

Bringing service to life



COLLECTIVE AGREEMENT

between

SERCO DES INC. cob as DRIVETEST

and

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL
AND SERVICE WORKERS INTERNATIONAL UNION
(UNITED STEELWORKERS)**



Expires: March 1st 2013

TABLE OF CONTENTS:

ARTICLE 1:	PURPOSE	5
ARTICLE 2:	SCOPE AND RECOGNITION.....	5
ARTICLE 3:	MANAGEMENT RIGHTS.....	6
ARTICLE 4:	UNION DUES	8
ARTICLE 5:	NO STRIKES OR LOCKOUTS	9
ARTICLE 6:	UNION REPRESENTATION.....	9
ARTICLE 7:	RELATIONSHIP	11
ARTICLE 8:	GRIEVANCE PROCEDURE	12
ARTICLE 9:	POLICY GRIEVANCES	14
ARTICLE 10:	SUSPENSION AND DISCHARGE	14
ARTICLE 11:	ARBITRATION	16
ARTICLE 12:	PROBATION	17
ARTICLE 13:	SENIORITY	18
ARTICLE 14:	LOSS OF SENIORITY AND DEEMED TERMINATION.....	21
ARTICLE 15:	LAYOFFS.....	22
ARTICLE 16:	JOB POSTING	26
ARTICLE 17:	TEMPORARY TRANSFERS	30
ARTICLE 18:	HOURS OF WORK.....	31
ARTICLE 19:	OVERTIME.....	33
ARTICLE 20:	BULLETIN BOARDS.....	35
ARTICLE 21:	HEALTH AND SAFETY.....	35

ARTICLE 22:	LEAVES OF ABSENCE	36
ARTICLE 23:	PAID HOLIDAYS.....	39
ARTICLE 24:	VACATIONS.....	40
ARTICLE 25:	SICK LEAVE	43
ARTICLE 26:	MEDICAL REPORTS	44
ARTICLE 27:	PAYMENT OF WAGES	45
ARTICLE 28:	TRAINING	45
ARTICLE 29:	DRESS	46
ARTICLE 30:	LABOUR/MANAGEMENT COMMITTEE	46
ARTICLE 31:	NO PYRAMIDING.....	47
ARTICLE 32:	LEGAL PROTECTION	48
ARTICLE 33:	PRINTING OF COLLECTIVE AGREEMENT	48
ARTICLE 34:	GENERAL	48
ARTICLE 35:	DEFINITIONS.....	52
ARTICLE 36:	DURATION.....	53
APPENDIX A:	WAGES.....	55
APPENDIX B:	BENEFITS	59
APPENDIX C:	OPT IN EMPLOYEE'S DATE OF HIRE	61
LETTER OF UNDERSTANDING 1 – RE: HARASSMENT POLICY		63
LETTER OF UNDERSTANDING 2 – RE: VOLUNTARY LAYOFF		63
LETTER OF UNDERSTANDING 3 – RE: LAYOFF AND RECALL		64
LETTER OF UNDERSTANDING 4 – RE: BILINGUAL DTCS		64

LETTER OF UNDERSTANDING 5 – RE: SATURDAY SCHEDULING67

LETTER OF UNDERSTANDING 6 – RE: OVERTIME.....68

LETTER OF UNDERSTANDING 7 – RE: PROBATIONARY EMPLOYEES69

LETTER OF UNDERSTANDING 8 – RE: VACATIONS FOR FULL TIME EMPLOYEES69

**LETTER OF UNDERSTANDING 9 – RE: ADMINISTRATION OF VACATION SCHEDULING
DURING PEAK PERIOD.....69**

SCHEDULE B.....72

**LETTER OF UNDERSTANDING 10 – RE: ESTABLISHMENT OF SENIORITY LISTS FOR
THE PURPOSES OF THE COLLECTIVE AGREEMENT73**

LETTER OF UNDERSTANDING 11 – RE: MILEAGE RATES74

**LETTER OF UNDERSTANDING 12 – RE: SUB PLAN DUE TO UNAVAILABILITY OF MTO
RESOURCES74**

LETTER OF UNDERSTANDING 13 – RE: PART TIME STAFF.....74

**LETTER OF UNDERSTANDING 14 - RE: PERFORMANCE NOTES AND TRANSACTION
DEFICIENCY REPORTS.....74**

LETTER OF UNDERSTANDING 15 - RE: PART TIME EQUALIZATION OF HOURS.....75

LETTER OF UNDERSTANDING 16 - RE: ACTING SUPERVISOR PAY - ARTICLE 16.11....75

LETTER OF UNDERSTANDING 17 - RE: HIGHER RATE OF PAY - ARTICLE 17.6.....75

ARTICLE 1: PURPOSE

1.1 It is the purpose of both parties to this Agreement:

- (a) To maintain harmonious relations between the Company and its employees;
- (b) To recognize the value of joint discussions and negotiations;
- (c) To encourage efficiency in operations; and
- (d) To provide a mechanism for the amicable adjustment of grievances which may arise;
- (e) To provide for orderly collective bargaining, including the negotiation of wages and benefits of employees and to embark upon discussions regarding standards of safety and the physical welfare of employees.

1.2 The Parties to this Agreement share a desire to improve the quality and efficiency of the Company's services, and to promote the effective and efficient delivery of those services to its clients. The Company, the Union and the employees will co-operate fully, individually and collectively, for the advancement of the said conditions. Accordingly, the Parties are committed to establishing, within the framework provided by law, a positive and effective working relationship at all levels in which members of the bargaining unit are employed.

ARTICLE 2: SCOPE AND RECOGNITION

2.1 The agreement will apply to all employees of Serco DES Inc. C.O.B. as Drive Test in the Province of Ontario, save and except Supervisors and persons above the rank of Supervisor and the Executive Assistant to the Deputy Operations Director.

2.2 The Company recognizes the Union as the sole collective bargaining agent for all employees of the Company in the bargaining unit defined above.

2.3 It is understood that bargaining unit employees who are asked to participate on temporary projects at the Company's office at 5000 Yonge Street in Toronto, will continue to be governed by the Collective Agreement to the same extent that such employees would be covered by the Agreement while performing their duties at their home DTC.

2.4 (a) Non-bargaining unit employees will not perform bargaining unit work:

(i) If it results in the lay-off of a seniority employee; or

(ii) At any DTC where a seniority employee has been laid off, or at a DTC where a seniority employee has exercised his/her right to bump an employee at another DTC in order to avoid a layoff, and where such employee is ready, willing, and available to be recalled to the DTC which

they were laid off or displaced (as the case may be), to perform the work that is required by the Employer.

(iii) For the purposes of Article 2.4(a)(ii), the employee who has bumped another employee, will not be considered to be “available” until such time as the employee who has been bumped, has been recalled to the position that such employee was displaced from. The said recalled employee will only be considered to be recalled on the date that such employee committed to return to work.

- b) However, non-bargaining unit employees are permitted to do bargaining unit work in the following situations:
 - i) To address the concerns of an irate or disgruntled customer;
 - ii) For demonstration, training or orientation purposes;
 - iii) For testing of new equipment; or
 - iv) In cases of emergency. Emergencies shall be used to cover off unexpected employee sick days or, the unexpected departure of an employee during his/her scheduled shift (such as when stewards must leave to assist employees with any issue arising out the collective agreement. For the purpose of this Article 2.4 an emergency shall be considered to be for duration of no longer than fifteen (15) hours.
- c) The Company agrees, on request by the Union, to use the Labour Management Committee process to review issues or concerns related to the administration of this Article 2.4.
- d) The Company’s compliance with this Article 2.4 will be subject to the grievance and arbitration procedures specified in Article 8, however the onus of proof regarding such grievance in arbitration will be placed on the company.

In the course of administering this Article 2.4, the parties acknowledge the Company’s contractual obligations and requirement to be compliant with the MTO Delegation Agreement.

ARTICLE 3: MANAGEMENT RIGHTS

3.1 The Union recognizes and acknowledges that all management rights and prerogatives and the direction of the working forces, and the management of the Company’s enterprise, are vested exclusively with the Company and without limiting the generality of the foregoing the exclusive functions of the Company shall include the following rights:

- (a) To operate and manage its business in every and in all respects;
- (b) To maintain order, discipline, efficiency amongst its employees and in connection therewith to establish and enforce reasonable rules, regulations, policies and practices from time to time to be observed by its employees. The Company reserves the right to amend or introduce new

rules from time to time and any such new rules will be communicated in writing to employees and to the Union;

- (c) To select, hire, transfer, lay-off, recall, promote, demote, classify, assign duties, discharge, suspend, or otherwise discipline employees for just cause, provided that a claim that an employee who has been discharged or disciplined without just cause (except in the case of probationary employees to whom Article 12 applies) can be the subject of a grievance and dealt with as hereinafter provided; to determine whether vacancies exist and whether to hire persons to fill vacant positions or newly created positions;
- (d) To determine the nature and kind of business conducted by the Company, the kinds and locations of its operations, the services to be rendered, the kinds of machines and/or equipment to be used, the methods of operating and control of materials, goods, documents and information to be used, the control of materials and parts, the quality, quantity, and required efficiency of production and provision of services;
- (e) To have the right to plan, direct and control the work of the employees, the operations of the Company, and the schedules and procedures of work. This includes the right to introduce new and improved methods, facilities, machinery, technology, and equipment, and to direct and control the amount of supervision necessary; to combine or split work locations, work schedules, and to increase or reduce personnel in any particular area, or on the whole, and the number of employees required for the Company's purposes; and to reduce or increase normal hours of work per day or per week and to establish starting and quitting times; to assign employees to shifts as required;
- (f) To determine the number of shifts, the days and hours of work per week, job content and requirements, quality and quantity standards, the qualifications of employees; to select and retain employees for positions excluded from the bargaining unit;
- (g) To establish standards of service; to amend or modify standards; to determine new methods to be used; to determine the requirements of a job and the qualifications of an employee to perform the work required.

3.2 The Company agrees that it will not exercise its functions in a manner inconsistent with the provisions of this Agreement.

3.3 Failure by the Company to exercise any of its management rights shall not be considered as abandonment of any of such rights. The Company's exercise of a management right in a particular way will not be considered a waiver of the Company's right to subsequently exercise such right, nor will the Company be precluded from exercising such right in some other way that is not in conflict with the express terms of this Agreement.

ARTICLE 4: UNION DUES

4.1 It shall be a condition of employment that all employees pay Union dues as prescribed by the Union's Constitution. The union shall be responsible for informing the employer, in writing, of any change in the amount of the dues, fees or assessments.

4.2 The Employer shall deduct Union dues including, where applicable, initiation fees and assessments, on a biweekly basis, from the total earnings of each employee covered by this agreement. The amount of dues shall be calculated in accordance with the Union's Constitution.

4.3 All dues, initiation fees, and assessments shall be remitted to the Union forthwith and in any event no later than 20 days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers, AFL-CIOCLC, P.O. Box 13083 Postal Station. A., Toronto, Ontario M5W 1V7 in such form as shall be directed by the Union to the Company along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 shall also be sent to the Union office designated by the Area Coordinator.

4.4 The remittance and the R-115 form shall be accompanied by a statement containing the following information:

- (a) A list of names of all employees from whom dues were deducted and the amount of the dues deducted;
- (b) A list of the names of all employees from whom no deductions have been made and reasons;
- (c) This information shall be sent to the following Union addresses in such form as shall be directed by the Union to the Company:

The International Secretary Treasurer of the United Steelworkers, AFL-CIOCLC, P.O.Box 13083 Postal Station A, Toronto, Ontario M5W 1V7 with a copy of the Dues Remittance Form to be sent to the Union office designated by the Area Coordinator.

4.5 The Union shall indemnify and save the Employer harmless against all claims or other forms of liability that may arise out of any actions taken by the Employer in compliance with the article.

4.6 The Employer, when preparing T-4 slips for the employees, shall enter the amount of Union dues paid by the employee during the previous year.

ARTICLE 5: NO STRIKES OR LOCKOUTS

5.1 In view of the orderly procedures established by this Agreement and the provisions of the Ontario *Labour Relations Act* for the settling of disputes and the handling of grievances, the Union agrees that during the term of this Agreement, neither it, nor its representatives, will authorize, call, direct or take part in any strike or picketing, in or about any of the Company's premises at which the Company provides any of its services and the Company agrees that it will not threaten, cause or direct any lockout of its employees for the duration of this Agreement.

5.2 In the event that employees engage in any of the activities described by Paragraph 5.1, the Union will instruct the employee(s) to cease such activity forthwith, return to work and perform their usual duties.

5.3 The Union agrees that the Union and bargaining unit employees will not involve the name of the Company in any dispute which may arise, between any other Company and the employees of such other Company or between the Union and such other Company.

5.4 The words "strike" and "lockout" shall have the same meaning given to those words in the Ontario *Labour Relations Act*.

ARTICLE 6: UNION REPRESENTATION

6.1 (a) The Company acknowledges the right of the Union to appoint or otherwise elect Union Stewards for the purpose of representing employees in the handling of complaints and grievances.

(b) The Company agrees to recognize a Union Grievance Committee of not more than two (2) employees one of whom shall be a Steward and the other, the Local President or her/his designate. The Company will deal with the Union Grievance Committee as set out in this Agreement.

6.2 The Company recognizes the right of the Union to appoint or otherwise elect up to twenty-four (24) employees as Stewards, one (1) of whom will be designated as Local President, it being agreed and understood that Stewards shall have a minimum of six (6) months' seniority. The parties agree that a steward may represent more than one DTC.

6.3 The Union shall notify the Company in writing of the names of the Stewards that have been selected. The Company shall not be required to recognize any such Stewards until it has been notified by the Union of their appointments. This list will be revised as changes occur.

6.4 Stewards shall continue to perform their regular duties on behalf of the Company unless permission from the Company is granted to investigate and process a complaint or grievance, which permission shall not be unreasonably withheld (within the prescribed guidelines of the grievance procedure) and the granting of such permission shall be subject to the operational needs and business

objectives of the Company. The Stewards' first obligation is the fulfillment of their duties and responsibilities as an employee. During their working hours, Stewards are not entitled to engage in Union activities other than the necessary involvement in the reporting and resolution of complaints or grievances.

6.5 The privileges of all Stewards to leave their work without loss of regular pay or benefits to attend to Union business, is granted on the following conditions:

- (a) Such business involves a Steward's responsibility under this Agreement, or a requirement to attend meetings between the Union and the Company as required under this Agreement.
- (b) The time shall be devoted to the prompt handling of such necessary Union business as required under this Agreement.
- (c) The Stewards concerned shall obtain the permission of their supervisor before leaving their work to attend to Union business relating to the processing of complaints and grievances.

6.6 When a Steward is permitted to be temporarily absent from her/his regularly scheduled hours of work in order to attend to processing a complaint or grievance, she/he shall receive her/his regular rate of pay during such absence provided that the Company shall not be obliged to make any payment for the time spent outside of her/his regular hours of work. The Company reserves the right to limit the length of any absence if it deems the time taken to be excessive, which right shall be exercised reasonably. It is understood that only one Steward is required to process a complaint or grievance under this Agreement. The parties hereto acknowledge that there may be times and/or circumstances which may require a meeting that must be held between a member of management and a Steward/Grievance Committee member should be held outside of the Steward's/Grievance Committee member's regular hours of work. When there is a mutual agreement to hold such a meeting outside of the Steward's /Grievance Committee member's regular hours of work, the Company will pay the Steward or Grievance Committee member (as the case may be) for the time spent in such a meeting with the understanding that such hours are counted as hours worked for the purposes of any overtime calculation. For clarity, it is understood that lunch breaks are not considered to be regular work hours.

6.7 In the event that a Steward represents employees at a DTC other than the DTC at which the Steward is actually employed or working at, and such Steward is required to assist an employee(s) who is located at a different DTC location, telephone communication will be considered to be an acceptable alternative to an in-person meeting. In these circumstances, in-person meetings are subject to Company approval. Teleconference facilities, if required, can also be provided by the Company, and at the Grievors request, a separate room where available at the DTC, will be made available to conduct this teleconference call.

6.8 The Company agrees to recognize and deal with a Negotiating Committee of not more than five (5) employees, it being agreed and understood that employee

members of the Negotiating Committee shall have a minimum of six (6) months' seniority. The Union shall, in writing, provide the Company with the names of the individuals who constitute the Negotiating Committee prior to the commencement of negotiating any changes to this Agreement. The Union may have representatives of the International Union present and the Company will also be entitled to have its professional advisors present during any negotiations.

6.9 The Negotiating Committee is a separate entity from other committees and will deal only with such matters that are properly the subject matter of negotiations, including proposals for the renewal or modification of this Agreement.

ARTICLE 7: RELATIONSHIP

7.1 The Company and the Union agree that there shall be no discrimination, harassment, coercion or intimidation exercised against any employee covered by this Agreement on the basis of any prohibited ground that is prescribed by the Ontario *Human Rights Code* and/or the Company's harassment policies as amended from time to time.

7.2 The Company and the Union agree that there shall be no intimidation, interference, discrimination, restraint or coercion exercised or practiced with respect to any employee by reason of her/his membership or activity, or non-membership or lack of activity in the Union.

7.3 The Union agrees that, except as provided for in this Agreement, there will be no Union activity on the premises of the Company.

7.4 The Company shall continue to maintain a work environment that is free from harassment as set out in its well established policies. The parties acknowledge and agree that any employee who engages in harassment or in discrimination in violation of the Company's policies may be disciplined up to and including termination of employment.

7.5 The Company agrees to provide a Union Steward with an opportunity to contact new employees once for a period of up to fifteen (15) minutes, during the first thirty days of employment. The purpose of this meeting is to acquaint such employees with the role of the Union and the relevant terms of this Agreement. Such contact will be held during regular working hours at a time and by means that are approved by the new employee's supervisor.

7.6 The Company agrees that at the end of the quarterly period in each calendar year, beginning with the quarterly period ending with September 30th, 2006, it will provide the Union with a list of employees who have: (i) been newly hired, (ii) quit; (iii) been terminated; (iv) been absent from work for an extended period of time due to an injury that is covered by the *Workplace Safety Insurance Act* ("WSIA"); (iv) have been absent from work for an extended period of time due to an illness or injury that is not covered by WSIA; (v) been temporarily transferred into a different classification.

ARTICLE 8: GRIEVANCE PROCEDURE

8.1 A complaint or grievance shall be defined as any difference arising out of the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether a matter is arbitral. Should differences arise between the Company and an employee or the Union as to the interpretation or application or alleged violation of this Agreement, work shall continue as directed by the Company and an effort shall be made to settle such difference in accordance with the grievance procedures set out herein.

8.2 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible and it is understood that an employee has no grievance until she/he has first given the Company an opportunity to adjust her/his complaint either directly or through a Steward.

8.3 If an employee has any complaint or question which he/she wishes to discuss, the employee will take the matter up with his/her supervisor within three (3) working days after the circumstances giving rise to the complaint or question has originated or after the circumstances should reasonably have been known to the employee.

8.4 In the event that the informal complaint process does not resolve an issue, a grievance can be filed. Grievors have the right to have a Union representative with them at any stage/meeting in the complaint or grievance process.

8.5 All grievances that are filed must set forth the nature of the grievance, the parties involved and the manner in which there has been a violation of the collective agreement.

8.6 **Step 1** - Within five (5) days of the supervisor's initial decision under the complaint process referred to above a grievance will be presented in writing to the Centre Supervisor. It is understood that a grievance may be delivered by facsimile provided that the Centre Supervisor is first advised by telephone that the grievance is being delivered in this fashion. The Centre Supervisor will convene a meeting with the Steward and/or grievor within three (3) days. The Centre Supervisor will have five (5) days to respond to the grievance in writing following the meeting. If the grievance involves a harassment issue or a termination or suspension of a seniority employee, Step 1 will be waived, and the grievance will proceed directly to Step 2.

Step 2 - If the issue remains unresolved after Step 1, the Union can submit the grievance to the Area Manager. The Step 2 grievance must be referred to the DTC Manager no later than four (4) days after the date of the response from the Centre Supervisor in Step 1. The Area Manager will meet with the Steward and/or the grievor within three (3) days of the submission. A written response will be delivered to the Steward and the grievor within five (5) days of the meeting.

Step 3 - If the issue remains unresolved after Step 2, the grievance is to be forwarded to the Company's Human Resources Department within five (5) days following the

receipt of the response at Step 2. The Company's Human Resources representative will meet with the grievor and/or the Union Grievance Committee within seven (7) days of the submission. The Human Resources representative will issue a written decision within five (5) days following the date of the meeting. If the issue is still not resolved, either party can refer the grievance to arbitration, provided written notice of the referral to arbitration is sent to the Manager of Human Resources within fifteen (15) days of the Step 3 decision.

8.7 Any timelines specified in the Grievance Procedure can be extended by mutual agreement between the Union and the Company. Where no such agreement has been made and the time limits as described in Step 3 as set out above (referral to arbitration) have not been followed, or where an agreed extension has expired in regards to Step 3 (referral to arbitration), the grievance will be deemed to be abandoned. Where the Company does not respond within the prescribed timelines, the Union may process a grievance at the next step in the grievance and arbitration procedure.

8.8 Nothing herein shall preclude any employee from meeting with a member of the management team, with or without a Union representative, to discuss an issue.

8.9 Once the Grievance Procedure has been exhausted and at any time prior to arbitration, both parties may agree to engage a mutually agreed upon mediator to assist the parties in resolving any grievance. The parties will jointly, in equal shares, share the cost of the mediator. Any mutually agreeable resolution that is achieved by the parties through such mediation shall be binding upon the parties. In the event that no mutually agreeable resolution is reached, a grievance may proceed to arbitration.

8.10 At any stage of the grievance procedure or arbitration process, the parties may have the assistance of the employee (or employees) involved in the grievance as a witness, and all reasonable arrangements will be made to permit the conferring parties or the Arbitrator to have access to any part of the Company's premises to view any condition which may be relevant to the settlement or, determination of the grievance, at a reasonable time and so as not to unduly interfere with the operations of the Company.

8.11 Where it appears that two (2) or more employees have the same grievance, the Union will process the grievances simultaneously and consecutively on all levels of the grievance and arbitration procedures, subject to all applicable provisions under the grievance procedure and all grievors will be listed on the grievance form.

8.12 If there should be an accumulation of grievances to be referred to arbitration that are of the same nature, one Arbitrator shall deal with all such grievance disputes.

8.13 It is understood that all references to the "Supervisor", "Area Manager" and managerial employees in the Company's Human Resources Department in the Complaint and Grievance Procedure will also include their respective designates. It

is also understood that all references to “Steward” will also include their designates as appointed or elected by the Union.

ARTICLE 9: POLICY GRIEVANCES

9.1 A “Policy Grievance” is defined as a grievance that involves a question relating to the interpretation, application or administration of this Agreement. A policy grievance may be instituted by either the Company or the Union and submitted to the other party in writing at Step 2 of the grievance procedure for a written response. However, it is expressly understood that the provisions of this section may not be used to institute a grievance directly affecting an employee or employees which such employee or employees could themselves initiate and the regular Grievance Procedure shall not be thereby bypassed.

9.2 The Company may institute a grievance, consisting of an allegation of a general misinterpretation or violation of this Agreement by the Union, its representatives, or any employee, in writing, dated and signed, by forwarding a written statement of said grievance to a Union representative, provided that it is presented within ten (10) days after the circumstances giving rise to the grievance have originated or occurred. A meeting will then be held between the Company and the Union within ten (10) days. When submitting the grievance, the Company shall suggest at least three (3) alternative days, and times and places at which the meeting may be held. Failure to hold the meeting shall be deemed to be a denial of the grievance. The representative of the Union shall give its decision in writing within five (5) days after the meeting. Failure to render such decision shall be deemed to be a denial of the grievance. Failing settlement, a grievance may be referred to arbitration by the Company by written notice of intent as set out in the Grievance Procedure.

ARTICLE 10: SUSPENSION AND DISCHARGE

10.1 A claim by an employee who has completed probation that she/he has been suspended or discharged from her/his employment without just cause shall be treated as a grievance if a written statement of such grievance is lodged with the Company within four (4) days after the employee is notified of her/his discharge or suspension or within four (4) days after the employee ceases to work for the Company, whichever is the earlier. The grievance will proceed immediately to Step 2 of the Grievance Procedure.

10.2 Such special grievances may be settled by confirming the Company’s action in suspending or dismissing the employee or by reinstating the employee in a manner which is just and equitable in the opinion of the conferring parties or an arbitrator.

10.3 The following offences may be just cause for discipline up to and including immediate discharge.

- (a) Engaging in fraudulent activities, deliberate falsification of any records or documents that are under the care and control of the Company;

- (b) Engaging in bribery (i.e. improperly accepting compensation for the employee's personal gain in relation to services provided by the employee on behalf of the Company);
- (c) Conviction of any criminal offence which precludes an employee from performing all of the duties and responsibilities necessarily incidental to and associated with the employee's position of employment, or which prevents the employee from performing all of the duties and responsibilities that are required of the employee by the Company so as to allow the Company to satisfy all of the terms and conditions that are required of the Company by the Government of Ontario, pursuant to the Delegation Agreement;
- (d) Using, or accessing, confidential information that was obtained by an employee in the course of employment, for an improper or, unlawful purpose, or, improper use of Company information;
- (e) Misappropriating Company property;
- (f) Misrepresentation of information that has been provided in an employee's application for employment or, during a job interview prior to being offered employment with the Company;
- (g) Notwithstanding the employment misconduct that is referred to above, the parties recognize that other offences or forms of employment misconduct may also be cause for immediate discharge or any other form of discipline that the Company may impose.

The parties hereby agree and acknowledge that in the event that an employee is terminated or disciplined for just cause for any of the reasons set out in Article 10.3 (a) through (f) above, and the Union and/or the discharged employee file a grievance in relation to such termination or discipline which grievance must be referred to arbitration, the parties will only refer the grievance to one of the arbitrators who is indicated in Article 11.4 of this agreement. It is understood that in these circumstances Article 11.4 will be administered by amending the reference from sixty five (65) days in Article 11.4 to forty (40) days.

10.4 Employee Records

- (a) Any notice of disciplinary action which is intended to form any part of an employee's employment record shall be given in writing to the employee.
- (b) An employee verbal or written disciplinary warning that is given to an employee will be removed from the employee's file after eighteen (18) months from the date of issue but only if the employee has not been disciplined for any reason during the said eighteen (18) months period.

- (c) If an employee is to be summoned to a disciplinary meeting which involves a suspension or discharge, the employee will be advised in advance that the meeting is of a disciplinary nature. An employee may choose to have a steward or union representative present at such meeting (and if not available then by telephone conference call). However, it is also understood that the unavailability of stewards shall not stop the meeting from proceeding or affect the propriety and quality of the discipline that is imposed.

10.5 An employee who has been dismissed for just cause, will be provided with a reasonable opportunity to meet with a Steward in a place designated by the Employer for a reasonable period of time before leaving the premises, unless there are circumstances which have caused the Employer to reasonably conclude that it is best for the employee to leave the premises immediately such as where there may be a potential disruption to the workplace or to the Employer's customers. If the employee is required to leave the premises immediately, a Union representative will have a reasonable opportunity to meet with the dismissed employee off the Employer's premises for a reasonable period of time.

10.6 An employee who wishes to review his/her personnel file will submit a request in writing to the Human Resources Manager. Arrangements will be made for the review to take place at a mutually convenient time that is on the employee's own unpaid time, fourteen days following the date that the request was made. The Employer will arrange to have the file available at the DTC at which the employee has been assigned. The employee will be provided access to all disciplinary records in his/her personnel file in the presence of a member of management for the purpose of reviewing his/her disciplinary record. The employee will not remove any of the contents from the personnel file. A review of the personnel file will not occur more than once per calendar year for each employee. Upon request, the individual may request a photocopy of any items that are included in the file.

ARTICLE 11: ARBITRATION

11.1 Either party can request that a grievance be submitted for arbitration by notice in writing within fifteen (15) days following receipt of the Step 3 decision in the Grievance Procedure. No issue can be submitted to arbitration which has not been properly carried out through the grievance procedure. By mutual agreement of both parties, mediation-arbitration can be used in place of arbitration.

11.2 All matters referred to arbitration shall be determined by a single arbitrator from the list of acceptable arbitrators referred to below or by another arbitrator that is agreed upon by both parties. In the event that the parties wish to select another arbitrator who is not on the list set out below, and they are unable to agree on such arbitrator, either party may request the Office of Arbitration of the Ministry of Labour for the Province of Ontario to appoint such an arbitrator.

11.3 An arbitrator shall not have any power to alter or change any of the provisions of the Collective Agreement or to substitute any new provisions for any existing provisions nor to give any decision inconsistent with the express terms or provisions hereof. The arbitrator's decision shall be final and binding on the parties hereto and the affected employee(s).

11.4 The parties shall select arbitrators from the following list of arbitrators on a rotating basis, beginning with the first name at the top of the list. If that arbitrator is not available to schedule and start a hearing within sixty-five (65) days of the date of the referral to the arbitrator, the next arbitrator on the list shall be contacted, unless the parties mutually agree to engage the first arbitrator to schedule and start the hearing outside of the sixty-five (65) day period. This sequence shall continue until the first person on the list who is available within sixty-five (65) days is appointed as the arbitrator, or within such longer period as the parties may so mutually agree. It is understood that an arbitrator on the list who is bypassed because she/he is not available within the sixty-five (65) day period referred to herein shall retain her/his position on the rotation until such time that such arbitrator has actually been appointed.

- Louisa Davie
- Joseph Samuels
- William Kaplan
- Peter Chauvin
- Belinda Kirkwood
- Gordon Luborsksy
- Owen Shime
- Norm Jesin

If an arbitrator is appointed in accordance with the forgoing, the arbitrator's name will be moved to the bottom of the list. The Company and the Union may mutually agree to add or delete an arbitrator's name to or from the list (as the case may be) at any time during the term of the agreement.

11.5 Each party will pay for its own arbitration costs (i.e. half the cost of the Arbitrator, costs of its own witnesses and representatives).

ARTICLE 12: PROBATION

12.1 A newly hired employee shall be known as a probationary employee until she/he has actually worked and successfully completed five hundred and sixty-two and one-half (562.5) hours of work.

12.2 On or before the expiry date of the initial probationary period, the Company will confirm, to the employee, the decision to:

- (a) confirm the employee's appointment as having successfully completed her/his probation; or

- (b) terminate the employee.
- (c) an employee who completes probation will be deemed to be a seniority employee and will then be placed at the bottom of the applicable seniority list and the position on the list will next be determined when the list is next posted in January or June as the case may be.
- (d) a seniority tie in such circumstances shall be resolved by alphabetical order of the employees surname.

12.3 It is recognized that probation is a period during which the Company has the right to assess an employee to determine whether such employee is, in the sole discretion of the Company, acceptable for continued employment after the probation period has been completed. It is therefore agreed that probationary employees may be terminated at any time during the probationary period in the sole and absolute discretion of the Company. Probationary employees will also have no right of recall from lay-off if they have been laid off during the Probationary Period.

12.4 An arbitrator has no jurisdiction to reinstate or award any other remedy to a probationary employee in the case of discharge, suspension, or layoff of such probationary employee, subject to any remedy that may be awarded if it can be established that a probationary employee had been discharged, suspended or laid off in violation of Article 7.1.

12.5 While it is acknowledged that Probationary employees are bargaining unit employees and covered by this collective agreement, it is also understood that certain provisions of this Agreement do not apply to probationary employees as expressly set out in this agreement. Without limiting the generality of the foregoing, it is understood that probationary employees have no entitlement to participation in group benefits, group RRSP, or sick leave entitlement. It is also understood that probationary employees will only be entitled to the statutory holidays and statutory vacations as prescribed by and in accordance with the *Employment Standards Act of Ontario*.

ARTICLE 13: SENIORITY

13.1 An employee will not be placed on any seniority list until she/he has successfully completed the probationary period set out in Article 12. After an employee has successfully completed the probationary period, her/his name shall be placed on the appropriate seniority list. Full-time employees' seniority shall be based upon the full-time employee's date of hire as set out in Article 13.2 below. Part-time employee's seniority will be based on the number of hours worked since the employee's date of hire as set out in Article 13.2 below.

13.2 For the purposes of this Agreement, the date of hire will be the first shift worked, but that date can be no earlier than September 2nd, 2003, unless the employee is covered under 13.3.

13.3 Employees who were previously employed by the Ministry of Transportation (“MTO”) of The Government of Ontario and, who opted into employment with the Company from a position with the MTO, as specified in the attached chart, Appendix C, will retain their seniority date from their date of hire with MTO.

13.4 Part-time employees will accumulate seniority on the basis of hours actually worked. Their total number of hours worked will be divided by one thousand nine hundred and fifty (1950) in order to determine their years of service, and such employees will then be placed on the appropriate seniority list accordingly. For the purposes of calculating seniority for part-time employees hours worked will include overtime hours, but the seniority of a part-time employee cannot exceed one thousand nine hundred fifty (1950) hours in any twelve (12) month period.

Effective the period immediately following January 1st, 2010, “hours actually worked” for the purposes of this article will include statutory holidays that the part time employee was eligible to receive, and for time off in respect of which the employee is also receiving paid sick leave under Article 25.3

13.5 Term Employees, Students, Probationary Employees

- (a) Probationary employees shall not accumulate seniority until after successful completion of the probationary period. After an employee has successfully completed the probationary period, his/her name shall be placed on the appropriate seniority list.
- (b) Term employees and students shall not accumulate seniority for any purpose.

13.6 The Company will maintain a separate full-time employee seniority list and a separate part-time employee seniority list subject to the provisions of this Agreement and which lists will be prepared according to the records of the Company.

13.7 An employee’s seniority will be retained in the event that she/he is transferred from full-time to part-time and vice versa. An employee, whose status is changed from part-time to full-time by the Company, will receive credit for his part-time seniority on the basis of one (1) year equalling nineteen hundred and fifty (1950) hours worked (and any part thereof). An employee whose status is changed from full-time to part-time by the Company will receive credit of his full time seniority and service on the basis of one (1) year of full-time employment equalling nineteen hundred and fifty (1950) hours (and any part thereof).

13.8 Seniority List

- The Company shall post seniority lists twice annually showing: (i) seniority at the DTC by classification and by level at the DTC and, (ii) within the Seniority Pool of DTC’s (as referred to in 15.13).

A hard copy shall be provided to the Local Union. The Employer will also provide the Local Union with a list of Term Employees, Students, and Probationary employees at the same time that the seniority lists are provided.

- (a) Employees will have twenty (20) days after the date of the posting within which to challenge the accuracy of the list after it is posted. Once all challenges have been addressed, or after twenty (20) days have elapsed from the posting of the lists without challenge, the lists shall be final and binding.
- (b) In the event that seniority lists are posted while an employee is on an authorized leave of absence, such employee will have a period of ten (10) business days following his/her return to work within which to bring any error that affects him/her to the attention of the Employer and if a correction must be made, the Employer will make the correction to the seniority list. The effect of this correction will not be retroactive.
- (c) The Company will provide the Union with a list of all employees twice annually, their classification, classification level, Company seniority as calculated in accordance with this Agreement (where employees are entitled to accumulate seniority), their present rate of pay, current address and telephone number. This information will be provided during the first week of January and July in each year during the term of this Agreement following the date of ratification.

13.9 Employees who move or are moved between bargaining unit positions will carry their accumulated seniority with them.

13.10 Accumulated seniority can only be used in the manner that is expressly set out in this Agreement.

13.11 The Local President shall have top seniority within her/his own classification, classification level, DTC and Seniority Pool for the purposes of lay-off only. Union Stewards will have top seniority within their own respective classifications and classification levels at their respective DTC and if necessary, Seniority Pool, for the purposes of lay-off only. This Article will only apply to an employee who continues to be the Local President or a Steward. Under no circumstances will Stewards or the Local President be deemed to have greater seniority than employees who have opted into employment as referred to in Article 13.3 of this Agreement.

13.12 The Company and the Union recognize the role of the Local President to promote harmonious relations and the need to allow the Local President time to discuss complaints and potential grievances while meeting with a designated representative of the Company at mutually agreed upon times. The Local President will be allowed to discuss complaints and potential grievances and to meet with a designated representative of the Company in accordance with Article 6.6 of the Collective Agreement. It is understood that meetings between the Local President and the Company's representatives will be scheduled by the Company based on the Company's operational requirements.

The company will provide the Local President with two paid days off per week for the purpose of performing Union duties that are related to the Company and bargaining unit employees (including without limitation, attendances at grievance meetings as required by the collective agreement), with one of the days paid by the Company and the other day to be paid by the Union.

The Local Union President will initially submit a three calendar month proposed schedule in respect of each full calendar month immediately following the date of ratification, for the Company to consider in the course of considering the times during which the two days of leave may be taken each week. Thereafter, the Local President will submit a full monthly schedule which will be submitted at least one full calendar month in advance of the calendar month in which the days off are requested. It is understood that the two days leave will be scheduled on Wednesdays and Thursdays in any given week unless the Company agrees otherwise. Furthermore, the president may bank a maximum of 7 Presidents Days that can be used consecutively.

ARTICLE 14: LOSS OF SENIORITY AND DEEMED TERMINATION

14.1 An employee's seniority rights once acquired shall cease to exist and the employee shall be deemed to be terminated, if an employee:

- (a) voluntarily quits the employ of the Company;
- (b) is discharged and such discharge is not reversed through the Grievance or Arbitration Procedure;
- (c) utilizes a leave of absence, for purposes other than those for which the leave was granted, or engages in gainful employment elsewhere while on a leave of absence without the Company's consent, or who fails to report for duty after a lay off or leave of absence in accordance with the provisions of this Agreement;
- (d) is laid off for a period of fifteen (15) consecutive months;
- (e) fails to notify the Company of an intention to return to work within two (2) days of being notified of recall by registered mail or by courier or, failure to return to work within five (5) days after being notified of recall by registered mail, or courier, unless a reasonable explanation is given;
- (f) has been absent for three (3) consecutive days without having notified the Company, unless a reasonable explanation is given;
- (g) retires.

ARTICLE 15: LAYOFFS

15.1 For the purposes of this Agreement, a “layoff” will be deemed to occur when the availability of work for seniority employees is decreased to the extent that no work is available for one or more employees at a DTC for six (6) consecutive days or more.

15.2 If the Company determines that one (1) or more employees in a DTC will be laid off for six (6) consecutive days or more on which days such employees would normally be scheduled to work, the Company will lay off employees by laying off Students first, followed by Term Employees, followed by employees who are on Probation.

15.3 The Company will respect union seniority in the lay-off and recall process. Therefore, the Company will not lay-off a seniority employee if a seniority employee with less seniority at the same DTC and in the same classification (e.g. DE) is not laid off, regardless of either employee’s part time or full time status or their classification level (e.g. DE3). Displacement will continue to be based on union seniority regardless of full time or part time status.

- (i) This article 15.3 only applies if the higher seniority employee:
 - has the skills, ability and qualifications to perform the work that is required to be performed at the DTC,
 - is willing and able to accept the work hours and work schedule that is required to meet operational needs of the DTC as determined by the Company, and
 - is bilingual where this qualification is required to meet the operational needs of the DTC
- (ii) The Company must act reasonably in assessing these operational needs.
- (iii) For the purpose of this article 15.3, an employee with a particular classification level (e.g. DE4) will be deemed to have at least the same skills, ability and qualifications of an employee with the same or lower classification level (e.g. DE3).

15.4 In the event that a seniority employee is about to be laid off at her/his own DTC, the employee may use his/her seniority within his/her classification to displace another employee within their DTC. Failure to secure employment via this manner, the affected individual shall have the opportunity to bump within the seniority pool an employee with the least seniority in the same job classification level or lower and available to work at such other DTC.

15.5 In the event that the Company plans to implement a permanent layoff of employees, the Company will provide such notice as required under the *Employment Standards Act*. In the event that the Company plans to implement a temporary layoff that is expected to be for a period of six (6) days or more, the Company will provide full-time seniority employees with ten (10) calendar days notice and, part-time seniority employees with five (5) calendar days notice. The Company will have the option to provide a payment in lieu of any notice of layoff.

15.6 In the event of any layoff, the Company shall layoff employees on the basis of the following classifications, provided that there always remain on the job employees who have the ability (including without limitation, the ability to immediately perform their duties bilingually when the Company determines that it is necessary for the employee to be bilingual), qualifications, and availability to perform the work that is required by the Company at a DTC.

The classifications that will be referred to for the purposes of this Agreement are as follows:
Driver Examiners
Customer Service Agents
Lead Hands

It is understood and agreed that if a part-time employee bumps a less senior full-time employee as part of the above-noted procedure, the part-time employee must accept the displaced employee's full-time position and hours of work that are available within the full-time schedule and be governed by the full-time provisions of this Agreement.

It is understood and agreed that if a full-time employee bumps a part-time employee as part of the above-noted procedure, the full-time employee must accept the displaced employee's part-time position and available hours and be governed by the part-time provisions of this Agreement.

- (a) An employee who is subject to lay-off shall have the right to either:
 - (i) accept the layoff; or
 - (ii) An employee who is subject to layoff will be entitled to exercise her/his seniority in order to displace an employee with the least seniority in the same job classification provided that the more senior employee is ready, willing, and available to work the shifts that were being worked by the displaced employee, and has the qualifications required to perform the work, and is bilingual where such qualification is necessary.
 - (iii) An employee who is displaced as a result of lay off as set out in 15.6 (a) (ii) above, will be entitled to exercise her/his seniority in order to displace an employee with the least seniority in an equal or lower paid job classification provided that the employee is ready, willing and available to work the shifts that were being worked by

the displaced employee, and has the qualifications required to perform the work and is bilingual where such qualification is necessary.

- (b) Recall - In the event of a recall, laid off employees with seniority shall be recalled in the reverse order of their displacement through layoff to the DTC, classification and category from which they were laid off or, to another equal or lower paid classification, provided that the employee is ready, willing and available to work the shifts that were being worked by the displaced employee, and has the qualifications required to perform the work and is bilingual where such qualification is necessary. No new employees shall be hired until all laid off seniority employees have been given an opportunity of recall to their former positions. Where an employee has exercised the right to bump or displace an employee in order to avoid a layoff and remains in a position at any DTC, the right contained in this article also includes the right to return to their pre-layoff DTC, classification and category.
- (c) An employee who bumps into or is recalled into a lower paid classification will be reclassified and will be paid the lower rate of pay that is prescribed for such lower classification.
- (d) If a seniority employee is recalled from layoff, such employee shall be credited with the amount of seniority that the employee accrued prior to the date of layoff.

15.7 The Company will determine the timing of layoffs and the number of employees to be laid off. A uniform reduction in the number of hours scheduled in a work week for all employees in a seniority pool shall not constitute a layoff. It is understood that the Company will only apply this provision if necessary, in the event that the hours of operation at any DTC(s) are reduced.

15.8 No advance notice of layoff will be required when the failure to provide work is due to strikes, stoppages, or interference with work in connection with labour disputes, catastrophes, failure of public utilities, fire, lightening, power failure, storms, or similar causes which are beyond the control of the Company and which prevents the Company from scheduling hours of work.

15.9 It is every employee's responsibility to keep their personal contact information, such as their home address and phone number, up to date. Employees must notify the Human Resources Department in writing, no later than five (5) business days after she/he changes her/his phone number or address/ mailing address. It is understood that all recall notices will be communicated to the address or telephone number that the employee last provided to the Company by courier or by registered mail, or the employee may be contacted by telephone, and that shall be deemed to be proper notice of recall.

15.10 Seniority Pools

Seniority Pool #	DTC's Included	# of DTCs Included
1	Brampton, Downsview, Etobicoke, Lindsay, Metro East, Port Union, Oakville, Oshawa, Peterborough, Woodbridge	10
2	Bancroft, Belleville, Brockville, Cornwall, Hawkesbury, Kingston, Ottawa Canotek, Ottawa Walkley, Pembroke, Renfrew, Smiths Falls, Winchester	12
3	Chatham, London, Sarnia, Simcoe, Tillsonburg, Windsor	6
4	Brantford, Burlington, Guelph, Hamilton, Kitchener, Orangeville, St. Catharines, Stratford, Woodstock	9
5	Aurora, Barrie, Clinton, Huntsville, North Bay, Orillia, Owen Sound, Walkerton	8
6	Dryden, Espanola, Fort Frances, Kapuskasing, Kirkland Lake, Kenora, New Liskeard, Sault Ste. Marie, Sudbury, Thunder Bay, Timmins	11

15.11 In the event of layoff of more than six (6) days, the Union will be provided with a list of employees to be laid off in advance. Where full-time seniority employees are to be laid off, the Union will be provided with fourteen (14) calendar days advance notice, and where part-time seniority employees are to be laid off, the Union will be provided with seven (7) calendar days advance notice.

15.12 A cross-trained employee or employees in one classification will not perform the work of any other employee or employees in another classification within the same DTC, if such other employee or employees in the other classification are laid-off. This article 15.12 only applies if the laid-off employees:

- Have the skills, ability and qualifications to perform the work that is required to be performed at the DTC,
- Are willing and able to accept the work hours and schedule that is required to meet the operational needs of the DTC as determined by the Company, and,

- Are bilingual where this qualification is required to meet the operational needs of the DTC.

The Company must act reasonably in assessing these operational needs. For the purpose of this article 15.12, an employee with a particular Classification Level (e.g. DE4) will be deemed to have at least the same skills, ability and qualifications of an employee with the same or lower Classification Level (e.g. DE3).

15.13 If the Company determines it is necessary to send employees home prior to the end of their scheduled shift due to lack of work, the Company will first ask for volunteers. If the number of volunteers is not sufficient to meet the operational needs of the company, employees will be sent home in reverse seniority order within the classification following the same principles of meeting operational needs as set out in Article 15.6

ARTICLE 16: JOB POSTING

16.1 The Company will maintain a list of employees who have advised the Company of their desire to be permanently transferred into the same classification, and job level at another DTC. Employees who wish to have their name placed on such a permanent transfer list, must signify their desire in writing by sending to the Company, and copying to the Local President, by registered mail, facsimile or by courier a form that is prescribed by the Company for this purpose which clearly identifies the DTC that such employee wishes to be transferred to ("Transfer Request Form"). An employee can only submit one Transfer Request Form and shall not indicate more than five (5) DTC's into which the employee wishes to be considered for a transfer. Employees who wish to be considered for a permanent transfer to another location must submit a new Transfer Request Form to the Company in each calendar year in order to be considered for transfer opportunities that become available in such calendar year. All Transfer Request Forms that have been submitted by employees will be destroyed on December 31st of the calendar year.

16.2 When the Company decides to fill a vacancy at a DTC that is in the bargaining unit, it will first refer to the list that is set out in Article 16.1 above in order to determine whether there is an employee on the list who is desirous of moving to the DTC and who is in the same classification and job level in which the vacancy exists. The most senior employee in the classification and job level (and who is bilingual where such qualification is required by the Company at such other DTC) on the list who has requested a transfer to such DTC will be awarded the position.

16.3 It is understood that an employee who submits a Transfer Request Form will not be considered for any transfers in that calendar year, if an offer to transfer is extended to the employee by the Company in response to a submitted Transfer Request Form and the offer is rejected by the employee. An employee who submits a Transfer Request Form and who wishes to withdraw the Form in any

given year must advise the Company in writing by registered mail, facsimile or by courier.

16.4 If no employee has requested a transfer by placing her/his name on the list as indicated above, and the Company decides that it wishes to fill a vacancy in the bargaining unit, it will only post a notice of the vacancy in every DTC that is operated by the Company in the Province of Ontario. Notices will remain posted for five (5) working days. Such notice will include the requisite qualifications (including the need to be bilingual when the Company determines that this qualification is necessary), salary range, DTC, classification, classification level, whether the Company will consider applicants who are less qualified, and person to whom an application should be submitted and the date by which applications must be submitted. Employees who wish to apply must inform their supervisor, and submit a current written resume and cover letter, by the date listed on the posting. The Company will select an applicant who is the most senior applicant provided such applicant has the requisite qualifications, skills, ability, formal training and previous relevant experience established by the Company. (It is understood that in comparing the seniority of applicants, part-time employees' seniority will be converted into years of service based upon nineteen hundred and fifty (1950) hours being equivalent to one year of service.) In the event that the Company determines that there are no satisfactory applicants for a posted job vacancy in a Driver Examiner Classification, the Company will consider offering formal training to a bargaining unit employee from amongst the unsuccessful applicants provided that such employee satisfies all of the Company's requisite formal qualifications including without limitation, possessing the appropriate licences, and the required language skills.

In the event that the Company determines that there are no satisfactory applicants for a posted job vacancy in the Customer Service Agent Classification, the Company will consider offering formal training to a bargaining unit employee from amongst the unsuccessful job posting applicants.

The Company will have the right to hire from the outside work force, if the Company determines that there are no satisfactory applicants from the bargaining unit to perform the work that is required, or that it would not be appropriate to offer training to any of the unsuccessful applicants. It is understood that before the Company determines that it will hire an unqualified person from the outside workforce, it will first consider an internal applicant's application for a vacant position that is posted.

16.5 Existing Employees Who Change Positions

- (a) Employees who successfully bid on any posted lateral position, will be evaluated by the Company for a period of up to one hundred and twelve and one-half (112.5) hours actually worked after starting in the new position. At any time, during the evaluation period, the employee may return or be returned by the Company to her/his former position and DTC and all other employees transferred or re-assigned as a result of the move will be returned to their former position(s) and DTC(s). The vacancy may

then be filled by then considering the applicants to the original posting, or if there are no applicants from within this group who meet all of the qualifications outlined in the job posting, then the vacancy will be filled as the Company deems appropriate.

- (b) If an employee changes classification (by way of example, from CSA to DE or from DE to CSA) or level (as the case may be) for any reason, such employee will be required to undergo an evaluation period of five hundred and sixty two and one-half (562.5) hours in the new classification or level (as the case may be). The evaluation period can be waived by the Company in its sole discretion. In the event that the employee does not successfully complete the evaluation period in the new classification or level, the employee may be returned to her/his former position and DTC and all other employees who have been either transferred or re-assigned as a result of the move will be returned to their former position(s) and DTC(s).

16.6 Notwithstanding what is referred to above, the Company can hire qualified candidates for a vacancy from candidates who previously applied for a vacancy of the same level of the same classification at the same DTC, provided that a competition was held during the previous nine (9) months. The Company in these circumstances is not required to post or advertise the vacancy or new position. If there are no successful applicants for a vacant position that has been posted by the Company, the Company may secure applications for the vacant position from outside its existing workforce.

16.7 Any job, which is vacant because of illness, accident, vacation or leave of absence, maternity and parental leave, shall not be deemed to be vacant for the purpose of this Article 16.

16.8 An employee who is selected or appointed to the position of DTC Manager or higher with the Company will lose her/his seniority upon leaving the bargaining unit in order to accept such position. An employee who is selected or appointed to any other position that is outside of the bargaining unit, will retain seniority after leaving the bargaining unit for a period not to exceed nine (9) months following the date of the selection or appointment. Following the expiry of the said nine (9) month period, the employee's name will be considered deleted from any seniority list. If the employee returns or is returned to the bargaining unit by the Company within the nine (9) month period, he/she will be returned to a vacant position for which she/he is qualified, or if there is no such vacancy, for the first vacant position that may become available for which she/he is qualified. This provision shall apply only once during the life of the collective agreement to each employee.

16.9 When a candidate has been selected as a result of the job posting process, the successful applicant's name will be communicated in writing to all the DTC's and with a copy to the Union on a monthly basis, assuming that there have been job posting in such month.

16.10 When an employee who is required by the Company to temporarily work as an acting supervisor for two (2) days or more due to the absence of a supervisor who is outside of the bargaining unit, such employee will receive a ten percent (10%) premium in addition to the regular hourly rate for the hours worked in excess of the said two (2) day period. An employee who is selected by the Company as an acting supervisor will not have the authority to hire fire or discipline employees.

16.11 In the event that a seniority part time employee works an average of 1,768 or more hours per year (34 hours per week) over 2 consecutive calendar years commencing with the hours worked after January 1st, 2011, the company will convert that part time employee to full time status. If that employee does not wish to be converted to full time, a full time position will be posted in that employee's DTC. If that full time position is filled by an existing full time employee, a full time position will be posted in the DTC from which such existing full time employee came.

- (a) For the purpose of this article 16.11, the hours worked will include hours paid for statutory holidays and paid sick leave under Article 25.
- (b) This Article does not apply if that part time employee was working longer hours because of a maternity/parental leave or some other extended leave of absence of another employee.
- (c) On an annual basis, the Company will provide the Union with a list of employees who have worked more than the hours described above. (This formula is hereinafter referred to as "the 34 Hour Formula").

Effective February 1st, 2010 – fifteen (15) part time seniority employees who have been previously categorized as full time status for benefit eligibility purposes as at January 1st, 2009, shall be converted to and recognized as full time employees. The fifteen (15) part time seniority employees who are converted shall be the most senior employees from amongst those employees who are categorized as full time for benefit eligibility purposes.

Effective February 1st, 2012 – an additional (10) part time seniority employees who have been previously categorized as full time status for benefit eligibility purposes as at January 1st, 2009, shall be converted to and recognized as full time employees. The ten (10) part time seniority employees who are converted shall be the most senior employees from amongst those employees who were categorized as full time for benefit eligibility purposes in 2009.

ARTICLE 17: TEMPORARY TRANSFERS

17.1 Temporary vacancies that are expected to be for greater than eight (8) consecutive weeks (i.e. fifty six (56) calendar days) in duration and that are required by the Company to be filled, shall be filled as set out in this Article. Vacancies that are expected to be for less than eight (8) weeks duration may be filled as the Company deems appropriate.

17.2 The Company will maintain a list of employees who have advised the Company of their desire to be temporarily transferred into the same classification, and job level at another DTC. Employees who wish to have their name placed on such a temporary transfer list, must signify their desire in writing by sending to the Company, and copying to the Local President, by registered mail, facsimile or by courier a form that is prescribed by the Company for this purpose which clearly identifies the DTC that such employee wishes to be transferred to. ("Transfer Request Form"). An employee can only submit one Transfer Request Form and shall not indicate more than five (5) DTC's into which the employee wishes to be considered for a transfer. Employees who wish to be considered for a temporary transfer to another location must submit a new Transfer Request Form to the Company in each calendar year in order to be considered for transfer opportunities that become available in such calendar year. All Transfer Request Forms that have been submitted by employees will be destroyed on December 31st in each calendar year.

17.3 When the Company decides to fill a temporary vacancy at a DTC that is in the bargaining unit, it will first refer to the list that is set out in Article 17.2 above in order to determine whether there is an employee on the list who is desirous of temporarily moving to the DTC and who is in the same classification and job level in which the vacancy exists. The most senior employee in the classification and job level (and who is bilingual where such qualification is required by the Company at such other DTC) on the list who has requested a transfer to such DTC will be awarded the position.

17.4 It is understood that an employee who submits a Transfer Request Form will not be considered for any transfers in that calendar year, if an offer to transfer is extended to the employee by the Company in response to a submitted Transfer Request Form and such offer is rejected by the employee. An employee who submits a Transfer Request Form and who wishes to withdraw the Form in any given year, must advise the Company in writing by registered mail, facsimile or by courier.

17.5 If no employee has requested a temporary transfer by placing her/his name on the list as indicated above, and the Company decides that it wishes to fill a temporary vacancy in the bargaining unit, the temporary vacancy will be filled in accordance with the job posting provision in Article 16.

17.6 If an employee is temporarily transferred by the Company to a job classification or level that is at a higher rate of pay than the position the employee's own classification or level for a period of three hours or more, then the employee

shall receive the higher rate of pay while working in such classification or level for all hours worked within such classification or level. It is understood that this Article does not apply while an employee performs duties in a higher paying classification or level during training, or while job shadowing another employee. If the employee is temporarily transferred to a job classification or level that is at a lower rate of pay than the employee's own job classification or level, and the transfer is at the Company's request, then the employee will be paid his/her regular rate of pay. If an employee requests or requires the temporary transfer for any reason, then she/he will be paid at the lower rate of pay.

17.7 If an employee is employed in a temporary transfer, and during the term of the transfer it is deemed by the Company that the vacancy is or will be a permanent vacancy, the position will be filled as per Article 16.

17.8 When the Company requires an employee to have a valid driver's licence as a condition of employment and as a condition of being permitted to perform the employee's job, such licence must be maintained in good standing at all times. Should such employee have her/his drivers licence suspended, or her/his drivers licence revoked, the employee may be permitted by the Company to perform the duties of a Customer Service Agent, provided that such employee has the required formal training, qualifications, skill and ability to do the work and provided that there is a Customer Service Agent vacancy, or the employee may be granted an unpaid leave of absence by the Company. These arrangements have a combined maximum of a ninety (90) calendar day period. At the end of the ninety (90) day period, if the employee has not regained her/his licence, her/his right to continued employment as a driver examiner will be automatically terminated. She/he will, however, be able to apply for any vacancies available for Customer Service Agents, provided they have the required formal training (and are bilingual where such qualification is required by the Company at such DTC), as an internal candidate.

If an employee's drivers license is downgraded for any reason whatsoever, the affected employee will be permitted to perform the job duties that are permitted within the employee's downgraded drivers license at the prescribed rate of pay for the classification and classification level into which such employee has been downgraded, and provided that the Employer determines that there is a vacancy for the classification and classification level which the Employer needs to fill.

ARTICLE 18: HOURS OF WORK

18.1 Subject to the terms of the Collective Agreement, it is the Company's right to create work schedules and to determine the hours of work as the Company deems appropriate, and as required under the Company's obligations to the Ministry of Transportation of the Province of Ontario. The provisions of Article 18 are intended only to provide a basis for calculating time worked for the purposes of calculating overtime, and nothing in this Article shall be construed as constituting a guarantee of the normal hours of work per day or, of the normal hours of work per week, or

when employees commence or end normal hours of work, or of the days of the week in which employees are scheduled to work.

Employees are expected to be on time, at their work station and in the proper Company supplied attire, as required by the Company, at the scheduled start time of their shift.

- (a) With respect to definition of hours worked which appears in Article 34.8 (f), the employer is prepared to agree that for seniority part-time employees, only hours of work actually worked by a part-time employee and time that otherwise would have been worked on statutory holidays (based on calculation set out in the ESA) will be counted as hours worked for the purposes of Article 34.8

18.2 For the purposes of computing overtime only, the weekly hours of work for full-time employees will be up to thirty-seven and one-half (37.5) hours per week exclusive of unpaid meal periods. It is understood that part-time employees, term employees, and students will be required to work less hours but the overtime threshold for such employees will also be thirty-seven and one-half (37.5) hours per week exclusive of meal periods. Subject to Article 18.1 above, it is also understood that full-time employees will generally be required by the Company to work up to thirty seven and one-half (37.5) hours per week.

It is also acknowledged and agreed that there are employees who have agreed to work forty (40) hours each week as required by the Company, and employees who are currently scheduled to work forty (40) hours per week at some of the Company's DTC's, and each of these practices may be continued by the Company during the term of this Agreement as the Company may so determine.

18.3 The Company will prepare and post schedules of the hours to be worked by employees. Schedules will be posted in a conspicuous place. Should the needs of the Company's operations require a change in an employee's scheduled start or finish times, the Company will endeavour to provide the affected employee with at least five (5) calendar days notice before the change in the employee's schedule is implemented. In the event that there are extraordinary circumstances which require an employee to have more than five (5) calendar days notice, such employee will advise the Company of the existence of such circumstances in writing and such employee will then be given ten (10) calendar days notice in the event that such employee's schedule must be changed.

18.4 Employees scheduled to work more than five (5) consecutive hours will receive one-half (0.5) hour unpaid meal break or such longer unpaid meal break as the employee and the Company may agree upon. Employees who work a full seven and one-half (7.5) hour shift or more, will also receive two paid fifteen (15) minute breaks. Employees who are scheduled to work less than five hours will

receive one paid fifteen (15) minute break. The Company reserves the right to establish schedules and to schedule the duration and timing of all breaks as deemed necessary to meet operational needs.

18.5 An employee who regularly works more than four (4) hours in a day and reports for work as scheduled who has not been previously notified not to report for work shall be provided with four (4) hours work at her/his regular rate of pay or four (4) hours of pay in lieu of work, if no work is available. The four (4) hour minimum will not apply where the Company is unable to provide work for the employee because of fire, lightening, power failure or any other similar causes (except storms) which are beyond the control of the Company and which results in, or prevents the Company from providing a minimum of four (4) hours of work.

18.6 Employees who wish to exchange scheduled working days and days off with other qualified employees in their respective classification and level, may do so at no additional cost to the Company, and with the authorization of the Company and such authorization will not be unreasonably withheld. A request to exchange scheduled working days off or scheduled working days must be submitted in writing to the Company for approval in advance. It is understood that any exchange of work shifts or in days off that are authorized by the Company must not conflict with any other terms of this Agreement and must not result in the payment of any overtime premium payments of any kind to the employee(s) concerned, nor in the payment of any travel expenses. It is a condition of granting any approval of exchange of shifts that the exchange must be cost neutral to the Company. It is also agreed that an employee cannot obtain a rate of pay increase as a result of having received approval from the Company to exchange shifts with another employee at any time.

ARTICLE 19: OVERTIME

19.1 Overtime means hours worked in excess of thirty-seven and one-half (37.5) hours weekly, exclusive of unpaid meal breaks. Overtime compensation is based on actual hours worked. Time off on sick leave, vacation leave, or any other authorized leave of absence will not be considered as hours worked for the purposes of calculating overtime premium entitlements. Time spent by Stewards and by the Local President in the course of performing their duties investigating and processing complaints and grievances during the Steward's and or the Local President's scheduled hours of work while they are at work will be considered as time worked for the purposes of calculating overtime eligibility.

19.2 Overtime

- (a) Overtime is paid at the rate of one and one-half (1.5) times an employee's regular hourly rate. The Company may however, authorize compensatory time off in lieu of overtime payment for bargaining unit employees and such hours will be banked at the appropriate overtime rate (i.e. one and one-half (1.5) hours for every hour of overtime worked). Such compensatory time may only be accumulated to a maximum of twenty two and one-half hours (22.5) hours. It is understood that compensatory time

can be used and then replenished but only to the said maximum of twenty two and one-half (22.5) hours. Compensatory time off will be scheduled by the Company after considering an employee's request, while having due regard for the operations of the DTC.

- (b) Notwithstanding Article 19.2 (a) above, employees who are assigned by the Company to travel between Travel Points can accumulate compensatory time in lieu of overtime payment to a maximum of thirty seven and one-half (37.5) hours which will be scheduled as provided under the terms set out in Article 19.2 (a) above.
- (c) An employee will submit a time off request form to the Employer with respect to compensatory time and the Employer will provide a response within 14 calendar days with respect to such request.

19.3 When possible, management will provide advance notification of any overtime assignments. Overtime work must receive manager's prior authorization or other authorization as appropriate.

19.4 When the Company determines that overtime is required the Company will follow the following process:

- (a) Overtime assignments will be assigned to employees who are at work, and are within the classification and level normally responsible for performing the work, and are qualified and capable of performing the overtime work, and have volunteered to perform the overtime work.
- (b) If sufficient employees are available, ready and willing to perform the overtime assignment within the classification and level, the Company will then assign the overtime work in the order of seniority starting with the most senior employee.
- (c) Where there are insufficient employees within a classification and level who have volunteered to perform overtime work, the Company will assign the overtime work in reverse order of seniority starting with the least senior employee within the classification and level who is qualified and capable of doing the work and who is actually present at work. The Company will agree to pay mileage and travel time when employees are required to travel by the Employer.
- (d) The Company reserves the right to offer overtime opportunities to employees at other DTC's within the same seniority pool, from time to time, in the event that they cannot schedule overtime hours to satisfy requirements of any particular DTC.

ARTICLE 20: BULLETIN BOARDS

20.1 Each DTC will be equipped with a bulletin board to post work related notices and health and safety/legislative postings. This bulletin board may also be used for Union information, provided the notices are signed and posted by an officer or steward of the Union, and have been approved by the Company in advance of the posting. Such approval shall not be unreasonably withheld. All notices will be in keeping with the spirit and the intent of this Agreement.

ARTICLE 21: HEALTH AND SAFETY

21.1 The Company and the Union agree to abide by the provisions of the *Ontario Occupational Health and Safety Act* (as amended from time to time) during the term of this Agreement.

21.2 The parties hereby agree to work towards maintaining a safe and healthy workplace with a view to preventing injuries and illness, and to reducing the likelihood of workplace accidents and health hazards.

21.3 The Company, the Union, and the employees shall comply in every respect with all applicable health and safety legislation and regulations.

21.4 The Employer acknowledges that that Union's health and safety representatives will be selected by the Union and the Company's health and safety representatives will be selected by the employer. The Employer will agree to provide the requisite health and safety training to representatives within six months of being elected/appointed to the position.

21.5 The general duties of the Committee will be to,;

- (a) identify situations that may be a source of danger or hazard to employees;
- (b) make recommendations for the improvement of the health and safety of employees;
- (c) make recommendations with respect to the maintenance and monitoring of programs, measures and procedures respecting the health and safety of employees;
- (d) obtain information with respect to the identification of potential or existing hazards of materials, processes or equipment;
- (e) the certified member of the committee is entitled to investigate all accidents and any unsafe conditions which may be reported to the Committee.
- (f) hold bi-monthly meetings for the discussion of current accidents, their causes, suggested means of preventing their recurrence, and reports of investigations and inspections. The Committee may make

recommendations to the Company for the improvement of the health and safety of employees.

- (g) keep records of all investigations, inspections, health and safety complaints, and recommendations, together with minutes of meetings.

21.6 One employee member of the Committee will make a monthly inspection of his/her workplace for the purpose of determining hazardous conditions and to check unsafe practices.

21.7 The Joint Occupational Health and Safety Committee may make recommendations to the Company regarding any programs, measures and procedures respecting the health and safety of employees.

21.8 The Company shall pay for all lost time for members of the Occupational Health and Safety Committee who are to receive certification training as required by the *Occupational Health and Safety Act* and as provided through the Company's training program.

ARTICLE 22: LEAVES OF ABSENCE

22.1 Bereavement Leave – Seniority employees, who have completed probation, are entitled to take up to five (5) consecutive work days with pay to attend the funeral and take care of personal matters related to the death of a spouse or child. A seniority employee who is bereaved of parents, parents-in-law, brothers, sisters, grandparents, grandchild, same-sex partner, step-child and step-parent is entitled to take bereavement leave of up to three (3) consecutive work days with pay as stated above. A seniority employee who is bereaved of a sister-in-law, brother-in-law, son-in-law, daughter-in-law, will receive bereavement leave of one (1) day with pay as stated above. In order to qualify for paid bereavement leave, proof of death, (i.e., copy of death certificate, newspaper obituary notice), may be required. It is understood that employees will only be paid for days that they would otherwise have worked but for the death of the family member included in the list above.

When a death occurs in a seniority employee's immediate family as defined in Article 22.1 hereof and where such seniority employee would be required to travel in excess of 500 kilometres (one way) in order to attend the funeral, the employee shall be granted two (2) unpaid days of travelling time in addition to the days granted under Article 22.1 for the purposes of attending the funeral and providing that the employee actually attends the funeral.

22.2 Jury Duty

- (a) If a seniority employee who has completed their probationary period, is called for jury duty, the Company will provide her/him the necessary time off and will pay the employee her/his regular rate of pay for her/his regularly scheduled hours for each day that she/he is required to attend at court, so she/he can fulfill their civic duty. All other employees will be granted the time off but it will be unpaid leave. Employees must notify their immediate

Supervisor/Manager within forty eight (48) hours of receipt of the jury duty summons.

- (b) If employees are released from court, before the end of the workday, employees are expected to return to work. In order to receive jury duty pay, employees must provide proof of service issued by the court, and submit all monies paid by the court with the exception of expense related items for which the employee is being compensated such as mileage, meals, accommodation, and/or by the party who served the jury duty summons, in respect of the attendance required under the jury duty summons.

22.3 Witness Leave

- (a) If an employee is called as a witness in a work related matter, or as a witness for the Crown, the Company will provide the necessary time off and will pay the employee her/his regular rate of pay for her/his regularly scheduled hours for each day during which she/he is required to attend at court. Employees must notify their immediate Supervisor/Manager within forty eight (48) hours of receipt of the subpoena.
- (b) If employees are released from court, before the end of the workday, employees are expected to return to work. In order to receive witness pay, employees must provide proof of service issued by the court, and submit all monies paid by the court with the exception of expense related items such as travel, meals, accommodation and or parking or by the party who served the subpoena, in respect of the attendance required under the subpoena.
- (c) Where witness leave or jury duty leave is granted by the Company, the employee will be compensated for each day of absence from work on the basis of the employee's regular base rate of pay for the number of scheduled normal hours the employee would otherwise have worked exclusive of overtime and any other form of premium pay and the amount of the compensation received from the court or the party issuing the subpoena will be deducted from the employee's pay as set out above.

22.4 Maternity and Parental Leave will be provided in accordance with the *Ontario Employment Standards Act*.

- (a) An employee who is pregnant can stop work at any time during her pregnancy should she and/or her physician deem it appropriate. The Company can require the employee to furnish a medical certificate from her doctor.

- (b) In accordance with *Ontario Employment Standards Act*, when an employee returns to work, she/he is entitled to the same position, if it exists, or to a comparable one, at the expiration of such leave. If an employee is on maternity or parental leave, the employee must contact his/her immediate supervisor/manager at least four (4) weeks prior to returning to work. If the employee decides not to return to work, the employee must notify the Company at the earliest practicable date, but at least four (4) weeks written notice of termination is required.
- (c) The Company will continue the employee's coverage under the group insurance plan, if applicable, while the employee is either on maternity or parental leave on the same basis that the employee had coverage while actively employed prior to the leave. The Company will require the employee to provide post dated cheques for continued Long Term Disability (LTD) coverage and if applicable, participation in the Share Save program or any other employee/Company sponsored initiative.

22.5 Union Leave

- (a) It is agreed that upon making a written request to the Company, a leave of absence without pay shall be granted to not more than two (2) full time or part time employees who have completed their probationary period, at the same time (with each employee being from a different Area) in order to attend Union conventions, conferences, or other Union business, such leave shall not be unreasonably denied. The Union shall make a written request for such a Union leave of absence to the Employer not less than four (4) weeks prior to the commencement date of the leave and shall also identify the employee(s) from the Areas and DTC's in respect of which the leave is sought. Employees shall not be on such leave for more than five (5) consecutive days at any one time and the total aggregate of such leaves shall not exceed twenty-five (25) days in each year of the term of this agreement.

The Company agrees that it will however, consider granting leaves of absence for the purpose set out above to more than two (2) employees, and for more than 25 days in the aggregate if the Union event occurs during the Company's Slow Period or, if the Company determines that in the course of granting such leaves, the Company's operations and ability to properly staff its DTC's, shall not be jeopardized or disrupted.

- (b) The Company will continue to provide the employee(s) with her/his regular wages and benefits for the period of such leave (which will include time spent travelling to and from the Union local meeting) and then submit an account to the Union for the employee's wages and benefits during the leave. The Union will promptly reimburse the Company upon receipt of the account. An employee will continue to accumulate seniority during such leave of absence.

- (c) Unpaid Union Leave - The Employer would be prepared to consider granting a leave without any cost to the Company of one year (increased from 8 weeks in the expired agreement) provided that the Union pays the employee wages and provides benefits during the period of the leave. The Employer will “invoice” the Union for the cost of all wages and benefits during this leave. Within the Company, the employee will be treated as being on an unpaid LOA. The request for such leave of absence must be submitted three months in advance and must indicate the duration of the leave so that Employer can make alternative arrangements. Such employee shall also accumulate seniority during his/her absence.

22.6 Personal Leaves of Absence – Employees shall submit a written request for a personal leave of absence to her/his supervisor (or her/his designate) who will submit the written request to the DTC Manager (or his/her designate). Such written request will indicate the proposed period of the leave and the reasons for the leave. Written requests will be submitted at least thirty (30) days in advance of the proposed commencement of the leave. Personal leave requests shall be granted at the Company’s discretion, subject to its operational requirements. The Company shall not unreasonably deny an employee’s request for a personal leave of absence provided that such leave may be arranged without undue inconvenience to the normal operations of the Company. Full-time seniority employees who have been granted personal leave shall continue to accrue seniority during the approved leave. Benefit coverage will be maintained for an eligible full-time employee who has been in receipt of benefits to the end of the calendar month in which the leave commenced. Benefit coverage will be maintained for an eligible full-time employee who has been in receipt of benefits for a period of up to six (6) months during a leave of absence, when such employee takes a leave after being requested by the Company to take such leave of absence during a slow business period instead of being laid off.

ARTICLE 23: PAID HOLIDAYS

23.1 Paid Holidays

- (a) Serco DES observes the following holidays:

New Year’s Day
Family Day
Good Friday
Victoria Day
Canada Day
August Civic Holiday
Labour Day
Thanksgiving Day
Christmas Day
Boxing Day

- (b) Effective the calendar year commencing with January 1st, 2007, a seniority employee will be entitled to a Float Holiday which may be taken following the Employee's Birthday during each year of the term of this Agreement following January 1st, 2007.
- (c) Effective the calendar year commencing with January 1st, 2008, a seniority employee will be entitled to a second Float Holiday which may be taken following the Employee's Anniversary date of employment, during each year of the term of this Agreement following January 1st, 2008.
- (d) The Float Holiday(s) (including the second Float Holiday when it is in effect) will be scheduled on a date that is mutually agreed upon between the employee and the Company.

23.2 In the event that one of the above named holidays falls on an employee's regular day off and the employee qualifies for the holiday, the next business day will be used to observe the holiday. In the event that a holiday falls during an employee's vacation period, and the employee qualifies for holiday pay, the holiday pay and time off will be scheduled by the Company at the beginning or, at the end of the employee's vacation period.

23.3 To be eligible for holiday pay, employees must work their regularly scheduled shift before and the regularly scheduled shift after the holiday, in order to be paid for that holiday unless the employee is absent due to reasonable cause as set out in the Employment Standards Act or is on an Employer approved leave of absence.

23.4 Holiday pay will be calculated on the basis of the employee's normal daily hours and her/his regular hourly rate. In the case of part time employees with variable daily hours of work, the employee's average daily hours shall be calculated based on the amount of public holiday pay to which an employee is entitled on the following basis: All of the regular wages plus all of the vacation pay, which is payable to the employee in the four (4) work weeks ending immediately preceding the work week with the public holiday divided by twenty (20). If the employee has earned a substitute day off with public holiday pay, this calculation is done with respect to the four (4) work weeks before the work week in which the substitute day falls. Regular wages do not include any overtime or premium pay payable to an employee.

ARTICLE 24: VACATIONS

24.1 For the purposes of calculating eligibility, the vacation year commences on January 1st and ends on December 31st of each year. The amount of vacation to which a full-time employee will be entitled during any calendar year will be determined by the number of years of service that have been completed by the employee as at December 31st in the year prior to the year in which vacation is to be taken (also referred to as "the December 31st cut off date"). It is understood that full-time employees shall accrue vacation with pay for time actually worked each

month and such employees will be paid for and be granted earned vacation credits in accordance with the following scale:

- (a) Full-time employees who have not completed probation as of the December 31st cut off date will be granted vacation time off only after they have completed probation on the basis of 0.83 days' vacation for each completed month of service to a maximum of ten working (10) days.
- (b) Full-time Employees with one (1) year of continuous service as at the December 31st cut off date will be entitled to two (2) weeks' vacation with pay (0.83 days vacation for each completed month of service).
- (c) Full-time Employees with three (3) years of seniority as at December 31st will be entitled to three (3) weeks vacation with pay (i.e. 1.25 days for each completed month of service).
- (d) Full-time Employees with eight (8) years of seniority as at December 31st will be entitled to four (4) weeks vacation with pay (i.e. 1.67 days for each completed month of service).
- (e) Full-time Employees with twenty (20) years of seniority as at December 31st will be entitled to five (5) weeks vacation with pay (i.e. 2.08 days for each completed month of service)

24.2 Any employee whose employment terminates at any time in the vacation year prior to using his/her earned vacation will be entitled to his/her prorated amount of his/her earned vacation pay entitlement that was earned between the most recent December 31st cut-off date and the date of termination.

24.3 Vacation pay will be paid to full-time employees on the regular pay day of their scheduled vacation, unless the Company is advised otherwise.

24.4 (a) All Part-Time, Term employees and Students will be paid four percent (4%) per pay for vacation on each of the normal bi-weekly pay cheques. Part-time employees will be allowed to take vacation after they have completed one year of service in accordance with the *Employment Standards Act*.

(b) Starting in January 2010, part time employees who have worked a total of 5,850 or more hours (since their most recent date of hire) will be entitled to 3 weeks vacation, and their vacation pay will increase from %4% to 6% of their earnings. These hours will be as of the vacation year cut-off date of December 31st to align with the vacation entitlement cut-off for full time employees. (Note: 5,850 hours worked is equivalent to 3 full time years.)

24.5 Employees can take vacation with pay (in full or half days) while using vacation credits actually earned as at the time that they wish to use earned vacation days. Employees cannot take vacation which exceeds the employee's

vacation credits earned to the date of the commencement of the vacation unless so authorized by the Company.

- (a) Effective January 1, 2010: Employees can take vacation entitlement before it is actually earned to a limit of 37.5 hours (one week). It is understood however, that the Company may authorize an employee to take an advance on his/her vacation entitlement before it is actually earned. It is understood however, that such employee's vacation and pay will be adjusted so as to reflect the advance that has been made. If the employee terminates his/her employment before the vacation pay overpayment can be recovered, the Company may withhold the amount of the overpayment from the employee's final pay.

24.6 Employee's increased incremental vacation entitlements will come into effect the first January 1st immediately following the employee's anniversary date.

24.7 All vacation scheduling will be determined by the Company while having due regard to the Company's operational and staffing requirements, the Company's ability to efficiently, effectively and properly provide services, the number of qualified employees that are required in each classification and classification level by the Company at each of the DTC's from time to time, and while having regard to the seasonal nature of the Company's business, and the requirement to properly staff DTC's that have been designated as bilingual DTC's with a sufficient number of bilingual employees.

24.8 Unless otherwise approved by the Company, all employees shall be required to use their earned vacation time. Employees shall be permitted to carry over a maximum of five (5) days, with management's written acknowledgement. It is further understood that the carried over vacation must be used in the calendar year immediately following the year in which it was earned.

24.9 Vacation requests for vacation time must be submitted to the Company by no later than November 15th for vacation time that the employee wishes to take in January, February or March of the following year. Vacation requests for vacation time must be submitted to the Company by no later than January 15th for vacation time that the employee wishes to take during any other months in the vacation year. The Company will advise employees of their vacation schedules after the requests have been submitted, as follows: (a) For January through March vacation requests, the employees will be advised by December 8th; (b) For all other vacation requests, the employees will be advised by February 8th.

24.10 It is understood that employees who do not submit a timely vacation request as set out above, will not have priority over any employee who has submitted a timely request. To the extent that there is conflict between two or more employees' timely requests for the same vacation time off at the same DTC and classification and classification level, and the Company determines that it can grant the request of only one of the employees or the requests of more than one of the employees but not all of the employees, the Company will attempt to resolve such conflicts by giving preference to the most senior employee in the classification and

classification level at each DTC, provided that there remain employees at the DTC within the classification who are fully qualified to perform the work that is required.

- (a) An answer shall be provided within 14 calendar days in for all vacations that are requested outside of the prescribed timeframes for submitting vacation requests.

24.11 During the Company's Peak Period, it is understood that the Company will give preference to full-time employees' requests for vacation time over part-time employees when scheduling vacation time off.

24.12 Vacation credits will be earned during all periods of leaves of absence with pay. Vacation credits are not earned during periods of unpaid leaves, layoff or while an employee is absent and in receipt of LTD or WSIB benefits in excess of fifteen (15) weeks.

ARTICLE 25: SICK LEAVE

25.1 Sick day credits are for the sole purpose of providing income protection for seniority employees who are legitimately ill and unable to report to work as scheduled due to such illness.

25.2 Seniority Full-time employees who work thirty (30) hours or more per week on average as set out in Article 33.8 of this Agreement will be eligible to be paid up to five (5) sick day credits in each calendar year during the term of this Agreement.

25.3 Seniority Part-time employees who work twenty-five (25) or more hours per week on average as set out in Article 33.8 of this Agreement, will be eligible to be paid up to two (2) sick day credits in each calendar year during the term of this Agreement.

25.4 Seniority employees referred to above, will be paid their regular wages (exclusive of any premiums) out of their respective sick leave credits during each day of a legitimate illness until their respective sick leave credits are exhausted. Only normal regularly scheduled working days that are missed due to an illness or injury will be charged against employees' sick leave credits.

25.5 Sick leave does not accrue from year to year.

25.6 If an employee is absent for three (3) consecutive work days because of illness/injury, upon return to work, the employee may be required to provide written documentation from a physician which confirms that the employee was in fact ill/injured and that he/she is able to safely resume normal work duties.

25.7 If an employee is required to take a disability leave of absence, any available sick leave will be paid at the time the leave commences in respect of regularly scheduled shifts that are missed due to the disability. In the event of an illness or injury covered by WSIB, the sick leave policy will not apply.

25.8 Any employee who must absent himself/herself on account of personal illness or injury will notify the Company at least by the first day of illness before the time that he/she would normally report for duty. Failure to give reasonable and adequate notice may result in the loss of sick leave credits for that day of absence unless the failure to provide advance notice is unavoidable due to the circumstances involved. It is understood that notification of an employee's impending absence due to an illness or injury must be communicated verbally by the employee to the employee's supervisor or his/her designate and not to another bargaining unit employee.

At those DTC's at which voicemail has been used by employees to notify the Employer of an impending absence, the practice will be continued.

25.9 During the period of any absence due to illness or injury, the employee will notify the Company of his/her intention to return to work as far in advance as possible so as to allow the Company to adjust the work schedule without violating any other term of this Agreement.

ARTICLE 26: MEDICAL REPORTS

26.1 The Company's Human Resource Manager (or her/his designate) may require the production of a physician's medical report from an employee, who is or has been ill or injured or from an employee who wishes to return to work following an illness or injury and there is a reasonable basis for the Company to have concerns in relation to the employee's recovery and safe return to the workplace. The report will include the physician's opinion as to when an ill/injured employee will be capable of resuming her/his normal duties in the future. It is the Company's intention to generally require these kinds of medical reports from an employee who has suffered from a serious injury or illness or where it reasonably appears to the Company that the ill or injured employee's absence is likely to be for an extended period of time that is in excess of three (3) days. The employee will be reimbursed for the cost of this report by the Company after the employee has provided a receipt confirming payment to the physician.

26.2 It is understood that the Company will also require the production of medical reports from employees in cases where the Company has a reasonable basis upon which to doubt that an employee has been absent from work as a result of an illness or injury as claimed by an employee (e.g. a pattern of absenteeism that occurs on days immediately preceding and/or immediately following non-working days).

26.3 A seniority employee who is eligible and would like to receive the top-up under the Company's Supplementary Employment Insurance Plan will be required to provide the Company with a signed written medical consent form. The consent will require the treating physician, acting on the employees behalf, to provide relevant medical information to the Company's third-party disability claim manager in order to properly and meaningfully adjudicate the claim for the benefits. This information will only be referred to in relation to the illness or injury for which the

Company is providing supplementary benefits. This information will be strictly confidential between the third party, physician and the employee.

- (a) Upon the third party receiving any medical documentation from the treating physician, the same will be forwarded to the employee within ten (10) calendar days of receipt of same by the third party disability claim manager.
- (b) All costs associated with the provision of the medical information by the physician shall be paid for by the Company.
- (c) The Company will only be provided with information about the work the employee is able or unable to do so that alternate work arrangements could be considered. Copies of this information shall be provided to the employee at the same time that it is sent to the Company.
- (d) The parties acknowledge that if an employee's claim for supplementary benefits is denied by the claim manager, the employee will have the right to grieve such decision under the grievance procedure referred to in the collective agreement.

ARTICLE 27: PAYMENT OF WAGES

27.1 Employees will be paid bi-weekly. All employees shall be paid via Direct Bank Deposit, which means that wages are deposited electronically into an account of the employee's choice. Payroll administration of the Company will provide each employee with a statement of earnings, and deductions for each pay period. Any employee wishing to change the account to which her/his pay is deposited should contact the Company's payroll administration. Any errors or omissions that are made on an employee's pay and which are brought to the attention of a representative of the Employer in a timely manner will be rectified as soon as reasonably possible

Retroactivity – It is understood that retroactivity will be applied to wage increases only for all hours paid. All other changes to the Collective Agreement will become effective following the date of ratification or as otherwise expressly indicated in the agreement.

27.2 Wages will be paid according to the schedule set out in Appendix A.

ARTICLE 28: TRAINING

28.1 The Company shall provide such training to employees that it deems necessary from time to time, to the operation of the business. The Company shall continue to pay the wages of employees who are required to participate in Company run training programs during business hours. The Company shall provide such requisite training and reference materials that it deems necessary.

ARTICLE 29: DRESS

29.1 It is hereby acknowledged and agreed that dress, grooming and personal cleanliness standards contribute to the positive morale of all employees and affect the business image that the Company presents to customers and visitors. The Company expects all employees to present a clean and neat appearance and to dress according to the requirements of their respective positions at all times. If an employee attends at work inappropriately dressed, or fails to maintain proper hygiene, the Company will have the right to send the employee home and the employee will be directed to return to work with the appropriate changes as required by the Company. Under such circumstances, an employee will not be compensated for the time away from work.

29.2 The Company will provide uniforms that it requires employees to wear while attending at work. Employees will be responsible for the replacement cost of either lost or damaged uniform articles that are provided by the Company to employees where the loss or damage is due to the employee's gross negligence. It is understood that employees will not be responsible for damage that is caused by normal wear and tear.

ARTICLE 30: LABOUR/MANAGEMENT COMMITTEE

30.1 Following the ratification of this Agreement, the Union and the Company will establish a Labour/Management Committee and such Committee will work in earnest and in good faith with a view to:

- (a) improving labour relations;
- (b) discussing ways and means by which the parties can ensure that the Company is able to deliver its services while also being efficient, viable and competitive at all times;
- (c) apprising the other of problems, concerns and suggestions related to the operations of the Company and/or the workforce.

30.2 In order to meet these objectives, the Labour/Management Committee will be comprised of three (3) Union representatives who are employees of the Company and three (3) representatives of the Company both of which representatives will be appointed for one (1) year terms where possible.

30.3 The Committee will meet at a mutually agreed upon time and place for the purpose of discussing issues relating to the workplace which affect the parties. A Company Representative and a Union Representative will be designated as Joint Chairpersons of such meetings and will chair meetings on an alternating basis.

30.4 It is agreed that Committee meetings shall not have a duration of more than three (3) hours unless the Chairpersons agree to extend the meeting. The meetings will be held semi-annually after January 1st, 2007 unless the parties

mutually agree otherwise. In 2006, the parties will schedule one (1) Committee meeting at a time that is mutually agreed upon.

30.5 The dates and agendas for the meetings will be determined by the Co-Chairpersons of the Committee. The Committee shall receive a notice and agenda for the meeting at least three (3) working days in advance of the meeting.

30.6 The Committee may deal with issues relating to the workplace which affect the parties or any employees bound by this Agreement, excluding grievances or matters pertaining to negotiations, unless otherwise agreed to by the parties. The Committee's objective will be to:

- (a) recommend suggestions for improvements in working conditions;
- (b) recommend suggestions for improvements in the efficiency and in the effective delivery of services by the Company;
- (c) Without limiting the generality of the foregoing, the Union and the Company agree that the Committee may engage in activities such as canvassing employees for suggestions relating to any such improvement, suggesting projects that are aimed at improving and evaluating same, and reviewing current practices and procedures with a view to improving working conditions and overall efficiency and effectiveness in the manner in which the Company delivers services.

30.7 The parties will alternate in providing a secretary at Committee meetings. Draft minutes will be prepared and provided to the Committee representatives within seven (7) days following the conclusion of the meeting. Approval of the minutes of the last meeting will be a standing agenda item. Approved minutes will be made available in each work location.

30.8 It is agreed that the Committee shall not have the authority to undermine the Company's management rights as set out in the Collective Agreement, nor does the Committee have the authority to amend the Collective Agreement.

30.9 Union members of the Committee will suffer no loss in their pay while attending Labour Management Committee meetings and the company agrees that it shall pay for all wages of the Union members and that the Union shall not be responsible for any payment of wages. In the event that a Union Committee member is required by the Company to travel to a scheduled Committee meeting from their home DTC, the mileage costs and parking (if held at head office) associated with travel to the Committee meetings will be paid by the Company in accordance with its established mileage policy.

ARTICLE 31: NO PYRAMIDING

31.1 In no event shall there be any pyramiding of benefits or payments under this Agreement.

ARTICLE 32: LEGAL PROTECTION

32.1 Where an employee of the Company is either (a) named as a defendant in a civil proceeding that has been commenced by a third party against such employee, in which proceeding damages are being pursued against the employee; or (b) charged with a statutory or criminal offence; either of which events have arisen out of the proper and lawful performance in good faith by the employee of his/her normal duties and responsibilities as authorized by the Company, the Company (or its insurance carrier as the case may be), will arrange for the employee to have appropriate legal representation in the course of defending such legal proceeding, without any cost for such necessary legal representation to the employee.

32.2 The Company acknowledges that it carries appropriate third party liability insurance in order for the Company to carry on its operations at all of its DTC's.

ARTICLE 33: PRINTING OF COLLECTIVE AGREEMENT

33.1 The parties agree to supply a copy of this agreement in booklet form, to each employee in the bargaining unit and to share the costs of printing equally.

ARTICLE 34: GENERAL

34.1 Where the masculine or feminine pronoun is used in this Agreement, it shall mean and include the opposite pronoun where the context so appears. Where the singular is used it may also be deemed to mean the plural within the appropriate context.

34.2 The Company and the employees agree to work co-operatively and efficiently with one another in order to ensure that all machinery and equipment is maintained in proper working order and that all such machinery and equipment is operated properly, efficiently, and safely in every respect. Upon termination of employment, employees are responsible for returning all Company property that has been provided to them or, that is or has been in their possession at any time.

34.3 In determining timelines or the time within which any action is to be taken or completed under the terms of this Agreement, such time limits will not include Saturdays, Sundays or statutory holidays.

34.4 The Company will have the right to hire Term Employees from time to time as set out herein. It is understood that Term Employees will be hired by the Company to perform work that is for a fixed term to replace an employee who is on an approved leave of absence for parental leave or maternity leave, Term Employees do not accumulate seniority and will not be eligible for any benefits under the terms of this Agreement.

A Term Employee who is hired by the Company as a part-time or full-time employee while working as a Term Employee or, at the conclusion of his fixed term, will be placed on probation unless such employee is hired into the job in respect of which the fixed term applied; in such circumstances the term employee

will not be required to serve a probationary period and the employee will be credited with seniority back to their first date of employment with the Company (hours of work if part-time and date of hire if full-time), provided that the fixed term was for a period that was in excess of five hundred and sixty-two and one-half (562.5) hours worked. In any case, where a Term employee is hired by the Company as a full-time or part-time employee, and subsequently becomes a seniority employee, such employee will be credited with seniority back to his first date of employment with the Company (hours of work if part-time and date of hire if full-time)

34.5 Part-time employees will be required by the Company to work such additional days, hours, or shifts as required from time to time such as for example, during peak and/or busy business periods when additional employee assistance is required by the Company, or, during vacation periods, holidays or to replace full-time employees who are absent or to replace any employee who fails to report for a scheduled shift. The Company will recognize the integrity of the part-time position and will not make unreasonable requests for additional work by part-time employees. However, it is also understood that it is a term and condition of employment that part-time employees are to make themselves available to work additional days, shifts or hours when required from time to time.

34.6 All employee are designated into one of the four (4) categories:

- (a) **Full Time Employee:** An employee who on a regular and recurring basis works thirty-seven and one-half (37.5) hours or more each week and who is not a term employee or student.
- (b) **Part Time Employee:** An employee who works as an employee but who is not classified as a full time employee or a term employee or student.
- (c) **Term Employee:** An employee who is hired for a fixed term in accordance with this agreement. It is understood that Term Employees do not accumulate seniority or any other benefits under the terms of this Agreement.
- (d) **Student:** An employee who works shifts as assigned from time to time by the Company and is hired to perform limited duties while also enrolled in school. Students will be paid the student rate of pay that is set out in this Agreement. It is understood that Students do not accumulate seniority or other benefits under the terms of this Agreement.

34.7 It is a term and condition of employment that all employees of the Company are expected to be available to work at alternate facilities of the Company within an employee's seniority pool of DTC's when required to do so by the Company from time to time, while having due regard for the Company's operations. By mutual agreement, an employee can also be assigned work at alternate facilities of the Company that are outside of the employee's own Seniority pool of DTC's. In the course of administering this Article, the Company will ask for volunteers first and if there are an insufficient number of volunteers, the Company will apply the

classification and classification level seniority in reverse order so that the least senior employee is relocated when so required by the Company.

34.8 Full-Time Employee and Part-Time Employee Seniority List Determination

- (a) The Decision of whether a seniority employee will be placed on the part-time or full-time seniority list, will be determined in each year by retrospectively calculating the average weekly hours of work that any employee has worked during the period January 1st to December 31st of any year based upon the average number of hours worked each week during the previous year. For greater clarity, an employee's hours will be calculated in respect of the hours that were worked from January 1st through December 31st in the previous year and the results of such calculation will become effective for the following twelve (12) month calendar period commencing with the following January 1st.
- (b) If an employee has worked more than twenty-five (25) hours per week on average in each week of the previous calendar year, such employee will be placed on the full-time seniority list for the twelve (12) month period in the following year and if an employee has worked twenty-five (25) hours or less per week on average in each week of the previous calendar year, such employee will be placed on the part-time seniority list.
- (c) A part-time employee who becomes a full-time employee will have their hours of work converted into years of service in the following January 1st and a full-time employee's years of service will be converted into hours of work with the full-time years of employment counting as nineteen hundred and fifty (1950) hours per year of full-time service.
- (d) The aforementioned provisions will not apply in the event that a seniority employee is permanently transferred or, transfers from full-time to part-time employment or vice versa as a result of a job posting or as a result of exercising the bumping provisions in the layoff and recall provisions of this Agreement. It is also understood that an employee who works as a Term employee in any one year (for example, a Term employee replacing a full-time employee on maternity or parental leave) will not be subject to the aforementioned calculation and will continue to be a Term employee or part-time employee working on a Term assignment, in the following year with such hours worked by a seniority part-time employee being recorded on the part-time seniority list.
- (e) It is understood that hours of work for a seniority full-time employee will include time not worked while such employee is on a layoff or while on an authorized leave of absence, vacation, or paid holiday. It is understood that hours of work for a part time employee shall include hours actually worked as well as paid hours for Statutory Holidays and paid sick leave under Article 25.

- (f) For new full-time employees and new part-time employees who complete probation, the employees' status will be based upon the anticipated work schedule that the Company expects the employee to work on average in the full twelve (12) month calendar period (January to December) immediately following their date of hire, provided the employee successfully completes probation. Following the completion of a full twelve (12) month calendar period (January to December) after date of hire and completion of probation, the new employee's status will be calculated for the purposes of determining their status for the following calendar year.

34.9 When a new classification (which is covered by the terms of this Agreement) is established by the Company, the Company shall determine the rate of pay for such new classification and notify the Union of the same within seven (7) days. If the Union wishes to challenge the rate, it shall have the right to request a meeting with the Company to endeavour to negotiate a mutually agreed upon rate. Such request will be made within ten (10) days after the receipt of notice from the Company of such new classification and rate. If the parties are unable to agree on the rate, the dispute concerning the new rate may be submitted to arbitration as provided in this Agreement within fifteen (15) days of such meeting. The Decision of the arbitrator shall be based on the relationship established by comparison with the rates for other similar classifications in the bargaining unit while having regard to the requirements of such classification.

34.10 Newly Hired Employees

- (a) The Company will provide newly hired employees with a copy of the Collective Agreement. Safety procedures will be posted on the bulletin board at each of the Company's DTC's.
- (b) The Company will advise newly hired employees of their hours of work and breaks.

34.11 Employee Expenses

- (a) The Company would agree to pay for an employee's lunch in cases in which the Employee is required by the Company to travel in excess of one hundred (100) km. in one direction in any one trip. The maximum amount of the lunch will be up to Fifteen Dollars (\$15.00) inclusive of all taxes and gratuities. The Company will also pay for employee's lunch for travel to the following Travel Points for as long as they remain at current location as at date of ratification: Mattawa, Hearst, Thessalon, Rainy River, and Little Current and maintain current language.
- (b) If an employee is required by the Company to travel and remain at a destination overnight, the employee will be provided with a daily meal allowance maximum of Forty Dollars (\$40.00) inclusive of all taxes and gratuities.

- (c) If the employee is required to arrange a Hotel stay for an overnight trip that is required by the Company, the amount of the Hotel charges must be approved in advance of the stay by the Company where reasonably possible.
- (d) It is understood that it is a condition of reimbursement for all meal and hotel expenses that the employee provide receipts which confirms that the employee incurred the expenses for which reimbursement is sought.

34.12 Employees who must use their own vehicles in the performance of their duties will be paid a mileage allowance in accordance with the Company's policy as amended from time to time.

34.13 The Company will reimburse employees for the costs of driver abstracts and criminal reference checks that are required by the Company. The Company will reimburse Driver Examiner 4 employees for medical reports that are required by the Company in order for the DE 4 employee to hold their licence. The Company will also pay for the knowledge test portion of the renewal as required for DE 4 employees. In addition, the above will apply to all eligible trained DE's who are qualified to and requested by the company to perform DE 4 duties for medical reports.

34.14 A seniority employee who has attained the age of 65 or older and who is required to obtain a medical report for the purposes of maintaining his/her driver's license classified standing as required by the Ministry of Transportation of Ontario will be reimbursed for the cost of obtaining this report upon providing a confirmation of receipt of payment to the Employer. The Employer will agree to pay for the prescribed applicable written test fee and road test fee. In addition, the affected employee may also elect to use a rental vehicle for the road examination (arranged by the employee) the cost of which will be reimbursed to the employee provided that the Employer has approved the cost of the rental vehicle in advance of the rental and, provided that the employee submits a confirmation of receipt of payment to the Employer.

ARTICLE 35: DEFINITIONS

35.1 Definitions

- (a) "Employee": means any employee as defined under the *Employment Standards Act* and who is included in the bargaining unit. There are four (4) types of employees, as defined in clause 34.6.
- (b) "Classification": is a Customer Service Agent ("CSA"), or a Driver Examiner ("DE").
- (c) "Classification Level" or "Level": are delineations in two of the classifications; CSA and DE. CSA's are Level 1, Level 2, and Level 3. DE's are Level 1, Level 2, Level 3 and Level 4.

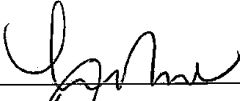
- (d) "DTC": is a DriveTest Centre.
- (e) "Area": is a group of DTC's which reports to one Area Manager.
- (f) "Seniority Pool": is a group of DTC's that are set out in Article 15.14.
- (g) "Peak Period": is May 1st to October 15th.
- (h) "Slow Period": is October 16th to April 30th.
- (i) "Home DTC": is the DTC at which a full-time or a part-time employee is regularly assigned to. In the event that such employee regularly works at more than one DTC, the Home DTC will be the DTC at which the employee works the majority of their hours of work in each year.

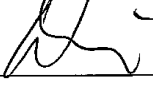
ARTICLE 36: DURATION

- 36.1 This Agreement shall become effective March 2, 2009 and shall remain in full force up to and including March 1st, 2013.
- 36.2 Either party may notify the other in writing within the period of not more than ninety (90) days prior to the expiration date of this Agreement that it wishes to negotiate amendments to the Collective Agreement. In the event that no notice has been given as required herein, the Agreement will continue in full force and effect for an additional period of twelve (12) months.
- 36.3 If pursuant to any such negotiations an agreement is not reached prior to the expiry date of this Agreement, this Agreement will remain in effect until the date on which a new agreement is entered into between the parties, or until such time that either of the parties may lawfully alter the terms and conditions of employment pursuant to the *Ontario Labour Relations Act*, whichever date shall first occur.
- 36.4 This Agreement may be amended at any time by mutual consent of the parties.

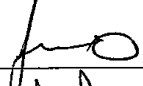
36.5 Duly executed by the Parties hereto this 24th day of Nov, 2010.

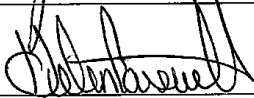
FOR THE COMPANY






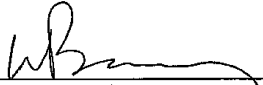
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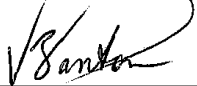





FOR THE UNION









Appendix A: Wages

Retroactive to March 2 nd , 2009	1%
Effective March 2 nd , 2010	1%
Effective March 2 nd , 2011	2%
Effective March 2 nd , 2012	2%

Retroactivity specified above applies for all hours paid to employees who were employed on or after March 2nd, 2009 and continue to be employed as of the date of ratification.

The wage rates during the term of the Agreement are therefore as follows for each of the Classifications and Classification Levels:

<i>Position</i>	<i>DE 1</i>	<i>DE 2</i>	<i>DE 3</i>	<i>DE 4</i>	<i>Increase</i>
Rate	\$18.48	\$20.06	\$22.07	\$23.50	
2-Mar-09	\$18.66	\$20.26	\$22.29	\$23.74	1.00%
2-Mar-10	\$18.85	\$20.46	\$22.51	\$23.98	1.00%
2-Mar-11	\$19.23	\$20.87	\$22.96	\$24.46	2.00%
2-Mar-12	\$19.61	\$21.29	\$23.42	\$24.95	2.00%

<i>Position</i>	<i>CSA 1</i>	<i>CSA 2</i>	<i>CSA 3</i>				<i>Student</i>	<i>Increase</i>
<i>Hrs/Time in Band</i>		<i>Probation</i>	<i>After 562.5 hrs</i>	<i>1 yr (FT) or 1,950 hrs (PT) from probation completion</i>	<i>2 yrs (FT) or 3,900 hrs (PT) from probation completion</i>	<i>4 yrs (FT) or 7,800 hrs (PT) from probation completion</i>		
Rate	\$13.57	\$15.74	\$16.82	\$17.90	\$18.97	\$19.49	\$10.74	
2-Mar-09	\$13.71	\$15.90	\$16.99	\$18.08	\$19.16	\$19.69	\$10.85	1.00%
2-Mar-10	\$13.85	\$16.06	\$17.16	\$18.26	\$19.35	\$19.89	\$10.96	1.00%
2-Mar-11	\$14.13	\$16.38	\$17.50	\$18.63	\$19.74	\$20.29	\$11.18	2.00%
2-Mar-12	\$14.41	\$16.71	\$17.85	\$19.00	\$20.13	\$20.70	\$11.40	2.00%

NOTE 1

- (j) For greater clarity it is understood that the entry level CSA 2 rate is as shown above and that all CSA 2 employees will move to the CSA 3 start rate after they have successfully completed the completed five hundred and sixty-two and one-half (562.5) hour probation period.
- (k) A full-time CSA 3 will then move from the CSA 3 start rate to the CSA one (1) year rate after having completed the one (1) year of service following the date upon which she/he completes the five hundred and sixty-two and one-half (562.5)hour probation period. Years of service following the completion of the probation will then be used by such full-time CSA 3 employee in

order to move from the two (2) year CSA 3 prescribed rate and to the four (4) year CSA 3 prescribed rate set out above.

- (l) A part-time CSA 3 will move from the start rate to the next prescribed rate for each of the levels in the CSA 3 classification as set out above based upon hours actually worked with the understanding that nineteen hundred and fifty (1950) hours worked by a part-time CSA 3 is equivalent to one (1) year of full-time service. Therefore, a part-time CSA 3 for example will move from the start rate to the one (1) year rate after she/he has completed nineteen hundred and fifty (1950) hours after the date upon which she/he successfully completed probation.

NOTE 2

No employee's current hourly wage rate that is in effect as at the date of ratification will be reduced as a result of the rates that are shown in the wage grid that is referred to above.

NOTE 3

Any employee (other than a CSA 3 employee) who is currently being paid an hourly wage rate that is in effect for such employee as at the date of ratification and that exceeds the prescribed hourly rate of pay which is indicated in the wage grid referred to above will not receive the general wage increases that are referred to above but instead, will be paid a lump sum payment of Two Hundred and Fifty Dollars (\$250.00) per collective agreement year on the first pay period immediately following July 1st in each of the three calendar years (2006, 2007, 2008) during the term of this Agreement less statutory deductions provided that such employee is actually employed by the Company at the time that each such lump sum payment is made. These employees will continue to receive their current hourly rate for the term of the Agreement until such time that the wage grid in effect from time to time during the Term, is equal to the employee's hourly rate ("Green Circled Employees").

NOTE 4

Any CSA 3 that currently earns an hourly rate that is equal to or greater than the highest wage rate on the grid as at date of ratification, will remain at that rate and will be eligible to receive the general across the board wage increases.

Trainers Premium

Employees who are required by the Company to conduct formal training (i.e. in-class training or in-car training) will be paid an amount of One Dollar (\$1.00) in respect of each hour spent actually delivering the training, in addition to their regular hourly rate of pay. It is understood that this premium is in addition to but not included in the employee's regular hourly rate of pay.

The parties recognize that there will continue to be a distinction between monitoring a new employee's job performance ("Monitoring"), mentoring a new employee

("Mentoring"), having a new employee "shadow" or observe an experienced employee so as to allow the new employee an opportunity to observe how that experienced employee performs his/her duties ("Shadowing") and, providing formal training that is approved by the Employer and provided to a new employee pursuant to a structured, established and formal training regimen or program that has been established by the Employer and which regimen or program has an established predetermined and calculable number of hours of formal training ("Formal Training").

It is acknowledged and agreed that Monitoring, Mentoring, and Shadowing do not fall within the definition of Formal Training as that term is referred to in Note 4 of Appendix "A" of the Collective Agreement and as indicated above. The Trainers Premium will only be paid to an employee who provides actual Formal Training to an employee(s) (as defined above), when the employee is required by the Employer to cease performing his/her normal duties and responsibilities and, to attend to providing actual Formal Training in a classroom, or actual Formal Training at the front counter of a DTC, or Formal Training inside of an automobile. The Employer will in its discretion, determine the length of any Formal Training that it requires any employee to provide from time to time. The Formal Training that the Employer will provide through employees or otherwise, will be determined by the Employer while also having due regard to the training requirements as established by the Ministry of Transportation from time to time. It is also understood that Formal Training will also continue to be provided by the Employer through its Supervisors as required by the Employer from time to time.

Lead Hands

The Employer has the right to create and fill a new bargaining unit classification of Lead Hand in respect of which the Employer will develop the necessary qualifications and experience. If and when the Employer wishes to fill the newly created Lead Hand bargaining unit position, it will post the position in accordance with Article 16.4 of the collective agreement.

The Lead Hand if and when selected by the Employer, will be paid a Lead Hand rate that is the greater of \$21.00 per hour or \$1.00 per hour on top of the Employee's regularly hourly rate that is in effect at the time of the appointment into that position. The \$21.00 per hour rate will be in effect for the first year of the term of the collective agreement, and in years two and three the general rates of increase set out below will be applied to this rate.

Shadowing Premium

Immediately following the date of ratification, Employees in the Driver Examiner Classification who are required by the Company to conduct Driver Examination on-the-job shadowing will be paid an amount of fifty (50) cents per hour in respect of each hour spent actually shadowing another employee, in addition to their regular hourly rate of pay for up to a maximum of 5 consecutive days of shadowing.

Bankers Premium

Any Customer Service Agent who is required by the Company to perform banker's duties will be paid a premium ("Banker's Premium") of fifty (50) cents for each regular hour worked during which the employee is performing such duties for more than half of their regular shift. It is understood that the Bankers Premium will be added on to but not included in the employee's regular hourly rate and will not be applied in the course of paying any overtime premiums or any other premiums in this agreement.

Technological Change

In the event that there is a technological change in equipment which will adversely affect the employment of any seniority employee, the Employer will meet with the Union to discuss ways by which such effects can be minimized.

Bonus

Those full time seniority employees and part time seniority employees who are employed by the Company as at the date of ratification of the Collective Agreement and who continue to be employed on March 2nd, 2012 will be paid a lump sum bonus as follows:

- Seniority full time employees \$500.00 less statutory deductions
- Seniority part time employees \$300.00 less statutory deductions

Appendix B: Benefits

- a. The Company will maintain the existing group health insurance benefits that are currently in effect for full-time seniority employees who have completed their probationary period and who work thirty (30) hours or more per week on average as set out in Article 34.8 of the Collective Agreement.
- b. The Company will not be responsible for contribution of its share of premiums or for any payment in the event that an employee is otherwise covered for any benefit.
- c. The Company will have the right to select the insurance carrier of its choice in respect of any of the benefits provided herein provided that the current benefits are not reduced as a result of any selection or change of insurance carrier that is made. It shall be the responsibility of the employee to resolve any disputes concerning payment of benefits directly with the insurer.
- d. Any coverage pursuant to any of the benefits provided herein will be subject to the terms and conditions of the insurance carrier's policy or policies as the case may be or the carrier's contract with the Company.
- e. Seniority Employees who work less than thirty (30) hours but more than twenty five (25) hours on average as determined under Article 34.8 will receive a stipend of twenty-five (25) cents per regular hour worked in lieu of all benefits under this Agreement. It is understood that the twenty-five (25) stipend will be added on to but not included in the employee's regular hourly rate and will not be applied in the course of paying any overtime premiums or any other premiums in this agreement.
- f. Supplementary Employment Insurance Plan ("the Sub Plan") - The parties acknowledge that the Company has established a Supplementary Employment Insurance Benefit Plan which is registered with Human Resources Development Canada. Full-time seniority employees who have completed their probationary period and who work thirty (30) hours per week or more on average as determined under Article 34.8 of this Agreement, will be eligible to participate in the Sub Plan. The Company will continue the Sub Plan that is currently in effect as at the date of ratification of this Agreement, for the term of this Agreement. An employee, who becomes ill and unable to work, may apply for Employment Insurance Sick Benefits ("E.I. Sick Benefits") in accordance with the *Employment Insurance Act*. Pursuant to the Sub Plan, if an eligible employee's application is approved and the employee receives E.I. Sick Benefits, the Company will top up the weekly E.I. Sick Benefits earnings up to eighty percent (80%) of the employee's current regular straight time weekly wages for the period in respect of which the employee actually receives E.I. Sick Benefits, subject to statutory deductions required by law.
- g. Seniority full-time employees who have completed probation and seniority part-time employees who work thirty (30) hours or more per week on average (as determined under Article 34.8 of this Agreement) will be eligible to participate in the Company's Group Retirement Savings Plan. Under the terms of this Plan, the Company will match an eligible employee's contribution into the Plan up to a maximum amount of

three (3%) percent of the employee's actual regular earnings in each calendar year during the term of this agreement.

Appendix C: Opt In Employee's Date of Hire

<i>Name</i>	<i>Position Title</i>	<i>Date of Continuous Service</i>	<i>Seniority (# Years/Months) as of Dec 19th, 2002</i>	<i>DTC Location</i>
Laura Hutchins	Inside Examiner	8/9/1999	3.4	Aurora
Wendy McCabe	Driver Examiner	5/1/1989	13.8	Oshawa
Kye-Soon Park	Inside Examiner (RPT - 25 hours)	9/1/1997	5.4	Metro East
Donna Vowles	Driver Examiner	1/10/2000	2.1	Oshawa
Denise Giroux	Bilingual Inside Examiner	10/10/2000	2.2	Hawkesbury
Ruth Broom	Inside Examiner	7/2/2001	1.5	Orillia
Sarah Earle	Driver Examiner	1/10/2000	2.1	Windsor
Stella Facciulo	Driver Examiner	9/27/1999	3.3	Kitchener

Schedule A

Steward Location	# of Stewards	# of Centers Covered	DTCs in the Stewards Region	Alternate Steward Location
Brampton	2	2	Brampton, Woodbridge	Etobicoke
Port Union	2	2	Port Union, Oshawa	Metro East
Ottawa Walkley/ Pembroke	2	7	Cornwall, Hawkesbury, Ottawa Walkley, Ottawa Canotek, Pembroke, Renfrew, Winchester	Lindsay
Metro East	1	1	Metro East	Port Union
Oakville	2	4	Burlington, Hamilton, Oakville, St. Catharines	Guelph
Downsview	1	1	Downsview	Brampton
Aurora	2	5	Aurora, Barrie, Orillia, Orangeville, Huntsville	Downsview
Lindsay	1	3	Lindsay, Peterborough, Bancroft	Kingston
Owen Sound	1	3	Clinton, Owen Sound, Walkerton	Aurora
Etobicoke	1	1	Etobicoke	Oakville
Kingston	2	4	Belleville, Brockville, Kingston, Smiths Falls	Ottawa Walkley
Windsor	1	3	Chatham, Sarnia, Windsor	London
Guelph	1	4	Guelph, Kitchener, Stratford, Woodstock	Owen Sound
London	1	4	Bradford, London, Simcoe, Tillsonburg	Windsor
Timmins	1	3	Kirkland Lake, New Liskeard, North Bay	Dryden
Sault Ste. Marie	1	5	Espanola, Sault Ste. Marie, Sudbury, Timmins, Kapuskasing	Timmins
Dryden	1	4	Dryden, Fort Frances, Kenora, Thunder Bay	Sault Ste. Marie

**23
Stewards 56 DTCs**

LETTERS OF UNDERSTANDING

Between:

SERCO DES INC., C.O.B. AS DRIVE TEST

- And -

UNITED STEELWORKERS

1 – Re: Harassment Policy

The Company and the Union will endeavour to provide a work environment that is free from sexual and/or racial harassment which violates the Ontario Human Rights Code (“the Code”).

All employees have the right to work in a workplace that does not subject them to harassment because of their race, ancestry, place of origin, colour, ethnic origin, religion, age, sex, sexual orientation, marital status, family status, or on the basis of any prohibited ground as such ground is expressly set out in the Code.

It is understood that the Union retains the right to represent bargaining unit employees who are being disciplined for having violated the Company’s established harassment policies as amended from time to time.

It is understood that harassment that is in violation of the Code will not be tolerated and that no such employee should be subjected to such conduct by any other employee of the Company.

It is also understood that any employee who commits harassment in violation of the Code or who knowingly condones such harassment of another employee may be subject to disciplinary action up to and including dismissal.

2 – Re: Voluntary Layoff

The Company agrees that it will invite employees from within the classifications in which it intends to implement a layoff or reduction of hours that is expected to last for six (6) days or more, to volunteer to be laid off or to have their hours reduced before the Company applies the layoff provisions of the collective agreement.

3 – Re: Layoff and Recall

The Company and the Union have entered into a collective agreement which prescribes lay-off and recall protocols in the event that bargaining unit employees must be laid off at any time during the term of the agreement.

The Union and the Company have had discussions with respect to the manner in which the lay-off and recall provisions would be administered by the Company during the term of the Agreement.

The Company has advised the Union during the course of negotiations that it requires a core group of seniority full-time employees within the bargaining unit in order to properly and efficiently operate its business, while also employing an appropriate number of seniority part-time employees to work the hours of work that are required of part-time employees from time to time during the term of the agreement.

The Company has also indicated that during the term of the collective agreement, it is not the Company's intention to administer the lay-off and recall provisions of the collective agreement for the purpose of displacing full-time seniority employees and replacing them with seniority part-time employees. The Company will administer the lay-off and recall provisions while having due regard for the operations of its DTC's and its ability to properly schedule hours of work as set out in the collective agreement.

4 – Re: Bilingual DTCs

The parties hereby acknowledge that during the course of negotiations, the Company advised the Union that it operates DTC's within the Province that have been designated as "bilingual DTC's" which must be staffed with bilingual employees so as to deliver the Company's services in both official languages.

The Company has also advised the Union that its delegation agreement with the Ministry of Transportation of the Province of Ontario ("MTO"), allows MTO to identify certain DTC's as bilingual DTC's from time to time.

During the course of negotiations, the Company has informed the Union that there are currently twenty eight (28) DTC's that have been designated as bilingual DTC's by MTO as of the date of ratification of the collective agreement.

It is understood that the Company will effectively staff any DTC's that have been or which become identified as bilingual DTC's by MTO so as to ensure that there is an appropriate number of bilingual employees in each classification in each bilingual DTC. During the course of negotiations the Company has identified to the Union the percentages of bilingual employees that are required by the Company at each of the existing identified bilingual DTC's. It is the Company's intention to apply these percentages at the existing bilingual DTC's. It is however also understood that the Company will not effect the layoff of an existing seniority employee (i.e. employee who is employed as at date of ratification) from a DTC that has been designated as bilingual

for the sole purpose of achieving the target number of bilingual employees that the Company has indicated to the Union that it requires at such bilingual DTC's.

The parties acknowledge that employees' "bilingualism" will be considered by the Company as a condition of employment where appropriate, in the course of administering all of the lay-off, recall, job posting, and transfer protocols that are set out in the Collective Agreement, when an employee wishes to relocate, transfer, job post into, or exercise bumping privileges into a bilingual DTC.

It is understood that it is the Company's intention to achieve the target number of bilingual employees that it requires at designated bilingual DTC's as seniority employees employment terminates as set out in the Collective Agreement, or as seniority employees transfer or are transferred from such DTC's in accordance with the Collective Agreement.

It is understood that in the event that the Company must initiate a layoff at a bilingual DTC for any reason, in accordance with the Collective Agreement, and it becomes apparent to the Company that there will be an insufficient number of employees remaining at the DTC who are qualified and bilingual so as to allow the Company to effectively and properly operate the DTC as a bilingual DTC after employees exercise their seniority, the Company will allow a unilingual seniority employee who is about to be displaced because the employee is not bilingual, the following options:

- (a) The employee may use his/her seniority to displace another employee in the same classification or in a lower paid classification and/or level with less seniority at another DTC in the same seniority pool at which DTC it is not necessary for the employee to be bilingual (i.e. bumping into another non bilingual DTC in the same seniority pool, or bumping into another bilingual DTC within the seniority pool at which there is a unilingual employee in the same classification with less seniority) ; An employee who is subject to layoff will be entitled to exercise her/his seniority in order to displace an employee with the least seniority in the same job classification provided that the more senior employee is ready, willing and available to work the shifts that were being worked by the displaced employee, and has the qualifications required to perform the work, and is bilingual where such qualification is necessary as set out in Article 15.6
- (b) The employee about to be displaced, may voluntarily take a leave of absence and have his/her benefits continued for a period of up to six calendar months from the commencement of the leave, until such time that there is a recall to the employee's own DTC.;
- (c) The displaced employee may accept a lay-off and retain seniority and recall rights under the collective agreement.
- (d) If the employee is about to be laid off from his/her own DTC because he/she is not bilingual, such employee may use his/her Company

seniority within his classification and classification level to displace another employee at any another DTC that is within the bargaining unit in the Province. An employee who is subject to layoff will be entitled to exercise her/his seniority in order to displace an employee with the least seniority in the same job classification provided that the more senior employee is ready, willing and available to work the shifts that were being worked by the displaced employee, and has the qualifications required to perform the work, and is bilingual where such qualification is necessary as set out in Article 15.6

- (e) The employee can accept a lay-off from his own DTC and if there is a recall to the DTC from where the employee was laid off, the employee will be recalled to that DTC if a unilingual employee can be so recalled. If there is a recall to any other DTC that is within the bargaining unit in the Province of Ontario at which there has previously been a lay-off, the employee will be offered the opportunity to use their Company seniority to be recalled into the same classification and classification level (as opposed to being limited to recall within their own seniority pool), before another employee with less seniority in the seniority pool is recalled. An employee who is subject to layoff will be entitled to exercise her/his seniority in order to displace an employee with the least seniority in the same job classification provided that the more senior employee is ready, willing and available to work the shifts that were being worked by the displaced employee, and has the qualifications required to perform the work, and is bilingual where such qualification is necessary as set out in Article 15.6
- (f) The displaced employee will be offered an opportunity to transfer to another DTC at which there is a need or vacancy for such employee's classification, and classification level. The opportunity to transfer in these circumstances will allow the affected employee to rank ahead of any employee who has requested a transfer as set out in Article 16.1 and 16.2 of the Collective Agreement.
- (g) The displaced employee will be offered an opportunity to enroll in an accredited accelerated French language educational program that is approved by the Company which must be completed during the course of the lay-off, the cost of which program will be paid for by the Company and provided that the employee attends and successfully completes the program. Following the completion of the program, if the Company is satisfied that the displaced employee can effectively and properly perform his/her duties bilingually as required by the Company, the employee will be given the opportunity to return to his/her own DTC and displace another employee in the same classification and classification level with less seniority. It is understood that the Company engages a certified third party language proficiency testing organization to test an employee's proficiency in his/her working knowledge of the French language in the course of

determining whether the employee can effectively and properly and perform his/her duties bilingually.

- (h) The displaced employee may elect to be terminated without any recall rights and relinquish their seniority. In the event that the employee chooses this option, the employee will be provided with either working notice of termination or, payment in lieu of notice which is equivalent to the notice prescribed by the Employment Standards Act of Ontario. In addition, the Company will pay an employee who is displaced by virtue of not being bilingual and who wishes to be terminated a severance amount which is equivalent to one (1) weeks' pay for each completed year of service to a maximum of eight (8) weeks pay.

During the Term of this Agreement, the Company will not lay-off a seniority employee who is not bilingual ("a Unilingual Employee") and who is employed at a designated bilingual DTC where the Unilingual Employee has greater seniority than another employee who is bilingual and who has less seniority, if the Unilingual employee would be unable to transfer or exercise bumping rights under the Collective Agreement into another DTC that is within a one hundred (100) kilometer radius of the Unilingual Employee's home DTC.

5 – Re: Saturday Scheduling

The Company may require employees to regularly work on Saturdays at any of its DTC's. It is understood that the Company will have the right to schedule hours of work on Saturdays for employees while always ensuring that it has the required complement of employees from each classification and classification level at each DTC in order to effectively operate such DTC on Saturdays.

It is agreed that employees who work at the Port Union, Etobicoke, and Brampton DTC's will continue the current practice for scheduling Saturday hours of work for the term of the Collective Agreement, unless the majority of the employees at each of these three (3) DTC's decide (by way of a vote conducted by the Union) that they wish the Saturday schedules at their respective DTC's to be governed by the procedures set out in this Letter of Understanding, and, the Company also agrees to make the requested change. It is understood that if one of the aforementioned three DTC's is permitted to have the Saturday schedules governed by this Letter of Understanding after a vote is held as set out herein, there will be no further change to the Saturday scheduling arrangements for such DTC(s).

Any Saturday hours of work that are to be worked by employees at DTC's other than the Port Union, Etobicoke and Brampton DTC's will be assigned by the Company based on number of employees from each classification and classification level at the DTC that are deemed necessary by the Company, based on the following:

- (a) Saturday hours of work will be assigned as determined by the Company, to employees, who volunteer from within each of the classifications and

classification levels that are required by the Company in order to effectively operate a DTC which operates on a Saturday.

- (b) If the Saturday hours of work cannot be assigned on a voluntary basis to the number of employees that are required by the Company in each of the classifications and classification levels at the affected DTC, the Saturday hours will be assigned to the employees in the required classifications and classification levels for the Saturday hours in the following order provided there are indeed such employees in the required classifications and classification levels who can satisfy the requirements of the Company to properly staff the affected DTC on Saturdays based on operational needs.
- (i) Employees hired after the date of ratification;
 - (ii) If the Saturday hours cannot be filled from amongst those employees in (i) above as determined by the Company, the hours will be assigned to students
 - (iii) If the hours cannot be filled from amongst those employees in (i) and (ii) above as determined by the Company, the hours will be assigned to Term employees
 - (iv) If the hours cannot be filled from amongst those employees in (i), (ii) and (iii) above as determined by the Company, the hours will be assigned to part-time employees in reverse order of seniority.
 - (v) If the hours cannot be filled from amongst those employees in (i), (ii), (iii) and (iv) above as determined by the Company, the hours will be assigned to full-time employees in reverse order of seniority.

6 – Re: Overtime

The Company has advised the Union that it presently has no intention of operating the DTC's on Statutory Holidays or on Sunday's during the term of this Agreement. In the event that the Company determines that it will operate a DTC on a Statutory Holiday or on Sunday's, the Company will pay double time for all hours worked on such Statutory Holidays or Sunday. It is understood that such hours worked will not be counted as hours worked for the purposes of calculating overtime entitlement for the thirty seven and one half (37.5) hour weekly threshold as set out in the Collective Agreement.

7 – Re: Probationary Employees

Probationary employees will be assessed during the probationary period as set out in Article 12.1 of the Collective Agreement. During the probationary period, probationary employees will be advised of the Company's assessment of their work performance and any areas which may require improvement.

8 – Re: Vacations for Full Time Employees

Notwithstanding the articles in the collective agreement, it is understood that current full-time seniority employees who are employed by the Company and have completed at least one (1) year of service as of the date of ratification of the Collective Agreement ("the Excepted Employees"), will be eligible to receive up to fifteen (15) days of vacation (i.e. 1.25 days vacation for each completed month of service during the vacation year) with pay as per Article 24 of the Collective Agreement. The Excepted Employees will become eligible for up to twenty (20) working days of vacation after they have completed eight (8) years of seniority and twenty five (25) working days after twenty (20) years of service as set out in the Collective Agreement, with vacation pay as set out in Article 24 of the Collective Agreement.

All new employees who are hired after the date of ratification of the Collective Agreement will be subject to the express terms of the collective agreement with respect to vacation entitlement.

For the purposes of administering this Letter of Understanding and the terms of the Collective Agreement, it is understood that a completed month of service shall be deemed to be a month in which a full-time employee has worked at least fifty percent (50%) or more of the shifts in respect of which such employee was scheduled to work.

Full-time Employees who were previously employed by the Ministry of Transportation and who opted into employment with the Company as set out in Article 13.3 will be able to apply their seniority based on their date of hire with the MTO for the purposes of calculating vacation entitlement.

9 – Re: Administration of Vacation Scheduling During Peak Period

Whereas the parties have resolved the terms of employees' vacation entitlement in the Collective Agreement.

And Whereas during the course of collective bargaining, the parties have been involved in discussions with respect to the manner in which employees will be scheduled for vacation during the Peak Period that have been identified in the Collective Agreement;

And Whereas the Company and the Union are desirous of creating a system for scheduling vacations during such Peak Period which is sensible and reasonable for

both the Company and its employees while also allowing the Company the ability to properly and efficiently operate its business and each of its DTC's ;

Now Therefore the parties to this Letter of Understanding acknowledge that the Company will schedule vacations for employees who have two (2) years or more of seniority during Peak Periods during the Term of the Collective Agreement as follows:

Seniority employees with two (2) years or more seniority at DTC's that are size 4 and above

Employees must submit their respective requests for earned vacation time as set out in the collective agreement.

Subject to this Letter of Understanding, in the event that seniority full-time employees on the full-time seniority list with two (2) years or more seniority and, part-time employees on the part-time seniority list with two (2) years or more seniority request earned vacation time off that coincides with the identified Peak Period, the Company will schedule vacation time for such employees during such Peak Period for not more than two (2) weeks during such Peak Period while having due regard to the Company's operational requirements and its ability to efficiently, effectively and properly provide services as set out in the Collective Agreement, and as set out below.

The parties hereby acknowledge and agree, that in any calendar year during the Term of this Agreement beginning with the 2007 Vacation Year, the Company will only consider vacation requests during the Peak Period from full-time employees with two (2) years or more seniority and from part-time employees with two (2) years or more seniority to the extent that no more than ten percent (10%) of the total number of all eligible full-time and part-time employees with two years or more seniority at a DTC Size 4 or larger, will be on vacation at any given time for up to two (2) weeks during the Peak Period.

In the course of determining vacation schedules based on multiple timely requests from eligible full-time employees and eligible part-time employees, the Company will resolve conflicts in such employee vacation requests for vacation time off during the Peak Period at each DTC on the basis of the classification and the classification level seniority as indicated on the full-time seniority list and the part-time seniority list in respect of each DTC in the course of scheduling Peak Period vacations.

In order to facilitate the scheduling of vacations during the Peak Period the Union agrees and acknowledges that the Company will have the right to schedule hours of work for "cross trained employees", part-time employees, and non- bargaining unit employees. In addition, the Union agrees and acknowledges that bargaining unit employees may be required to temporarily transfer to another DTC in order to fill in for employees who are on vacation during the Peak Months, as set out in the Collective Agreement.

2006 Vacation

Notwithstanding all of the terms referred to in this Letter of Understanding, to the extent that the vacation schedules have already been established for the Peak Period in 2006, pursuant to a Letter of Agreement between the parties dated March 2nd, 2006, such established vacation schedules will be applied for 2006.

Preferences in Vacation Schedules

It is understood that during the Company's Peak Period, the Company will generally give preference to full-time employees' requests for vacation time over part-time employees when scheduling vacation time off.

DTC's that are under size 4

Employees who work at DTC's that are under size 4 will have their earned vacation scheduled in accordance with the current practice provided that such practice is consistent with the provision in Article 24 which refers to seniority as a means by which to resolve conflicts in requested vacation periods.

Each DTC's size number is listed in the Schedule B attached.

Schedule B

<i>DTC Name</i>	<i>DTC Size</i>
Brampton	9
Port Union	9
Downsview	8
Metro East	8
Aurora	7
Etobicoke	7
Kitchener	7
London	7
Hamilton	6
Oakville	6
Oshawa	6
Ottawa Walkley	6
Burlington	5
Guelph	5
St. Catharines	5
Windsor	5
Kingston	4
Barrie	4
Brantford	4
Orangeville	4
Ottawa Canotek	4
Huntsville	4
Lindsay	4
Sarnia	4
Sudbury	4
Thunder Bay	4
Orillia	4
Belleville	3
Cornwall	3
North Bay	3
Owen Sound	3
Peterborough	3
Sault Ste. Marie	3
Woodbridge	3
Chatham	3
Clinton	3
Walkerton	3
Woodstock	3
Hawkesbury	3
Kenora	3
Simcoe	3
Smiths Falls	3
Fort Frances	3
Bancroft	2

New Liskeard	2
Pembroke	2
Tillsonburg	2
Stratford	2
Timmins	2
Brockville	2
Renfrew	2
Dryden	1
Espanola	1
Kapuskasing	1
Winchester	1

10 – Re: Establishment of Seniority Lists for the Purposes of the Collective Agreement

Whereas the parties have agreed to establish a seniority provision in Article 13 of the Collective Agreement;

And Whereas for the purposes of establishing the initial seniority list, a methodology is required for the purposes of establishing the initial seniority list which will become the basis for calculating seniority following the execution of the Collective Agreement;

And Whereas the Company commenced its operations on September 2nd, 2003;

Now therefore the Company and the Union hereby agree as follows:

1. All former Ministry of Transportation (“MTO”) employees who opted in to employment with the Company as of September 2nd, 2003 (“the Opt Ins”) will have seniority that is calculated based on their date of hire with their former employer, the Ministry of Transportation for the purposes of Article 13 of the Collective Agreement. Opt Ins were hired by the Company as full-time employees and to the extent that such employees continue to be full-time employees they will appear on the full-time seniority list.
2. All other full-time employees of the Company who commenced employment on September 2nd, 2003 will have a seniority date of September 2nd, 2003. This group of employees shall be subject to a lottery for the purposes of establishing their respective positions on the full-time seniority list and all employees in this group shall appear on the full-time seniority list below the employees who are described in Paragraph 1 above.
3. All full-time employees who were hired after September 2nd, 2003 will have a seniority date that corresponds with the date that they commenced their employment with the Company. In cases in which employees have the same commencement date, a lottery will be held amongst such employees for the purposes of establishing their respective positions on the full-time seniority list. Full-time employees who were hired after

September 2nd, 2003 shall appear on the full-time seniority list below the employees described in Paragraph 2 above.

4. All part-time employees who were hired on or after September 2nd, 2003 will have their seniority calculated on the basis of the hours that they actually worked after September 2nd, 2003, as set out in Article 13 of the Collective Agreement and will be placed on the part-time seniority list.

11 - Re: Mileage Rates

The mileage rate will be forty-five and one-half (45.5) cents per kilometer for the first year of the term of the Collective Agreement. As part of this Understanding the Company will agree to evaluate the mileage rate in each year during the Term of the Agreement. It is also understood that an employee will only be entitled to the mileage allowance if they are required to drive in excess of the mileage that they are normally required to drive to, when driving to their home DTC.

12 – Re: SUB Plan Due to Unavailability of MTO Resources

In the event that seniority employees who are regularly scheduled to work cannot be provided with their regularly scheduled hours of work by the Company as a direct result of an uncontrollable, or unexpected event or any other unforeseen circumstance that is beyond the control of the Company but which is related to an event that is directly caused by the Ministry of Transportation, and, the Company receives full compensation from the Ministry of Transportation under the terms of its Delegation Agreement with the Ministry of Transportation which makes the Company whole in every respect as a result of being adversely affected by such event, the Company will pay an employee their regular hourly rate of pay for lost scheduled hours to the extent that the Company is compensated in this regard and the provision of such compensation is cost neutral to the Company.

13 – Re: Part Time Staff

The Company acknowledges that during the term of the Collective Agreement it will not use part-time employees in order to circumvent the employment of full-time employees of the Company.

14 – Re: Performance Notes and Transaction Deficiency Reports

The Company acknowledges to the Union that employee performance notes are non-disciplinary written notices and are not included in an employee's record of discipline. They are for performance appraisal purposes only. The performance notes are a record of the conversation between the supervisor and the employee. At the end

of the performance appraisal period, the performance notes are discarded and do not form part of the employee's personnel record.

The Company acknowledges to the Union that the use of the Company's employee transaction deficiency report is for the improvement of an employee's performance and reduction of errors. The transaction deficiency reports do not form part of the employee's personnel record.

15 – Re: Part Time Equalization of Hours

The Company acknowledges to the Union that the current practice for scheduling part time hours will be continued and will be applied in the context of Article 34.5.

For the purposes of administering this Letter of Understanding and the terms of the Collective Agreement, it is understood the practice is one whereby the Company attempts to distribute hours as equally as possible to part time employees within the classification and classification levels at each DTC. When additional non-overtime hours become available after the equalization effort is made, the hours are then offered on the basis of seniority to part time employees within the classification and classification level at each DTC who have expressed interest in working more hours, provided that such employees have the requisite skill, ability, qualifications and availability to immediately work the additional hours.

It is further understood however, that additional hours will not be offered to such employees by the Company if the employee fails to report for work after having accepted an offer to work additional hours (unless a reasonable explanation is provided) or if the employee refuses additional work opportunities when offered, on three occasions that is within six consecutive months.

16 – Re: Acting Supervisor Pay – Article 16.11

Notwithstanding anything that is indicated in Article 16.11 of the collective agreement, the Company acknowledges that it has recorded and will continue to record all time that is spent in the employee's pay period in the course of calculating the days worked for determining eligibility for the supervisor's premium.

17 – Re: Higher Rate of Pay – Article 17.6

Notwithstanding anything that is indicated in Article 17.6 of the collective agreement, the Company acknowledges that it has recorded and will continue to record all time that is spent in the employee's pay period in the course of calculating the days worked for determining eligibility for receiving the higher rate of pay.

Signed this 24th day of November 2010

FOR THE COMPANY

[Signature]
[Signature]
Senor Thompson
[Signature]
[Signature]

FOR THE UNION

[Signature]
[Signature]
[Signature]
[Signature]