

MONARCH TRANSPORT INC.
and
DEMPSEY FREIGHT SYSTEMS LTD.
(hereinafter referred to as the "Company")
OF THE FIRST PART

AND:

GENERAL TEAMSTERS LOCAL UNION NO. 362
and
TEAMSTERS UNION LOCAL NO. 213
affiliated with the
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
(hereinafter referred to as the "Union")
OF THE SECOND PART

October 1, 2017 – September 30, 2022

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ARTICLE NO. 1 - UNION RECOGNITION and SCOPE

- 1.1 The Company recognizes the Union as the sole and exclusive bargaining agent for all of its Owner-Operators, and employees of Owner-Operators for whom it has bargaining rights.
- 1.2 Every motor vehicle and every piece of mobile equipment used by the Company, categories of which are set out in this Agreement, whether owned or hired by the Company, or leased to or by the Company, or whosoever, excluding trucks, not licenced to the Company, shall be operated by members of the Union.
- 1.3 Except as otherwise herein provided, all storing and handling of merchandise or other goods or materials, shall be carried on by employees of the Company, members of the Union, where such work is under the control of the Company; provided however that Owner Operators shall be permitted to load or unload their own loads.
- 1.4 Appendices "A" and "B" form part of this Agreement.

ARTICLE NO. 2 - UNION SECURITY

2.1 Maintenance of Membership

Owner-Operators shall become and remain members in good standing of the Union, prior to being utilized by the Company. For the purposes of applying this clause, employees and Owner Operators shall become members of the Local Union which has jurisdiction over their home address.

2.2 Union Dues, Initiation Fees and/or Other Accessorial Charges

All employees and Owner Operators shall, as a condition of employment, authorize the Company to deduct from their earnings all Union Dues, Initiation Fees and/or Other Accessorial charges in amounts as prescribed by the Union. Authorization Cards shall be furnished by the Union, and shall be in accordance with applicable legislation.

The Company agrees to deduct and remit such monies to the Union together with the check-off list, prior to the fifteenth (15th) day of the month in which the deductions were made. The monthly Union dues are to be deducted in the month preceding the month to which they apply, providing there are sufficient funds to cover such deductions. The check-off list will state the date of employment or engagement, Social Insurance Number and location with the jurisdiction of each Local Union. Owner-Operators will be identified on the check-off list.

- 2.3 The Company will allow time off, without pay, to any member who is serving on a Union Committee, or as a delegate.
- 2.4 Authorized agents for the Union will request, and be granted, access to the Company's establishments for the purposes of investigating conditions related to Union contract clauses.
- 2.5 The Company will provide bulletin boards on which the Union may post necessary notices to its members.
- 2.6 The Union shall appoint or elect Shop Stewards, and shall notify the Company in writing of such appointment or election. The Company shall recognize Shop Stewards, and shall not discriminate against them for lawful Union activity.

ARTICLE NO. 3 - MANAGEMENT RIGHTS

- 3.1 The management, operation, and development, including the right to direct, plan and control operations, and introduce new or improved methods or facilities, is vested in the Company.
- 3.2 The direction of employees including the right to hire, promote, transfer, suspend, or discharge for just cause, is the function of management. Such function however, shall not be exercised in any way inconsistent with, or in violation of, any terms or provisions of this Agreement.
- 3.3 Nothing contained in this Agreement will be deemed to obligate the Company to continue to operate any of its terminals, properties or any of its parts thereto.
- 3.4 The Company shall establish rules and regulations governing employees, which may be changed from time to time, but which shall not be in any way inconsistent with, or in violation of, any of the terms or provisions of this Agreement. Further, nothing in the Company Rules and Regulations shall deprive an employee of the right to challenge a penalty through the Grievance Procedure, in accordance with Article No. 12 of this Agreement. The Company shall provide the employees and the Union with an up-to-date copy of all Company Rules and Regulations. All infractions of the Highway Traffic Act(s) and Municipal By-Laws shall be the responsibility of the driver(s), except those which are, by their nature, the responsibility of the Company.

ARTICLE NO. 4 - SENIORITY

- 4.1 Seniority, as used herein, shall mean an employee's length of service since the last date of hire, in the classification of such hiring.
- 4.2 There shall be two (2) separate classifications for seniority purposes which shall be recognized as follows:
 - Class 1 - Owner Operators
 - Class 2 - Employees of Owner Operators
- 4.3 A Seniority List containing the name and starting date of all employees will be prepared and posted every six (6) months. A Seniority List containing names and addresses of employees, as contained in the records of the Company, will be prepared and forwarded to the Local Union office annually, during March and September of each year.
- 4.4 The principle of seniority shall be maintained for the purpose of determining reduction or restoration of the working force in each work classification, providing the senior man is capable of performing the job requirements.
- 4.5 The Parties to this Agreement recognize that job opportunity and advancement should increase in accordance with seniority. An employee's right to a job shall be based upon his seniority, and ability to fulfill the job requirements, but there shall be no job bumping.
- 4.6 Any employee wishing to protest his seniority must do so by formally reducing his protest to writing, and submitting his protest to his Supervisor and to the Union, within thirty (30) days of the posting of the Seniority List(s).
- 4.7 In all Articles contained in this Agreement, unless it is specifically stated otherwise, all references to "employees" shall include and have the intent of meaning Owner Operators or drivers of owner operators.

- 4.8 **Return from Layoff** - When an employee cannot be contacted personally, or is employed elsewhere, the Company will notify the employee, by Registered Mail to his last known address, to return to work, and he will be allowed no more than seven (7) consecutive days from the date of notification to report for duty.
- 4.9 An employees employment and seniority rights shall be terminated, and the Company shall be under no further obligation to the employee, for any of the following reasons:
- a) if the employee voluntarily quits;
 - b) if the employee is discharged for proper cause;
 - c) if the employee fails to report for duty after a layoff in accordance with Section 4.11 of this Article;
 - d) if the employee is not recalled to duty after a layoff in excess of three (3) months; or
 - e) if the employee accepts gainful employment, other than that declared and mutually agreed upon by the Company and the Union, while on a leave of absence.
- 4.10 All newly hired employees shall be considered as probationary employees for the first forty-five (45) calendar days from the date of employment. On completion of the probationary period, such employees shall be entitled to all rights and privileges of this Agreement, and seniority shall be computed from the last date of hire.

ARTICLE NO. 5 - LEAVE of ABSENCE

- 5.1 When the requirements of the Company's services will permit, any employee hereunder, upon written application to the Company with a copy of the said application to the Union, may, if approved by the Company, be granted a Leave of Absence for a period of thirty (30) days. Under such Leave of Absence, the employee shall retain and accrue seniority.
- 5.2 Such Leave of Absence may be extended for additional periods of thirty (30) days, upon approval of both the Company and the Union, and seniority will accrue during such extension.

ARTICLE NO. 6 - EQUIPMENT

- 6.1 The Company shall not require employees to operate, on the streets or highways, any equipment that is not in a safe operating condition, or equipped with safety appliances as required by law. It shall not be a violation of this Agreement, where an employee refuses to operate such equipment, unless such refusal is unjustified. The decision as to the condition of the equipment shall rest with the senior qualified Company representative on the premises. Such representative shall give his decision to the driver in writing. In the event the repairs cannot be effected, the equipment will be correctly identified and be kept out of service until repaired. It is the responsibility of the employee to inspect the equipment and provide a written report (pre-trip/post-trip/trailer inspections) regarding the condition of the equipment.

It is the responsibility of the Owner Operator/driver to supply the Company with monthly preventative maintenance reports.

ARTICLE NO. 7 - PAY and WORK CONDITIONS

- 7.1 Hours of work and rates of remuneration are outlined in the separate Appendices of this Agreement.
- 7.2 The rates of remuneration as listed in this Agreement are considered as minimum rates, and shall not preclude payment of premium rates at the discretion of the Company.

- 7.3 No employee shall be asked to, nor shall he, enter into a separate written or verbal agreement with the Company covering hours of work, wages or conditions, during the term of this Agreement, where such agreement represents less by way of wages, working conditions, or other benefits than provided by this Agreement.
- 7.4 All payment of wages to Owner Operators shall be made on the twentieth-eighth (28th) day of each month, with an advance of two thousand dollars (\$2,000.00) made on the fifteenth (15th) of the month, prior to payday. The advance shall be paid only if the Owner Operator has accrued earnings to cover the amount of the advance.
- 7.5 The Company will provide a completely itemized statement to employees along with their paycheque on payday.
- 7.6 Arrangements will be made with all suppliers in the US to bill the Company in converted Canadian dollars. These charges will be passed on to the Operator as per the current practice. Any other refundable costs that the operator incurs in US funds, will be reimbursed with US cash or a US cheque, upon submission of the invoice.

ARTICLE NO. 8 - DISPATCHES

- 8.1 All Owner Operators and drivers of Owner Operators shall be dispatched "first in - first out". Owner Operators and drivers of Owner Operators shall not refuse loads unreasonably. If loads are refused, the operator will be placed on the bottom of the dispatch list for that day. Such dispatch will be allocated in a non-discriminatory fashion.

ARTICLE NO. 9 - OWNERS/OPERATORS RESPONSIBILITY

- 9.1 It is the Owner/Operator/Driver of Owner Operator's responsibility to report all infractions of the Highway Traffic Act(s), Municipal By-Laws, Customs Laws to the Company within (seven (7) days of such infraction. Not providing the information to the Company within seven (7) days shall be deemed a (3rd level) infraction under Appendix "A" Section 9 and shall impact the safety rebate.

It is the Owner Operator's responsibility to supply monthly preventative maintenance reports on all applicable vehicle components which must also be routinely inspected as required by Alberta's Commercial Vehicle Safety Regulation (AR121/2009), Alberta's Vehicle Inspection Regulation (AR211/2006) and schedule of NSC Standard 13 Part 2. Not providing the information to the Company within seven (7) days shall be deemed a (3rd) infraction under Appendix "A" Section 9 and shall impact the safety rebate.

ARTICLE NO. 10 - OTHER UNION CONTROVERSY

- 10.1 During the life of this Agreement, there shall be no lockout by the Company, or any strike, sitdown, work stoppage or suspension of work either complete or partial, by the employees.
- 10.2 It shall not be a violation of this Agreement, or cause for discharge or discipline, for any employee in the performance of his duties to refuse to cross a picket line recognized by the Union.

ARTICLE NO. 11 - VALIDITY of ARTICLES

- 11.1 If any Article or Section of this Agreement, or any Appendix hereto attached, should be held invalid by operation of law, or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and any Appendix attached hereto, or the application of such Article or Section to persons or circumstances other than those to which it has been held invalid, or to which compliance with the enforcement of has been restrained, shall not be affected thereby.

ARTICLE NO. 12 - GRIEVANCE PROCEDURE

- 12.1 All questions, disputes and controversies arising under this Agreement, any Appendix hereby attached, or Company Rules and Regulations shall be adjusted and settled within the terms and conditions a set forth in this Agreement, in the manner provided by this Article, unless otherwise expressly provided in this Agreement. The procedures for such adjustment and settlement shall be as follows:

- 12.2 **STEP 1:** Any grievance of an employee shall first be taken up between such employee and his immediate Supervisor.

Time limit to institute a grievance -

- a) termination or layoff - five (5) days from date of termination or layoff
- b) all others - thirty (30) days from the date the grievance arose.

STEP 2: Failing settlement under Step 1, such grievance, and any question, dispute or controversy that is not of the kind that is subject to Step 1, shall be reduced to writing, and it will be referred to and taken up between the Secretary-Treasurer, or other bargaining representative, of the Union and the Company representative authorized by the General Manager of the Company. Such written notice must be made within the time limitation as indicated under Step 1.

Step 3 - Failing settlement under Step 2, the grievance shall be taken up in a presentation to a Grievance Board, hereinafter referred to as "The Board", consisting of two (2) Union representatives selected by the Union, and two (2) Company Representatives appointed in writing by an officer of the Company.

All members of the Board shall have been duly appointed and so authorized, that any settlement arrived at by this Board on a specific grievance shall be final and binding.

Except by written mutual agreement between the Union and the Company providing for an extension of time, Step 3 must be completed within ten (10) calendar days from the completion of Step 2.

In all such grievance Procedures, the Union representative shall act in the capacity of the Chairman of the meetings, and the Company representative shall act in the capacity of Recording Secretary.

All copies of all Minutes shall be signed and dated by both the Union and the Company.

Grievance Panel - Prior to proceeding to arbitration, the grieving party can request, and if mutually agreed, that the grievance be referred to a Grievance Panel established for t his purpose by the Company and the Union. The grieving party will advise the other party in writing of its intention to proceed to the Grievance Panel within fourteen (14) days after the completion of Step 3 of the Grievance Procedure.

The Grievance Panel shall be composed of four (4) persons, two (2) of whom shall be selected by the Company and two (2) by the Union. In the event that four (4) persons are not available, the Grievance Panel shall be composed of two (2) persons, one (1) of whom shall be selected from the Company and one (1) from the Union. The Company shall not select a representative from the Company involved, nor will the Union select a representative from the Local involved.

The Grievance Panel shall meet to hear and determine the grievance, and render a decision after hearing the matter brought before it.

The majority decision of the Grievance Panel on the disposition of a grievance shall be final and binding upon the parties, and shall have the same effect as a decision rendered by an Arbitrator. Decisions of the Grievance Panel shall not be used as precedents.

If the Grievance Panel is unable to reach a majority decision as outlined in Schedule 1 (copy attached) pursuant to paragraph 3 above, the grieving party may proceed to Schedule 2 or an outside Board of Arbitration, by informing the other party in writing within fourteen (14) days after the Grievance Panel advises the parties that it is unable to reach a majority decision.

Should the parties agree to proceed to Schedule 2, they may proceed as outlined in the Rules and Procedures of Schedule 2.

The Grievance Panel shall be governed by the Rules of Procedure and the Conduct of Proceedings established for the Panel, with necessary modifications as set out in Schedule 1 and Schedule 2, hereto attached.

STEP 4: Failing settlement under Step 2, the matter will be referred to an agreed upon neutral Arbitrator who will meet to hear both sides of the case. The Arbitrator's decision will be final and binding.

- 12.3 Failing to agree upon a neutral Arbitrator, the appropriate Minister of Labour will be requested to appoint a neutral Arbitrator whose decision will be final and binding.
- 12.4 The Arbitrator shall not have the authority or power to add to, delete from, or amend any term of this Agreement.
- 12.5 The cost of the Arbitrator shall be borne equally by the Union and the Company.

ARTICLE NO. 13 - OWNER-OPERATORS

- 13.1 It is hereby agreed that wherever an Owner-Operator is mentioned in this Agreement, it shall mean an independent contractor who drives his own equipment. It is also agreed that there shall be not more than one (1) Owner-Operator on a truck. Effective date of ratification, Owner Operators may operate a maximum of two (2) units.
- 13.2 The mileage rate to be paid for the equipment shall include the driver's pay, contractual and statutory benefits, and all other monetary terms and conditions of this Agreement including licensing, fuel, maintenance, insurance and all other operating expenses.

The Company agrees to negotiate, in good faith with the Owner-Operator, an agreed upon equipment rental.

13.3 Employees of Owner-Operators shall be paid an agreed upon rate between such owner -Operator and driver. If there should be any deficiency to the employee, it shall be his responsibility to advise the Company in writing, within thirty (30) days of the pay period on which the deficiency took place. The Company shall then take action to rectify the situation, and pay such balance as may be properly due and owing to such employee, from the Owner-Operator's account.

ARTICLE NO. 14 - DURATION

This Agreement shall be in full force and effect from the first (1st) day of October, 2017 until the thirtieth (30th) day of September, 2022 and shall remain in full force and effect from year to year thereafter PROVIDED THAT, either Party may not less than ninety (90) days immediately preceding the thirtieth (30th) day of September, 2022 or immediately preceding any succeeding thirtieth (30th) day of September thereafter, by written notice to the other party:

- a) Require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.
- b) Terminate the Agreement on the next succeeding Anniversary date thereof, and require the other Party to commence collective bargaining with the view aforesaid.
- c) Terminate the Agreement on the next succeeding Anniversary date thereof.

Should either Party give written notice to the other party pursuant to sub-section A, hereof, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lockout, or the parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

Signed this _____ day of _____, 2018

ON BEHALF OF THE COMPANY:
Monarch Transport Inc.
Dempsey Freight Systems Ltd.

ON BEHALF OF THE UNION:
General Teamsters Local Union No 362

Rod Boychuk, CCLP
Senior Vice President
Monarch Transport (1975) Ltd.

Alan Porter, Secretary-Treasurer
General Teamsters, Local Union No. 362

Ken Fullbrook
Operations Manager
Monarch Transport (1975) Ltd.

Anthony Krieger, Business Agent
Teamsters Local Union No. 213

APPENDIX "A"

OWNER OPERATORS

SECTION 1 - GENERAL

This Appendix covers all Owner-Operators engaged in over the road operation.

SECTION 2 - WORK TIME

- a) Work time shall mean loading and unloading, and such duties shall be paid at the applicable work time hourly rate of pay.
- d) Such pay for work, wait, loading and unloading shall occur after two (2) free hours of such work time, wait time, loading and/or unloading.
- e) There shall be only one pick-up or drop-off per load. Any additional pick-ups or drop-offs after the initial one, shall be paid at the rate indicated in Section 6 of this Appendix.

SECTION 3 - BOBTAIL

- a) Driving of a tractor without a trailer shall be paid for on the same basis as driving tractor-trailer(s).
- b) Any highway miles involving bobtail for dispatched loads will be paid for at the empty mile rate.

SECTION 4 - MILEAGE RATES

- a) Mileage rates are laid out by areas, and will be paid for as such. They are composite mileage rates to compensate for duties performed in normal operations, which include driving, checking equipment and reports, fuelling, hook-up and/or unhooking at the origin and/or destination points.
- b) The official State, Provincial and/or Territorial mileage will be used as a guide to determine the number of miles driven. The PC Miler, most practical route, may be used.

SECTION 5 - TRANSFERRING OVER-THE-ROAD DRIVERS

- a) When a branch, terminal, division or operation is closed or partially closed, together with the work of the branch, terminal, division or operation in whole or in part, an employee at the closed or partially closed down branch, terminal, division, or operations shall have the right to transfer to the branch, terminal, division, or operation into which the work was transferred, if work is available there.
- b) Such employee(s) will be dove-tailed into the Seniority List as of the date they first became employees in their classification.

SECTION 6 - RATES of PAY

RATES OF PAY - Fleet 43 – US Vans

Loaded Mileage Rate 5 axle (Canada, up to 38,500 kgs) (US up to 80,000 lbs)

Effective: Date of Ratification

Area	5 Axle LD Oct 1/17	5 Axle LD Oct 1/18	5 Axle LD Oct 1/19	5 Axle LD Oct 1/20	5 Axle LD Oct 1/21
CANADA/US	1.225	1.27	1.275	1.28	1.285
EMPTY MILEAGE RATE	1.041	1.27	1.275	1.28	1.285

All mileage driven in the Yukon shall receive a premium of twenty cents (20¢) over and above established rates.

All mileage driven in Alaska shall receive a premium of twenty cent (20¢) over and above established rates.

Owner Operators shall be paid twenty-five dollars (\$25.00) for each live load, loaded and each live load unloaded. (Does not apply to preloaded Trailers).

1. Effective Date of Ratification - On all loads which require more than one pick-up or delivery, the Operator will be paid at the rate of fifty dollars (\$50.00) for each additional pick-up or delivery.
2. All city P & D work will be paid at forty-one dollars (\$41.00) per hour.
3. Effective Date of Ratification - Work and wait time will be paid after two (2) free hours loading and/or unloading. The Owner Operator will be paid forty-one dollars (\$41.00) per hour for the time in excess of this two (2) hours. The Bill of Lading must be signed legibly by the Shipper or Receiver, and dispatch must be advised immediately of the excess time before this time will be paid. In no event shall work and wait time exceed ten (10) hours for each stop during any twenty-four (24) hour period. Each trip shall be considered a separate work and wait period.
4. Short trips - on any loaded single trips less than five hundred (500) miles, an additional five cents (.05¢) per mile will be paid to the operator.

RATES OF PAY - Fleet 45 - Canadian Vans

Loaded Mileage Rate 6 axle (Canada, up to 46,500 kgs)

Effective: Date of Ratification

AREA	6 AXLE Oct 1/2017	6 AXLE Oct 1/2018	6 AXLE Oct 1/2019	6 AXLE Oct 1/2020	6 AXLE Oct 1/2021
EMPTY MILEAGE RATE	1.02	1.25	1.255	1.26	1.265
LOADED MILEAGE RATE	1.20	1.25	1.255	1.26	1.265
HWY 3 (Van-Cres)	1.37	1.38	1.38	1.385	1.395
HWY 3 (Cres-Van)	1.37	1.38	1.38	1.385	1.395

All mileage driven in the Yukon shall receive a premium of twenty cents (20¢) over and above established rates.

All mileage driven in Alaska shall receive a premium of twenty cents (20¢) over and above established rates.

Owner Operators shall be paid twenty-five dollars (\$25.00) for each live load, loaded and each live load unloaded. (Does not apply to preload Trailers)

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SECTION 7 - NWT TRIPS/PERMITS

Owner Operators will continue to pay for all NWT permits. Once the permit has been purchased, the Company will guarantee three (3) trips on that permit, or the Company will reimburse the Owner Operator for said permit, on a pro-rated basis.

- i.e. 1 trip accomplished on that permit = 1/3 the cost
2 trips accomplished on that permit = 2/3 the cost
Operator would be reimbursed the difference.

SECTION 8 - FUEL SURCHARGE - Canadian Operations

Average Operator cost of diesel fuel in cents per litre	FSC paid per mile	Average Operator cost of diesel fuel in cents per litre	FSC paid per mile
40.00 - 43.00	0.0	97.10 - 100.00	44.5
43.10 - 46.00	0.0	1.01 - 1.03	47.0
46.10 - 49.00	1.0	1.031 - 1.06	49.5
49.10 - 52.00	4.5	1.061 - 1.09	52.0
52.10 - 55.00	7.0	1.091 - 1.12	54.5
55.10 - 58.00	9.5	1.121 - 1.15	57.0
58.10 - 61.00	12.0	1.151 - 1.18	59.5
61.10 - 64.00	14.5	1.181 - 1.21	62.0
64.10 - 67.00	17.0	1.211 - 1.24	64.5
67.10 - 70.00	19.5	1.241 - 1.27	67.0
70.10 - 73.00	22.0	1.271 - 1.30	69.5
73.10 - 76.00	24.5	1.301 - 1.33	72.0
76.10 - 79.00	27.0	1.331 - 1.36	74.5
79.10 - 82.00	29.5	1.361 - 1.39	77.0
82.10 - 85.00	32.0	1.391 - 1.42	79.5
85.10 - 88.00	34.5	1.421 - 1.45	82.0
88.10 - 91.00	37.0	1.451 - 1.48	84.5
91.10 - 94.00	39.5	1.481 - 1.51	87.0
94.10 - 97.00	42.0		

Average Operator cost is determined from the lowest price available to the Operator from three (3) suppliers at every location. -

For example:

<u>Locations</u>	<u>Cost per litre at lowest provider</u>
Edmonton	57.85
Calgary	62.00
Kelowna	67.57
Kamloops	68.52
Prince George	<u>67.17</u>
Average	64.62
FSC	17.00

Fuel Surcharge shall be adjusted weekly. The Company shall provide a current list of the price being charged by each supplier at each location.

FUEL SURCHARGE - US Operations

Average Operator cost of diesel fuel in cents per litre	FSC paid per mile	Average Operator cost of diesel fuel in cents per litre	FSC paid per mile
40.00 - 43.00	0.0	97.10 - 100.00	34.5
43.10 - 46.00	0.0	1.01 - 1.03	36.4
46.10 - 49.00	0.0	1.031 - 1.06	38.5
49.10 - 52.00	0.7	1.061 - 1.09	40.6
52.10 - 55.00	2.8	1.091 - 1.12	42.7
55.10 - 58.00	4.9	1.121 - 1.15	44.8
58.10 - 61.00	7.0	1.151 - 1.18	46.9
61.10 - 64.00	9.1	1.181 - 1.21	49.0
64.10 - 67.00	11.2	1.211 - 1.24	51.10
67.10 - 70.00	13.3	1.241 - 1.27	53.2
70.10 - 73.00	15.4	1.271 - 1.30	55.3
73.10 - 76.00	17.5	1.301 - 1.33	57.4
76.10 - 79.00	19.6	1.331 - 1.36	59.5
79.10 - 82.00	21.7	1.361 - 1.39	61.6
82.10 - 85.00	23.8	1.391 - 1.42	63.7
85.10 - 88.00	25.9	1.421 - 1.45	65.8
88.10 - 91.00	28.0	1.451 - 1.48	67.90
91.10 - 94.00	30.1	1.481 - 1.51	70.0
94.10 - 97.00	32.2		

Average Operator cost is determined from actual purchases by Operators per State.

West Coast average is determined from actual purchases by Operators in WA, OR, CA, & ID

SECTION 9 - INSURANCE

The Company shall maintain the adequate insurance coverage as required by statute, and on receipt of written request, the Company shall file proof of coverage with the Owner Operator. It is understood and agreed that such insurance will not provide coverage for the benefit of the Owner Operator if the Owner Operator operates the equipment while impaired by drugs or alcohol.

The Owner Operator shall assume complete financial responsibility for the following:

1. In the case of an accident, insurance deductible will be paid by the Owner Operator on all trailer, tractor and thirty party liability, up to the said deductible amount of three thousand dollars (\$3,000.00) only. All claims in excess of this are payable by the Company and/or the Zurich Insurance Company, their insurance carrier.
2. The Owner Operator will pay the cost of insurance at the rate of the higher amount of :
 1. Seven cents (\$0.07) per mile, based on the mileage run for the Company, up to and including nine thousand (9,000) miles, or
 2. A minimum of five hundred and fifty dollars (\$550.00) per month.

This total will be deducted from the monthly statements of the Owner Operator.

After three (3) months service with the Company, the Owner-Operator shall be entitled to a Safety Rebate of four cents (\$0.04) per mile, based on the miles operated for the Company, for the preceding three (3) months, if the Company has realized no insurance claims on behalf of the Operator during this three (3) month period, and if, based on the Operator/Carrier profile, there have been no violations under the National Safety Code during this three months period.

First Infraction	fifty percent (50%) loss of rebate
Second Infraction	seventy-five percent (75%) loss of rebate
Third Infraction	one hundred percent (100%) loss of rebate
Preventable Accident	one hundred percent (100%) loss of rebate

Any and all rebates will be reviewed with, and paid to, the Owner Operator, on or before the twenty-eighth (28th) day of the fourth (4th) month.

3. Cargo legal liability for an amount of not less than one thousand dollars (\$1,000.00) for all risks, including loading and unloading.

NOTE** It will be the responsibility of the Owner Operator to notify the Company of any changes, modification, cancellations, etc of any or all insurance policies or coverage's. Failure to comply shall result in the loss of one hundred percent (100%) of earned safety bonus.

SECTION 10 - PAYDAY

- A. Monarch shall provide a statement and shall pay the Owner Operator on the twenty-eighth (28th) day of each month, remuneration earned in the preceding calendar month, less any amount properly deducted for hold back, advances, and expenses.

SECTION 11 - ACCEPTANCE OF TRAILER AND CARGO

- A. The Owner Operator may refuse to accept for hauling, any trailer or cargo which he reasonably deems to be unfit for hauling. Any trailer or cargo accepted for haulage by the Owner Operator, shall be deemed to be in good and non-defective condition, except as noted in writing by the Owner Operator at the time of acceptance. The Owner Operator shall deliver the cargo to its destination, and return the trailer to Monarch, both in the same condition(s) as they were deemed to be at the time of acceptance by the Owner Operator.

SECTION 12 - PASSENGERS

No passengers are permitted unless a signed approved waiver is issued by the Company prior to the trip that includes a passenger.

SECTION 13 - COMPLIANCE WITH THE LAW(S)

- A. The Owner Operator shall be, in the performance of his Contract, at all time within the law(s) of all applicable jurisdictions.

SECTION 14 - OWNER OPERATOR TRAILERS

- A. All Owner Operators who own their trailer, and have received Company approval to operate them for the Company, shall receive a trailer rental rate of:

\$0.12 per mile - 53 foot tandem, insulated, heater, dry van

\$0.15 per mile - 53 foot tridem, insulated, heater, dry van

\$0.25 per mile - 53 foot reefer

SECTION 15 - LAYOVER

- A. Layover pay shall continue as per past practice.

SECTION 16 - FERRY RATES

- A. All time spent on Ferries shall be compensated at a flat rate of ninety-five dollars (\$95.00) per trip/direction.

APPENDIX "B"

TEAMSTERS/UNION INDUSTRY ADVANCEMENT FUND

The Teamsters Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by the Teamsters.

The Company shall make contributions of four dollars (\$4.00) per month, for each employee and dependent contractor covered by this Collective Agreement.

Payment of said funds shall be made to the appropriate Teamsters Local Union/Industry Advancement Fund by the fifteenth (15th) of the month following that to which they refer.

This payment will be independent and separate from any other payment made to the appropriate Locals.

The Company shall make available to any Owner Operator the ability to purchase the Company benefit package. The Owner Operator shall be required to bear the total cost of such package.

LETTER OF UNDERSTANDING #1

**BETWEEN: MONARCH TRANSPORT INC.
and
DEMPSEY FREIGHT SYSTEMS LTD.**

**AND: GENERAL TEAMSTERS LOCAL UNION NO. 362
and
TEAMSTERS UNION LOCAL NO. 213**

RE: Rate Adjustments

The Company may request adjustments to rates of pay at any time during the term of this Agreement, however such adjustments in rates must be agreed to by the Union and the members effected of such adjustments.

Written notice to the Union will be on Company letterhead, signed by a Company representative and state as follows:

“Please be advised that we will be increasing the rate of pay to be _____ effective _____. This increase is with the understanding that we are permitted to increase the rates contained in the Collective Agreement at any time during the term of the Collective Agreement, with written notice to the Operator / Driver and the Union”

Such rates may subsequently be reduced to the posted rates in the collective agreement with written notice to the Operator/Driver and the Union.

Signed this _____ day of _____, 2018

ON BEHALF OF THE COMPANY:

Monarch Transport Inc.
Dempsey Freight Systems Ltd.

ON BEHALF OF THE UNION:

General Teamsters Local Union No 362

Rod Boychuk, CCLP
Senior Vice President
Monarch Transport (1975) Ltd.

Alan Porter, Secretary-Treasurer
General Teamsters, Local Union No. 362

Ken Fullbrook
Operations Manager
Monarch Transport (1975) Ltd.

Anthony Krieger, Business Agent
Teamsters Local Union No. 213

LETTER OF UNDERSTANDING #2

**BETWEEN: MONARCH TRANSPORT INC.
and
DEMPSEY FREIGHT SYSTEMS LTD.**

**AND: GENERAL TEAMSTERS LOCAL UNION NO. 362
and
TEAMSTERS UNION LOCAL NO. 213**

RE: Signing Bonus

Upon ratification of the contract all Owner Operators covered under this agreement will be paid a signing bonus of five hundred dollars (\$500.00). This signing bonus is only applicable to those employees employed on the date of ratification and such bonus shall be paid within thirty (30) days following ratification.

October 1, 2020 – All Owner Operators covered under this agreement will be paid a signing bonus of five hundred dollars (\$500.00). This signing bonus is only applicable to those employees employed on the date of ratification and currently employed with the Company on the date the bonus is due.

Signed this _____ day of _____, 2018

ON BEHALF OF THE COMPANY:

Monarch Transport Inc.
Dempsey Freight Systems Ltd.

ON BEHALF OF THE UNION:

General Teamsters Local Union No 362

Rod Boychuk, CCLP
Senior Vice President
Monarch Transport (1975) Ltd.

Alan Porter, Secretary-Treasurer
General Teamsters, Local Union No. 362

Ken Fullbrook
Operations Manager
Monarch Transport (1975) Ltd.

Anthony Krieger, Business Agent
Teamsters Local Union No. 213

LETTER OF UNDERSTANDING #3

**BETWEEN: MONARCH TRANSPORT INC.
and
DEMPSEY FREIGHT SYSTEMS LTD.**

**AND: GENERAL TEAMSTERS LOCAL UNION NO. 362
and
TEAMSTERS UNION LOCAL NO. 213**

RE: Fleet 41

The Company and the Union agreed to the deletion of the rates of pay for Fleet 41 during the negotiations for the 2012 Collective Agreement. Such deletion was agreed as no Owner Operators were employed in these classifications. The Company and the Union agree that if in the future Owner Operators are employed within these classifications the parties shall immediately negotiate rates and terms and conditions for these positions.

Signed this _____ day of _____, 2018

ON BEHALF OF THE COMPANY:

Monarch Transport Inc.
Dempsey Freight Systems Ltd.

ON BEHALF OF THE UNION:

General Teamsters Local Union No 362

Rod Boychuk, CCLP
Senior Vice President
Monarch Transport (1975) Ltd.

Alan Porter, Secretary-Treasurer
General Teamsters, Local Union No. 362

Ken Fullbrook
Operations Manager
Monarch Transport (1975) Ltd.

Anthony Krieger, Business Agent
Teamsters Local Union No. 213

LETTER OF UNDERSTANDING #4

BETWEEN: MONARCH TRANSPORT INC. and DEMPSEY FREIGHT SYSTEMS LTD.
(Hereinafter referred to as the "Company")

AND: GENERAL TEAMSTERS LOCAL UNION NO. 362
and
TEAMSTERS UNION LOCAL NO. 213
(Hereinafter referred to as the "Union")

RE: CANADIAN TANDEM CONTRACT

The Union reserves the right to reinstate the Canadian Tandem Contract if the Company reinstates the practice of utilizing tandem combinations in their future operations.

Signed this _____ day of _____, 2018

ON BEHALF OF THE COMPANY:

Monarch Transport Inc.
Dempsey Freight Systems Ltd.

ON BEHALF OF THE UNION:

General Teamsters Local Union No 362

Rod Boychuk, CCLP
Senior Vice President
Monarch Transport (1975) Ltd.

Alan Porter, Secretary-Treasurer
General Teamsters, Local Union No. 362

Ken Fullbrook
Operations Manager
Monarch Transport (1975) Ltd.

Anthony Krieger, Business Agent
Teamsters Local Union No. 213