

COLLECTIVE AGREEMENT

BETWEEN

HALLCON CREW TRANSPORT INC.

(hereinafter referred to as "The Company")

OF THE FIRST PART

- AND -

WESTERN CANADA COUNCIL OF TEAMSTERS

affiliated with the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

and **TEAMSTERS CANADA**

(hereinafter referred to as "The Union")

OF THE SECOND PART

January 1, 2016 – December 31, 2019

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ARTICLE 1 - CO-OPERATION

- 1.01** It is recognized by this Agreement to be the duty of the Company, the Union and the employees to fully co-operate, individually and collectively, for the advancement of conditions and improvement in efficiency of operations.
- 1.02** It is mutually agreed that there shall be no strike, lockout, or slowdown, whether sympathetic or otherwise, during the term that this Agreement shall be in force.
- 1.03** Where the masculine gender is used in this agreement, it shall refer equally to the female gender.

ARTICLE 2 - RECOGNITION

- 2.01** The Company recognizes the Union as the sole and exclusive bargaining agency for all employees of the Company as described in the Certificate Order No. 8726-U.

"All employees of Hallcon Crew Transport Inc. employed as drivers in the provinces of Alberta, Saskatchewan, Manitoba and including Kenora, Ontario excluding all other employees and those excluded by the Act."

ARTICLE 3 - UNION MEMBERSHIP REGULATIONS

- 3.01** The Company agrees to contact the Union if new employees are required, and will give due consideration to all Teamster members who apply for such positions, fairly considering their qualifications and those of other applicants, as related to those qualifications required by the Company. The Company shall retain the right to hire the new employee of their choice. All new employees hired shall be informed by the Company that Union membership is a condition of employment. The Company shall have all new employees fill out an application card upon commencement of employment the Company will submit it to the Union with the monthly check off.
- 3.02** Subject to the terms of the Agreement, all employees who are now members of the Union or who may later become members and every new employee who becomes a member, shall remain a member in good standing as a condition of employment during the term of this Agreement.
- 3.03** The Company agrees to notify the Union within fifteen (15) days of the last pay period of the month, in writing of all employee lay offs, recalls, rehires and new hires.
- 3.04** In the event that an employee subject to this Agreement is not a member in good standing it is the responsibility of the Union to notify the Company within a maximum of fifteen (15) calendar days.

ARTICLE 4 - CHECK OFF

- 4.01** The Company agrees that it will deduct from the wages of each employee covered by this Agreement, whether or not the employee is a member of the Union, the amount of the regular monthly membership dues payable by a member of the Union. The amount shall be deducted from one pay each month and remitted monthly to the Union along with a list of the employees. The Company shall also deduct and remit to the Union the amount of initiation fees which a member has authorized the Company to deduct by a written authorization. Monies deducted along with a list of names from whom such a deduction was made shall be remitted to the Union not later than the fifteenth day of the following month.
- 4.02** The Union agrees to indemnify the Company and save it harmless from any and all claims which may be made against it, for the amounts deducted from the wages of employees under this Article.
- 4.03** In case of a Union member being off through sickness or on vacation during the dues deduction pay period, his dues shall be taken off his first pay following his return to work.

ARTICLE 5 - MANAGEMENT RIGHTS

5.01 The Union recognizes and agrees that except as specifically, and expressly limited by this agreement, all rights, powers and authority are retained solely and exclusively by the Company.

By the Company not exercising any right hereby reserved to it, it shall not be deemed a waiver of any right or preclude the Company from exercising the right in some other way in the future, except as such right may be specifically, and expressly limited by the terms of this agreement.

For greater certainty, but without limiting the generality of the foregoing, the Union recognizes and agrees that the Company has the sole and exclusive right to operate and manage its business, affairs and facilities in all respects as it sees fit;

- a) to control and direct the working forces and to select, hire, promote, demote, transfer, assign classify, lay-off and recall employees;
- b) maintain order, discipline and efficiency, and to discipline, suspend and discharge employees for just cause;
- c) to establish, maintain, alter and enforce from time to time rules, regulations policies and practices to be observed by employees;
- d) to establish new jobs and to alter, consolidate or abolish existing jobs;
- e) to determine the number and type of employees needed at any time, the hours and shifts to be worked, starting and quitting times, the duties to be performed. overtime requirements, the employees to perform overtime work, job content, quality and quantity standards of performance and the qualifications of employees to perform any particular job;
- f) and to determine the hours and schedules of operation, operating techniques, methods, procedures and types of vehicles to be used, means of performing work, the facilities and services to be provided and used, the materials, supplies, tools, machinery, equipment and facilities to be used, the nature and kind of business conducted, the number, location and types of operations and the extension, limitations curtailment or cessation of operations or any part there of these rules and regulations shall not be inconsistent with this agreement;

5.02 The Company agrees that any exercise of the rights, powers and authority under this article in conflict with any of the specific provisions elsewhere in this agreement shall be subject to the provisions of the grievance procedure set forth in Article 7.

5.03 The Union will be notified in writing of any new regulations or policies or modifications thereof at least seven (7) days in advance of the implementation date unless business needs require a timelier implementation. The Company will advise the affected employees of such new or modified regulations or policies at least seven (7) days in advance of the implementation date unless business needs require a timelier implementation.

ARTICLE 6 - UNION SECURITY

6.01 Except as otherwise provided herein, all vehicles owned or leased and used by the Company to perform the work covered by the Certification Order #8726-U shall be operated by employees who are members of the Union, unless all available employees are working or have been offered such work.

6.02 The Company and the Union agree that management personnel and those not included in the bargaining unit shall only perform bargaining unit work as follows:

- a) After such work has first been offered to all bargaining unit employees.
- b) For training purposes.

- c) Drivers from outside the geographical area covered by this Collective Agreement may conclude trips originating outside the geographic area covered by this Collective Agreement at a drop off location anywhere inside the geographic area covered by this Collective Agreement. Backhauls from the drop off location to an area outside the geographic area covered by this Collective Agreement are also permitted.
- d) Drivers from outside the geographical area covered by this Collective Agreement may pick up within the geographic area covered by this Collective Agreement and drop off at a location outside the geographic area covered by this Collective Agreement if there are no local drivers and equipment available at the pick-up time required.
- e) The Union and its members acknowledge that the Company regularly utilizes subcontractors to perform trips within the area covered by this Collective Agreement. The Company will use its best effort to ensure that there are no drivers and equipment available at the pick-up location at the pick up time required prior to dispatching a subcontractor.
- f) All ad hoc, unscheduled work, with at least twelve (12) hours advance notice shall be offered to all qualified non-scheduled drivers, by seniority. Drivers may decline any or all such work in advance in writing if they so choose.

Ad hoc, unscheduled work with less than twelve (12) hours advance notice will be assigned to qualified non-scheduled drivers utilizing the normal driver rotation.

6.03 Authorized agents of the Union shall have access to the Company's establishment during working hours for the purpose of investigating conditions related to this contract.

6.04 The Union shall elect or appoint Shop Steward(s) as needed from among its members in the bargaining unit and shall notify the Company in writing of such appointment or election. Additional Shop Stewards may be elected or appointed as the need arises.

The Company shall recognize the Shop Steward and shall not discharge or discriminate against him or other employees for lawful Union activity.

6.05 No employee shall be asked or permitted to make a written or verbal agreement which may conflict with the provisions of this Agreement.

6.06 The Union agrees that, in the event the Company becomes involved in a controversy with any other Union, the Union will do all in its power to help effect a fair settlement, and the Union will not participate in any sympathetic cessation of work or slowdown program while the controversy is being settled.

It shall not be a violation of this agreement or cause for discharge of any employee, in the performance of his duties, to refuse to cross a legal picket line recognized by the Union. Each employee can choose individually whether or not they want to cross a legal picket line.

The Union shall notify the Company as soon as possible of the existence of such recognized legal picket line. The Company shall not be required to call drivers to work for trips that would violate the picket line.

6.07 The employer agrees to notify the Union Steward upon hiring a new employee, and further agrees that the Steward shall be allowed the opportunity to interview each new employee during the probation period the purpose of which shall be to familiarize the new employee with the Collective Agreement, benefits, and responsibilities of Union membership. The above shall not exceed thirty (30) minutes of paid on duty time.

ARTICLE 7 - GRIEVANCE PROCEDURE

7.01 In the event that a dispute occurs between the Company and the Union and/or one or more members of the Bargaining Unit regarding interpretation or application of this Agreement, there shall be an earnest effort on the part of both Parties to resolve such grievance promptly through the following steps:

STEP 1

Any grievance of an employee shall first be taken up between such employee accompanied by the Shop Steward or a co-worker of the employee's choice if there is no Shop Steward available and the Company Representative.

Time Limit to institute grievance excluding Saturday, Sunday and Statutory Holidays;

- a) Termination or lay-off - Within five (5) days of the termination or lay-off;
- b) All others - Within ten (10) days of the discovery of the event giving rise to the grievance.

STEP 2

Failing an agreeable settlement under Step 1, such grievance shall be taken up between a representative of the Local Union and the designated Company Representative.

STEP 3

Failing an agreeable settlement under Step 2, such grievance shall be reduced to writing by the grieving party and will be submitted by the bargaining representative of the Local Union to the designated Company Representative.

7.02 Should the Company and the Union fail to reach agreement on any grievance concerning an alleged violation of the Agreement, or concerning a difference between the parties in respect of the meaning or application of the Agreement, or concerning disciplinary action taken against any employee, the matter may be referred to arbitration for final settlement by either party within ten (10) days of the decision by the Company Representative issued in writing in Step 3 of the grievance procedures. The party intending to refer the matter to arbitration shall give Notice of Arbitration in writing to the other party. Matters will be referred to a neutral arbitrator agreed to by both parties. If the parties fail to agree on a neutral arbitrator, the Minister of Labour will be requested to appoint a neutral arbitrator.

7.03 The decision of the Arbitrator shall be final and binding upon the parties hereto and upon any employee or employees concerned. The Arbitrator shall not rescind or amend the terms of this Collective Agreement.

7.04 The cost of the Arbitrator will be borne equally by the Union and the Company.

7.05 Any step of the grievance procedures may be waived or the time limits extended by mutual agreement in writing by the Company and the Union.

ARTICLE 8 - SENIORITY

8.01 The Company accepts the principle of seniority of service. Seniority of service shall be computed from the most recent date the employee commenced employment with the Company. Years of service are also inclusive of time employed by Urban Ventures Inc.

Other collective agreement articles notwithstanding the purpose of seniority is to provide a policy governing work preference, lay-offs, and recalls.

8.02 There shall be one seniority list for each location which shall be distributed by the Company to the location supervisor and the Local Union once per month. The seniority list shall be updated as new employees are added with the name and current seniority date of each employee and the date the list was produced and posted on the company website. A location Steward will be provided a copy of the seniority list by the location supervisor. Disputes regarding seniority must be lodged within thirty (30) calendar days of the employee's seniority first being noted incorrectly on a seniority list after the seniority list is distributed/posted.

Seniority will be by locations which are:

<u>Manitoba</u>	<u>Alberta</u>	<u>Saskatchewan</u>
Kenora, ON	Edmonton	Saskatoon
Winnipeg	Calgary	Wilkie
Brandon	Red Deer	Swift Current
Minnedosa	Medicine Hat	Wynyard
Russell	Jasper	Regina
Rivers	Lethbridge	Moose Jaw
	Wainwright	Estevan
	Edson	Melville
	Hinton	Biggar
		North Battleford
		Watrous
		Yorkton
		Nipawin
		Broadview

8.03 A driver's inability to work because of proven sickness or injury shall not result in a loss of seniority rights.

8.04 An employee shall lose his seniority and his employment shall be terminated:

- a) if he voluntarily quits or retires;
- b) if he is discharged for just cause;
- c) if he fails to report for duty after a lay-off within seven (7) calendar days after being notified by registered mail, unless a satisfactory reason is given;
- d) if he fails to report for duty after an authorized Leave of Absence, unless he has a legitimate reason for his absence;
- e) if twelve (12) months have elapsed from the date of his lay off;
- f) if he fails to make himself regularly available to work.

8.05 New employees shall be considered probationary employees and shall not be placed on the Seniority List during the first ninety (90) calendar days of employment with the Company. During the probationary period, there shall be no responsibility for re-employment if his/her employment with the Company is discontinued for any reason. A probationary employee shall not have recourse to the grievance and arbitration procedure regarding this discontinuance of employment except to grieve a termination which is discriminatory.

ARTICLE 9 - PROMOTION AND TRANSFER

- 9.01** All job openings or vacancies within the bargaining unit will be distributed through employee's pay envelopes in the job location or by direct contact with each employee by the location supervisor or Company management. Employees will be given two (2) weeks to apply. In the event the job is not bid in the job location, the opening will be distributed throughout the bargaining unit area or posted on the Company website. Seniority, subject to the ability to perform the work required, shall prevail for new jobs or vacancies. Temporary vacancies shall be offered by seniority until the posting procedure can be completed. Existing scheduled drivers in a location will be given first choice of vacant scheduled shifts based on seniority to fill a permanent shift prior to the regular vacancy provisions outlined herein.
- 9.02** When an employee within the bargaining unit covered by this Agreement receives a Leave of Absence to take a position within the Company which is beyond the scope of the bargaining unit, he may retain his seniority for ninety (90) calendar days.
- 9.03** When an opening occurs in a location and is not filled by a qualified employee from that location, another employee from another location could transfer in. That employee would retain their Company seniority for holiday entitlement but would be placed at the bottom of the seniority list for work preference and holiday preference. The Company shall not be required to pay a moving allowance; however, they may do so at their discretion in a consistent manner.
- 9.04** Location Supervisor
- a) A Location supervisor shall be defined as a supervisor who performs the same work or similar work to that performed by the employees he supervises.
 - b) A Location supervisor shall not have the authority to dismiss or discipline other employees.
 - c) A Location supervisor shall be a Union member and be entitled to all benefits of this Agreement. The appointment of a driver supervisor and the continuity for the position shall be determined by the Company.
 - d) All letters or memos or policy changes will be signed by the Regional_Manager or his superiors and may be posted or delivered by the Location Supervisor.

ARTICLE 10 - LAY OFF AND RECALL, SEVERANCE

- 10.01** Employees separating for any reason shall receive an electronic_record of employment and monies due within seven (7) days.
- 10.02** The principle of seniority subject to ability to perform the work required shall be maintained in the reduction and restoration of the work force.
- 10.03** The Company shall wherever practical advise employees two (2) weeks in advance of any lay off.
- 10.04** When a position has been discontinued or for lay off purposes, the affected employee can use his seniority to bump into another position within the location and maintain his seniority in that location.
- 10.05** In order to be entitled to severance pay an employee must have been in the employ of the Company for a minimum of one (1) year. The Company will pay severance in accordance with the Canada Labour Code. This payment will be made to all eligible employees regardless of age or pensions entitlements.

ARTICLE 11 - SPECIAL LEAVES

11.01 Bereavement Leave

- a) **Scheduled Drivers:** When a death occurs in a regular employee's immediate family, such employee will be granted upon request, a period of three (3) working days time off for bereavement leave to be taken within the period from the date of death to the day after the funeral. If the bereavement leave occurs during the employees regularly scheduled working days, he will be paid bereavement leave equal to their regular scheduled shift hours. Immediate family is defined as: The employee's spouse or common-law partner; the employee's father and mother and the spouse or common-law partner of the father or mother; the employee's child(ren) and the child(ren) of the employee's spouse or common-law partner; the employee's grandchild(ren); the employee's brothers and sisters; the grandfather and grandmother of the employee; the father and mother of the spouse or common-law partner of the employee and the spouse or common-law partner of the father or mother; and any relative of the employee who resides permanently with the employee or with whom the employee permanently resides.
- b) **Road Drivers:** When a death occurs in a regular employee's immediate family, such employee will be granted upon request, a period of three (3) working days' time off for bereavement leave to be taken within the period from the date of death to the day after the funeral. Pay for bereavement leave will be 1/20th per day of the wages he has earned during the thirty (30) calendar days immediately preceding the bereavement leave. Immediate family is defined as: The employee's spouse or common-law partner; the employee's father and mother and the spouse or common-law partner of the father or mother; the employee's child(ren) and the child(ren) of the employee's spouse or common-law partner; the employee's grandchild(ren); the employee's brothers and sisters; the grandfather and grandmother of the employee; the father and mother of the spouse or common-law partner of the employee and the spouse or common-law partner of the father or mother; and any relative of the employee who resides permanently with the employee or with whom the employee permanently resides.
- c) Should any driver require time off to make funeral arrangements and/or travel to/from the funeral, the employee may request and will be granted up to an additional five (5) days off without pay.

11.02 Jury Duty Leave

Any employee who is required to perform jury or witness duty on a day which he would normally have worked will be reimbursed by the Company for the difference between the pay received for jury or witness duty and his regular straight time hourly rate of pay for his regularly scheduled hours of work. For Road Drivers, pay for Jury Duty Leave shall be computed as 1/20th per day of the wages he has earned during the thirty (30) calendar days immediately preceding the Jury Duty Leave. It is understood that such reimbursement shall not be for hours in excess of forty-eight (48) hours per week, less pay received for jury or witness duty. The employee will be required to furnish proof of jury or witness duty and shall, subject to this provision, make himself available for work before or after being required for such jury or witness duty whenever practicable.

ARTICLE 12 - LEAVE OF ABSENCE

- 12.01** Any employee who takes a Leave of Absence without prior written permission from the Company will be subject to discipline. The Company shall forward to the Union a copy of all Leaves of Absence granted.
- 12.02** Leave of Absence for any reason other than ill health shall be for a period no longer than thirty (30) calendar days. Any extension of Leave of Absence or any Leave of Absence over thirty (30) calendar days must be in writing and agreed upon by the Union and the Company and the employee concerned.

12.03 Any medical leave or illness of over three (3) consecutive working days may require a letter from a doctor explaining that the absence from work was required and, if applicable, certification that the driver may return to work. Any employee who has had habitual or patterned absences may also be required to provide a letter from the doctor at the request of an Area Service Manager.

ARTICLE 13 - ANNUAL VACATION

13.01 Vacation Entitlement

Length of Service	Number of Eligible Weeks/Days of Vacation	% Vacation Pay
Less than 1 year of completed service as of December 1 st	1 day per month to a maximum of 10 days	4% of gross earnings
1 - 4 years of completed service	2 weeks	4 % of gross earnings
5 - 9 years of completed service	3 weeks	6% of gross earnings
10 years or more years of completed service	4 weeks	8% of gross earnings

The Company shall pay vacation twice per year on a separate direct deposit. Vacation pay for the period from December 1 to May 30 will be paid on or before June 30th. Vacation pay for the period from June 1 to November 30 will be paid on or before December 31st. Commencing in June 2013, the Company can pay existing employees their vacation pay on each pay as part of their regular payroll deposit. Existing employees at April 30, 2013 will be entitled to elect to switch to this method of payment if elected by the employee. All new employees hired after May 1, 2013 will automatically be paid vacation pay on each pay as part of their regular payroll deposit.

For the purpose of determining an anniversary year of employment for vacation purposes the following shall apply.

- a) All employees hired in the period from December 1st to May 31st shall be deemed to have commenced employment for vacation purposes only, on the November 30th immediately prior to their date of employment.
- b) All employees hired in the period from June 1st to November 30th shall be deemed to have commenced employment for vacation entitlement purposes only on November 30th in their year of employment.

13.02 Vacation lists shall be posted February 15th of each year and employees shall designate their choice of vacation time by the first day of April. If an employee fails to designate his choice of vacation on such listing while posted, vacation time shall be granted at the Company's discretion. Preference in selection and allocation of vacation time shall be determined on the basis of seniority and the completed schedules will be provided to the Location Supervisor and Area Service Manager by the first day of May and posted on the company website. If an employee fails to designate his choice of vacation on such listing while posted, vacation time shall be granted at the Company's discretion.

13.03 Vacation must be taken in one week blocks unless prior approval is received from the Company. One week's allocation may be taken as individual vacation days provided the employee provides at least eight (8) days' notice of each individual day the employee chooses to take as vacation.

ARTICLE 14 - STATUTORY HOLIDAYS

14.01 The Company agrees to recognize the following Statutory Holidays and any other day declared as a Statutory Holiday by the Federal Government:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
Boxing Day	

All hours worked on December 24th will be compensated at time and one half (1 ½) regular straight time pay.

14.02 Employees will be paid 1/20th of the wages he has earned during the thirty (30) calendar days immediately preceding the statutory holiday. If the employee is a full time scheduled driver, statutory holiday pay shall be pay equal to their regular scheduled shift hours.

14.03 If an employee with thirty (30) days service of employment with the Company is laid off within a period of fifteen (15) calendar days immediately preceding the Statutory Holiday and returns to work upon recall within fifteen (15) calendar days after the Statutory Holiday, the employee will be paid for said Statutory Holiday.

14.04 All hours worked on a Statutory Holiday will be paid at the rate of one and one half (1½) times the employee's regular hourly rate. It is understood that this is in addition to the holiday pay at straight time rates if the employee is entitled to Statutory Holiday Pay.

14.05 In the event that a Statutory Holiday falls on an employee's regular day off, or the employee works on statutory holiday, then such employees shall be entitled to a day off at some other time in lieu of such holiday at a time convenient to both the employee and the Company.

ARTICLE 15 - EMPLOYEES RIGHTS

15.01 An employee who is to be disciplined for any reason shall be so advised in writing. The employer will notify the Union by e-mail, fax, or personal contact with a Business Agent or officer of the Local Union before discharge of a Union Steward or within three (3) hours of suspension of a Union Steward. Failure to comply with this procedure shall render the suspension or dismissal null and void until such time as the appropriate procedure is followed.

15.02 Certain benefits and privileges enjoyed by employees prior to certification shall continue. Such benefits are limited as listed below:

- a) When an employee is requested to travel from base of employment, to work at another location, and is required to use his own personal vehicle, he shall be compensated at the applicable PSAC kilometer rate as updated from time to time. Additionally, when an overnight stay in a hotel is required, a daily per diem of forty-five dollars (\$45.00) will be provided to the employee.
- b) Cleaning supplies will be supplied for all vehicles.
- c) If cell phones and/or pagers are required by the Company, they will be provided by the Company and paid for by the Company. Providing of cell phones and/or pagers to drivers is solely at the discretion of the Company. Cell phones and/or any other communication devices are to be used exclusively for Company business. The parties agree that faxing and IVR will be eliminated at some point and an APP will become mandatory. The company will provide equipment in the vans. LOU will be entered into.
- d) Rides can be offered to and from work by scheduled drivers on shift change when it does not interfere with customer service and no complaints have been received from the customer. Any such rides may only occur when the vehicle will leave the yard for no more than 20 minutes in total.

- e) Any employee who is required to domicile and plug in a Company vehicle will be compensated for use of hydro.
- f) If the Company requests the driver to upgrade his license, the Company will provide the appropriate equipment for test purposes, if required. The employee will be paid two (2) hours pay on successful completion of the required upgrade.
- g) Driver's abstracts required by the Company shall be paid for by the Company except for pre-employment applicants.
- h) The Company will pay for the cost for the test of license (other than for a basic Class 5 or Class G driver's license) that is required for the job on successful completion of the test.
- i) Drivers who have completed over one (1) year of service that are required to take any government or transport authority required medical examination. Such medical examination shall be promptly complied with by the employee. The Company shall pay for the cost of such physical at a recognized medical facility. The employee will be paid two (2) hours of pay for completing the physical.
- j) Employees in any location in which a trip has originated and/or will be concluded in the United States are subject to ongoing random drug and alcohol testing. Only an employee who crosses the border or would be expected to cross the United States border is subject to this testing. This does not prohibit the Company from testing for cause. Employees will be paid two (2) hours pay for completion of the drug and alcohol test.

ARTICLE 16 – HEALTH & SAFETY

16.01 The Company shall not require employees to take out on the streets or highways any vehicle 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.

An employee must bring to the attention to the location supervisor or the Area Service Manager that a vehicle is thought to be unsafe immediately. If available, an alternate vehicle may be used or subcontractors will be used until such a time as the Company deems the vehicle in good working order. The Company will use its reasonable best efforts to ensure the vehicle is inspected, repaired, and returned to service as quickly as possible. The Company will supply a driver vehicle inspection book for each vehicle representing an ongoing log of vehicle safety issues which will be left in each vehicle.

16.02 It shall be the duty of the employee to report in writing on the appropriate forms of the Company promptly but not later than the end of their shift, trip, or tour all safety and/or mechanical defects on the equipment which they have operated during that shift, trip or tour. It shall be the obligation of the Company to so inform the employees as to which supervisor to whom such reports on such equipment will be made.

16.03 It shall be the obligation of the Company to direct the repair as necessary to conform to the safe and efficient operation of that equipment.

16.04 The Company and the Union recognize the benefits to be derived from a safe and healthy place of employment. It is agreed that the Company and the employees will co-operate fully to promote safe work practices, health conditions and the enforcement of safety rules and procedures.

ARTICLE 17 – TRAINING AND MEETINGS

17.01 The Company will from time to time provide training and conduct meetings and will pay the applicable hourly rate for attendance when a driver is required to attend training courses or meetings dealing with rail safety, driving in all weather conditions, defensive driving, road rage prevention, and general proficiency in first aid. The Company will, where possible, schedule training courses taking into account employee shifts. Employees are required to attend all mandatory training courses and meetings.

ARTICLE 18 - SAFE DRIVING BONUS

The Company will provide a gift card as a safe driving bonus to each employee who has completed twelve (12) months of preventable accident free driving in the twelve (12) month period ending September 30th of each year. Gift Cards will be mailed by December 15th of each year for the previous year to all employees who continue to be employed at that date. The Safe Driving Bonus will be paid to qualifying employees who completed twelve (12) months with no preventable accidents as follows:

- a) Provided that the employee worked at least one thousand six hundred and sixty-four (1,664) hours, including paid holiday time, in the twelve (12) months then ended and had no preventable accidents, the Company will provide a one hundred and twenty-five (\$125.00) gift card.
- b) If an employee does not meet the above target, but provided the employee worked at least one thousand and forty (1,040) hours, including paid holiday time, during the twelve (12) month period then ended and has had no preventable accidents, the Company will provide a fifty dollar (\$50.00) gift card.

ARTICLE 19 - DISCHARGE AND DISCIPLINE

19.01 The Company shall not discipline any employee without just cause. The principles of progressive discipline shall be followed. Documentation of all discipline shall be forwarded to the Union. Any discipline on an employee's file shall be removed eighteen (18) months following the issuance of such discipline.

Any document or discipline that is to be included in an employee's work file must have been brought to the employee's attention at the time the incident occurred, but no later than ten (10) days from each occurrence, or from the day of discovery of the violation.

ARTICLE 20 - HARRASEMENT

20.01 The Company and the Union believe that all employees, customers, suppliers, contractors and partners should be treated fairly and equitably in a harassment-free environment.

Employees are required to treat each other fairly, openly and with respect. Harassment includes, but is not limited to unwelcome conduct, comments, gestures or contact that causes offense or humiliation to any employee, employment candidate, customer or member of the general public.

Harassment can occur at or away from the workplace and during or outside working hours if individuals are in a work-related situation. It can be verbal, physical, written, intentional or unintentional. It includes, but not limited to unwanted behaviour based on the following prohibited grounds of discrimination: race, religion, sex, national or ethnic origin, marital status, family status, sexual orientation, colour, age, disability, pardoned conviction or other characteristic protected by law.

Harassment is considered employee misconduct and will not be tolerated and is subject to disciplinary action up to and including termination.

The Company agrees to handle all harassment complaints appropriately and in a timely manner. This includes harassment of an employee by a customer.

ARTICLE 21 – PAY PERIOD AND CONDITIONS

21.01 The Company shall pay all employees covered by this agreement every two weeks by direct deposit. The payment date will be made on a Friday for the two-week period ending the previous Saturday.

The payment will only be made for trip sheets completed properly and submitted to the dispatch centre by the end of day Saturday prior to a payment date. All trip sheets must be faxed immediately after the conclusion of a trip or shift to the dispatch centre using the toll free number provided.

21.02 On the day prior to the deposit date, the Company will mail the employee an itemized statement of payroll and deductions for the pay period and post the Trip Summary on the Company Website. In the event that an error occurs that requires an adjustment on the employees pay, and that error exceeds seventy-five (\$75.00) dollars, the Company will at the employee's option, courier or wire transfer to the employee payment within two (2) business days of discovery of the error or include it on the employees next pay. If the error is less than seventy-five (\$75.00) dollars or the error was an overpayment, the adjustment will be made on the following pay.

21.03 Year-end T4 slips will reflect monies paid for Union dues.

21.04 In the event of photo radar fines or parking tickets, and the driver can be identified, the employee will be notified and given the option of payment of the fine, or the Company may deduct from the next pay cheque.

The Union and Company agree to address the photo radar concern in a Letter of Understanding.

21.05 The Company shall not make any unauthorized deduction from the employee's pay other than those required by law, or this agreement without the express written consent of the employee.

ARTICLE 22 – HOURS OF WORK AND CONDITIONS – SCHEDULED DRIVERS

22.01 Work Day And Work Week

- a) The recognized workday shall consist of eight (8) consecutive hours of work.
- b) The recognized workweek shall consist of five (5) consecutive shifts.
- c) The hours of work shall be reduced by eight (8) hours in any week in which a statutory holiday falls.

22.02 Overtime

- a) Except as defined in MODIFIED WORK WEEKS, all hours over eight (8) hours in a day will be paid at one and one-half (1-1/2) times the regular rate of pay.
- b) All time worked on an employee's designated day of rest shall be deemed overtime and paid for at a rate of one and one half (1 ½) times the regular rate of pay.
- c) Overtime work on a daily basis shall be allocated wherever possible on the basis of seniority on a voluntary manner, provided the employee is capable of doing the job.
- d) Scheduled drivers who choose to run spare highway trips on their days off, cannot use their hours worked on the highway toward overtime and will be considered Reserve Drivers.
- e) The Company and the Union agree that a supervisor and an employee or an employee and another employee may arrange time to be worked and time off under a shift swap arrangement without the requirements for the Company to pay overtime. All such arrangements shall be in writing and approved in advance by the Company or it's designate.

22.03 Modified Work Weeks

- a) Where there is mutual agreement the work week can be twelve (12) hour shifts, four (4) days on and four (4) days off or as approved in advance by mutual agreement between the Company and the Union.
- b) Overtime would only occur after twelve (12) hours in a day, or after forty eight (48) hours in a eight (8) day period commencing on the first day of a shift block.
- c) The Company may elect to make any new or temporary scheduled vans on twelve (12) hour shifts.
- d) The Company is open to location agreements regarding breaks, on a yard by yard basis.

ARTICLE 23 - HOURS OF WORK AND CONDITIONS - ROAD DRIVERS

23.01 Main Pool Drivers

When the dispatch centre receives a call, the drivers first out at that location will be dispatched. If the driver first out is on rest or unavailable then the driver occupying the next main board position will be utilized. The dispatch centre will repeat this process until they reach the next available driver. Once the agreed Location Rotation Amount has been reached, the driver will be rotated on the board. The Location Rotation Amount is included in Schedule 2. Any Main Pool Driver who does not regularly make himself available may be subject to discipline up to and including potentially losing his position as a Main Pool Driver.

The main board size may be increased or decreased based on trip volumes and/or the availability of drivers (taking in account availability and days off) in a specific location and in order for the Company to meet its contractual requirements with its clients. The principles of seniority will apply for expansion or contraction of main board. The Union will be promptly notified of all changes in the size of main boards.

23.02 Spare Drivers

Spare drivers must adhere to the same rules as the main pool drivers. All rules regarding trip dispatching, booking rest or booking off, short trips and spare board rotation will apply.

23.03 Reserve Drivers

Drivers on days off may book on as Reserve Drivers. Reserve drivers are called only after Main Pool Drivers and Spare Drivers are unavailable. Reserve drivers will not hold a position on the board and will be called on a trip by trip basis and will not accumulate a location rotation amount.

23.04 Use of Taxis or Other Similar Services

If no Main Pool Drivers or Spare Drivers or Reserve Drivers or vehicles are available at the time of dispatch or as directed by customers, or for an on time delivery of the service to customers, a taxi or other similar service provider may be dispatched to protect the service on a trip by trip basis.

23.05 Call Refusals

A driver showing eligible and available for duty is expected to accept a call for work. The exceptions to this are drivers unavailable to make ASAP pick-up within required times, drivers required to perform other company business, or a restriction on available time remaining regarding work/rest hours. A driver that refuses a call will be moved to the bottom of the board.

23.06 Backhauls

Backhaul trips include transporting a crew that has to return to the van home location or another destination along the route back to the home terminal. Drivers can be held for a period of up to three (3) hours at a location for a backhaul, at the company's discretion. Drivers will be paid their hourly rate for any wait time as a result of waiting for commencement of the backhaul. Drivers can be asked to return to the drop off location to commence the backhaul should they have already departed the drop off location. They shall be paid the applicable hourly rate for all time spent returning to the pick up location and all time waiting for the commencement of the backhaul. Drivers may not refuse a backhaul unless it results in a violation of the drivers hours of service.

23.07 Regular Notice Calls

A Regular Notice call is considered anything one point five (1.5) hours or more notice to the pick-up time plus drive time. Drivers will be allowed thirty (30) minutes to return a dispatch call. If no call back is received within thirty (30) minutes, the next driver will be utilized. If a driver fails to respond within thirty (30) minutes it shall be treated as a refusal and the driver will be moved to the bottom of the board and the driver occupying the next main board position will be utilized. In the event that the driver works at a terminal where there is no local taxi back up, the provisions of 23.07 will be replaced with the provision of 23.08.

23.08 Short Notice Calls

A Short Notice call is considered anything less than one point (1.5) hours notice to the pick-up time plus drive time. Drivers will be allowed five (5) minutes to return a Short Notice call. If no call back is received within five (5) minutes then, the driver occupying the next main board position will be utilized. If no drivers are available to respond to the call in a timely fashion, the taxi backup will be utilized to protect the service. Drivers unable to return a Short Notice call within five (5) minutes will retain their position provided that the driver calls within thirty (30) minutes. A driver that fails to respond within thirty (30) minutes will be moved to the bottom of the board.

23.09 Short Trips

Short trips are defined as a trip that pays the driver less than the Location Rotation Amount. A driver performing a short trip will retain their position on the board and may be required to perform multiple shorts or any combination of trips until the drivers exceeds the Location Rotation Amount. In the event that a driver is under the Location Rotation Amount and remains first out, he may be allowed to take the van home until called. If a short trip develops into a long trip, it is incumbent on the driver to notify the Dispatch Centre immediately so that the board can be rotated correctly. Likewise, drivers are responsible to notify dispatch if a long trip is changed to a short trip, in order to hold their position as first out following the completion of that short trip. When out on a trip, drivers that have not reached the Location Rotation Amount will be called to see if they can accept a trip prior to the next up driver being called as long as the driver can be at the pick-up location at the pick-up time.

23.10 Drivers Booking Rest

Drivers are allowed to book up to a maximum of ten (10) hours rest and a minimum of eight (8) hours rest immediately after reaching the Location Rotation Amount, or when eleven (11) hours have elapsed from the beginning of their first trip. Drivers who begin a second rotation in one tour of duty will be permitted to book rest without reaching the Location Rotation Amount a second time immediately after completing their short trip in the second rotation. They will retain the dollar amount accumulated and their position on the board, but will lose their trip priority. Drivers on rest will hold their turn on the board.

23.11 Drivers Booking Off

Drivers booking off for any length of time other than rest must advise their location Supervisor as soon as possible. Drivers that have been on call for five (5) full days will be allowed to book off up to forty-eight (48) hours. Drivers must provide a return time to dispatch when booking off the board. Drivers booking off before reaching the Location Rotation Amount will forfeit their current accumulated rotation amount and trip priority. Any driver required to take twenty-four (24) consecutive hours off to reset their fourteen (14) day cycle must book off the board to do so.

23.12 Drivers Returning To The Regular/Spare Boards

The main board is generally designed to ensure that one driver is available for each van in a location at all times. By following the steps outlined below, the board size never expands to more than what it would normally be if all main pool drivers were available.

- a) When a main pool driver books off, the main pool driver's spot remains vacant but rotates in turn as if they were there. If the main pool driver returned from being booked off, he would re-enter the board into whatever position his or her spot was rotated to, unless the turn is occupied by a spare driver at the time of book-on.
- b) When drivers book rest (rather than booking off) the above will not apply and the next up main pool driver will be used.
- c) If the main pool driver re-entering the board, enters into any spot other than the first out position, he or she retains that spot and ultimately gets whatever trip that spot dictates.

- d) If the main pool driver re-enters the board when his or her vacated position had become first out, a spare driver is utilized in that position regardless of whether or not a trip had been called for that first out position.
- e) If the spare driver does not make more than the Location Rotation Amount, they retain their position until the Location Rotation Amount is met or exceeded. Once they have met the required Location Rotation Amount that spot rotates to the bottom of the list and the main pool driver re-enters the pool in the last out position. If a spare driver vacates a main board position prior to reaching the Location Rotation Amount and said position is first out, the turn will drop to the bottom of the board.
- f) This practice will be applied for each and every vacated main pool drivers spot that comes to the first out position and will continue to cycle through until the main pool driver's book back on.
- g) The spare board will rotate on the same basis as above.

23.13 Bad Weather Policy

Drivers will always be asked to attempt a trip in poor weather conditions until such time as the roads are officially closed. If a crew does not want to attempt the trip, the driver must then contact the Dispatch Centre and report the situation. To attempt a trip will be defined by, proceeding to the van location, do the necessary inspection and ready it for departure. If the driver is unable to commence his trip, due to weather or crew refusal, the driver shall be paid one (1) hour of pay. In the event the driver begins his trip, and is unable to continue and returns to the yard he shall be paid the greater of one (1) hour pay or the applicable hourly rate of pay for all time spent until he returns to the yard.

In the event the driver is stranded overnight on the road due to bad weather, accident, or breakdown, the driver will be provided with a hotel room and meals. If the driver is stranded in the van or has a crew on board the driver shall be paid the applicable hourly rate for all time delayed. Drivers whose trip is extended by more than sixty (60) minutes as a result of bad weather must notify their Area Service Manager to have the trip pay reviewed and adjusted.

23.14 Wait Time/Delay Time

Drivers will be paid wait time at the applicable hourly rate at all pick-up points commencing immediately after the scheduled pick-up time in one (1) minute increments. It is a requirement of any driver to notify the Dispatch Centre of any crew delays in excess of fifteen (15) minutes. Drivers must clearly indicate any wait time reasons and time on the trip sheets including wait time at pick-up point, drop-off point, and any stops on the route. Drivers must have sign-off for all wait time on the trip sheets by one (1) crew member from the trip or indicate a refusal of a crew member to sign.

ARTICLE 24 – RATIFICATION BONUS/RETROACTIVE PAY

Wage rate increases will not be retroactive due to the fact that there are no wage rate increases in this agreement prior to January 1, 2017.

ARTICLE 25 - DURATION AND RENEWAL OF AGREEMENT

This Agreement shall take effect and be binding upon the parties from January 1, 2016 until December 31, 2019 and shall continue in effect from year to year thereafter unless notice of termination or revision thereof is given by either party in writing by Registered Mail, not more than one hundred and twenty (120) days prior to the natural expiration date or any subsequent anniversary date. Such notice may require the other party to enter into negotiations for renewal of the Agreement and shall contain an itemized list of all requested changes to the Agreement and these shall be the only items which shall be considered; and all other provisions shall remain as set forth herein. If no Agreement is reached at the expiration of this Contract and negotiations are continued, the Agreement shall remain in force up to the time a subsequent Agreement is reached.

THIS COLLECTIVE AGREEMENT SIGNED THIS _____ DAY OF _____, 2017

**ON BEHALF OF THE EMPLOYER
HALLCON CREW TRANSPORT INC.**

**ON BEHALF OF THE WESTERN
CANADA COUNCIL OF TEAMSTERS**

Tony Plut,
President & CEO

Dave Phipps, Business Agent & Chairman
Teamsters Local 395

Michael Springer
VP and Chief People Officer

Richard Rose, Business Agent
Teamsters Local 395

Rob Mryglod, Business Agent
Teamsters Local 979

Ken Jarvis, Business Agent
General Teamsters, Local Union No. 362

SCHEDULE - 1

WAGES

SCHEDULED DRIVERS

A Scheduled Driver is a driver who works on scheduled shifts and is required to be in their vehicle at all times to service the Company's customers. Drivers are paid based on a fixed hourly rate multiplied by their hours worked. Scheduled drivers shall be paid for their shift from the scheduled start time to their scheduled end time or when the employee leaves work whichever is earlier. Drivers are expected to remain on railway property when not on trips unless otherwise directed by the Company.

	01/01/2016	01/01/2017	01/01/2018	01/01/2019
Alberta	\$14.86	\$15.16	\$15.51	\$15.86
Saskatchewan	\$14.86	\$15.16	\$15.51	\$15.86
Manitoba	\$14.00	\$14.30	\$14.65	\$15.00

For all hours worked between the hours of 20:00 and 06:00, there will be a fifty cent (\$0.50) per hour premium paid on all hours worked during the period. This premium will also apply to all hours worked on Saturday and Sunday. Effective October 25, 2015, this premium shall increase to one dollar (\$1.00) per hour.

ROAD DRIVERS

A road driver is a driver who works on call and performs trips for the Company based on a first up position on a driver rotating board. Drivers are compensated based on a flat rate for their trips which is calculated as the average drive time for the trip existing calculation multiplied by an applicable hourly rate. Side trips will be paid based on the number of total side trip kilometres divided by 80 multiplied by the hourly rate of pay.

Note: Company holds that drivers are paid from where the vehicle is parked. Union is to advise the Company of any locations/trips where this is not the case.

	01/01/2016	01/01/2017	01/01/2018	01/01/2019
Alberta	\$16.40	\$16.70	\$17.05	\$17.40
Saskatchewan	\$16.40	\$16.70	\$17.05	\$17.40
Manitoba	\$15.60	\$15.90	\$16.25	\$16.60

For road trips commencing between the hours of 20:00 and 06:00, there will be a fifty cent (\$0.50) per hour premium paid on all hours worked during the period. This premium will also apply to all hours worked on Saturday and Sunday. Effective October 25, 2015, this premium shall increase to one dollar (\$1.00) per hour. The premium will not be included in the computation of the Location Rotation Amount.

Minimum Trip Pay

Minimum trip pay is thirty dollars (\$30.00) inclusive of wait time and additional pay.

Return Trip Pay

Return trip or backhaul pay is equal to one (1) hour pay for all trips over fifty (50) km one (1) way. Return pay is payable where the driver takes crew out to a drop point and brings a crew back to the origination point or any point in between.

Additional Pay

Fifteen (15) minutes is paid as additional pay for all trips over thirty (30) minutes in length each way to complete certain administrative duties including a pre-trip inspection, a post trip fueling and fluid check, a post trip cleaning which includes emptying any garbage left in the van, sweeping of floor mats, spot cleaning any spills, reporting any damage or safety concerns with the vehicle to the location supervisor, and completion of trips sheets and driver logs.

Cancelled Trips

- a) If a driver is cancelled prior to leaving their residence in order to achieve an on time pick-up, the driver will be reverted back to their original position on the board. The cancellation will accumulate one cent (\$0.01) toward the Location Rotation Amount.
- b) If a driver cancelled after departing their residence in order to achieve an on time pick-up at the vehicle home location, the driver will be paid the greater of minimum trip pay and/or the applicable hourly rate for all time spent from the scheduled pick-up time to the time of cancellation. One (1) hours pay will accumulate toward the drivers Location Rotation Amount.
- c) If a driver is cancelled after departing the vehicle home location, the driver will be paid the applicable hourly rate for time spent until he returns to the vehicle home location or minimum trip pay whichever is greater. One (1) hours pay will be accumulated toward the drivers Location Rotation Amount unless he reached the destination at which point the total trip value will accumulate toward the Location Rotation Amount.

SCHEDULE - 2

Road Driver Location Rotation Amounts

LOCATION	ROTATION AMOUNT
<u>Manitoba</u>	
Kenora	\$50.00
Winnipeg	\$50.00
Brandon	\$50.00
Minnedosa	\$50.00
Russell	\$50.00
Rivers	\$50.00
<u>Alberta</u>	
Edmonton	\$60.00
Calgary	\$60.00
Red Deer	\$60.00
Medicine Hat	\$60.00
Jasper	\$60.00
Lethbridge	\$60.00
Wainwright	\$60.00
Edson	\$60.00
Hinton	\$60.00
<u>Saskatchewan</u>	
Saskatoon	\$50.00
Wilkie	\$50.00
Swift Current	\$50.00
Wynyard	\$50.00
Regina	\$50.00
Moose Jaw	\$50.00
Estevan	\$50.00
Melville	\$50.00
Biggar	\$50.00
Yorkton	\$50.00
Nipawin	\$50.00
Broadview	\$50.00
North Battleford	\$50.00
Watrous	\$50.00

LETTER OF UNDERSTANDING # 1

BETWEEN: HALLCON CREW TRANSPORT INC.

AND: WESTERN CANADA COUNCIL OF TEAMSTERS

RE: Driver Temporary Relocation Rules

The Parties hereto agree:

- Drivers will be selected from the volunteer list in seniority order from the terminal specified by the Area Service Manager.
- Scheduled Drivers will not be eligible for temporary relocation if their movement will create an assigned vacancy that requires filling.
- In case of emergent situations, the first out driver on the main board will be contacted. Each driver will be contacted on a first in first out basis utilizing the first driver that accepts the relocation, and can respond within the required timelines. Drivers accepting a temporary relocation shall be rotated as per dispatch rules in Article 23 at the end of the assignment.
- If no drivers off the volunteer list are available, or accept the temporary relocation, each driver in the terminal will be contacted in seniority order.

THIS COLLECTIVE AGREEMENT SIGNED THIS _____ DAY OF _____, 2017

**ON BEHALF OF THE EMPLOYER
HALLCON CREW TRANSPORT INC.**

**ON BEHALF OF THE WESTERN
CANADA COUNCIL OF TEAMSTERS**

Tony Plut,
President & CEO

Dave Phipps, Business Agent & Chairman
Teamsters Local 395

Michael Springer
VP and Chief People Officer

Richard Rose, Business Agent
Teamsters Local 395

Rob Mryglod, Business Agent
Teamsters Local 979

Ken Jarvis, Business Agent
General Teamsters, Local Union No. 362

LETTER OF UNDERSTANDING # 2

BETWEEN: HALLCON CREW TRANSPORT INC.

AND: WESTERN CANADA COUNCIL OF TEAMSTERS

The Company and the Union agree the following process will be followed in reference to Article 21, Section 21.04.

Photo Radar tickets typically arrive directly to Hallcon's main office in Toronto via mail or Alberta versions come directly to the GM's office address.

- Any ticket coming in will be researched to positively determine the driver of the van at the time of the infraction and will be sent to the Toronto office with a copy going to the Regional Manager.
- The Regional Manager will notify the driver of the ticket as soon as possible.
- The Company will then notify the driver in the paystub that they received a ticket and enclose a copy. Must receive ticket before court date in order for employee to contest the ticket. If not company will be liable to pay for the ticket since the employee did not have a chance to contest.
- If the driver wishes to dispute the ticket, they must notify their Regional Manager of their intent.
- The court date will be recorded and the company will follow-up with the driver twenty-four (24) hours after the court date.
- It is the driver's responsibility to notify the Company of their intent to dispute, communicate with the company the outcome of the dispute and be responsible for any associated fines.
- If the driver does not respond, notify or otherwise contest the ticket, or the outcome of the dispute still results in a fine, the driver understands and agrees to have the cost of the ticket deducted from the paycheck.

THIS LETTER OF UNDERSTANDING SIGNED THIS 1st DAY OF MAY, 2017

**ON BEHALF OF THE EMPLOYER
HALLCON CREW TRANSPORT INC.**

**ON BEHALF OF THE WESTERN
CANADA COUNCIL OF TEAMSTERS**

Tony Plut,
President & CEO

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