be inconsistent with the provisions of this Agreement.
- (c) The right to reduce overtime hours wherever and whenever possible.
- (d) The right to determine the products to be handled, the methods of handling and processing and related scheduling of personnel and operations.
- (e) The right to enter into a Business Agreement (Schedule “B”) with, reroute, or terminate the Business Agreement (Schedule “B”) for just cause.
- (f) The right to assign work by the most economical means available to the Company.

2.02 Consistent with Agreement

The Company agrees that these functions will be exercised in a manner consistent with the provisions of this Agreement.

2.03 Right to Grieve

The above clauses shall not deprive Hourly Employees and Owner Operators of the right to exercise the grievance procedures as outlined in this Agreement

2.04 Management Defined

The term "Management" shall refer to Management and Supervisors not covered

under the certificate of the bargaining unit.

2.05 No Strike or Lockout

During the term of this Agreement, there shall be no lock-out by the Company, nor any strike or work stoppage by the hourly employees and Owner Operators.

ARTICLE 3 – GRIEVANCE PROCEDURES

3.01 Intent

It is the intention of the parties that this procedure shall 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 Grievance Defined

Any complaint, disagreement, or difference of opinion between the Company and the Union or the Hourly Employees and 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 Grievance Initiation

- (a) Any hourly employee, owner operator, the Union, or the Company may present a grievance. A group and/or policy grievance filed on behalf of the Union or the Company shall be submitted at Step 3 of the grievance procedure.
- (b) A grievance concerning the dismissal of an employee or termination of contract shall be submitted commencing at Step 3 of the grievance procedure.
- (c) Grievances should normally be filed within ten (10) calendar days from the time the member is aware of the issue that may lead to a grievance. Union or Company group and/or policy grievances should normally be filed within thirty (30) calendar days from the time the Unit Chairperson or designate or the Regional Area Director or designate is aware of the issue that will lead to the grievance.

3.04 Grievance Procedure

The Union and the Company shall each provide a written list of any Union representatives authorized to resolve or respond to grievances in each particular area and at each particular level and will provide the other party with updates to this list in writing when changes occur.

An employee or owner operator having a complaint is encouraged to orally discuss the matter with a Supervisor.

Step 1: The employee or owner operator and/or his or her Shop Steward shall submit his/her formal Step 1 grievance in writing to his or her immediate Supervisor, who shall give his or her reply in writing within seven (7) calendar days. If a satisfactory settlement cannot be reached, or if there is no supervisory position at the Branch then;

Step 2: Within seven (7) calendar days of receiving a Supervisor's response, a Step 2 grievance may be filed by the Chief Steward or designate in writing with the designated Supervisor or Manager, who shall respond in writing with a particularized response to each specific allegation outlined in the grievance no later than seven (7) calendar days from the date the Step 2 grievance is filed. If the grievance is not resolved at this Step, then;

Step 3: Within fourteen (14) calendar days of the designated Supervisor or Manager's response, a Unit Chairperson or designate, or Representative of the National or Local Union may file a written grievance at Step 3 with the Regional Area Director or designate who shall reply in writing with a particularized response to each specific allegation outlined in the grievance within fourteen (14) calendar days.

Failing a satisfactory settlement, the grievance may then be referred to Arbitration, as established in Article 4 of this Agreement.

3.05 Time Limits

- (a) Where a decision with respect to a grievance other than one for unpaid wages is not rendered by the appropriate Company officer or Union official within the prescribed time limits, the grievance will be processed to the next step in the grievance procedure.
- (b) When the appropriate officer of the Company fails to render a decision with respect to a claim for unpaid wages within the prescribed time limits, the claim will be paid. The application of this rule shall not constitute an interpretation of the Collective Agreement nor does it constitute a precedent.
- (c) Where a technical error has been made in filing a grievance, through improperly citing the Article alleged to have been violated, an arbitration board shall have the power to allow for the amendment of the grievance, determine the substance of the matter in dispute and render a decision.
- (d) Failure to file a grievance in the appropriate time frame without

reasonable grounds or in a manner that would prejudice the other party may be grounds for dismissing the grievance.

- (e) The time limits prescribed in this Article may be extended, but only by mutual consent of the Company and the Local Chairperson in writing.

3.06 Required Meetings

An employee or owner operator who is required to attend any meeting on Company business shall be paid at his/her regular rate of pay for such meetings occurring during his/her regular shift or at applicable rates of pay for all such time spent outside of his/her regular shift. Any meetings necessary to comply with the formal grievance provisions of this Article will be held during normal working hours at no loss of pay to the employees or owner operators concerned.

3.07 Disclosure of Information

It is agreed that disclosure of information necessary to assist in resolving grievances at the earliest opportunity is essential to good labour relations and resolving disputes as soon as possible without unnecessary expense and both parties agree to assist in that process in good faith.

3.08 Payment of Grievance Settlements

All monetary grievances that are mutually agreed upon shall be paid the following pay period, on the Employee's regular pay deposit and shall be accompanied by a written statement outlining the amount and the grievance settlement involved. The Company agrees further that a successful grievance concerning lost pay shall be paid out in the next pay period.

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 a single Arbitrator authorized to deal with disputes under the *Canada Labour Code*.

Such notification of an intent to proceed to arbitration must be made in writing, within thirty (30) calendar days of receiving the response at Step 3.

If the parties cannot agree on a single Arbitrator within fourteen (14) calendar days, they may request the Minister of Labour to appoint a single Arbitrator.

- 4.04** The Arbitrator shall receive and consider such material evidence and conditions as the parties may offer, and shall make such independent investigation as he or she deems essential to a full understanding and determination of the issues 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.

- 4.05** The findings and decision of the single Arbitrator on all arbitrable questions shall be binding and enforceable on all parties.
- 4.06** The expense of the Arbitrator shall be borne equally by the Company and the Union.
- 4.07** The single Arbitrator must be prepared to render a decision within thirty (30) days of the completion of the Arbitration hearing.

Should the parties agree prior to/during the hearing that this Clause is impractical, because of the nature of the Arbitration case, the above time provision shall not be operative.

ARTICLE 5 – HUMAN RIGHTS, ANTI-HARASSMENT AND VIOLENCE IN THE WORKPLACE

5.01 No Harassment or Discrimination

Employees will not suffer any harassment or bullying nor will they be discriminated against by the Company and/or the Union, or any of the officers or agents acting on their behalf, with respect to terms or conditions of employment on the grounds of sex, race, colour, nationality, ancestry, place of origin, language ability, family relationship, place of residence, political affiliation, sexual orientation, disability, conviction for which a pardon (or equivalent) has been granted, or failure to act on a directive which is illegal or contrary to any provision of this Agreement. The Company will also comply with its responsibilities under the *Canadian Human Rights Act (CHRA)*.

Workplace Harassment - The Company and Union are committed to providing a harassment-free workplace. Harassment is defined as a course of vexatious comment or conduct that is known or ought to reasonably be known to be unwelcome, that denies individual dignity and respect on the basis or grounds such as gender, disability, race, colour, sexual orientation, conviction for which a pardon (or equivalent) has been granted or other prohibited grounds as stated in the *Canadian Human Rights Code*. All employee, owner operators, supervisors and managers are expected to treat others with courtesy and consideration and to discourage harassment.

Harassment or bullying may take many forms, verbal, physical, or visual. It may involve a threat or an implied threat or be perceived as a condition of employment. The following examples could be considered as harassment but are not meant to cover all potential incidents:

- Unwelcome remarks, jokes, innuendos, gestures or taunting about person's body, disability, attire or gender, racial or ethnic backgrounds, colour, place of birth, sexual orientation, citizenship or ancestry;
- Practical jokes, pushing, shoving, etc. which cause awkwardness or embarrassment;
- Posting or circulation of offensive photos, visual materials;
- Refusal to work or converse with an employee because of their racial background, gender, etc.
- Unwanted physical conduct such as touching, patting, pinching, etc.
- Backlash or retaliation for the lodging of a complaint or participation in an investigation;

Harassment is not:

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. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

5.02 Filing a Complaint

- (a) If an employee believes he/she has been harassed and/or discriminated against on the basis of any prohibited ground of discrimination, there are specific actions that may be taken to put a stop to it:
- Request a stop of the unwanted behaviour;
 - Inform the individual that is doing the harassing or the discriminating against you that the behaviour is unwanted and unwelcome;
 - Document the events, complete with times, dates, location, witnesses, and details;
 - Report the incident to Supervisor / Union Representative.
- (b) However, it is also understood that some victims of discrimination or harassment are reluctant to confront their harasser, or they may fear reprisals, lack of support from their work group, or disbelief by their Supervisor or others. In this event, the victim may seek assistance by reporting the incident directly to any Union Representative / Company Representative.

- (c) **Investigation** - Upon receipt of the complaint, the designated Company Representative / designated Union Representative contacted will immediately inform their Union or Company counterpart and together they will then interview the employee and advise the employee if the complaint can be resolved immediately or if the complaint should be formalized in writing. Properly completed copies of this complaint will be forwarded to the Regional Area Manager or designate and the Local Union President and/or Unit Chairperson or designates. A formal investigation of the complaint will then begin by either the Local Union President and Regional Area Director or their designates, interviewing the alleged harasser, witnesses and other persons named in the complaint. Any related documents may also be reviewed.
- (d) **Resolution** - The Local Union President and the Regional Area Manager or their designates will then complete a report on the findings of the investigation. The Local Union President and Regional Area Manager or their designates will make a determination on an appropriate resolution, and ensure the resolution is fair and consistent with the intent of the Company and National CAW policy regarding discrimination and harassment in the workplace.

At the conclusion of this step, if unresolved, the complaint will be inserted into Step 3 of the grievance procedure for resolution. In the event that the complaint is not resolved by the parties at Step 3 of the grievance procedure, it may be appealed to arbitration. The parties agree that this procedure is an alternative complaint procedure and as such, complaints should not be pursued through both the grievance procedure and the Human Rights Complaint procedure.

The pursuit of frivolous allegations through the Human Rights Complaint Procedure has a detrimental effect on the spirit and intent for which this policy was rightfully developed and should be discouraged.

All documentation is to be secured in a location agreeable to all parties.

All employees have the right to file a complaint with the Human Rights Commission and to seek redress under the *Canadian Human Rights Code*.

The Company and the Union agree that changes may be made to this policy by mutual agreement.

ARTICLE 6 – DISCIPLINE AND DISCHARGE PROCEDURES

6.01 Discipline for Just and Reasonable Cause

Employees and 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 Unit Chair or designate. All investigations and subsequent discipline will be carried out as expeditiously as possible.

6.02 Union Representation

- (a) No employee or owner operator shall enter the offices of a Supervisor and/or Manager for disciplinary purposes or receive a letter of warning from same without the presence of a Steward of their choice when available (i.e. Chief Steward or Steward). If an employee or owner operator is brought in without this representation, any resulting discipline shall be null and void.
- (b) Where a Shop Steward of their choice is not available on shift, the investigative or disciplinary meeting will be re-scheduled to a later date, but not more than five (5) working days later. If there is a Shop Steward on duty, the meeting will take place during the shift. Such requests shall not be unreasonably denied provided there shall be no additional costs to the Company as a result of the rescheduling and if the Company will not be prejudiced by the delay.
- (c) If there is no Steward appointed or elected in an area, the Unit Chairperson or designate will be directly contacted before any discipline meeting commences or is levied.
- (d) Serious infractions may result in immediate suspension pending investigation. The Unit Chair or designate will be notified at the earliest opportunity. If no discipline is levied, the employee or owner operator shall be made whole for the time held out of service.

6.03 Personal File

Any employee or owner operator shall be allowed to inspect his or her own personal file in the presence of the Company, during normal business hours. Any Officer of the Union, acting on behalf of the Employee, may inspect an employee or owner operator's disciplinary file, with the written authorization from the employee or owner operator.

6.04 Removal of Discipline

Any reprimand notices or disciplinary measures will remain on the employee or owner operator's file for one year from the date of notice or reprimand unless there is a re-occurrence of the same or similar infraction. At the completion of the one year period, the reprimand or disciplinary notice will be removed from the file. Said files to be removed shall not be considered to be removed but shall be physically removed

and destroyed. If a repeat infraction occurs within the one year period, the original and subsequent notices or reprimands will remain on the file for a further year from the date of the most recent notice or reprimand.

Reprimand notices and disciplinary measures resulting from a violation of a criminal or civil nature, including driving record, will remain part of the employee or owner operator's file indefinitely.

Whenever an employee or owner operator signs a document pertaining to discipline, he/she does so only to acknowledge that he/she has been notified accordingly.

6.05 Suspension or Dismissal Procedure

The following special procedure will apply when a more than one (1) day suspension or dismissal is contemplated.

- (a) The employee or owner operator will be notified of the charges as soon as the Company is prepared to present them. The Unit Chairperson or designate shall be notified at the same time along with the local Shop Steward for the area.
- (b) When the Union and the employee(s) are notified of the charge(s) as per Article 6.05 (a) above, an "investigative hearing" into the allegations shall be scheduled within five (5) calendar days (excluding Saturdays, Sundays and Statutory Holidays) of the charge(s) being presented.
- (c) The Unit Chairperson or designate and the employee or owner operator 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 or owner operator may be held out of service, pending an investigation, until the time of the hearing. In determining whether to hold the employee or owner operator out of service, the Employer will consider the nature of the alleged infraction(s). A decision to hold an employee or owner operator out of service without pay is subject to the grievance procedure after either discipline is levied or the file is closed. If no discipline is levied, the employee or owner operator shall be made whole for the time held out of service.
- (e) The Chief Steward (and Unit Chairperson or designate or Local Representative if requested) will be present at the investigatory hearing along with the employee or owner operator.

- (f) Any known witnesses and/or known evidence will be called by either party at the hearing or in the twenty (24) hour period after the hearing and such witnesses will be paid for their attendance at applicable rates.
- (g) The Manager or supervisor must render his/her decision within seven (7) days following the investigatory hearing (excluding Saturdays, Sundays and Statutory Holidays).
- (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 will render any resulting discipline null and void.

ARTICLE 7 – PENSION PLAN

7.01 Pension Plan Enrolment

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 in Alberta and on an elective basis in other agreements.

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

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.

7.02 Pension Plan Contributions

(a) Company Contributions

For each employee covered by the Pension Plan, the Company shall contribute the equivalent of three and a half percent (3.5%) in Alberta and Manitoba / Saskatchewan and three percent (3%) in all other agreements of his/her earnings as defined in the Collective Agreement.

(b) Employee Contributions

Every employee covered by the Pension Plan shall contribute three and a half percent (3.5%) in Alberta and Manitoba / Saskatchewan and three percent (3%) in all other agreements of his/her earnings as defined in the Collective Agreement, to be deducted from the first pay cheque of each fiscal month.

- (c) The pension plan 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).

7.03 Pension Plan Information

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 enrolment forms to participate in the pension plan, shall be provided at the date of hire.

ARTICLE 8 – PAID EDUCATION LEAVE

8.01 Paid Education Leave Contributions

The Company agrees to pay into a special fund two (\$0.02) cents per hour per hourly employee for all compensated hours and twenty cents (\$0.20) per day per owner operators for all owner operators for the purpose of providing paid education leave. The paid education leave will be for the purpose of upgrading the employee and owner operators skills in all aspects of union functions. Such monies will be paid on a quarterly basis into a trust fund established by the National Union, CAW and sent by the Company to the following address:

CAW Paid Education Leave Program, 205 Placer Court Toronto Ont., M2H 3H9

- **Note: Alberta, Manitoba / Saskatchewan, and Nova Scotia provisions to be harmonized with the language outlined in this Article.**

8.02 Paid Education Leaves of Absence

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. Employees and owner operators on said leave of absence will continue to accrue

seniority and benefits during such leave.

ARTICLE 9 – SUBSTANCE ABUSE

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 full 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 counselling services or treatment and rehabilitation facilities.

The Company will provide all normal group insurance benefits applicable to the employee or owner operator while under the care of a medically prescribed course of treatment. If an Institute as selected is not covered under the applicable provincial medical plan, the Company will pay the cost of the treatment.

ARTICLE 10 – DURATION OF AGREEMENT

10.01 Duration of Agreement

This collective agreement shall be in full force and effect from and including April 1, 2013 to and including March 31st, 2017 and shall continue in full force and effect from year to year thereafter subject to the right of either party of this Agreement within four (4) months immediately preceding the expiry date, or immediately preceding the anniversary date in any year thereafter by written notice to party, to require the other party to commence collective bargaining with a view to conclusion or renewal of a Collective Agreement or a new Collective Agreement.

OTHER COMMON LANGUAGE

The Union is working on developing common national collective agreement language in the following areas:

- Health and Welfare and Sick Leave
- Leaves of Absence
- Health and Safety
- Probationary Period (including owner operators)
- Job Postings
- Training

PROVINCIAL LETTERS OF UNDERSTANDING

- **Discuss communication allowance – renew as per current practices and language.**
- **Deal with the provincial letters of understanding in the following manner:**

Ontario

Core-Zone Review Requests	Delete, dealt with in MOA.
Facility Re-Routes	Renew
Winnipeg LOU	Renew
Exception Sheet	Renew
Data Entry	Renew (copy required)
Bumping of Lead Hands	Delete
Absenteeism	Request clarification and renew
Hybrid Classification	Renew
Family Day Payment	Renew (copy required)
Union Office	Renew
GSS Employee Standards	Request modification and renew. (Discuss).

British Columbia

Owner Operators Letters of Understanding

- Letter of Understanding 1 – Move into body of agreement under article 5
- Letter of Understanding 2 – Renew
- Letter of Understanding 3 – Renew and move under new language on reroutes or under article 5
- Letter of Understanding 4 – Move into Article 5 with changes.
- Letter of Understanding 5 – Agreed to delete already
- Letter of Understanding 6 – Agreed to delete already
- Letter of Understanding 7 – Renew could be discussion on national LOU
- Letter of Understanding 8 – Renewed already
- Letter of Understanding 9 – Renew and move into body under article 13
- Letter of understanding 10- Deleted already
- Letter of Understanding 11 – Agreed to delete already
- Letter of Understanding 12 – Renew.
- Letter of Understanding 13 – Renewed already.
- Letter of Understanding 14 – Deleted in local bargaining
- Letter of Understanding 15 – Move into body under Schedule A
- Letter of Understanding 16 – Update.
- Letter of understanding 17 – Renew.

Hourly Letters of Understanding

- Letter of Understanding 1 – Move into body under Article 15.

- Letter of Understanding 2 – Move into body under Article 15.
- Letter of Understanding 3 – Delete, covered in new restructuring provisions.
- Letter of Understanding 4 – Renewed already move under article 24
- Letter of Understanding 5 – Same as LOU #1 under O/O
- Letter of Understanding 6 – Renewed already.
- Letter of Understanding 7 – Delete.
- Letter of Understanding 8 – Renew.
- Letter of Understanding 9 – Renew.
- Letter of Understanding 10 – Deleted already
- Letter of Understanding 11 – Move into body under Article 28.
- Letter of Understanding 12 – Renew and add in a completion date. Leave as LOU subject to national language
- Letter of Understanding 13 – Renew.
- Letter of Understanding 14 – Renew as per local bargaining agreement.
- Letter of Understanding 15 – and move under article 28
- Letter of Understanding 16 – Renewed as per local bargaining agreement.
- Letter of Understanding 17 – Update and renew based on this MOA.

Alberta

Vehicle security	Renew
5ton rural mileage	As per local bargaining agreement.
Surveillance	Renew
Communication	Renew
Messenger	Renew
O/O vacation	Renew
Conversions	Renew
Payment from pulse	Renew
Small depot clerks	Delete
PEL	As per PEL provisions in this MOA.
Paid Union Time	Renew
Line haul	Renew
Seniority	Renew
Blind LOU	Renew

Manitoba / Saskatchewan

Hourlies

Statutory Holidays	Delete as per local bargaining.
CompCall	Delete
Benefits	Renew

Owner Operators

Payment from Pulse	Renew National Issue
--------------------	----------------------

Communication	Renew
WCB Claims	Renew
Regina Winter Line haul	Renew with amendment with Company approval.
Line haul	Renew
Vacation	Renew with amendment with Company approval.
Winnipeg LOU	Renew
Lump Sum	Remove
Swamper Pay	Renew
Subsidies	Renew (require copy from Union).

Nova Scotia

Owner Operator

Handheld Devices	Renew National Issue
Payment from Pulse	Renew National Issue
Reroute	National Issue
Major Centre Parameter	National Issue
Winnipeg LOU	Renew
Fuel Discount	Renew
Fuel Escalation	Renew
Commitment to Working Together	Renew
Costs of Negotiations	Delete, dealt with in MOA.
Owner Operator Vehicle Painting	Renew with 100% Company paid.

WAGES AND RATES

Increase all wage rates and step rates for all classifications in all provincial collective agreements by the following amounts:

April 1, 2016 + 2.5%

Increase all Owner Operator compensation in all provincial collective agreements as set out in this Memorandum of Agreement.

LUMP SUM PAYMENT

All owner operators and hourly employees on the seniority list as of April 1, 2015 shall receive a lump sum payment of \$200 in the first pay period following April 1, 2015.

CHANGES TO STEP RATES

The step rates for hourly employees shall be adjusted for new employees hired after the date of

ratification to start at 75% of the top rate and increase at 5% increments for each year of service as per the following:

Date of Hire	75%
Year 1	80%
Year 2	85%
Year 3	90%
Year 4	95%
Year 5	100%

PAST PRACTICES

The Company will withdraw its notice to end all past practises but reserve the right to argue that certain situations are not past practises that give rise to estoppel arguments while the Union reserves the right to argue that certain situations are practises that give rise to estoppel arguments. Both parties agree to deal with any issues through the grievance and arbitration provisions on a case by case basis.

MANDATORY RETIREMENT

The parties agree to delete all references to mandatory retirement in each provincial collective agreement.

BEVERAGES

The parties agree that all current practises and/or language with respect to provision of beverages at Company expense will be eliminated from all provincial collective agreements however filtered water and cups must be maintained in all areas.

PAY PERIODS

Standardize pay period across the country one year after ratification – discuss transition date and period and methods.

All pay periods to be on a Sunday to Saturday rotation.

All Owner Operators to be paid on Friday of the same pay period following the end of the pay period.

UNION RIGHTS AND REPRESENTATION

All Unit Chair and representation language including any payments to the Union and office

space to continue as per each current provincial agreement with no changes.

Article 1.15 and 1.21 in the Ontario agreement shall be removed upon ratification.

BENEFITS

All benefits including sick days and eligibility to be maintained for hourly employees and owner operators as per the current practises and language in each province for the life of the agreement. Clarify any outstanding issues.

Add language to ensure that all weekly indemnity plans will be adjusted automatically to meet the requirements of paragraph 63(d) of the EI regulations provided that these are minimum amounts and this change does not reduce the payments under the current WI plans or plan maximums.

UNIFORMS AND PROTECTIVE FOOTWEAR

Work toward common language on uniforms as per the following:

It is imperative to protect the brand and the image of Loomis Express (Canada), Ltd. Therefore the wearing of Company-issued uniforms is mandatory for all hourly drivers and for all Owner Operators excluding line haul as a condition of maintaining a Business Agreement.

Warehouse staff will be provided coveralls if requested.

The Company will pay for uniforms and any necessary alterations when such uniforms are required as determined by the Company.

All uniforms are, and shall remain, the property of the Company, and the employees and Owner Operators shall be expected to properly care for and keep same in good repair and condition at the Owner Operator's expense. Uniforms will be replaced on an as-needed basis at the Company's expense.

All uniforms shall be returned to the Company upon termination of services or when requesting new issue as required.

Discuss general issue of uniforms.

Work towards standardized language on protective footwear as follows:

- (a) The Company shall provide to all Employees and Owner Operators (excluding line haul) protective footwear where determined to be necessary by the Safety Committee.
- (b) Employees and Owner Operators purchasing their own footwear under this Article

will be reimbursed the purchase price up to a maximum of one hundred and twenty dollars (\$120) per year upon proof of purchase to cover the purchase of safety footwear once per year.

- (c) Protective footwear re-imburement will be done through the payroll system or through a voucher system as a non-taxable benefit upon request.

WSIB/WCB

All current practices and language in each provincial agreement to be maintained in relation to WSIB or WCB.

INCORPORATION

All Owner Operators shall not be forced to incorporate.

LOANS

All owner operator loans to be deleted although repayment plans for current loans will continue as per the current agreement where applicable.

PAINTING OF VEHICLES

All current practises and language in each provincial collective agreement related to painting of vehicles for owner operators to be maintained for the life of the agreement. New owner operator vehicles and owner operators replacement vehicles shall be painted white.

CONVERSION

All conversion provisions to be maintained as per each current agreement.

MINIMUM PAYMENTS

All minimum payments and language to be maintained as per the current situation and language in each province for the life of the agreement.

TECH CHANGE AND SEVERANCE

Maintain all tech change and severance provisions and payment amounts unless otherwise identified.

CHANGES TO HUB SORT IN ONTARIO

During the latest round of negotiations, Loomis proposed a number of changes to deal with technological change that have occurred within the TransForce group of companies related to sorting. The Parties have spent an extensive period of time discussing these issues and looking for solutions.

The Company has advised the Union that it is essential to the future viability of the overall business to reduce costs relating to sorting and in particular has proposed that the major Canpar sort facility in Etobicoke is a prime location to do sorting for multiple TransForce companies including Loomis Express.

The Union agrees in principle that freight that would normally be processed in the Brampton Hub can be processed at the Canpar Etobicoke location under the following conditions:

- The Union will be advised how many employees and/or owner operators will be displaced. The Unit Chairperson and CAW National Representative will be advised in writing of the effective date of the change and this notification will be given no earlier than six (6) months after ratification to allow for notification and transition time for any affected employees.
- If any hourly employees or owner operators lose hours, are terminated, abolished, or otherwise deemed redundant as a result of product being sorted outside of the Loomis Brampton Hub, then the Company agrees to offer severance pay based on the following:
- The number of severance packages to be offered will be based on the number of employees and/or owner operators that will lose hours, are terminated, abolished, or otherwise deemed redundant as a result of the change in sorting location. For example, if fifty (50) employees and/or owner operators and/or line haul employees and/or line haul owner operators are affected, fifty (50) severance packages will be made available.
- Once these numbers are finalized, the severance packages will be offered in order of seniority starting with the most senior member. The Unit Chairperson shall be involved in and copied on all documentation related to this process. Agree in principle with clarification that severances shall be offered in an equal number of packages firstly to the Brampton warehouse employees and then on a trickle down basis to whomever gets displaced at any facility as a result of the sort being done at Canpar.
- Severance offered to employees and/or owner operators will be paid out based on their status as of the time of ratification of this agreement. The Company will offer full time employees two (2) weeks of severance for each year of service with each week of pay being calculated at forty (40) hours per week (with partial years of service pro-rated) at the classification rate for hourly employees, or, for owner operators, forty (40) hours per week (with partial years of service pro-rated) at the straight time hourly P&D driver rates

per region. Severance for part time employees shall be based on average earnings for the previous twelve (12) months active paid earnings.

- In addition to this severance, the Company will also pay one (1) month's wages as additional severance to all affected employees or owner operators based on average earnings for the previous twelve (12) months active paid earnings.
- Extended benefits – The Company will continue to provide and pay for the cost of benefits for six (6) months following date of termination to employees or owner operators who accept the severance package.

The Company will commit to replace the same number of positions that were offered severance with at least the same number of positions and at least the same number of total hours in another CAW represented Loomis Express workplace within one (1) year of the date of job loss.

All current Loomis owner operator line haul drivers coming in or out of the Brampton Hub as of June 1, 2013 will remain as Loomis owner operators and shall not be laid off or terminated and will continue with their dedicated lines and perform the dedicated Loomis loads that may be transferred to Canpar Etobicoke for sorting.

Any created co-mingled line haul loads arriving or leaving from existing lanes at the Canpar Etobicoke facility will be handled using the following method:

(Based on June 1, 2013, volumes and dispatches)

- (a) Canpar dispatch will be assigned the primary normal volumes.
- (b) Loomis dispatch will be assigned the incremental volumes above primary.

Any newly created co-mingle line haul loads from new lanes at the Canpar Etobicoke facility will be assigned to Canpar dispatch first, then Loomis dispatch as outlined above.

Loomis line haul owner operators choosing not to take the assignments may bump as per the existing provisions or will be offered severance based on the Letter of Understanding – Restructuring Provisions under Other Initial Restructuring for Owner Operators for the life of the collective agreement.

In the event the Company looks to sort Loomis freight in any facility not represented by CAW, it will be required to have the explicit written consent of the CAW National Office and applicable Local Presidents and Chairpersons.

LINE HAUL

- For Heavy Equipment and Line Haul Owner Operators, the GWI percentage increase will be applied to all invoiceable charges for all these classifications:
 - April 1, 2016 + 2.5%

PAYMENT METHODOLOGY

The parties agree that the current payment methodology system, all agreements related to that system, and all practices related to that system shall be maintained in its entirety for the life of the collective agreement with no changes whatsoever. The intent is to maintain the status quo for the life of the collective agreement, subject to the increases outlined below.

Core Zone Tables

In addition, it is agreed that the current core zone tables in place for each province shall become part of the collective agreement in each applicable provincial appendix and the values in each core zone table shall be increased as per the following:

- April 1, 2016 + 2.5%

Per Piece Rates

The per piece rate shall be increased on the following basis:

- April 1, 2016 + 2.5%

Per Stop Rates

The per stop rate shall be increased on the following basis:

- April 1, 2016 + 2.5%

Quality Payment Rates

The quality payment rates shall be increased on the following basis:

- April 1, 2016 + 2.5%

Minimum Guarantees

- The minimum guarantees in place in each provincial collective agreement shall remain as per each provincial agreement for the life of the collective agreement.

Fuel Escalation/Surcharge Provisions

All fuel escalation provisions, language, and practises in place in each provincial collective agreement shall be maintained for the life of the collective agreement.

- **The following changes shall be made to each provincial collective agreement related to the Core Zone Review procedures:**

Core Zone Review Requests

Owner Operators and/or the Company may initiate a core zone review in writing once every three (3) calendar months and these adjustments will be handled on an expedited basis through the following procedures:

- The data from the previous fifteen (15) working days which is required to calculate the core zone shall be provided to the Owner Operator and the Local Chairperson upon request.
- Any monetary adjustments required to increase the core zone value will be to the date of the original request and will be completed within seven (7) calendar days of the original request. Any monetary adjustments required to decrease the core zone value shall be effective upon implementation.
- The Company reserves the right to validate any and all data through audits and/or route rides and will provide any resulting information to the Owner Operator and Local Chairperson upon request.
- Owner Operators and the Company will not be permitted to initiate a core zone review between December and January or use any data from these periods to calculate revised core zones.
- Core zone adjustments made outside of a reroute shall be limited to a maximum change of six (6) core zone values up or down on the core zone table.
- Core zone adjustments made following a reroute will be done by assigning approximate core zones to the affected routes and, at the end of a fifteen (15) working day period these approximate core zone values will be reviewed, amended and assigned based on the actual data collected during the fifteen (15) working day period. The Company agrees to provide proof of data to the Owner Operator or Unit Chairperson if requested. (*may be more appropriate to move to re-route language - discuss)
- 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 core zone reviews.

OWNER OPERATOR INVOICING PROCEDURES

- **Add the following language as an Article in the National Collective Agreement:**

The Owner/Operator Invoice is a record of the work that you have performed and are submitting for payment. As such, it is mandatory that the invoice and other complement documents are completed legibly, honestly and accurately. Please read each item carefully and ensure that

you are in compliance. Remember, if you have any questions please feel free to review with a Branch Supervisor or Manager.

During the life of this agreement, the Company intends on implementing automated Owner Operator invoicing based on scanned events. The rules and procedures will be updated to reflect the future process based on mutual agreement between the Union and the Company. (possible use of current 'Payment From Pulse' LOU – discuss)

1. Branch: The Branch number for which you are performing work
2. Route: The Route code for which you are performing work
3. Date: The Day you are performing the work
4. Name: Full name must appear here. If relief driver is performing the work then her/his name must appear as well.
5. Kilometres: 'Start' are the kilometres when departing from the depot or branch. 'End' are the kilometres when arriving at the depot or branch. 'Total' kilometres to perform work. Any kilometres used for anything other than work (i.e. lunch) are excluded from the total.
6. Stops. Stops are one of the main components that an Owner/Operator charges Loomis Express for work doneⁱ. A Stop is defined as when an Owner/Operator arrives at a place of business or residence for the sole purpose of Picking Up or Delivering pieces approved by and on behalf of Loomis Express. (Please see 'Address' and 'Receiver' in Definitions section of this document). Some rules to calculate the number of Stops for invoicing include but are not limited to: The Company and the union recognize that multiple stops may occur at one address or location. A pickup and a delivery at the same location and time will be billed as two (2) stops.
 - a. Regular Pick Ups and Regular Deliveries.
 - i. Customers with regular Pick Ups. The Company recognizes that in some cases multiple Pick Ups are necessary to meet service or satisfy a customer request. Owner operators will be paid for these in all circumstances.
 - ii. Regular Pick Ups – Nothing to Pick Up; Regular scheduled Pick Up and nothing shipped on that day. Scan and record in the Exception Sheet with time and name of customer.
 - b. Dispatched Pick Ups with Nothing to Pick Up. Driver is dispatched to customer and nothing is shipped. Scan and record in the Exception Sheet the time and explanation, as well the driver must provide the reference number when readily available on the exception sheet. (Payment may be challenged by the Company)
 - c. Transfers/Meets.

BC, Ontario, Man/Sask, N.S. Provisions: Some routes have pre-defined Meets during the day to transfer in and out freight. To transfer freight both, in and out. One meet counts as One Stop. Only the number of Meets assigned for the day can be invoiced. Any additional meet would have to be preapproved by a branch Supervisor or Manager. Please direct any questions regarding the total number of Meets approved or assigned for the day to the branch Supervisor or Manager.

- d. Undeliverables. In order to invoice for an unsuccessful delivery proper scanning and record of the Piece number, time and detailed reason for no completion of service in the Exception Sheet is mandatory. (Payment may be challenged by the Company)
- i. Multiple legitimate and reasonable stops to make a successful delivery may be claimable. A second attempt is to be made when the first stop was unsuccessful and there is a legitimate reason to believe that a second attempt will be successful. Any subsequent attempts after the first attempt and during the same day must be authorized by Management.
 - ii. Enter an exception (NH, BA, etc) after all efforts have been made and the result of the Stop is confirmed. I.e.: Multi-pieces). There is a rate paid per piece (Please see point 8 'Pieces').
- e. Empty Totes/Bins. Record on the Exception Sheet the time, customer and number of totes picked up. This will be billed as a per piece item.
- f. All pieces to the same Person/Receiver. Two or more Pieces delivered to the same person count as One Stop even though the receiver name is on the waybill may be different unless for different companies. If driver is directed to different locations in the same building by customer, this counts as separate stops. Driver can't use this to bill separately on his own nor use it to add to stop count. (Please see 'Receiver' in Definitions section of this document).
- g. Distance to delivery location. One Stop can be meters or considerably farther between the vehicle and the place for pick up or delivery. Any efforts to complete service are considered One Stop.
- h. Receiver/Shipper internal process. Customers may have an easy process for pickups and deliveries; others may have a more cumbersome process. There is no condition pre-defined to Scan and Invoice more than One Stop due to Customers' conditions. Driver will not be required to wait unreasonably and may make arrangement to return. If conditions to delivery are unreasonable driver contacts management to make other arrangement for delivery. ('unreasonably' still subjective, need to discuss)
- i. Attempted Delivery
- Driver cannot deliver as no one is home or business is closed. Applies to closed business only if driver there during normal hours of operation. Attempts made out of normal hours of operation are considered a service failure.

- j. Nothing to Pick Up. When a driver is performing a Regular Pick Up or a Dispatched Pick Up and there is nothing to pick up no Pieces will be invoiced; only the Stop will be paid (See Point 7 for Stop count).
- k. Transfer/Meet.
 - i. Pick Up and Delivery Driver. The driver who Picked Up or who will deliver the pieces being transferred will not claim for the Pieces transferred. The driver doing the Pick Up or Delivery of those Pieces gets paid by the Pick Up or Delivery Event.
 - ii. Shuttle or Transferring Driver. All Pieces transferred in and out during a Meet will be scanned and invoiced. The driver is claiming those pieces only once because the pick up or delivery was performed by other driver.
- 7. Miscellaneous – This section is used to list any additional fees such as warehouse time, fuel or any other special fees approved in advance.
- 8. Pieces - a piece is defined as a unit that is handled individually and had a unique piece identifier (piece number) and barcode. A single piece can be of any size or weight without mechanical assistance.

Guarantee

Guarantees to remain as per the language in place in each provincial collective agreement.

INCORRECT INVOICE/CALCULATION

Drivers are only allowed to bill what is accurate and in compliance with these guidelines.

All the necessary documentation has to be submitted in a complete, accurate and honest manner.

Definitions

Exception Sheet: Aka Non-billable Delivery & Pick Up Manifest; Aka Non-billable Delivery & Pick Up Sheet. On this sheet all non-billable stops and undeliverable attempts are listed and explained. Include example sheet as per Lou. (Note: See Attached – LOU on Exception Sheet).

Meet: is the event or stop during which Pieces are transferred from one driver to another driver.

Receiver: is the person to whom the Shipment is directed to on the waybill information or someone else who receives on behalf of the manifested receiver.

Regular Pick Ups: Customers that have a predefined schedule and it has been approved and instructed by a Supervisor or Manager. Regular Pick Ups could be daily or set up for specific

days of the week.

Stop: Defined as where an Owner/Operator arrives at a place of business or residence for the sole purpose of Picking Up or Delivering Loomis Express shipments approved by and on behalf of Loomis Express. This must be a physical address.

Undeliverables: Shipments that couldn't be successfully delivered due to controllable or uncontrollable reasons

The Company will not deduct any portion of the quality payment if the attempts or circumstances were out of the owner operator's control. Any deduction of the quality payment must be presented to the owner operator in person within twenty four (24) hours of the occurrence. If the supervisor fails to notify the owner operator within the twenty four (24) hours, the quality payment will then be automatically paid.

The Company agrees that the current practice of segregating 9 a.m. shipments from regular freight will be implemented in each province.

ROUTES AND REROUTES

➤ **Add in national language on routes and reroutes as follows:**

The Company may reroute an Owner Operator if 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. The Company reserves the right to re-route to enhance or retain required service standards.

The onus will be on the Company to prove the need to remove work from the Owner Operator route, subject to the Union's right to grieve in the event of a dispute arising.

Prior to the reroute, the Company will discuss the change with the affected Owner Operator(s) and the Unit Chairperson. The Company agrees to provide the Union seven (7) calendar days written notice to the affected Owner Operators and the Unit Chairperson. The following process will be used:

- (i) The Company will inform the affected Owner Operator of the proposed reroute and the Owner Operator will have seven (7) calendar days to respond in writing with his/her suggestions which will be taken into consideration. The Company agrees to provide the Owner Operators with pre route stops, km pieces, post reroute stops, km, pieces, defined boundaries, required vehicle size and estimated corezone.
- (ii) If the above does not satisfy the service concern, then the Company will finalize its reroute plans and meet with the affected Owner Operator as soon as possible to

discuss the impending changes to his/her route, and when the change will be implemented. Should more than one route be affected by the changes, the Company agrees to meet with the affected Owner Operators as a group to discuss the reroute changes.

- (iii) The reroute will be implemented no earlier than seven (7) calendar days after finalizing the proposed reroute with the affected Owner Operator(s).
- (iv) The following processes will also occur in the provinces as outlined below:
 - (a) In the event of any reroute in British Columbia, Nova Scotia or Manitoba/Saskatchewan, the incumbent driver will have first option to keep the route.
 - (b) In the event of any reroute in Alberta, if the reroute results in a decrease in the overall numbers of routes, the routes currently occupied by the junior Owner Operators (or equivalent numbers) must be included in the bid pool. Only routes that have been impacted by the reroute may be volunteered into the Bid Pool by the Owner Operator. (Note: Discuss incumbency in Alberta and insert bid pool rules for Alberta as per current Alberta language).
 - (c) In the event of a facility reroute in Ontario, all affected Owner Operators will bid on new routes in order of seniority.
 - (d) Any owner operator whose route is abolished or who is bumped will bump a junior owner operator in, first the depot, then the branch, and then the province unless otherwise specified in this agreement. As an option to bumping as provided above, the Owner Operator may elect to hold seniority and bid on any vacancies that become available in the next nine (9) calendar months.
 - (e) Retain BC Letter of Understanding #2 for Line Haul to apply regionally. Discuss Alberta LOU #2 for line haul. Discuss application for the language across the country.
- (v) The Union and the Company agree to ensure that all bidding and bumping is completed within five (5) calendar days of the new routes being posted.
- (vi) Further, new customers in an Owner Operator route area will be offered first to the Owner Operator within that area provided that the Owner Operator can fulfill the service standards required by the Company.
- (vii) If the reroute is required as a result of an Owner Operator taking on the new customer the below compensation formula will not apply.

If the reroute results in a loss of revenue for an Owner Operator the Owner Operator will be given a one time compensation based on the revenue lost as follows:

Pre re-route income per day minus post re-route income per day multiplied by thirty (30).

Pre re-route income will be calculated from the T4-A for the previous year's income divided by the number of workdays in the year. If the driver has been on the route for less than a full year, total income earned on route divided by the number of workdays on the route.

Post-re-route will be calculated on the first thirty (30) days of revenue after re-route divided by thirty (30).

(vii) Saturday Reroute Compensation

A re-route that only applies to a change to the Saturday portion of a route the following formula will apply:

Pre re-route Saturday income per day minus post re-route Saturday income per day multiplied by five (5).

Pre re-route income will be calculated by taking an average of the last five (5) Saturdays worked.

Post re-route income will be calculated by taking an average of the first five (5) Saturdays worked.

Saturday Abolishment Compensation

A re-route that only applies to a abolishment or elimination of the Saturday portion of a route the following formula will apply:

Pre re-route income multiplied by five (5).

Pre re-route income will be calculated by taking an average of the last five (5) Saturdays worked.

Note: The above principles are subject to local discussions. In addition, there will be discussion regarding definitions required to be worked out on terms such as incumbency, facility reroute, etc.

ROUTE FLEX

➤ **Add in language to a national agreement on route flex as follows:**

In the event it is determined that the Owner Operator is unable to make a delivery(s) or

pick-up(s) in his/her area, Management reserves the right to assign pickup and deliveries to surrounding routes in order to maintain customer service.

The intent of this language is that the Company would have specific reasons for assigning stops to surrounding routes. This would be done on a one-off and not on a permanent basis.

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.

WAYBILLS

All waybills or scannable manifests on all shipments must be scanned where possible or manually entered where possible as applicable. Loose shipments must be scanned however pre-wrapped or bulk pickups of over fifty (50) pieces with a manifest do not have to be scanned, unless other practise in place in a province have different piece requirements. Individual package scanning on any pre-wrapped bulk shipments is not required but must be supported by manifest where applicable.

BUMPING

All bumping language to be modified to indicate that bumping to a full-time or part-time position is mandatory when there is a loss of hours or position(s) within a depot however severance options to be available if member can only bump to casual / part-time unassigned or another branch or depot. Discuss line haul and other Owner Operator provisions. All other bumping procedures from each province shall remain the same.

➤ **Add new Letter of Understanding to the national collective agreement to read:**

LETTER OF UNDERSTANDING – RESTRUCTURING PROVISIONS

During the latest round of negotiations in Loomis Express proposed a number of changes to deal with significant restructuring initiatives that it believes are necessary to ensure a viable business model moving forward.

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 provisions to deal with the impact of these restructuring decisions.

Contracting Out

During the 2012-2013 round of collective bargaining, the Company advised the Union that it plans to restructure the business across Canada and tabled a list of locations that it wants to retain the flexibility to close or discontinue service with a plan to potentially third-party / contract out some or all of these locations.

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 for the life of this collective agreement until a new collective agreement is reached.

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

- (a) The Company will notify the Unit Chairperson and/or the 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 Loomis Express brand and Loomis Express employees and/or Owner Operators. The Company also agrees that any work formerly performed by CAW members which is again performed by a Loomis Express employee, or in a Loomis Express branded or painted vehicle 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 or closed 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. Any existing contracting out agreements currently in place as of June 1, 2013 will remain without triggering the remainder of this section.

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 Loomis Express 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 Loomis Express facilities.

The major centres identified below will be protected from a partial or complete closure over the life of the collective agreement:

Major Centres for BC

- Lower Mainland (including Richmond and Burnaby)

Major Centres for Ontario

- Greater Toronto Area (bordered by Oshawa, Oakville and Newmarket)
- Markham
- Brampton

Major Centres for Alberta

- Calgary
- Edmonton
- Red Deer

Major Centres for Manitoba / Saskatchewan

- Saskatoon
- Regina
- Winnipeg

Major Centres for Nova Scotia

- Halifax / Dartmouth

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.

All other situations remain status quo per respective CBAs.

Hourly Employees

As a result of a facility closure, facility consolidation or contracting out, the Company agrees to offer severance pay to any terminated hourly employees based on the following:

- Two (2) weeks per year of service (prorated) based on forty (40) hours per week at straight time for full time status employees as of June 1, 2013. 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.
- Hourly employees required to start and/or finish their shifts and/or runs from a location more than forty-five (45) kilometres in one direction from their current location as of June 1, 2013 will be entitled to be offered the severance payments outlined in this section.

Owner Operators

Initial Restructuring and Reroutes

Under the initial major restructuring reroutes (defined as two (2) years following the date of ratification) – Owner Operators who have their route abolished will be offered \$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 (defined as two (2) years following the date of ratification), those Owner Operators impacted by a facility closure, contracting out, facility consolidation will be offered severance calculated at two (2) weeks per year of service (with partial years of service prorated) at fifty (50) hours per week based on the straight time hourly P&D driver rates per region.

Owner Operators required to start and/or finish their shifts and/or runs from a location more than forty-five (45) kilometres in one direction from their current location as of June 1, 2013 will be

entitled to be offered the severance payments outlined in this section.

Further Re-Routes

Owner Operators who have their route abolished in a reroute after the initial major restructuring (defined as two (2) years following the date of ratification), will be offered 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

Once the initial major restructuring period is complete (defined as two (2) years following the date of ratification), 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.

Owner Operators required to start and/or finish their shifts and/or runs from a location more than forty-five (45) kilometres in one direction from their current location as June 1, 2013 will be entitled to the severance payments outlined in this section.

Restructuring Issues

- The Company agrees to provide the Union with \$250 per person in affected by contracting out or closures to put into 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.

Definitions

Facility: Any single building leased, owned or operated by Loomis Express.

Impacted: Where an action by the Company to change its operation procedure has an adverse effect on Loomis employees or owner operators. The affected owner operator or employee must be able to quantify said impact either by time or extra expenses.

➤ **Add a national Letter of Understanding:**

LETTER OF UNDERSTANDING – PAYMENT FROM ELECTRONIC DEVICES

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 a branch in each province. 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, Unit Chair and/or designate for the purposes of studying and resolving any issues related to the program.

Should the electronic device fail and the company cannot recover the data for that day. The Owner operator will be paid the average over the last ten (10) working days for that day.

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

FOR THE COMPANY

FOR THE UNION

Signed in Toronto, Ontario on this _____ day of June, 2013.

i

FOR THE COMPANY

FOR THE UNION

Signed in Toronto, Ontario on this _____ day of June, 2013.

FOR THE COMPANY

FOR THE UNION

Signed in Toronto, Ontario on this _____ day of June, 2013.