

Memorandum of Agreement

October 2, 2015

Between

CANADIAN NATIONAL RAILWAY COMPANY

and

TEAMSTERS CANADA RAIL CONFERENCE

Governing

**Rates of Pay and Working Conditions
for Transportation Employees assigned to the**

NEW BRUNSWICK EASTERN TERRITORY

and the

QUEBEC EASTERN TERRITORY

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Duration

It is agreed that the term of this agreement shall be from the date of the ratification until December 31, 2017, and thereafter, unless either party gives notice in writing to the other within 120 days prior to the expiration date hereof of that party's intention to revise, amend or terminate it.

1 QUALIFICATION AND CLASSIFICATION OF TRANSPORTATION EMPLOYEES

- 1.1 All employees will be required to become qualified locomotive engineers. Course content and training will be consistent with C N standards. Certification testing will be completed by an appropriately qualified Company Officer. See Letter 110.
- 1.2 Employees must have the appropriate qualifications in order to maintain their employment with the Company in accordance with the Railway Employee Qualifications Standards Regulations.
- 1.3 There will be appropriate training, familiarization, and qualification for employees in accordance with C N standards. Employees will be qualified and required to perform all facets of the operations. Training will include the necessary operating permits, licenses or certificates required by Company or regulatory rules. The cost of such training and qualification shall be paid by the Company.
- 1.4 Employees who, during a tour of duty, provide training shall receive \$41.33, in addition to their earnings for that tour of duty. Such payment will not be used in the calculation of guarantee. This allowance will be subject to general wage increases. The trainer allowance will be payable to the employee occupying the classification for which the trainee is being trained.

2 TRAINING, MEDICAL EXAMINATIONS, PERIODIC RULES EXAMINATIONS AND COMPANY INITIATED MEETINGS.

- 2.1 Employees will be required to successfully complete Company training programs.
- 2.2 If, during the training program, it is determined that a candidate is not suitable for employment, the training will be discontinued and representatives of the Company and the Union will review each case on an individual basis for final disposition.
- 2.3 Employees will be paid for all time in training at the hourly rate and in accordance with the provisions of the collective agreement.
- 2.4 Employees required to take Company requested examinations and/or Company or Government training programs such as seminars on safety, dangerous commodities, careful car handling, etc. or attend Company initiated meetings on their days off or, prior to or after their shift, will be compensated in accordance with Article 5.
- 2.5 Employees required to take Company requested medical examinations and/or tests during off duty hours will be paid six hours for each calendar day so engaged. Such payments will also apply in cases of reinstatement.

- 2.6 Employees unable to take a Company requested examination during their off duty time and who miss work as a result, shall be paid not less than they would have earned for their basic day.
- 2.7 Employees required to travel from their Home Location for medical examinations or tests, rules or other employment related requirements will be reimbursed for actual reasonable costs.

Note: An employee's Home Location is defined as the recognized terminal closest to the employee's permanent residence. The four recognized terminals are:

NBET: Miramichi, Bathurst and Campbellton
QET: Mont-Joli

3 MINIMUM DAY

- 3.1 **Minimum day** – The basic day shall be eight (8) hours for assignments working a 5/2 schedule and ten (10) hours for assignments working a 4/3 schedule. The basic day for spareboard employees will be in keeping with the assignment for which they are called or eight (8) hours, whichever the greater.
- 3.2 **Calling** – Except in cases of emergency or as otherwise provided for in this agreement, employees will be called at the home terminal two hours in advance, as far as practicable, and at the away from home terminal no less than one hour in advance of the actual time that the individual employee is required to report for duty. The call must specify if the employee is required for straight away or turnaround service.
- 3.3 **Called and Cancelled** – When regularly assigned employees are cancelled and are not used, they will be paid the applicable basic day. Spareboard employees who report for duty and are not used will be paid for all time so held with a minimum of 3 hours. Spareboard employees will hold their turn on the spareboard if less than eight hours pay accrues to them under these provisions. Paragraph 5.4 does not apply when an employee is called and cancelled. Payments of less than a basic day made to spareboard employees under these provisions are not considered as time worked and will not be used in the calculation of overtime or in the calculation of guarantee.

Employees who are cancelled after the on duty time of their assignment may book rest.

- 3.4 **Regular assignment delayed** – Employees whose regular assignment is delayed must remain available for call for eight consecutive hours from the normal calling time of their assignment.
- 3.5 **Regular assignment cancelled** – Regularly assigned employees will be notified not later than the completion of their shift if their following shift is to be cancelled, unless such cancellation is due to weather or other conditions over which the Company has no control, in which event the Local Chairman will be furnished with particulars at the time of cancellation. Shortage of power or employees is not considered a condition over which the Company lacks control.

4 RATES OF PAY

4.1 Wages:

CLASSIFICATION	Effective Jan 1, 2016	Effective Jan 1, 2017
Qualified Locomotive Engineer	47.49 per hour	48.91 per hour
Conductor	45.09 per hour	46.44 per hour

- 4.2 Employees will be paid a minimum of 80 hours each two week pay period subject to the specific penalty provisions contained elsewhere in this agreement.
- 4.3 Regularly assigned employees who make themselves unavailable for work will have their guarantee reduced proportionately by the scheduled hours of the assignment missed.
- 4.4 For each calendar day or portion thereof spareboard employees make themselves unavailable or for a call missed, the guarantee for that day will be reduced by the equivalent of the applicable basic day, unless service is subsequently performed on that same calendar day. Spareboard employees who miss a call will be placed at the bottom of the spareboard as of the calling time. Spareboard employees will not be penalized more than once in any calendar day.
- 4.5 Spareboard employees standing first-out and second-out at the calling time and who make themselves unavailable or miss a call for which qualified will be penalized as described in paragraph 4.4 above.
- 4.6 Spareboard employees not first-out or second-out at the calling time and who miss a call for which qualified as a result of actions taken by the employees described in paragraph 4.4 above will not be penalized as provided in paragraph 4.4, but they will be placed at the bottom of the spareboard.
- 4.7 Spareboard employees who are penalized more than twice in the pay period as a result of the application of Paragraph 4.4 and/or 4.5 above will not be entitled to any guarantee for that pay period.
- 4.8 Employees assigned to the spareboard for a portion of a guarantee period will be paid their full proportion of the guarantee, prorated by the number of days on the spare board versus the number of days in the guarantee period. Compensation paid to employees while not assigned to the spareboard will not be used to offset spareboard guarantee payments.
- 4.9 The provisions of Article 4 will not be construed to mean that the earnings specified are the maximum which the employees can claim.
- 4.10 Employees temporarily working on a lower rated classification shall receive the wage rate of their regular classification.

5 OVERTIME

5.1 Regularly assigned employees will be paid at one and one-half times the hourly rate for all time worked in excess of their assigned basic day. Regularly assigned employees commencing a tour of duty on their days off will be paid at overtime rates provided they fulfill their regular assignment schedule for that week. Regularly assigned employees whose assignment has been cancelled will have been deemed to have fulfilled their assignment for that day.

NOTE: Straight time will be applicable when a regularly assigned employee's assignment is delayed and their being called in accordance with the provisions of paragraph 3.4 results in reporting for duty on a scheduled layoff day.

5.2 Spareboard employees will be paid at overtime rates for each hour worked in excess of 80 hours in each two week pay period.

5.3 Spareboard employees commencing a tour of duty on a regularly scheduled lay off day will be paid at overtime rates. Such hours will not be used in the calculation of overtime hours or be used in the calculation of guarantee.

5.4 Employees required to report for duty within eight hours of the completion of their previous tour of duty will be paid one and one-half times the hourly rate except when such reporting for duty is at the away from home terminal.

5.5 Overtime will not be paid solely as a result of exercising seniority from assignment to assignment or when an employee works a regularly scheduled relief assignment. There will be no pyramiding of overtime.

5.6 When the spareboard is exhausted vacancies open on a tour of duty basis will be filled from the applicable emergency list. Employees will be called for extra work in accordance with the provisions of Letter 102.

6 REST

6.1 Employees will be entitled to take rest after being 12 hours on duty, upon giving three hours notice to the proper officer.

6.2 Notwithstanding the provisions of paragraph 6.1, employees may be required to work up to the time their rest is due to commence. Employees booking rest enroute will be transported back to the objective terminal unless road conditions are not safe in which case crews will be tied up enroute. Transportation and/or accommodations will be provided by the Company. Unless crew members have separate work cycles, they will take their rest at the same time. The rest period will commence upon going off duty at the home terminal or at the time enroute accommodations are reached unless otherwise specifically provided.

6.3 At the home terminal, employees will be entitled to book eight hours rest at their option. At the away from home terminal, employees will be entitled to book between one and eight hours rest at their option. Rest booked is exclusive of call time and must be registered upon completion of the shift or tour of duty. Employees will not have their guarantee reduced as a result of booking rest in accordance with this paragraph.

Note: At the home terminal, regularly assigned employees working on assignments where they report for duty without benefit of call and who have booked eight hours rest in accordance with the above will report for duty within 10 hours of their off duty time unless advised that they are cancelled.

- 6.4 NBET employees working at other than their Home Location will register personal rest, if desired, in CATS at the terminal where they are reporting off duty. The CATS system will be equipped with miscellaneous claims which will generate a time only allowance commensurate with the applicable travel times. Employees desiring personal rest will make the time only claim and their rest will be registered and effective from the amended off duty time.

7 SENIORITY

- 7.1 The existing seniority lists applicable to the former NBEC and CFMG will be adopted for the New Brunswick Eastern Territory and the Quebec Eastern Territory respectively. All running trade employees holding seniority on the former NBEC and CFMG as of October 31, 2008, will establish C N conductor seniority in accordance with Letter 107. Subsequently new employees hired as conductors on the New Brunswick Eastern Territory will establish NBET seniority as of their date of hire and simultaneously will establish C N conductor seniority by being added to the bottom of the C N Conductor 20th District Seniority list. Similarly, new employees hired as conductors on the Quebec Eastern Territory will establish QET seniority as of their date of hire and simultaneously will establish C N conductor seniority by being added to the bottom of the C N Conductor 20th District Seniority list. If more than one such new employee is hired on the same calendar day their seniority with respect to one another will be determined by draw. The Company will maintain separate seniority lists for conductors and locomotive engineers at both NBET and QET and post them at the home terminals of the employees governed by this agreement. Copies of these lists shall be given to the General and Local Chairpersons. The lists will indicate the dates on which the employees started working for the Company as well as their service classification.
- 7.2 Employees who qualify as locomotive engineer on either NBET or QET will also establish locomotive engineer seniority on the Consolidated Eastern Locomotive Engineer Seniority list. Their ranking on the CN locomotive engineer seniority lists will be determined by their conductor ranking on the applicable CN Conductor 20th District Seniority list.
- 7.3 Seniority lists will be subject to appeal for 60 days from the date seniority lists are posted and if proof of error is presented by an employee or the employee's representative such error will be corrected and when so corrected the agreed upon seniority date will be final. No change will be made in the seniority date accredited an employee which has appeared on two consecutive annual seniority lists. No change shall be made in the existing seniority status of an employee unless concurred with by the General Chairman. The 60-day limitation will, in the case of locomotive engineers absent or on leave, apply from the date of resuming duty.
- 7.4 When assignments are abolished employees choosing to exercise their seniority to a CN terminal must do so within 72 hours.

- 7.5 Current C N employees will not establish seniority on either the QET or the NBET and cannot be forced to fill a position on either of these Territories. See Letter 115.
- 7.6 Reductions in staff, if required, will start with the junior employee working on the affected Territory, subject to any applicable prior rights. Recall to work will be effected in the reverse order. Layoffs and recalls will be made effective on 746 Board Change Days and employees will be advised of such event on the applicable Evaluation Day.
- 7.7 Subject to the availability of junior qualified employees, employees may waive recall without the loss of seniority for vacancies with an expected duration of less than ninety (90) calendar days.
- 7.8 Locomotive engineers and conductors filling a position as traffic coordinator will do so with no loss of seniority in either classification.
- 7.9 QET running trade employees who accept promotion to a management position will have their names removed from the applicable QET and CN seniority lists if such promotion exceeds a period of one year.

8 ESTABLISHMENT AND OPERATION OF ASSIGNMENTS and SPAREBOARDS

- 8.1 Regular assignments will be established as locally arranged between the Local Chairman of the Union and the proper officer of the Company.
- 8.2 Regular assignment schedules and starting times will be established in accordance with the Company's operational requirements but will be comprised of either five 8 hour days with two scheduled consecutive days off per week or four 10 hour days with three scheduled consecutive days off per week.
- 8.3 Spareboard positions will be comprised of five working days with 2 scheduled consecutive days off per week. QET spareboard employees will be booked off as of 0559 hours on the first of their assigned days off and will be automatically placed back on the spareboard at 0559 hours on first day following their final day off.

QET Employees assigned to the spareboard must accept calls up to and including 0559 hours on their first day off. The 0559 hours applies to the calling time, not to the ordered or on duty time.

QET Employees who accept a call that interferes with their days off will, upon returning from their tour of duty be entitled to book off for forty-eight (48) hours with the Crew Management Centre. Such forty-eight (48) hours will be granted without penalty and will constitute their two (2) consecutive days off for that week.

- 8.4 Employees first out and available on the spare board who are runaround will be paid four hours for each tour of duty missed. Payments will not be considered as time worked and will not be used in the calculation of overtime or guarantee.
- 8.5 A spareboard will be maintained on NBET when operationally required. The NBET Spareboard, when active, will operate in accordance with Letter 112 and paragraph 8.4 above.

9 AWARDING OF ASSIGNMENTS

- 9.1 There will be a Spring and Fall Change of Timetable each year in which all assignments will be posted. In addition, employees will be entitled, at each C N Spring Change of Timetable, to apply for those positions and transfer to C N except that such transfer will not be permitted if it results in creating a shortage on their Territory.
- 9.2 All vacancies, including Changes of Timetable, will be filled using the 746 method as provided in Letter 105. Qualified locomotive engineers will be set up in order of their locomotive engineer seniority on their respective territory.
- 9.3 Employees assigned to a recognized terminal other than that of their Home Location will be entitled to the provisions of paragraphs 13.2 and 13.3. Employees who can hold work within their classification at their Home Location but instead elect to work at another recognized terminal will not be entitled to either of the above noted provisions.

Note: An employee's Home Location is defined as the recognized terminal closest to the employee's permanent residence. The four recognized terminals are:

NBET – Miramichi, Bathurst and Campbellton
QET - Mont-Joli

- 9.4 The number and location of Recognized Terminals as defined above will not be changed, nor will outposts be created, without the benefit of notice and associated provisions of the Adverse Effects of Changes in Working Conditions article.

10 CREW CONSIST

- 10.1 All assignments will have two employees: a locomotive engineer and a conductor. Additional employees will be assigned as may be required by the Company. This does not prevent employees from being cycled independently on certain assignments.

11 HELD AWAY

- 11.1 Employees held at other than the home terminal more than ten hours without being called for duty will be paid on the minute basis for all time held in excess of ten hours until the time they report for duty.
- 11.2 Held away payments are not considered time worked and will not be used to calculate overtime but will be used in the calculation of guarantee.

12 PILOTING

- 12.1 Employees acting as pilots will be paid from the time required to report for duty until time of registering off duty on completion of the trip or day's work.

- 12.2 Employees in charge of a train over a subdivision with which they are not familiar will be furnished, in addition to the crew, with an operating employee qualified in that classification to act as pilot if such qualified employee is available.

13 DEADHEADING and TRAVEL TIME

- 13.1 Employees required to deadhead will be paid for actual time occupied at the hourly rate.
- 13.2 Employees required to travel between the following specific locations will be paid, in each direction, a travel allowance as follows:

(a)	Between Campbellton and Bathurst	1.5 hours
(b)	Between Campbellton and Miramichi	2.5 hours
(c)	Between Bathurst and Miramichi	1.0 hours
(d)	Between Mont-Joli and Riviere-du-Loup	2.0 hours
(e)	Between Mont-Joli and Campbellton	2.0 hours
(f)	Between Rivière-du-Loup and Charny	2.0 hours
(g)	Between Campbelton and Moncton	3.5 hours
(h)	Between Miramichi and Moncton	1.5 hours

Such time will not be considered as time worked and will not be used in the calculation of overtime but will be used in the calculation of guarantee. The return segment of the travel time will be taken into consideration for personal rest purposes pursuant to paragraph 6.4.

- 13.3 Employees will be provided expenses at the rate of \$0.31 per kilometer when authorized to use their personal automobile for traveling to or from a work location.

14 DISCIPLINE

- 14.1 An employee may be held out of service for a maximum of three days for investigation. Assigned employees will be paid the bulletined hours of their assignment schedule while so held. Spareboard employees will be paid eight hours for each day so held. Scheduled layoff days will not attract compensation in the application of this paragraph.

15 GENERAL HOLIDAYS

- 15.1 The Company recognizes the following days as paid general holidays:

New Year's Day
January 2
Good Friday
Victoria Day
St. Jean Baptiste Day (Quebec only)
Canada Day
Civic Holiday in August
Labour Day
Thanksgiving Day
Remembrance Day (New Brunswick only)
Christmas Day
Boxing Day

- 15.2 Assigned employees not required to work on a general holiday will be paid the equivalent of the wages for the bulletined hours of their assignment. Spareboard employees not required to work on a general holiday will be paid eight hours.
- 15.3 Employees who commence a tour of duty on a general holiday will be compensated at time and one-half for such tour of duty. In addition such employees will be paid the hours worked at straight time as payment for the general holiday.
- 15.4 Regularly assigned employees will be notified if their assignment will be cancelled prior to the completion of their last shift prior to the general holiday.
- 15.5 An employee whose assignment has been properly cancelled on a general holiday will have their 80 hour bi-weekly guarantee reduced by the scheduled number of hours for that assignment.
- 15.6 To qualify for General Holiday payment employees must remain available on the General Holiday unless advised their assignment was cancelled pursuant to 15.4.
- 15.7 General Holiday payment as per Articles 15.2 and 15.3 will not be used to offset the bi-weekly guarantee.

16 MEALS

- 16.1 Employees will have an opportunity of having a meal at a reasonable hour by previously advising the train dispatcher sufficient time in advance. While so occupied, for 20 minutes or less, no deduction will be made; if over 20 minutes, all time will be deducted in computing overtime.
- 16.2 Trains will not be delayed nor train operations disrupted solely as a result of stopping train to eat. Employees will report for work suitably prepared for a tour of duty recognizing that the opportunity to take a meal will be governed by the practicality of train operations.

17 SHORT LINE TRAFFIC

- 17.1 NBET assignments arriving at or departing from Moncton will handle only traffic originating from or destined to points on the NBET or the QET.
- 17.2 QET assignments arriving at or departing from Riviere-du-Loup will handle only traffic originating from or destined to points on the NBET or the QET.

18 DISCIPLINARY DEMOTION

- 18.1 When a locomotive engineer is demoted to a position other than as locomotive engineer on account of discipline, the Company will specify the type of service and the length of time such employee will be demoted. The representative of the Teamsters Canada Rail Conference will cooperate in placing the employee in a suitable assignment in accordance with the restrictions imposed.

19 OPERATION OF ASSIGNMENTS IN CASE OF WORK STOPPAGE

- 19.1 The parties to this agreement agree that in the case of a work stoppage by employees in the railway industry which would cause a major disruption to assignments, every effort should be made to avoid such disruptions.
- 19.2 To avoid such disruptions the local supervisory officer of the Company and the Local Chairman of the Union will, as soon as possible, enter into such local arrangements in writing as may be required.
- 19.3 If no local arrangements are entered into pursuant to paragraph 19.2 the following conditions will apply:
- (a) If an assignment is cancelled the incumbent will stay on such assignment. If the assignment is covered by a guarantee under the provisions of this agreement such guarantee provisions will apply. If the assignment is not covered by a guarantee under the provisions of this Agreement the period of cancellation will not exceed 2 consecutive calendar days.
 - (b) An assignment which is abolished will not be re-established until operations return to normal. In the interval, work which would have been performed by the abolished assignment will be absorbed into pool or chain gang service or spare boards and worked first-in, first-out.
 - (c) When normal operations are resumed, an employee will return to the assignment, including temporary vacancy, which he held at the time of the abolishment.
 - (d) In the application of this article the Company will arrange to return to their home terminal, employees tied up en route or at an away-from-home terminal because of a work stoppage by employees in the railway industry. In such case the deadhead provisions of this agreement will apply.
- 19.4 The provisions of this article shall prevail notwithstanding provisions in this agreement which

may be in conflict with, or restrict the full application of this article.

20 PRINTING OF COLLECTIVE AGREEMENT

20.1 Company shall provide revised and translated collective agreements to the Union within sixty (60) days of ratification for review and approval. The Company shall provide a sufficient number of copies of each collective agreement to the appropriate local Chairmen for distribution within sixty (60) days of the Union's final approval.

21 USE OF MASCULINE GENDER

21.1 The use of the masculine gender in this agreement includes the feminine.

22 EMPLOYMENT EQUITY

22.1 As a matter of principle and in compliance with the Employment Equity Act, the Company and the Union are fully committed, consistent with the application of the legislation, to achieving equality in the workplace so that no person shall be denied employment opportunities or benefits based on any of the prohibited grounds of discrimination. Employment Equity means treating people the same way despite their differences, and respecting their differences to allow them to participate equally.

23 TRAINING RATE FOR NEWLY HIRED CONDUCTORS

23.1

(a) During the period of time an employee is assigned to the Company's Conductor Training Course, Trainees will be paid at the all-inclusive rate per 40-hour week:

Classroom	Rate of Pay	\$900.00/week
Familiarization	Rate of Pay	\$900.00/week

(b) The rates of pay and conditions shall also apply to employees who transfer from other bargaining units, except that if the employee is governed by another collective agreement which has rates of pay for training which exceed those governed by this Article, then those rates will apply. Upon request, the General Chairperson will be provided with relevant information pertaining to employees who are attending the training course that are from another bargaining group.

23.2 Away-from-home accommodation will be provided by the Company if the employee is required to remain at a location other than the employee's home terminal or normal place of residence.

23.3 Employees who are provided away-from-home accommodation will be allowed \$16.00 per day for meals when such are not provided by the Company or at Company expense.

24 INVESTIGATION - DISCIPLINE

24.1 When an investigation is to be held the employee whose presence is desired will be properly advised in writing at least 48 hours prior to the investigation as to the time, place and subject matter, which will be confined to the particular matter under investigation. Such notification will be presented at the home terminal and shall not be presented in conjunction with the commencement of a tour of duty. Investigations will only be scheduled to start between 0800 and 1700 hours, at the employee's home terminal, or otherwise if mutually agreed upon between the Local Chairman and the Company.

At the outset of the investigation the employee will be provided with all evidence the Company will be relying upon, which may result in the issuing of discipline. The Company will provide sufficient time for the employee and his representative to review all the evidence provided prior to the commencement of the investigation.

24.2 An employee will not be disciplined or dismissed without having had a fair and impartial hearing and his or her responsibility established. At an investigation, the investigating company officer, the employee and/or his representative shall have right to voice record, at their own expense, the investigation proceedings on a recording device. This provision will not be used to delay or postpone the investigation proceedings.

24.3 An employee who has been on duty in excess of 8 hours will not be required to attend hearing without having sufficient time off duty for rest.

24.4 A hearing shall be held and the employee advised in writing of the decision within twenty-eight calendar days from the date of the employee's original statement, unless as otherwise mutually agreed. If a decision is not rendered within the 28 days the employee will be considered to be exonerated

24.5 At the hearing the employee, if he or she so desires, may, have an accredited representative of the Teamsters Canada Rail Conference present who will be accorded the privilege of requesting the presiding officer to ask questions for the record which have a bearing on the responsibility of the employee. The employee to be given a clear copy of his or her statement.

24.6 An employee and his or her accredited representative shall have the right to be present during the examination of any witness whose evidence may have a bearing on the employee's responsibility to offer rebuttal through the presiding officer by the accredited representative. The Local Chairman and/or the General Chairman to be given a copy of statements of such witnesses on request.

When the Local Chairman of the union requests a copy of the discipline history of an employee who has a pending investigation, the discipline history shall be provided.

24.7 An employee will not be held off unnecessarily in connection with an investigation, lay-over time to be used as far as practicable.

24.8 Employees instructed to report for investigation will be compensated for such service in accordance with the provisions of Article 70 with a minimum of a basic day.

24.9 An employee who is instructed to report for investigation at a location other than his or her home terminal whether or not responsibility in the matter under investigation is subsequently

attached, i.e., subject to discipline, shall nevertheless be paid for actual time spent travelling hour for hour, up to a maximum cumulative total of 8 hours in each 24 hours, at a rate per hour of 1/8th of the daily guarantee for passenger service.

24.10 An appeal may be made in accordance with the grievance procedure. Should discipline after appeal be found to be unjust, resulting in cancellation of such discipline, an employee losing time shall be paid for time lost as follows, less any amount earned in other employment:

- (a) For an employee assigned to a regular position in yard service or in road switcher service at the time discipline was assessed, 5 days straight time pay, including shift differential when applicable, for each week of 7 calendar days, portions of weeks to be paid on a proportional basis.
- (b) For an employee in road service, including on the spare board but excluding assigned road switcher service, 1/52 of his or her total earnings during the 26 full pay periods immediately preceding the time discipline was assessed for each week of 7 calendar days, portions of weeks to be paid on a proportional basis.

NOTE: When computing compensation in accordance with sub-paragraph (b), any pay period during which an employee was absent for 7 consecutive days or more because of bona fide injury, sickness in respect of which he or she is in receipt of weekly indemnity benefits or authorized leave of absence, together with his or her earnings in that pay period, shall be subtracted from the 26 pay periods and total earnings. In such circumstances, compensation shall be calculated on a pro-rated basis by dividing the remaining earnings by the remaining number of pay periods.

24.11 Complaints made against employees that might result in an investigation must be in writing and the employee concerned furnished with a copy; verbal complaints will not be entertained.

24.12 Employees will not be discharged or suspended beyond 30 days for attendance issues or accumulation of demerits culminating from a minor offence until the conclusion of the arbitration process contained herein. In such circumstances, the General Chairman must, within 30 days of notice in writing by the Company of such intended discipline, notify the Company in writing that the Union intends to progress the matter to arbitration. If the General Chairman does not notify the Company that the General Chairman intends to progress the matter to arbitration within 30 days, then the discharge will be effective and implemented. In such circumstances, the Union is not prevented from progressing the grievance under the normal grievance procedure. For clarity on this article, see Letter 120.

25 LEAVE OF ABSENCE

For Elective Union Positions

25.1 Employees elected:

- (a) to Grand Lodge office;
- (b) as General Chairperson;
- (c) as Local Chairperson;

(d) as a delegate to any Union activity requiring a leave of absence;

shall be granted leave of absence for the term of the office or until the activity for which elected is completed.

(Refer to Letter 124)

For Appointive Union Positions

25.2 A leave of absence for appointed Council positions, such as Research Director or Special Representative, may, at management's discretion, be granted for the term of the office or until completing the activity, as the case may be, for which leave of absence was granted.

For Other Reasons

25.3 Leave of absence for other reasons, including personal reasons, for a period of a maximum duration of one year may be granted at Management's discretion in accordance with Company policy.

Conditions

25.4 Applications for leave of absence under the provisions of paragraphs 25.1 and 25.2 must be made, by the Union, to:

- (a) the applicant's immediate supervisor, for leave of 30 days or less; or
- (b) the Vice-President of the Region on which the applicant is employed, for leave of more than 30 days.

25.5 Applications for leave of absence under the provisions of paragraph 25.3 must be made to the applicant's immediate supervisor for leave of any duration, up to the allowable maximum of one year. Approval for such leave will be granted in accordance with Company policy.

25.6 Leave of absence shall not be granted under paragraph 25.3, for the purpose of engaging in work outside of the Company's service, except in cases involving sickness or other exceptional circumstances when such leave is approved by the proper officer of the Company and the General Chairperson.

25.7 All applications for leave of absence must be in writing and must state the reason for such leave and the period for which leave is requested, and must be made to the appropriate officer of the Company in sufficient time to permit relief arrangements being made. Authorization for leave of absence must be obtained in writing.

25.8 Extension of leave of absence may be granted when supported by application in writing to the appropriate officer of the Company. Such applications must be received in ample time to obtain authorization, or if authorization is not granted, to enable the employee to return to work at expiration of his leave. Failure to obtain extension or to report for duty on or before expiration of a leave will cause the employee to forfeit all seniority rights.

Protection of Seniority

25.9

- (a) Employees covered by paragraph 25.3 will retain and accumulate seniority rights.
- (b) Should an exercise of seniority occur through the abolishment of a permanent management position and result in the lay-off of a non-protected employee with two or more years of service, the following will be offered in seniority order for a period of 30 days to the classification and terminal affected:
 - 1. Early Retirement, or;
 - 2. Severance, or;
 - 3. Relocation

Promoted To Official Position Or Representative of Employees

25.10 Employees:

- (a) filling or promoted to official or other positions not covered by any collective agreement;
- (b) filling or promoted to positions of traffic coordinator or assistant traffic coordinator with the Company; and
- (c) elected or appointed as Union representatives;

will continue to appear on the proper seniority list and they will continue to accumulate seniority, provided seniority rights are asserted within 30 days after release from such employment as described herein.

26 TIME RETURNS

26.1 When the Company so requires, the in-charge employee will complete and submit a time return for himself or herself and the second employee, as the case may be, upon the completion of each shift, tour of duty or round trip.

26.2 When the Company so requires, each employee will complete and submit time returns;

- (a) for general holiday pay claims
 - (1) if in assigned service concurrently with the time returns submitted for the last shift, tour of duty or round trip completed prior to or on the General Holiday, as the case may be; or
 - (2) if in unassigned service or on a spare board concurrently with the time return submitted for the first shift, tour of duty or round trip completed after the General Holiday.
- (b) for annual vacation pay claims prior to going on annual vacation; if annual vacation allotment is split, prior to going on any split portion of annual vacation;
- (c) for maintenance of earnings claims to which entitled under a material change notice or equivalent, at the end of every second pay period for the 4-week period for which the guarantee is claimed;

- (d) for guarantee claims, at the end of each calendar month in which such claims are made;
- (e) for all other time claims, at the earliest possible date.

26.3 Where questions arise regarding time or mileage claimed:

- (a) any portion not in dispute will be allowed and paid; and
- (b) each employee under this Agreement whose name appears upon the time return when such is required and/or for whom compensation is claimed will be advised within 30 calendar days from the date of receipt of the time return or, if a time return is not required, within 30 calendar days from the date the claim is made, of the amount not paid and the reasons therefor;

otherwise such claims will be paid except that for guarantee claims, the time limits as provided herein will be 60 calendar days.

26.4

- (a) An employee will be considered short paid when not in receipt of wages to which entitled on the designated pay day for the pay period in which the claim for such wages was submitted.
- (b) An employee who has been short paid may request of the designated officer the issuance of a voucher to cover such shortage provided that
 - (1) the amount short paid is equivalent to more than a basic day; and
 - (2) the time return involved was submitted promptly in accordance with the provisions of this article.
- (c) Such voucher will be issued within three working days (i.e. excluding week-ends and general holidays) of the employee's request.
- (d) Vouchers will not be issued in respect of
 - (1) maintenance of earnings claims; and
 - (2) claims arising out of an alleged violation of the collective agreement involving disputed wages.

27 GRIEVANCE PROCEDURE

27.1 In the application of this Article, grievances concerning the interpretation or alleged violation of this Agreement shall be processed in accordance with paragraph 27.2 except that:

- (a) appeals against discipline will be initiated at Step 2 of the Grievance Procedure;
- (b) appeals against discharge, suspension, demerit marks in excess of 30, or demerit marks which result in discharge for accumulation of demerits, restrictions (including medical restrictions) and conditions of "mobile accommodation" (i.e. whether or not they are comfortable and sanitary), will be initiated at Step 3 of the Grievance Procedure.

27.2

(a) Step 1 - Presentation of Grievance to Immediate Supervisor

- (1) within 60 calendar days from the date of cause of grievance the employee or the Local Chairperson may present the grievance in writing to the immediate supervisor;
- (2) the grievance shall include a written statement of grievance as it concerns the interpretation or alleged violation of the agreement and identify the specific provisions involved;
- (3) the supervisor will give his decision in writing within 60 calendar days of receipt of the grievance. In case of declination the supervisor will state his reasons for the decision in relation to the statement of grievance submitted;
- (4) time claims which have been declined or altered by an immediate supervisor or his delegate, will be considered as being handled at Step 1.

NOTE: When disputed time claims are submitted at Step 1, the Agreement reference including the Article number under the provisions of which the claim is made must be quoted (i.e.: Runaround, Called and Cancelled, etc).

(Refer to Letter 125)

(b) Step 2 - Appeal to District Superintendent (Transportation)

- (1) within 60 calendar days of the date of the decision under Step 1, or in the case of an appeal against discipline imposed within 30 calendar days of the date on which the employee was notified of the discipline assessed, the Local Chairperson may appeal the decision in writing to the District Superintendent (Transportation);
- (2) the appeal shall include a written statement of grievance as it concerns the interpretation or alleged violation of the agreement, and identify the specific provisions involved. The written statement in the case of an appeal against discipline imposed shall outline the Union's contention as to why the discipline should be reduced or removed;
- (3) the decision will be rendered in writing within 60 calendar days of receipt of the appeal. In case of declination, the decision will contain the Company's reasons in relation to the written statement of grievance submitted;

(c) Step 3 - Appeal to Vice-President

- (1) within 60 calendar days of the date of decision under Step 2 the General Chairperson may appeal the decision in writing to the Regional Vice-President. The appeal shall be accompanied by the Union's contention and all relevant information concerning the grievance and shall:
- (2) if agreed between the General Chairperson and the Vice-President or their respective delegates, be examined at a joint meeting within 60 calendar days of the date of the appeal. The Vice-President shall render his decision in writing within 30 calendar days of the date on which the meeting took place; or

- (3) should the General Chairperson or the Vice-President consider that a meeting on a particular grievance is not required he will so advise the other accordingly. In the event a meeting is not agreed to the Vice-President shall render his decision in writing within 60 days of the date of the appeal.

NOTE: The Company must respond to the Union's grievance particulars at each Step of the Grievance Procedure.

Final Settlement of Disputes

27.3 A grievance which is not settled at the Vice-President's Step of the grievance procedure may be referred by either party to the Canadian Railway Office of Arbitration for final and binding settlement without stoppage of work.

(Refer to Letter 121)

27.4 A request for arbitration shall be made within 60 calendar days from the date decision is rendered in writing by the Vice-President by filing written notice thereof with the Canadian Railway Office of Arbitration and on the same date a copy of such filed notice will be transmitted to the other party to the grievance.

NOTE: In the application of this paragraph upon receipt of a request for arbitration, the Company will meet with the General Chairperson, within 30 calendar days from receipt of such request, to finalize the required Joint Statement of Issue. Failure to comply with the provisions of this paragraph will permit either party to the dispute to progress the dispute to the Canadian Railway Office of Arbitration on an "ex parte basis" pursuant to the provisions of the Memorandum of Agreement governing the Canadian Railway Office of Arbitration.

Grievances Not Timely

27.5 Any grievance not progressed by the Union within the prescribed time limits shall be considered settled on the basis of the last decision and shall not be subject to further appeal. The settlement of a grievance on this basis will not constitute a precedent or waiver of the contentions of the Union in that case or in respect of other similar claims. Where a decision is not rendered by the appropriate officer of the Company within the prescribed time limits, the grievance may, except as provided in paragraph 27.6, be progressed to the next step in the grievance procedure.

Disputed Time Claims

27.6 In the application of paragraph 27.2 to a grievance concerning an alleged violation which involves a disputed time claim, if a decision is not rendered by the appropriate officer of the Company within the time limits specified, such time claim will be paid. Payment of time claims in such circumstances will not constitute a precedent or waiver of the contentions of the Company in that case or in respect of other similar claims.

General

27.7 Where provision is made in this Article for the appeal of a grievance to a designated Company officer, the Company may substitute another Regional or District officer for the officer designated by advising the General Chairpersons concerned in writing.

27.8 The settlement of a grievance shall not under any circumstances involve retroactive pay beyond a period of 90 calendar days prior to the date that such grievance was submitted at the first applicable Step of the grievance procedure.

27.9 Time limits specified in this Article may be extended by mutual agreement.

27.10 When a recorded conversation may be relevant to the disposition of a grievance, the Local Chairperson may make a request to hear a specific recorded conversation. Such requests must be made within 60 days from the date of the conversation. Arrangements will then be made to permit the Local Chairperson to listen to the recorded conversation.

27.11 Committees consisting of the TCRC General Chairpersons (or his/her delegate), a TCRC member appointed by the General Chairperson and the Company's General Manager Operations and Director Labour Relations, or their respective designates, two from each party, will be established. This committee will be known as the Labour / Management Committee, and may (at each parties option) meet monthly, unless otherwise agreed, to review the application of the Collective Agreements.

28 BROKEN TIME

28.1 Employees prevented from completing a day's work due to illness will be paid for actual time on duty or mileage made up to the time relieved from duty.

28.2 Employees prevented from completing a tour of duty due to injury sustained on duty will be paid for actual time on duty up to the time relieved from duty but not less than a basic day.

28.3 Employees called to relieve other employees for completion of a tour of duty due to an illness or an injury on duty will be paid not less than a basic day.

29 ANNUAL VACATION

NOTE: The calendar year's earnings for purposes of calculating vacation pay reflect gross wages reported on T-4 slips as "Total Earnings Before Deductions Less Taxable Allowance and Benefits".

For purposes of reporting T-4 earnings, the calendar year has been defined as the dates encompassed by the regular 26 payroll periods beginning with payroll period 1.

Qualification Provisions

29.1 An employee who at the beginning of the calendar year is not qualified for vacation under paragraph 29.2 hereof will be allowed one calendar day's vacation for each twenty-six days worked and/or available for service, or major portion of such days during the preceding calendar year with a maximum of two weeks. Compensation for such vacation will be 4% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 29.2.

29.2 Subject to the provisions of paragraph 29.3 hereof, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 3 years and who has rendered compensated service in 30 calendar months calculated from the date of entering service, shall have vacation scheduled on the basis of one calendar day's vacation for each 17 days worked

and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of three weeks. Compensation for such vacation will be 6% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 29.4 hereof.

29.3 An employee covered by paragraph 29.2 hereof will be entitled to vacation on the basis outlined therein if on his or her fourth or subsequent service anniversary date he or she has rendered compensated service in 40 calendar months; otherwise vacation entitlement will be calculated as set out in paragraph 29.1 hereof. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee's employment relationship with the Company is terminated for any reason prior to next vacation, the adjustment will be made at time of leaving.

29.4 Subject to the provisions of paragraph 29.5 hereof, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 9 years and who has rendered compensated service in 90 calendar months, calculated from the date of entering service, shall have vacation scheduled on the basis of one calendar day's vacation for each 13 days worked and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of four weeks. Compensation for such vacation will be 8% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 29.6 hereof.

29.5 An employee covered by paragraph 29.4 hereof will be entitled to vacation on the basis outlined therein if on his or her tenth or subsequent service anniversary date he or she has rendered compensated service in 100 calendar months; otherwise vacation entitlement will be calculated as set out in paragraph 29.2 hereof. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee's employment relationship with the Company is terminated for any reason prior to next vacation, the adjustment will be made at time of leaving.

29.6 Subject to the provisions of paragraph 29.7 hereof, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 19 years and who has rendered compensated service in 190 calendar months, calculated from date of entering service, shall have vacation scheduled on the basis of one calendar day's vacation for each 10 days worked and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of five weeks. Compensation for such vacation will be 10% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 29.8 hereof.

29.7 An employee covered by paragraph 29.6 hereof will be entitled to vacation on the basis outlined therein if on his or her twentieth or subsequent service anniversary date he or she has rendered compensated service in 200 calendar months; otherwise vacation entitlement will be calculated as set out in paragraph 29.5 hereof. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee's employment relationship with the Company is terminated for any reason prior to next vacation, the adjustment will be made at time of leaving.

29.8 Subject to the provisions of paragraphs 29.9 and 29.14 hereof, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 28 years and who has rendered compensated service in 280 calendar months, calculated from date of entering service, shall have vacation scheduled on the basis of one calendar day's vacation for each

8 - 2/3 days worked and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of six weeks. Compensation for such vacation will be 12% of the gross wages of the employee during the preceding calendar year.

29.9 An employee covered by paragraph 29.8 hereof will be entitled to vacation on the basis outlined therein if on his or her twenty-ninth or subsequent service anniversary date he or she has rendered compensated service in 300 calendar months; otherwise vacation entitlement will be calculated as set out in paragraph 29.6 thereof. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee's employment relationship with the Company is terminated for any reason prior to next vacation, the adjustment will be made at time of leaving.

29.10 a) In computing service under paragraphs 29.1 to 29.9 inclusive, days worked in any position covered by similar vacation rules will be accumulated for the purpose of qualifying for vacation with pay.

b) When employees bid for Annual Vacation they shall choose between the vacation allotment reflective of their time worked/compensated in the previous calendar year or their vacation entitlement, without reduction.

29.11 Time off due to layoff, bona fide injury or illness, maternity or paternity leave, or attendance to organization business (except on full-time basis) shall be credited with such time as days worked and/or available for service during the preceding year when calculating vacation allotment under paragraphs 29.1 to 29.9 inclusive.

Annual Vacation Periods

29.12 An employee who has become entitled to a vacation with pay shall be granted such vacation within a twelve-month period immediately following the completion of the calendar year of employment in respect of which the employee became entitled to the vacation.

29.13

(a) Insofar as practicable, preference shall be given in order of seniority of the applicants where applications for vacation have been filed on or before January 15th of each year; such preference shall not be granted where applications have been filed after January 15th. Employees must take their vacation at the time allotted and those who do not apply for it prior to January 15th shall be required to take their vacation at a time prescribed by the Company.

(b) Employees will apply for their vacation at the location which is their permanent home terminal. An employee who has been awarded vacation on the basis of this paragraph and subsequently moves permanently to a new home terminal will be permitted to retain vacation dates awarded for that year.

(c) A local chairman's vacation will be scheduled outside of the normal scheduling that applies to other employees at the terminal, provided they have properly applied in accordance with terms of this article.

(Refer to Letter 126)

29.14 In the application of paragraph 29.8, the Company will have the option of

- (a) scheduling an employee for five weeks' vacation with the employee being paid for the sixth week at pro rata rates; or
- (b) splitting the vacation on the basis of five weeks and one week.

(Refer to Letter 122)

29.15 Employees desiring an advance vacation payment must make application for same not later than five weeks prior to commencing their vacation. The advance vacation shall be 4% of the employee's previous year's earnings, less an appropriate amount (approximately 30%) to cover standard deductions.

29.16 An employee who is entitled to vacation shall take same at the time scheduled. However, if the Company reschedules an employee's scheduled vacation dates other than on request of the employee; by mutual agreement with the employee; or where the vacation is rescheduled under paragraphs 29.17 and 29.18, he or she shall be given at least 3 weeks' advance notice of such rescheduling and will be entitled to the following penalty payment:

- (a) For each calendar day during the originally scheduled vacation period on which the employee performs service or is available for service, one seventh of 1% of the employee's gross wages during the preceding calendar year, payable during the period of rescheduled vacation dates.
- (b) The rescheduled vacation with pay to which the employee is entitled will be granted at a mutually agreed upon later date.
- (c) This paragraph 29.16 does not apply where rescheduling is a result of an employee exercising seniority to a position covered by another vacation schedule.

29.17 An employee who, while on annual vacation, becomes ill or is injured, shall have the right to terminate (temporarily) vacation and be placed on weekly indemnity. An employee who is again fit for duty shall immediately so inform the Company officer in charge and will continue vacation if within scheduled dates. If the remaining vacation falls outside the employee's scheduled dates, such vacation will be rescheduled as may be mutually agreed between the proper officer of the Company and the Local Chairman of the Union.

29.18 An employee who, due to sickness or injury, is unable to take or complete annual vacation in that year shall, at the option of that employee, have the right to have such vacation carried to the following year.

29.19 An employee who is laid off during the year and who has not been recalled at the beginning of the ensuing calendar year will have the right to request on two weeks' notice vacation pay due at any time during the ensuing calendar year prior to being recalled to service.

Exit from Service

29.20 Subject to the provisions of paragraphs 29.3, 29.5, 29.7 and 29.9 hereof, an employee who is retired, leaves the service of his or her own accord, is dismissed for cause, or whose services are dispensed with, shall be paid an amount appropriate to service entitlement calculated as provided for in paragraphs 29.1 to 29.9 inclusive, for any vacation due up to the time of termination of service.

29.21 An employee who at the time of termination of service has not qualified for vacation as provided for in paragraph 29.1 hereof shall be paid 4% of gross earnings for the calendar year in which service is terminated.

29.22 In the event of death of an employee, vacation pay to which he or she is entitled up to the time of death will be paid to the estate of the deceased.

29.23 An employee who leaves the service of his or her own accord, or is dismissed for cause and not reinstated in the service within two years of date of such dismissal, will if subsequently returned to the service, be required to again qualify for vacation with pay as per paragraphs 29.1 to 29.9 inclusive.

Note: Employees will be provided upon 72 hours notice by the employee to the Crew Management Centre, the ability to move vacation date(s) by 3 days either way of the date scheduled to begin.

30 MATERIAL CHANGE IN WORKING CONDITIONS

30.1 Prior to the introduction of run-throughs, changes or closures of home stations (including those brought about by the sale of a line), or the introduction of new technology initiated solely by the Company and having a significantly adverse effect on employees, the Company will:

- (a) Give at least 180 days' advance notice to the Union of any such proposed change, with a full description thereof and details as to the anticipated changes in working conditions; and
- (b) Negotiate with the Union measures to minimize any significantly adverse effects of the proposed change on employees but such measures shall not include changes in rates of pay.
- (c) While not necessarily limited thereto, in the case of run-throughs and other changes described in this paragraph 30.1, the matters considered negotiable will include the following:
 - (1) Appropriate timing
 - (2) Appropriate phasing
 - (3) Hours on duty
 - (4) Equalization of miles
 - (5) Work distribution
 - (6) Appropriate accommodation
 - (7) Bulletining
 - (8) Seniority arrangements
 - (9) Learning the road
 - (10) Use of attrition
 - (11) Deferred separation

NOTE:For the purposes of this Article 30, home station is defined as the terminal where the spare board is maintained and/or from which relief is supplied.

30.2 In all other cases of material changes in working conditions which are to be initiated solely by the Company and which would have significantly adverse effects on employees, the Company will:

- (a) Give at least 120 days' advance notice to the Union of any such proposed change, with a full description thereof and details as to the anticipated changes in working conditions; and

- (b) Negotiate with the Union measures to minimize any significantly adverse effects of the proposed change on employees but such measures shall not include changes in rates of pay or the level or applicability of the benefits set out in paragraphs 30.8 to 30.13, inclusive of this article.
- (c) While not necessarily limited thereto, in the case of such other changes covered by this paragraph 30.2, the matters considered negotiable will include the following:
 - (1) Appropriate timing
 - (2) Appropriate phasing
 - (3) Hours on duty
 - (4) Equalization of miles
 - (5) Work distribution
 - (6) Appropriate accommodation
 - (7) Bulletining
 - (8) Seniority arrangements
 - (9) Learning the road
 - (10) Deferred separation

30.3

- (a) The negotiations referred to in paragraph 30.1 or 30.2 shall commence within 20 days of the date of the notice specified in the applicable paragraph.
- (b) If the negotiations do not result in mutual agreement within 60 calendar days of their commencement, the issue or issues remaining in dispute shall, within 20 days of the cessation of negotiations, be referred for mediation to a Board of Review composed of two senior officers from each party.

Board of Review and Arbitration

30.4

- (a) The Board of Review established pursuant to paragraph 30.3 (b) shall, within 30 days, make its findings and recommendations. If the Board is unable to arrive at a decision or if its recommendations are not agreeable to either party, the issue or issues remaining in dispute may be referred by either party to a single arbitrator whose decision shall be final and binding upon both parties.
- (b) The request for arbitration shall be made in writing by either party to the other within 7 days following the Board's findings. If the parties cannot agree on the selection of an arbitrator within 7 days of the request for arbitration, the Minister of Labour shall be requested by the parties or either of them to appoint an arbitrator.
- (c) The parties will prepare a joint statement of the issue or issues remaining in dispute to be submitted to the arbitrator. The arbitrator shall hear the dispute within 30 days from date of appointment and shall render the decision together with reasons therefor in writing within 30 days of the completion of the hearing.

- (d) In the event that the parties cannot agree upon a joint statement of the issue or issues remaining in dispute either party desiring arbitration may submit a separate statement and proceed to a hearing and the other party will be so informed.
- (e) At the hearing before the arbitrator argument may be presented orally or in writing, and each party may call such witnesses as it deems necessary.
- (f) Time limits specified in paragraphs 30.3 and 30.4 may be extended by mutual agreement.
- (g) The decision of the arbitrator shall be confined to the issue or issues placed before him or her and shall also be limited to measures for minimizing the significantly adverse effects of the proposed change upon employees who are affected thereby.
- (h) The Company and the Union shall respectively bear any expenses each has incurred in the presentation of the case to the arbitrator but any general or common expenses, including the remuneration of the arbitrator, shall be divided equally.

Implementation of Change

30.5

- (a) The changes referred to in paragraph 30.1 may not be made until the procedures for negotiations and arbitration, if necessary, have been completed.
- (b) The changes referred to in paragraph 30.2 will be implemented on the date specified but, in no case, less than 120 days from receipt of notice by the Union notwithstanding that the procedures for negotiations and arbitration, if necessary, have not been completed.

When Material Change Does Not Apply

30.6 The changes proposed by the Company which can be subject to negotiation and arbitration under this Article 30 do not include changes brought about by the normal application of the collective agreement, changes resulting from a decline in business activity, fluctuations in traffic, reassignment of work at home stations or other normal changes inherent in the nature of the work in which employees are engaged.

Disputes Re Application of This Article

30.7 The applicability of this Article 30 to run-throughs and changes in home stations is acknowledged. A grievance concerning the applicability of this Article 30 to other material changes in working conditions shall be progressed immediately to Step 3 of the grievance procedure, within 60 days from the date of the cause of the grievance.

Relocation Expenses

30.8 The benefits set forth in this paragraph 30.8 shall be allowed, where applicable, to an eligible employee. They shall apply to an eligible employee only once for each change.

- (a) The eligibility of specific employees for relocation benefits specified below will be negotiated provided that in each case the following basic qualifications are fulfilled.
- (b) An employee:

- (1) must have 24 months cumulative compensated service (to establish one month of cumulative compensated service, an employee must, for the purposes of this article, in that month have worked and/or been available for service on:

30 days if in road service;
21 days if in yard service; and
25 days if in both road and yard service (or major portion thereof);

- (2) must occupy unfurnished living accommodation to be eligible for benefits under sub-paragraphs (d), (h), (i) and (j) of this paragraph 30.8;
 - (3) must establish that it is impractical for him or her to commute daily to the new location.
- (c) Payment of door-to-door moving expenses for the eligible employee's household goods and automobile, including packing and unpacking, insurance, and up to one month's storage; the mode of transportation to be determined by the Company.
 - (d) An allowance of up to \$750 for incidental expenses actually incurred as a result of relocation.
 - (e) Reasonable transportation expenses from his or her former location to the new location, by rail, or if authorized, by bus or employee-owned automobile, and up to \$190.00 for an employee without dependants, and an additional amount of \$80.00 will be paid for each dependent for meals and temporary living accommodation. Receipts will be required for rail or bus transportation. In the application of this sub-paragraph, a spouse will be considered as a dependent.
 - (f) Upon authorization, an employee may drive his or her automobile to the new location at an allowance of 30 cents per kilometer.
 - (g) In order to seek accommodation in the new location and/or to move to the new location, an employee will be allowed a continuous period of leave up to two weeks. Payment for such leave will be a basic day's pay for each such day, up to a maximum of 10 days, at the rate applicable to the service last performed.
 - (h)
 - (1) Reimbursement for loss sustained on the sale of a relocating employee's private home which he or she occupied as a year-round residence, provided that the Company is given the right in priority to everyone else to purchase the home. Loss sustained is determined as the difference between the value determined in accordance with paragraph 30.9 plus any real estate agent and legal fees, and the amount established as the selling price in the deed of sale.
 - (2) The procedure to be followed in respect of determining the loss, if any, on the sale of a home shall be as described in paragraph 30.9.
 - (3) An eligible employee who desires to sell his or her house and receive any benefit to which he or she may be entitled under this sub-paragraph (h) must advise the Company officer concerned accordingly within 12 months of the date the initial change takes place. No employee shall be entitled to any claim under this sub-paragraph (h) if the house is not listed for sale within 60 days of the date of the final determination of value and thereafter the house continues to be listed for sale. Any claim for reimbursement under

this sub-paragraph (h) must be made within 12 months of the final determination of value.

- (i) Payment of the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the cost of moving the mobile home shall require the prior approval of the Company and shall not, in any event, exceed a total cost of \$6,000.00. Receipts shall be required.
- (j) If an employee who is eligible for moving expenses does not wish to move his or her household to the new location, such employee may opt for a monthly allowance of \$190.00 which will be payable, so long as he or she remains at the new location, for a maximum of 12 months from date of transfer to the new location. An employee claiming under this sub-paragraph (j) may elect within such 12-month period to move his or her household effects, in which case the amount paid out under this sub-paragraph (j) shall not be deducted from the relocation expenses allowable.
- (k) Alternatively to sub-paragraph (h) of this paragraph 30.8, the cost of terminating an unexpired lease and legal cost connected therewith up to a value of three months' rent, where the relocating employee was renting a dwelling which he or she occupied as a year-round residence, except that where such lease was entered into following the notice of the change without prior approval of the Company no benefit will be provided. Such prior approval will not be unreasonably withheld. Should the law require payment of more than three months' rent in order to terminate a lease, such additional amount will be paid providing the employee first secures the Company's approval to pay in excess of three months' rent.

Appraisal Procedure - Sale of House

30.9 When an affected employee desires to sell his or her home under the provisions of sub-paragraph 30.8 (h), the following procedure will apply:

- (a) In advising the Company officer concerned of his or her desire to sell the house, the employee shall include pertinent particulars as outlined in sample form attached, including his or her opinion as to the fair market value of the house.
- (b) This fair market price of the house shall be the price determined as of a date sufficiently prior to the date of the change in order that the fair value will be unaffected thereby.
- (c) Within 15 calendar days from date of receipt of employee's advice of his or her desire to make a claim, the Company officer shall advise the employee concerned whether the suggested fair market value is satisfactory and, if so, such price shall be the fair market value as contemplated by sub-paragraph 30.8(h).
- (d) If, however, the officer concerned is not satisfied that the price requested by the employee is the fair market value, then an effort shall be made to resolve the matter through joint conference of the officer and employee concerned and the appropriate Union representative if so desired by the employee; such joint conference to be held within 7 days from date of advice to employee concerned as referred to in sub-paragraph 30.9(c).
- (e) If such joint conference does not resolve the matter within 5 days from the date of the final joint conference arrangements shall be made for an impartial appraisal to be undertaken as soon as possible by an independent real estate appraiser. The fair market price established by

such appraiser shall become the fair market value for the purpose of this article and such price shall be binding on both parties.

- (f) The employee and Company officer concerned shall endeavour to mutually agree upon the independent appraiser referred to in sub-paragraph 30.9(e). If they are unable to agree, then the Minister of Labour shall be requested to appoint such an independent appraiser.
- (g) The residence shall not have been listed for sale with any appraiser appointed pursuant to the provisions of this paragraph 30.9, nor with such appraiser's employee, fellow employee or partner.
- (h) The fees and expenses of any appraiser appointed in accordance with sub-paragraphs 30.9(e) or 30.9 shall be paid by the Company.

(i) PARTICULARS OF HOUSE TO BE SOLD

Name of Owner

Address
(No.) Street City-Town

Type of House (i.e., Cottage, Bungalow,
(Split Level)

Year Built

No. of Rooms Bathrooms

Type of Construction (i.e., Brick, Veneer, Stucco

Finished Basement Yes No

Type of Heating (i.e., Oil, Coal, Gas, Electricity)

Garage YesNo

Size of Lot

Fair Market Value \$

Other Comments

Date Signature

Cases of Staff Reduction

30.10

- (a) Case(s) of staff reductions which lend themselves to offers of optional early retirement separation allowances to employees eligible, to retire under Company pension rules so as to prevent the otherwise unavoidable relocation and permanent separation of employees with two or more years' service. The separation allowance will provide for a monthly separation allowance until the age of 65 which, when added to the company pension, will give him an amount equal to a percentage of his earnings over his best five-year period, as defined under the pension rules, in accordance with the following formula:

Years of Service	Percentage
------------------	------------

at Time Employee Elects Retirement	Amount as Defined Above
35 & over	80
34	78
33	76
32	74
31	72
30	70
29	68
28	66
27	64
26	62
25 or less	60

- (b) In the application of paragraph 30.10 (a), an eligible employee, who is not a member of the 1959 Pension Plan will receive the lump sum payment calculated on the assumption that such employee did belong to the 1959 Pension Plan throughout the employee's career. Such employee will receive the payment due him in accordance with paragraph 30.10 (a) minus any pension payments which would have been due to him had he been a member of the 1959 Pension Plan.
- (c) A separation allowance shall cease upon the death of the employee who dies before reaching the age of 65.
- (d) An employee entitled to the separation allowance as hereinabove set out may elect to receive in its stead a lump sum payment equal to the present value of his monthly separation payments calculated on the basis of a discount rate of ten (10) per cent per annum.
- (e) An employee who receives the monthly separation allowance under Article 30.10 (a) above shall be entitled to have his group life insurance coverage continued for the duration of his allowance and paid for by the company concerned.
- (f) An employee whose monthly separation allowance ceases at age 65 in accordance with Article 30.10 (a) above, shall be entitled to a life insurance policy, fully paid up by the Company, in an amount equal to that in effect in existing collective agreements.
- (g) An employee aged 55 or over who receives an early retirement opportunity in accordance with this Article, shall be entitled to have their Extended Health Care and Dental Plan Benefits fully paid up by the Company until age 65.

Severance Payments

30.11

- (a) An employee adversely affected pursuant to this article may, upon submission of a formal resignation from the Company's service, claim a severance payment as set forth below but such severance payment will not in any event exceed the value of one and one-half years' salary at the basic weekly rate of the position held at the time the employee elects to receive such severance payment under the provisions of sub-paragraphs (a) to (c) inclusive.

- (b) An employee, eligible for a severance payment under the provisions of sub-paragraph (a) to (c) inclusive, will be entitled to the following severance payments for each year of cumulative compensated service or major portion thereof calculated from the last date of entry into the Company's service as a new employee;
 - (1) one week of basic weekly pay for each year of cumulative compensated service for employees with less than 8 years' cumulative compensated service; or
 - (2) two weeks' basic weekly pay for each year of cumulative compensated service for employees with 8 or more years' cumulative compensated service.
- (c) Employees eligible for a severance payment who resign and who at a later date will become eligible for early retirement pension under the Company Pension Plan(s) Rules shall be entitled to receive the lesser of:
 - (1) their severance payment entitlement under this article; or
 - (2) a lump sum amount equal to the basic pay they would have earned had they worked until eligible for an early retirement pension. The basic pay is to be calculated at the employees' basic weekly pay in effect at the time of resignation.
- (d) In cases of permanent staff reductions, an employee who has two years or more of continuous employment relationship at the beginning of the calendar year in which the permanent reduction occurs may, upon submission of formal resignation from the Company's service, claim a severance payment as set forth above but such severance payment will not in any event exceed the value of one and one-half years' salary at the basic weekly pay of the position held at the time of the abolishment or displacement (calendar year may be deemed to run from January 1 to December 31).
- (e) An employee will have fourteen calendar days from the date of layoff to decide to claim a severance payment under this article.
- (f) Notwithstanding any other provision, if upon the effective date of resignation from the Company's service, an employee is eligible for an early retirement pension, he or she will not be eligible for a severance payment under this article.
- (g) An employee who elects to resign from the Company service and opt for severance payments under the provisions of this article, will not be entitled to any other benefits provided elsewhere in this article.

Optional Lump Sum Severance Payments

30.12

- (a) In cases where the Company is facing a continuing liability for surplus running trades employees, the Company shall offer an optional lump sum severance payment, at the Company's option, to such employees using the following formula:
 - (1) 20 years or more cumulative compensated service: \$ 60,000;
 - (2) 12 to 19 years, inclusive, cumulative compensated service: \$ 55,000;
 - (3) 8 to 11 years, inclusive, cumulative compensated service: \$ 50,000.

- (b) An additional lump sum severance payment of \$ 15,000 will be made to employees who voluntarily elect to terminate their employment within 90 days of the offer being announced.
- (c) Employees with 20 years or more cumulative compensated service who are within 5 years of eligibility for early retirement at the time they accept this severance, will have their life insurance and extended health care benefits continued until they reach age 65.
- (d) Employees with 8 years to 19 years, inclusive, cumulative compensated service will have their life insurance and extended health care benefits continued for a period of six months from the date of their severance.
- (e) Employees may elect, at their option, to receive the severance payment in two instalments over a 13 month period.

Maintenance of Earnings

30.13

- (a) In the application of this article, the term "basic weekly pay" is defined as follows:
 1. For an employee assigned to a regular position in yard service or hostling service at the time of displacement or lay-off, 5 days' or 40 hours' straight time pay, including the shift differential when applicable, shall constitute his or her "basic weekly pay".
 2. For an employee in road service, including employees on spareboards, the "basic weekly pay" shall be one-fifty second (1/52) of the total earnings of such employee during the twenty-six full pay periods preceding his or her displacement or lay-off.

NOTE 1: When computing "basic weekly pay" pursuant to sub-paragraph (2) above, any pay period during which an employee is absent for seven consecutive days or more because of bona fide injury, sickness in respect of which an employee is in receipt of weekly indemnity benefits, authorized leave of absence or laid off together with the earnings of an employee in that pay period, shall be subtracted from the twenty-six (26) pay periods and total earnings. In such circumstances "basic weekly pay" shall be calculated on a pro-rated basis by dividing the remaining earnings by the remaining number of pay periods.

NOTE 2: Notwithstanding the provisions of sub-paragraph 30.13(a), the amount of basic weekly pay for an employee in road service will in no case exceed \$1,600.

- (b) The basic weekly pay of employees whose positions are abolished or who are displaced shall be maintained by payment to such employees of the difference between their actual earnings in a four-week period and four times their basic weekly pay. Such difference shall be known as an employee's incumbency. In the event an employee's actual earnings in a four-week period exceeds four times his or her basic weekly pay, no incumbency shall be payable. An incumbency for the purpose of maintaining employees' earnings, shall be payable provided:
 - (1) in the exercise of seniority, they first accept the position with the highest earnings at their home terminal to which their seniority and qualifications entitle them. Employees who fail to accept the position with the highest earnings for which they are senior and qualified, will be considered as occupying such position and their incumbency shall be reduced correspondingly. In the event of dispute as to the position with the highest earnings to which they must exercise seniority, the Company will so identify;

- (2) they are available for service during the entire four-week period. If not available for service during the entire four-week period, their incumbency for that period will be reduced by the amount of the earnings they would otherwise have earned; and
- (3) all compensation paid an employee by the Company during each four-week period will be taken into account in computing the amount of an employee's incumbency.

NOTE: Employees will be allowed to book up to and including 12 hours rest (exclusive of calling time) without affecting their incumbency.

- (c) Employees entitled to maintenance of earnings, who voluntarily exercise their seniority beyond their home terminal on their seniority territory rather than occupy a position at their home terminal, shall be entitled to maintenance of earnings. Such employees will be treated in the following manner: If the position they occupy at their new station has lower earnings than a position they could have occupied at either their original station or their new station, they shall be considered as occupying the position with the highest earnings, in either case, and their incumbency will be reduced correspondingly.
- (d) In the calculation of an employee's incumbency, the basic weekly pay, exclusive of any shift differential included in respect of employees assigned to a regular position in yard service, shall be increased by the amounts of any general wage adjustments applicable during the three-year period immediately following his or her job abolishment or displacement and the amount of any shift differential previously paid and deducted will again be added. Following this three-year period, the basic weekly pay last established will continue to apply.
- (e) The payment of an incumbency, calculated as above, will continue to be made:
 - (1) as long as the employee's earnings in a four-week period is less than four times his or her basic weekly pay;
 - (2) until the employee fails to exercise seniority to a position, including a known temporary vacancy of ninety days or more, with higher earnings than the earnings of the position which he or she is holding and for which he or she is senior and qualified at the station where he or she is employed; or

NOTE 1: In the application of sub-paragraph (e)(2), an employee who fails to exercise seniority to a position with higher earnings, for which he or she is senior and qualified, will be considered as occupying such position and his or her incumbency shall be reduced correspondingly. In the case of a known temporary vacancy of ninety days or more, his or her incumbency will be reduced only for the duration of that temporary vacancy.

NOTE 2: The words "position with higher earnings" do not include a position on which the earnings are higher than the earnings of the position from which displaced.

- (3) until the employee's services are terminated by discharge, resignation, death or retirement.

Canada Labour Code

- (a) This Article is intended to assist employees affected by any technological change to adjust to the effects of the technological change and Sections 52, 54 and 55, Part I of the Canada Labour Code do not apply.
- (b) The provisions of this Article are intended as well, to minimize the impact of termination of employment on the employees represented by the Union and Sections 214 to 226 of Part III of the Canada Labour Code do not apply.

31 BENEFIT, DENTAL AND EXTENDED CARE PLANS, AND LIFE INSURANCE

Benefit Plan for Train and Engine Service Employees

31.1 Benefits shall be available in accordance with the terms of the Agreement dated August 18, 1986, as amended. The Agreement of August 18, 1986 is not reproduced here.

Dental Plan

31.2 Benefits shall be available in accordance with the terms of the Agreement dated August 18, 1986, as amended. The Agreement of August 18, 1986 is not reproduced here.

Extended Health Care Plan

31.3 Benefits shall be available in accordance with the Extended Health Care Plan dated August 18, 1986, as amended. The Agreement of August 18, 1986 is not reproduced here.

Life Insurance - In Service

31.4 Employees in service will be entitled to life insurance as provided in the Benefit Plan for Train and Engine Service Employees. The amount of life insurance as shown therein will be \$54,000 effective January 1, 2016 which amount is subject to the conditions contained therein and which amount may be changed, from time to time, as a result of negotiations.

31.5 In addition to the aforementioned, employees may purchase additional life insurance through the company's unionized group plan to a maximum of \$150,000, subject to providing evidence of insurability as determined by the carrier.

Life Insurance - Accidental

31.6

- (a) Should an eligible unionized employee decease as a result of accidental means while working on the job, a lump sum amount of \$100,000 will be given to the surviving spouse (or the estate of the employee if there is no spouse) to relieve some of the financial burdens that accompany such a tragedy. This program is also designed to provide some compensation to a worker who might be seriously injured on the job. This coverage would be provided in addition to the currently negotiated Accidental Death and Life Insurance benefits but would be subject to the exclusions (suicide, aircraft as crew member or pilot, war, armed forces, etc.) normally attached to such coverage.
- (b) An eligible unionized employee is defined as any full time employee of CN who has been assigned a personal identification number (PIN).

Life Insurance Upon Retirement

31.7

- a) An employee who retires from the service of the Company subsequent to January 1, 2003, will, provided he or she is 55 years of age or over and has not less than 10 years' cumulative compensated service, be entitled, upon retirement, to a \$7,000.00 life insurance policy, fully paid up by the Company.
- b) Effective the first of the month following ratification, continuation of basic life insurance coverage will be possible for employees becoming disabled (off-duty) following their 60th birthday. In the past this provision was restricted to employees whose disability occurred prior to their 60th birthday.

32 BEREAVEMENT LEAVE

32.1 An employee who has not less than 3 months of cumulative compensated service shall:

- (a) due to the death of the employee's grandparent, grandchild, step-parent, mother-in-law, father-in-law, brother, sister, step-brother or step-sister, be entitled to three consecutive calendar days' bereavement leave. An employee will be compensated for actual time lost, exclusive of overtime, within such three calendar days.
- (b) due to the death of the employee's spouse, child, step-child, still-born child or parent be entitled to five consecutive calendar days' bereavement leave. An employee will be compensated for actual time lost, exclusive of overtime, within such five calendar days.

32.2 Employees who are on vacation and qualify for bereavement leave will have their vacation suspended for the required number of days and will commence vacation again once the bereavement period has expired. The employee will be compensated in accordance with their vacation rate.

NOTE: In the application of this Article, "employee's spouse" means the person who is legally married to the employee and who is residing with or supported by the employee, provided that, if there is no legally married spouse, it means the person that qualifies as spouse under the definition of that word in Section 2 (1) of the **Canadian Human Rights Benefits Regulations**, as long as such person is residing with the employee.

(Refer to Letter 123)

33 JURY DUTY

33.1 An employee summoned for jury duty and who is required to lose time from his assignment as a result thereof shall be paid for actual time lost less the amount allowed him for jury duty for each such day, excluding allowances paid by the court for meals, lodging or transportation subject to the following requirements and limitations:

- (a) an employee must furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed;

- (b) the number of working days for which jury duty pay shall be paid is limited to a maximum of 90 days in any calendar year;
- (c) nor jury duty pay will be allowed for any day for which the employee is entitled to vacation or general holiday pay. An employee who has been allotted his vacation dates will not be required to change his vacation because he is called for jury duty.
- (d) Notwithstanding the provisions contained in the last sentence of sub-paragraph 33.1(c), an employee's annual vacation will, if he or she so requests, be rescheduled if it falls during a period of jury duty.

34 SERVICE LETTERS

34.1 An employee who is dismissed or resigns shall be given a certificate of service upon request and shall be paid within 30 days.

34.2 An employee who resigns from service will be allowed 72 hours, from the time such resignation is submitted, in which to rescind his or her decision. At or subsequent to the expiry of this 72-hour period, the employee's decision will be considered final and irrevocable and will not be subject to appeal.

35 DEFINITION OF CUMULATIVE COMPENSATED SERVICE

35.1 For the purpose of applying the starting rate provisions of Article 4, one month of cumulative compensated service shall consist of:

- (a) For yard service employees - a 30-day period during which the employee works 21 shifts or the major portion thereof;
- (b) For road service employees - a 30-day period during which the employee is available for work the major portion thereof.

35.2 In calculating a month of cumulative compensated service for road service employees, an employee shall be considered available for work on any calendar day during which he or she is entitled to compensation under this or any other Agreement, or on any calendar day or major portion thereof during which he or she holds himself or herself available for work.

NOTE: In the application of paragraph 35.2, rest booked pursuant to the provisions of this Agreement shall not be construed as unavailability for work.

35.3

- (a) In calculating cumulative compensated service, an employee will be given credit for each month of cumulative compensated service attained under other collective agreements.
- (b) For the purpose of applying the starting rate provisions of Article 4, an employee who establishes seniority as a locomotive engineer after having attained full job rate under another collective agreement following 21 months of cumulative compensated service will be considered to have attained 21 months of cumulative compensated service and will be paid the applicable rate accordingly.

This collective agreement is subject to ratification and will take effect upon such ratification unless otherwise specifically provided.

Signed October 2, 2015.

For Canadian National Railway

For Teamsters Canada Rail Conference

Vice-President – Human Resources

General Chairman

General Chairman

General Chairman

Letter 101

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Locomotive Engineer Training

In order to ensure the viability of operations in the New Brunswick Eastern Territory and the Quebec Eastern Territory, the parties agree that:

- All employees assigned to the above noted Territories should be qualified as Locomotive Engineers.
- The technical and practical components will be consistent with the locomotive engineer training and qualification program at C N.
- Practical training will encompass all portions of each candidate's respective Territory.

Qualifications

Final qualification as locomotive engineer will be performed by a qualified Company Officer.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Letter 102

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Calling Procedures for Spare Work

Locomotive Engineers

- 1.1 Locomotive engineers will be paid one and one-half times their regular rate for all spare work performed outside their assignment.
- 1.2 Locomotive engineers who accept an overtime shift or tour of duty outside their regular assignment and as a result miss a scheduled shift or tour of duty will have their eighty hour bi-weekly guarantee reduced by the scheduled number of hours lost from their regular assignment.
- 1.3 Locomotive engineer vacancies open on a tour of duty basis will be filled in accordance with the following:
 - (a) Locomotive engineers assigned as such will indicate their desire to be called for extra locomotive engineer work on their change of time form.
 - (b) A list of locomotive engineers desiring to be called for extra locomotive engineer work will be developed at each terminal by way of the change of time applications.
 - (c) Locomotive engineers assigned as such who have indicated their desire to be called for extra locomotive engineer work will have preference over other qualified operating employees in the filling of locomotive engineer vacancies on a tour of duty basis.
- 1.4 Locomotive engineers will be called from the extra locomotive engineer work list on a rotational basis beginning with the senior locomotive engineer at each change of time.
- 1.5 A locomotive engineer who declines or does not respond when called in his turn for extra work will have their name removed from the extra work list for the balance of the two-week guarantee/pay period and must advise the Company to return his or her name to the extra work list to be once again considered for extra work. Employees will not be dropped for missed calls between the end of their vacation period and their first scheduled tour of duty.
- 1.6 A locomotive engineer unable to protect a call for extra locomotive engineer work due to being on duty, on rest or that by accepting such call would miss their normal assignment will retain their rotation on the extra work list.

- 1.7 Locomotive engineers will, if possible, be called at least 24 hours in advance of the time required to report for duty and will be given a reasonable opportunity to respond. It is recognized that some vacancies may occur with little or no advance notice.
- 1.8 A locomotive engineer who, due to operational requirements, is not afforded time to respond pursuant to paragraph 1.7 will have his name dropped to the bottom of the extra work list but will not be taken off the list pursuant to paragraph 1.5 provided the employee responded within one (1) hour from the time called.
- 1.9 Locomotive engineers on the extra work list who protect work at a terminal other than their Home Location will be compensated for travel in accordance with the provisions of the collective agreement.
- 1.10 Locomotive engineers who are first out on the locomotive engineer extra work list and available will be compensated for actual time lost if not properly called. A locomotive engineer provided an extended call pursuant to paragraph 1.7 will follow such call even if a vacancy with an earlier on duty time subsequently becomes available and will, in such circumstance, be considered as having been properly called.
- 1.11 The calling order to fill a locomotive engineer vacancy open on a tour of duty basis is as follows:
 - (a) The locomotive engineer next up in rotation from the locomotive engineer's extra work list for that terminal.
 - (b) The locomotive engineer next up in the rotation of the locomotive engineer's extra work list at the nearest adjacent terminal.
 - (c) The locomotive engineer next up in the rotation of the locomotive engineer's extra work list at the remaining terminal.
 - (d) An operating employee who is qualified as locomotive engineer.

Conductors

- 2.1 Conductors will be paid one and one-half times their regular rate for all spare work performed outside their assignment.
- 2.2 Conductors who accept an overtime shift or tour of duty outside their regular assignment and as a result miss a scheduled shift or tour of duty will have their eighty hour bi-weekly guarantee reduced by the scheduled number of hours lost from their regular assignment.

- 2.3 Conductor vacancies open on a tour of duty basis will be filled in accordance with the following:
- (a) Conductors assigned as such will indicate their desire to be called for extra shifts on their change of time form.
 - (b) A list of conductors desiring to be called for extra work will be developed at each terminal by way of the change of time applications.
 - (c) Conductors assigned as such who have indicated their desire to be called for extra shifts will have preference over other employees in the filling of conductor vacancies on a tour of duty basis at their terminal.
- 2.4 Conductors will be called from the extra work list on a rotational basis beginning with the senior conductors at each change of time.
- 2.5 A conductor who declines or does not respond when called in his turn for extra work will have their name removed from the extra work list for the balance of the two-week guarantee/pay period and must advise the Company to return his or her name to the extra work list to be once again considered for extra work. Employees will not be dropped for missed calls between the end of their vacation period and their first schedule tour of duty.
- 2.6 A conductor unable to protect a call for extra work due to being on duty, on rest or that by accepting such call would miss their normal assignment will retain their rotation on the extra work list.
- 2.7 A conductor will, if possible, be called at least 24 hours in advance of the time required to report for duty and will be given a reasonable opportunity to respond. It is recognized that some vacancies may occur with little or no advance notice.
- 2.8 A conductor who, due to operational requirements, is not afforded time to respond pursuant to paragraph 1.7 will have his name dropped to the bottom of the extra work list but will not be taken off the list pursuant to paragraph 2.5 provided the employee responded within one (1) hour from the time called.
- 2.8 Conductors on the extra work list who protect work at a terminal other than their Home Location will be compensated for travel in accordance with the provisions of the collective agreement.
- 2.9 Conductors who are first out on the extra work list and available will be compensated for actual time lost if not properly called. A conductor provided an extended call pursuant to paragraph 2.7 will follow such call even if a vacancy with an earlier on duty time subsequently becomes available and will, in such circumstance, be considered as having been properly called.

2.10 The calling order to fill a conductor vacancy open on a tour of duty basis is as follows:

- a) The conductor next up in rotation from the extra work list for that terminal.
- b) The conductor next up in the rotation of the extra work list at the nearest adjacent terminal.
- c) The conductors next up in the rotation of the extra work list at the remaining terminal.

NOTE: The “rotation” referred to herein will be established using the off duty time of the last extra shift worked.*

*Note: Revised by Memorandum of Agreement dated April 29, 2013.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Senior Vice General Chairman, TCRC

Letter 103

October 2, 2015

Jean-Michel Hallé
General Chairman -TCRC
2089 boul de la Rive-Sud, Suite 203
St-Romuald, QC G6W 2S5

Daniel Joannette
General Chairman – TCRC-CTY
1026, rue Saint-Jean, bureau 200
Québec, QC G1R 1R7

Jim Robbins
General Chairman - TCRC-CTY
842 Upper Canada Rd
Sarnia, ON N7W 1A4

This is in reference to our discussions regarding Benefits, the C N Pension Plan, and other employee benefits for employees on the New Brunswick Eastern and Quebec Eastern Territories.

Benefits

All employee benefits at C N and other current or future benefits at C N, as well as those negotiated during subsequent national negotiations between the Union and C N or provided through Company Policy, will apply to employees on the New Brunswick Eastern and the Quebec Eastern Territories as they apply to employees covered by Collective Agreement 1.1.

Pension Plan

The C N Pension Plan is not included in collective agreements concluded with Canadian National Railway. However, the provisions, rules and benefits pertaining to the C N Pension Plan will apply to employees on the New Brunswick Eastern Territory and the Quebec Eastern Territory as they apply to employees covered by Collective Agreement 1.1.

Employees on the New Brunswick Eastern Territory and the Quebec Eastern Territory will become members of the C N Pension Plan effective upon ratification of this collective agreement.

Employees on New Brunswick Eastern Territory and the Quebec Eastern Territory will also be afforded the opportunity to buy back any or all prior service with C N in accordance with the C N Pension Plan rules. Upon ratification of this agreement the Company will provide such eligible employees with the information necessary to make an informed decision relative to their pension buy back.

Pension rules do not permit a buy back of either NBEC or CFMG service however such service will be taken into account for vesting purposes in the C N Pension Plan.

If you concur with the above, please sign in the appropriate space.

Vice-President, Human Resources

General Chairman, TCRC-CTY

General Chairman, TCRC

General Chairman, TCRC-CTY

Letter 104

July 19, 2010
R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Prior Rights on NBET and QET

All running trade employees on the former New Brunswick East Coast Railway and the Chemin de fer de la Matapedia et du Golfe with a seniority date on or prior to October 31, 2008, will retain preference for any assignments within their former territory.

In addition the prior rights conferred on the former CFMG by way of letter dated February 24, 2004, and appended hereto, remains in effect.

Yours sincerely,

Vice-President, Human Resources

I concur.

General Chairman, TCRC

Mont-Joli,
February 24, 2004.

Ms. Lucie Rioux
General Manager
Matapedia and Gulf Railway Inc.
206 Hébert St.
Mont-Joli, Quebec

Re: Recruiting of personnel to operate the Rivière-du-Loup - Matane line

Madam:

Following the purchase of the railway line between Matane and Rivière-du-Loup by the Matapedia and Gulf Railway and the effective date of the takeover of operations planned for February 14, 1999, the employee seniority lists will be updated as described in this agreement.

The employees hired and available to work on the first day on which the Rivière-du-Loup - Matane line is operated will be added to the seniority list as it is updated on that date.

New employees will be added in the following order:

UTU

- (a) On February 14, 1999, the CN employees for the 9th and 10th seniority districts (including, as the case may be, those who returned from VIA following the abolition of the position of conductor) will be indicated on the Matapedia and Gulf Railway seniority list, according to the rank determined under the 18th seniority district, and with priority for assignments in the Matane – Rivière-du-Loup territory given to the CN and VIA employees.
- (b) The other employees recruited as conductors will take their place after the employees described above, as provided in Article 6 of the document entitled "Memorandum of agreement" dated January 12, 1998.

(signed)

UTU General Chairman

Raymond LeBel

Letter 105

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

746 Concept for Filling Vacancies on NBET and QET

All vacancies, both permanent and temporary, will be filled using the 746 concept as outlined herein.

1. There will be four (4) Changes of Time per year during the last week of January, April, July and October.
2. At each Change of Time employees will have the opportunity to add and/or delete assignment preferences. In addition, employees will be permitted to delete one or more assignment preferences at any time but once deleted that specific preference cannot be reinstated until the next quarterly Change of Time.
3. Board Change will be effective each Monday at 0001 hours and all employees will be automatically assigned for the next seven (7) day period.
4. Employees wishing to delete a choice or choices must notify the Crew Management Centre by 2359 on Wednesday for the deletion to be effective on the following Monday Board Change.
5. Displacements between board changes are not permitted.
6. All vacations will start on Mondays. Employees who have residual vacation of less than seven (7) will be assigned for that week and will pick up their assignment when their vacation expires.
7. Only vacancies known to exist for the entire seven (7) day period will be filled. Employees who book sick or are otherwise unavailable will be assigned a position at the board change unless it is known their absence will extend through that entire board change.
8. Results of each Monday Board Change will be available in CATS the previous Thursday (Evaluation Day). Employees being laid off or recalled will be advised of such on the applicable Evaluation Day.
9. In the event the Company makes changes to assignments, abolishes assignments or adds new assignments such changes will be effective on a Monday. The Crew Management Centre will contact each employee prior to the Thursday result and employees will be given the opportunity to change their ranking of the affected assignment. Similarly, when a new assignment is added, the Crew Management Centre will contact all employees prior to the Thursday result and allow them to insert the new assignment according to the employee's preference.

10. A different Board Change Day/Time may be adopted on either NBET or QET if mutually agreed between the respective Local Chairmen and the proper officer of the Company. If the Board Change Day/Time is changed the days/time referred to in paragraphs 3, 4, 6, 8 and 9 will change correspondingly.
11. Under the 746 concept of filling vacancies there is no distinction made between permanent and temporary vacancies. For the purposes of Material Changes all employees assigned during a specific 746 week will be deemed to be holding a permanent position, as will all employees their senior who may be absent for any authorized reason including illness.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Senior Vice General Chairman, TCRC

Letter 106

Left blank intentionally

Letter 107

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Establishment of C N Seniority for Present NBEC and CFMG Employees

1. NBEC and CFMG running trade employees holding seniority as of October 31, 2008, will be added to the bottom of the C N Conductor 20th Seniority District list with a conductor seniority date of November 1, 2008. Such running trade employees will be added in the following sequence:
 - (a) NBEC employees with previous C N trainman seniority who severed in connection with the ICR Material Change and joined NBEC upon start-up and CFMG employees with previous C N trainman seniority who severed in connection with either the ICR Material Change or the Riviere-du-Loup Terminal Closure and who joined CFMG immediately following such event will be added to the bottom of the C N Conductor 20th Seniority District list in relation to their ranking, amongst each other, relative to their previous C N trainman seniority date.
 - (b) Employees at both NBEC and CFMG other than those described in Paragraph 1(a) will be added to the bottom of the C N Conductor 20th Seniority District list in relation to their ranking, amongst each other, using their NBEC or CFMG running trade seniority date, as the case may be.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Letter 108

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Optional Contract Offer - NBET

Subsequent to the Company's reacquisition of New Brunswick East Coast railway lines C N and the TCRC entered into discussions to fashion an alternative single collective agreement to replace the collective agreements currently in force and applicable to former NBEC locomotive engineers and conductors.

As a result of these discussions the Company and the TCRC agree:

1. The new collective agreement will be proposed to those locomotive engineers and conductors presently governed by the applicable two NBEC collective agreements.
2. The new collective agreement will be subject to ratification by the NBEC locomotive engineers and conductors as a group.
3. In the event the new collective agreement fails to ratify no job action will result and the existing NBEC collective agreements will automatically remain in force for the duration of their terms.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Senior Vice General Chairman, TCRC

Letter 109

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Vacation Allotment and Scheduling

During discussion related to the recently acquired properties formerly known as New Brunswick East Coast Rail and Chemins de fer de la Matapedia et du Golf, now the NBET and the QET, the TCRC raised the issue of vacation for the affected employees. As a result of those discussions it is agreed:

1. Locomotive engineers and conductors on both the NBET and the QET will have separate vacation schedules by craft.
2. For the purposes of vacation allotment the quantum of vacation entitlement will be calculated using the employee's service date with NBEC or CFMG, as the case may be. This provision will also apply in the event an employee transfers out of NBET or QET to work under Collective Agreement 1.1, 4.16 or 4.2.
3. In the application of paragraph 2 the letters dated February 24, 2004, and March 17, 2010, with respect to certain CFMG and NBEC running trade employees respectively and appended hereto as Letters 6 and 6A are applicable.
4. Employees working at NBET or QET will elect their vacation scheduling choices relative to their NBET or QET seniority, as the case may.
5. Employees who transfer out of either Territory to work under Collective Agreement 1.1, 4.16 or 4.2 will elect their vacation scheduling choices relative to their C N seniority applicable to the C N collective agreement under which they are working.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

LETTER OF UNDERSTANDING NO. 6

Mont-Joli, February 24, 2004.

Mr. René Leclerc
TCRC General Chairman
602-6th Avenue
Suite 360
Grand-Mère, Quebec
G9T 2H5

Mr. Raymond LeBel
UTU General Chairman
1026 St-Jean St.
Suite 200
Quebec City, Quebec
G1R 1R7

RE: Vacation quantum

Sirs:

During negotiations to renew the collective agreement, the parties agreed to revise the eligibility dates for the purpose of calculating the number of weeks eligible for annual vacation.

According to the provisions of Article 19, the hiring date of the employees indicated below will be acknowledged as January 1, 1998 or January 1, 1999, as the case may be.

<u>Employee</u>	<u>CFMG Hiring Date</u>	<u>Date for CN vacation Calculation</u>
Fournier, J.L.	26 janvier 1998	1 janvier 1998
Paquet, G.	26 janvier 1998	1 janvier 1998
Gendron, N.	26 janvier 1998	1 janvier 1998
Morissette, M.	26 janvier 1998	1 janvier 1998
Morneault, R.	26 janvier 1998	1 janvier 1998
Lizotte, L.	26 janvier 1998	1 janvier 1998
Poirier, G.	26 janvier 1998	1 janvier 1998
Thibault, J.G.	26 janvier 1998	1 janvier 1998
Joncas, D.	26 janvier 1998	1 janvier 1998
Pelletier, J.	26 janvier 1998	1 janvier 1998
Roy, J.	26 janvier 1998	1 janvier 1998
Charron, M.	26 janvier 1998	1 janvier 1998
Richard, D.	14 février 1998	1 janvier 1998
Sirois, A.	14 février 1999	1 janvier 1999
Thibault, G.	14 février 1999	1 janvier 1999
Champoux, C.	14 février 1999	1 janvier 1999
Gagné, S.	14 février 1999	1 janvier 1999
D'Amours, C.	14 février 1999	1 janvier 1999
Beaulieu, L.	14 février 1999	1 janvier 1999

General Manager

Lucie Rioux

If you agree with the foregoing, please sign in the space provided for this purpose.

signed

René Leclerc

signed

Raymond LeBel

LETTER OF UNDERSTANDING No. 6A

July 19, 2010

C. Smith
Senior Vice General Chairman - TCRC
75 Bessborough Avenue
Moncton, NB E1E 1P6

Vacation Date for Certain NBET Employees

During discussions related to the recently acquired properties formerly known as New Brunswick East Coast Rail and Chemins de fer de la Matapedia et du Golfe the TCRC raised the issue of the anniversary date for vacation entitlement for certain employees.

As a result of those discussions the anniversary date to be used for vacation entitlement purposes is amended as follows for the NBET employees specified below:

Employee	PIN	NBEC Hiring Date	Anniversary Date for C N Vacation Calculation
Paul Loggie	783323	January 26, 1998	January 1, 1998
Robert Court	788453	January 26, 1998	January 1, 1998
Brian Bujold	121642	January 26, 1998	January 1, 1998
Danny Firlotte	776516	January 26, 1998	January 1, 1998
Shane Hanlan	788504	January 26, 1998	January 1, 1998
Bruce Scott	781416	January 26, 1998	January 1, 1998
Bill MacDonald	779834	January 29, 1998	January 1, 1998
Patrick Shea	777437	January 26, 1998	January 1, 1998
Scott Eustace	940888	January 26, 1998	January 1, 1998
Roy Parlee	777208	January 26, 1998	January 1, 1998
J – P, Aube	152908	February 4, 1998	January 1, 1998
Scott Bremner	152963	March 9, 1998	January 1, 1998

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

Senior Vice General Chairman, TCRC

Letter 110

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Obligation to Qualify as Locomotive Engineer

During discussions related to the recently acquired properties formerly known as New Brunswick East Coast Rail and Chemins de fer de la Matapedia et du Golfe the TCRC raised the issue of employees who had previously given up their opportunity to train as locomotive engineers.

The Company acknowledges that the following senior conductors at both NBEC and CFMG chose not to train as locomotive engineer in their seniority turn:

CFMG employees:	NBEC employees :
- Serge Perrault	- Scott Bremner
- Claude Champoux	
- Sylvain Gagné	

As a result junior conductors were trained and subsequently established seniority as locomotive engineers.

The Company agrees that imposing the obligation contained in paragraph 1.1 of Article 1 retroactively would be unfair therefore the obligation contained in paragraph 1.1 will not apply to those conductors listed above. This letter does not prohibit such conductors from applying for future locomotive engineer training, in which case they will establish locomotive engineer seniority relative to their standing in their particular training class.

Conductors, other than those who previously passed up locomotive engineer training, and all new hires will be obligated to train and qualify as locomotive engineer pursuant to Article 1 unless, due to severe extenuating circumstances, they are specifically relieved of that responsibility through written agreement between the General Chairman and the proper officer of the Company.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Letter 111

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Interpretation of Agreement

The Company and the TCRC acknowledge that this collective agreement applicable to the New Brunswick Eastern Territory and the Quebec Eastern Territory was fashioned using the Northern Quebec Internal Shortline collective agreement as a base.

The parties further agree that, in the event a dispute arises over the interpretation of a specific provision of this NBET - QET collective agreement the English version will govern.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Letter 112

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Spareboard Operation – NBET

1. A spareboard consisting of one (1) locomotive engineer and one (1) conductor will be established. The locomotive engineer will be called to fill locomotive engineer vacancies and the conductor will be called to fill conductor vacancies. The number of positions specified will not be increased without the agreement of the TCRC General Chairman and the proper officer of the Company.
2. Employees occupying spareboard positions will be guaranteed and paid not less than eighty (80) hours per pay period. Employees assigned to the spareboard for a portion of the pay period will be entitled to their guarantee on a pro-rated basis.
3. Employees who miss a call or who make themselves unavailable for duty will have their guarantee reduced by the applicable basic day or eight (8) hours, whichever the greater, for each call or day missed, however employees will not be penalized or have their guarantee reduced more than once in any calendar day.
4. Employees penalized more than twice in a pay period will not be entitled to any guarantee for that pay period.
5. Employees will be entitled to book eight (8) hours rest upon completion of a tour of duty, exclusive of call time, without penalty.
6. Spareboard positions will be assigned two (2) consecutively scheduled days off per week.

GENERAL

Calling

Employees will be called three (3) hours prior to the time required to report for duty.

Days Off

Employees assigned to the spareboard will be booked off as of 0559 hours on the first of their assigned days off and will be automatically placed back on the spareboard at 0559 hours on first day following their final day off.

Accepting Calls Prior to Regularly Scheduled Days Off

Employees assigned to the spareboard must accept calls up to and including 0559 hours on their first day off. The 0559 hours applies to the calling time, not to the ordered or on duty time.

Employees who accept a call that interferes with their days off will, upon returning from their tour of duty be entitled to book off for forty-eight (48) hours with the Crew Management Centre. Such forty-eight (48) hours will be granted without penalty and will constitute their two (2) consecutive days off for that week.

Extra Work

Employees assigned to the spareboard will be permitted to apply for extra work on their days off in accordance with the provisions of the collective agreement. All earnings for such extra work will be calculated and paid over and above their spareboard guarantee for that period. Employees who accept a call for extra work on their days off will be deemed to have forfeited their days off for that week.

Home Location

An employee's Home Location is defined as the recognized terminal nearest their permanent residence. The three (3) recognized terminals on NBET are Campbellton, Bathurst and Miramichi.

The spareboard will not have a designated home terminal. Spareboard employees will protect spare work from their Home Location and will be afforded travel allowances and expenses pursuant to Article 13 when required to protect work at a recognized terminal other than that of their Home Location.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Senior Vice General Chairman, TCRC

Letter 113

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Letter 114

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Letter 115

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

C N Employees Accessing Assignments on NBET or QET

Dear Sir;

During negotiations discussions took place between the Company and the TCRC regarding future manpower requirements on the NBET and QET. Current C N employees cannot be forced to fill positions on either NBET or QET. The parties agree to explore the issue of future manpower and the filling procedures of NBET and QET positions within ninety (90) following ratification of this collective agreement. The principles to be used to guide those discussions are:

1. Explore the possibility of providing a mechanism allowing C N employees with a conductor seniority date on or after April 1, 2010, the ability to bid and/or be forced to fill conductor and locomotive engineer positions on NBET or QET.
2. No manning arrangements involving C N employees will be entered into without the express written agreement of the General Chairmen concerned who represent CN Conductors and CN Locomotive Engineers at Moncton and Joffre and the C N Vice President – Human Resources or their delegate.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Senior Vice General Chairman, TCRC

Letter 116

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

Switching Limits – Campbellton, NB

Dear Sir;

During negotiations discussions took place between the Company and the TCRC regarding service requirements out of Campbellton, NB. The Company highlighted several operating issues impacted by the fact the former operators of CFMG and NBEC had drawn an operation line at Campbellton with neither of the Companies operating onto the other. The Company requested a switching zone be established at Campbellton which would allow limited flexibility to handle exceptions to the normal operating plan. The TCRC raised a concern that such a change could jeopardize regular assignments, particularly at Mont-Joli. The Company stressed the zone was required to address exceptions to the operating plan and would not be used as a means to reduce the work normally assigned to either Mont-Joli or Campbellton.

As a result of the discussions it is agreed:

Switching Zone – Campbellton

A switching zone is established at Campbellton comprised of a 25 mile radius from that location. Within the Campbellton Switching Zone movements may be handled by either QET or NBET crews. The switching zone is designed to facilitate operational anomalies, such as trains on rest, placement of customer traffic which might otherwise be delayed, etc. Issues related to the operation of the Campbellton Switching Zone will be handled directly at the level of the Atlantic Zone Superintendent at Moncton.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Letter 117

July 19, 2010

R. Leclerc
General Chairman - TCRC
602 6th Avenue, Suite 360
Grand-Mère, Quebec
G9T 2H5

New Business Opportunities – Riviere-du-Loup

Dear Sir;

During negotiations discussions took place between the Company and the TCRC regarding the possibility of attracting significant new business in and around Riviere-du-Loup. It was agreed that while new business opportunities are in the best interests of both parties they sometimes can present certain challenges.

In the case of Riviere-du-Loup the Company and the TCRC acknowledge the possible movement of traffic from Saint Andre Junction and the placement of same in and around Riviere-du-Loup raises jurisdictional issues between QET and CN employees.

As a result it is agreed that in the pursuit of this and other possible new traffic the work jurisdiction of all employees will be taken into account. No agreements infringing on the current work jurisdictions will be entered into without the full participation and agreement of the TCRC General Chairmen responsible for locomotive engineers and conductors at both QET and CN Joffre.

Signed July 20, 2010.

For Canadian National Railway:

For the Union:

Vice-President, Human Resources

General Chairman, TCRC

Letter 118

(UNION DUES AGREEMENT)

CANADIAN NATIONAL RAILWAY COMPANY Atlantic, St. Lawrence and Great Lakes Regions excluding Newfoundland and St. Lawrence Region Lines in United States

MEMORANDUM OF AGREEMENT between the Canadian National Railway Company and the Brotherhood of Locomotive Engineers

IT IS AGREED THAT, effective March 31, 1986, the Memorandum of Agreement dated December 11, 1974 respecting the deduction of Union dues on Seniority Districts 1 and 2 which are described in Articles 49 and 52 (now paragraphs 43.1 and 43.2 of Article 43) of Agreement 1.1, is cancelled.

IT IS FURTHER AGREED THAT, effective March 31, 1986, the Memorandum of Agreement signed at Montreal, Quebec, February 11, 1971, in respect of the payment of Union dues as a condition of continued preference of employment is suspended for those employees represented by the Brotherhood of Locomotive Engineers and employed by Canadian National Railway Company, Atlantic, St. Lawrence and Great Lakes Regions, covered by Agreement 1.1, and the following is substituted in lieu thereof:

1. Subject to the conditions and exceptions set forth herein, such employees who, as of 0001 hours on the first calendar day of the month, are assigned to a working list of employees governed by Agreement 1.1, will have deducted by the Company on the payroll which includes the 24th calendar day of each month from the wages due and payable to each employee coming within the scope of this agreement, an amount equivalent to the uniform monthly dues of each Division of the Brotherhood of Locomotive Engineers.
2. The amount to be deducted will be equivalent to the uniform regular dues payment of each Division of the Brotherhood of Locomotive Engineers and will not include initiation fees or special assessments. The amount to be deducted will not be changed during the term of the applicable Agreement excepting to conform with a change in the amount of regular dues of the Brotherhood of Locomotive Engineers in accordance with its constitutional provisions.
3. The provisions of this Agreement will be applicable on receipt by the Company of notice in writing, as provided in this Item 3, from the Brotherhood of Locomotive Engineers of the amount of regular monthly dues:
 - (a) The General Chairman will give notice of the amount of the monthly dues to be deducted and will submit a separate master list of employees subject to dues deduction, as provided in this Agreement, to the following Company officers:
 - (i) names of employees on the Atlantic Region to be submitted to the Regional Comptroller, Moncton, N.B.;
 - (ii) names of employees on the St. Lawrence Region to be submitted to the Regional Comptroller, Montreal, Quebec;
 - (iii) names of employees on the Great Lakes Region to be submitted to the Regional Comptroller, Toronto, Ontario.
 - (b) The master list referred to in paragraph (a) of this Item 3 will include the employee's P.I.N. (S.R.B.) number, initial and name and will be submitted on or before the first Monday of each established second payroll period.

- (c) A designated Officer of the Brotherhood will inform the Company officers referred to in paragraph (a) of this Item 3 of any additions or deletions to the master list account change in work status, resignation, retirement, etc., on or before the first Monday of each established second payroll period.
4. Membership in the Brotherhood of Locomotive Engineers shall be available to any employee eligible under the provisions of the constitution of the Brotherhood. Membership shall not be denied for any reasons of sex, race, national origin, colour or religion.
 5. If the wages of an employee payable on the payroll for the period which includes the 24th day of any month are insufficient to permit the deduction of the full amount of dues, no such deduction will be made from the wages of such employee by the Company in such month. The Company will not, because the employee did not have sufficient wages payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.
 6. Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions for provident funds will be made from wages prior to the deduction of dues.
 7. The amounts of dues so deducted from wages less sums which may be withheld pursuant to Item 8 hereof accompanied by a statement of deductions from individuals will be remitted by the Company to the designated Officer or Officers of the Brotherhood, as may be mutually agreed by the Company and the Brotherhood, not later than 40 calendar days following the pay period in which the deductions are made.
 8. The question of what, if any, compensation shall be paid by the Company to the Brotherhood signatory hereto in recognition of services performed under this Agreement shall be left in abeyance subject to reconsideration at the request of either party on 15 days' notice in writing.
 9. Not more than one payment of union dues shall be made by any employee in any one month. Employees filling positions coming within the scope of more than one wage agreement in a month, shall pay union dues to the union holding the agreement under which the employee was assigned as at 0001 hours on the first calendar day of the month. Where dues have been deducted from the wages of an employee pursuant to this Agreement, and dues are payable by such employee to another union in accordance with the foregoing, application to the Company for refund of dues deducted under this Agreement shall be made by such employee.
 10. The Company will not be responsible financially or otherwise, either to the Brotherhood or to any employee, for any failure to make deductions, or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction of dues from an employee's wages, the Company will adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Brotherhood, the Company will adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Agreement will terminate at the time it remits the amounts payable to the designated officer or officers of the Brotherhood.
 11. In the event of any action at law against the parties hereto resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to this Agreement, each party will bear its own cost of such defense except that if at the request of the Brotherhood counsel fees are incurred these will be borne by the Brotherhood. Save as aforesaid the Brotherhood will indemnify and save harmless the Company from any losses, damages, costs, liability or expenses, suffered or sustained by it as a result of any such deduction or deductions from payrolls.
 12. This Memorandum of Agreement is effective March 31, 1986, and shall remain in effect subject to 30 days' notice in writing from all signatories of either party of desire to cancel it. If this Memorandum of Agreement is cancelled the provisions of the Memorandum of Agreement signed at Montreal, Quebec, February 11, 1971, in respect of the payment of union dues as a condition of continued preference of employment with the railway company will automatically apply as from the first calendar day of the month following the expiration of the 30 days' notice referred to in the first sentence of this item.

Signed at Montreal, Quebec, this 8th day of January, 1986.

FOR THE COMPANY:

(Sgd) D.C. Fraleigh
Assistant Vice-President
Labour Relations

FOR THE BROTHERHOOD:

(Sgd) P.M. Mandziak
General Chairman

(Sgd) Gilles Thibodeau
General Chairman

Letter 119

Toronto, Ontario, May 13, 2001

R. Leclerc General Chairman CCROU
R. Dyon General Chairman CCROU
D. Shewchuk General Chairman CCROU
R. LeBel General Chairperson CCROU
R. Long General Chairperson CCROU
R. Beatty General Chairperson CCROU
B. Henry General Chairperson CCROU

Gentlemen

The following will replace Addendum No. 69 of Agreement 1.1 and Addendum No. 74 of Agreement 1.2 and will be added to Agreements 4.2, 4.3 and 4.16.

Yours Truly,

(Sgd) R. J. Dixon
Vice-President Labour Relations
and Employment Legislation

Leave of Absence for Urgent Personal Affairs

Memorandum of Agreement – March 28, 2000

The parties agree to reactive this program effective immediately as outlined below:

1. A maximum period of leave of three (3) months duration
2. Payment in the form of a repayable loan to the employee of the equivalent of 5 basic days at yard rates for each week of personal leave.
3. Re-payment of loan at 10% of gross earnings over a period of no longer than two (2) years.
4. A guarantee that such loan will be repaid in the event of the employee's death, dismissal or resignation. (An employee must sign an appropriate document outlining these terms).
5. A ceiling on the number employees on personal leave at any one time. (This will be determined by the Company).
6. Applications for such personal leave to be made through the Canadian Director of the Brotherhood of Locomotive Engineers or the National Vice President United Transportation Union, Ottawa office.
7. Such personal leave to be subject to approval by the Vice-President, Labour relations and Employment Legislation.
8. Approval of such personal leave to be at the discretion of the Company.

It is understood that the personal leave program will be designed for the purpose of granting employees time off to manage urgent personal affairs, such as immediate family problems in exceptional circumstances, and will not apply to employee illness, injury, etc., nor will it apply when an employee has unused annual vacation entitlement. The personal leave program will not, therefore, replace existing benefits, programs or government programs.

I Concur:

(Sgd) R. J. Dixon
Vice-President Labour Relations
and Employment Legislation

(Sgd) Gilles Halle
Canadian Director BLE

(Sgd) W.G. Scarrow
CCROU Vice-Chairperson
Signed May 13, 2001

Letter 120

Discharge

This addendum is further to the language in Article 24.12. For clarity, except for attendance issues and/or the accumulation of demerits from a minor culminating offence, there is nothing in Article 24.12 that restricts the rights of the Company to discharge employees including but not limited to, safety concerns or offences of sabotage, harassment, fighting, violence, conduct unbecoming an employee, insubordination, theft, fraud, falsification of time claims, manipulation of funds, activities detrimental to Company interest, drug and alcohol policy violations, severe or flagrant improper performance of duty, gross negligence, statutory requirements, or violations of the Code of Conduct.

Letter 121

CANADIAN RAILWAY OFFICE OF ARBITRATION

MEMORANDUM OF AGREEMENT made this 1st day of September 1971 to amend and renew the founding Agreement establishing the Canadian Railway Office of Arbitration dated the 7th day of January 1965 (as amended and renewed since that date).

IT IS AGREED by and between the signatories as follows:

1. There shall be established in Montreal, Canada, the Canadian Railway Office of Arbitration, hereinafter called the "Office of Arbitration".
2. There shall be a single Arbitrator hereinafter called the "Arbitrator" to be appointed by the signatories hereto who shall have the duties and functions set out herein. The administrative responsibilities of providing and administering necessary clerical staff, premises, facilities and other arrangements necessary to enable the Arbitrator to exercise his function shall be discharged by an Administrative Committee responsible to the signatories hereto and composed of one representative appointed by the signatories whose names appear in Appendix "B" hereof.
3. The arbitrator shall be appointed for a term of one year and may be re-appointed for an additional term or terms of one year as the signatories hereto may decide.

The arbitrator may be replaced at any time by mutual agreement of the signatories, temporarily or permanently in the event of his inability, refusal or failure to exercise his functions.

4. The jurisdiction of the Arbitrator shall extend and be limited to the arbitration, at the instance in each case of a railway, being a signatory hereto, or of one or more of its employees represented by a bargaining agent, being a signatory hereto, of:
 - (A) disputes respecting the meaning or alleged violation of any one or more of the provisions of a valid and subsisting collective agreement between such railway and bargaining agent, including any claims, related to such provisions, that an employee has been unjustly disciplined or discharged; and
 - (B) other disputes that, under a provision of a valid and subsisting collective agreement between such railway and bargaining agent, are required to be referred to the Canadian Railway Office of Arbitration for final and binding Settlement by arbitration,

but such jurisdiction shall be conditioned always upon the submission of the dispute to the Office of Arbitration in strict accordance with the terms of this Agreement.

5. A request for arbitration of a dispute shall be made by filling notice thereof with the Office of Arbitration not later than the eighth day of the month preceding that in which the hearing is to take place and on the same date a copy of such filed notice shall be transmitted to the other party to the grievance. A request for arbitration respecting a dispute of the nature set forth in Section (A) of Clause 4 shall contain or shall be accompanied by a Joint Statement of Issue. A request for arbitration of a dispute of the nature referred to in Section (B) of Clause 4 shall be accompanied by such documents as are specifically required to be submitted by the terms of the collective agreement which governs the respective dispute. On the second Tuesday in each month, the Arbitrator shall hear such disputes as have been filed in his office, in accordance with the procedure set forth in this Clause 5. No hearing

shall be held in the month from time to time appointed for the purposes of vacation for the Arbitrator, nor shall a hearing be held in any other month unless there are awaiting such hearing at least two requests for arbitration that were filed by the eighth day of the preceding month, except that the hearing of a dispute shall not be delayed for the latter reason only for more than one month.

6. Subject always to the provisions of this Agreement the Arbitrator shall make all regulations necessary for the hearing of disputes by the Arbitrator which are consistent with the terms of this Agreement and such regulations may be amended by the Arbitrator from time to time as necessary.

7. No dispute of the nature set forth in Section (A) of Clause 4 may be referred to the Arbitrator until it has first been processed through the last step of the Grievance Procedure provided for in the applicable collective agreement. Failing final disposition under the said procedure a request for arbitration may be made but only in the manner and within the period provided for that purpose in the applicable collective agreement in effect from time to time or, if no such period is fixed in the applicable collective agreement in respect to disputes of the nature set forth in Section (A) of Clause 4, within the period of 60 days from the date decision was rendered in the last step of the Grievance Procedure.

No dispute of the nature set forth in Section (B) of Clause 4 may be referred to the Arbitrator until it has first been processed through such prior steps as are specified in the applicable collective agreement.

8. The Joint Statement of Issue referred to in Clause 5 hereof shall contain the facts of the dispute and reference to the specific provision or provisions of the collective agreement where it is alleged that the collective agreement has been misinterpreted or violated. In the event that the parties cannot agree upon such joint statement either or each upon forty-eight (48) hours' notice in writing to the other may apply to the Arbitrator for permission to submit a separate statement and proceed to a hearing. The Arbitrator shall have the sole authority to grant or refuse such application.

9. The Arbitrator shall not decide a dispute without a hearing. At the hearing each party shall submit to the Arbitrator a written statement of its position together with the evidence and argument in support thereof.

10. The parties to a dispute submitted to the Arbitrator may at any hearing be represented by Counsel or otherwise as they may respectively elect.

11. The Arbitrator may make such investigation as he deems proper and may require that the examination of witnesses be under oath or affirmation. Each party to a dispute shall have the right to examine all witnesses called to give evidence at the hearing. The Arbitrator shall not be bound by the rules of evidence and practice applicable to proceedings before courts of record but may receive, hear, request and consider any evidence which he may consider relevant.

12. The decision of the Arbitrator shall be limited to the disputes or questions contained in the joint statement submitted to him by the parties or in the separate statement or statements as the case may be, or, where the applicable collective agreement itself defines and restricts the issues, conditions or questions which may be arbitrated, to such issues, conditions or questions.

His decision shall be rendered, in writing together with his written reasons therefor, to the parties concerned within 30 calendar days following the conclusion of the hearing unless this time is extended with the concurrence of the parties to the dispute, unless the applicable collective agreement specifically provides for a different period, in which case such different period shall prevail.

The decision of the Arbitrator shall not in any case add to, subtract from, modify, rescind or disregard any provision of the applicable collective agreement.

13. Each decision of the Arbitrator which is made under the authority of this Agreement shall be final and binding upon the Railway, the bargaining agent and all employees concerned.

14. Through the Office of Arbitration, the Arbitrator shall report the decision in each case and the reasons for such decision to all signatories hereto.

15. The Office of Arbitration shall maintain a complete and accurate record of all disputes submitted to it and of all decisions made by the Arbitrator or other dispositions respecting them, including the signed originals of all such decisions.

16. The signatories respectively shall do all such acts and things as are necessary to enable the Arbitrator to make proper findings respecting the matters in dispute and no signatory shall obstruct, delay or prevent the Arbitrator from proceeding with the matter before him or from making his decision.

17. The expenses of operating and administering the Office of Arbitration, including the fees and expenses of the Arbitrator and all necessary clerical and technical assistance shall be borne one-half by the Appendix "A" signatories and one-half by the Appendix "B" signatories. At the commencement of each year the Administrative Committee shall estimate the total ensuing year and, at that time and from time to time thereafter during the year shall make interim preliminary assessments equally upon the Appendix "A" signatories and the Appendix "B" signatories sufficient to defray current expenses currently. At the end of each year the total annual expenses actually incurred shall be apportioned as set out and all necessary credits and debits shall be made accordingly.

18. This Agreement shall be reviewed on an annual basis by the signatories hereto, which review shall take place on or before the first day of July in each year. At the time of this review the appointment of the Arbitrator shall be made, subject to the provisions of Clause 3 hereof, and any changes or alterations shall then be implemented as may be mutually agreed upon between the signatories hereto.

19. Any other recognized bargaining agent acting on behalf of the employees of a railway company which is a signatory hereto and any non-signatory railway company together with some or all of the recognized bargaining agents which represent its employees may from time to time be permitted to accede to these presents and, except as provided below, to be regarded for all the purposes hereof as if signatories hereto and as if their respective names appeared in Appendix "A", in the case of railway companies, or in Appendix "B", in the case of recognized bargaining agents, as the case may be, by filing a suitable written instrument of accession and attornment at the Office of Arbitration; provided, however, that the validity and operation of every such instrument shall be conditioned upon the prior concurrence and acceptance of it by all the signatories hereto as evidenced by the subscription or endorsement by each of the said instrument before it is filed.

20. Railway companies and recognized bargaining agents which accede to these presents, as provided for in Clause 19 hereof, will not have the right or power to terminate this Agreement. However, any such party may, following the first anniversary of its accession and attornment withdraw from this Agreement as of the 31st day of August in any year during the term hereof by giving at least 60 days' notice in writing of its intention to withdraw to the other parties (which notice shall be given by registered prepaid post) and by filing concurrently therewith a copy of such notice with the Office of Arbitration.

21. This Agreement shall commence on the first day of September, 1971 and shall remain in effect until August 31, 1972 and shall thereafter be renewed annually unless amended or terminated by the

mutual agreement of the parties hereto; provided that any signatory hereto may withdraw from this Agreement as of the 31st day of August in any year during the term hereof by giving at least 60 days' notice in writing of its intention to withdraw to the other parties (which notice shall be given by registered prepaid post) and by filing concurrently therewith a copy of such notice with the Office of Arbitration.

APPENDIX "A"

For: Canadian Pacific Limited
Windsor Station, Montreal 101, Quebec

(Sgd) R. Colosimo
Manager, Labour Relations

For: Canadian National Railway Company
Canadian National Steamship Company
935 LaGauchetiere Street West,
Montreal 101, Quebec

(Sgd) W.S. Mason
Manager, Labour Relations

APPENDIX "B"

For: United Transportation Union

(Sgd) G.C. Gale
Vice-President
610 Broadway Avenue
Winnipeg, Man.

For: Brotherhood of Locomotive Engineers

(Sgd) L.O. Hemmingson
Vice-President
640 Cathcart St., Room 103
Montreal 111, Que.

For: Brotherhood of Maintenance of Way Employees

(Sgd) W.M. Thompson
Vice-President
1708 Bank St.,
Ottawa 8, Ont.

For: Canadian Brotherhood of Railway, Transport and General Workers

(Sgd) J.A. Pelletier

National Vice-President
230 Laurier Avenue West
Ottawa 4, Ont.

For: Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station
Employees

(Sgd) W.C.Y. McGregor
Int. Vice-President
Suite 690, 550 Sherbrooke St. West
Montreal 111, Que.

Signed at Montreal, Quebec, this 1st day of September 1971.

Letter 122

Toronto, Ontario

14 March 1985

Mr. G. Thibodeau
General Chairman
Brotherhood of Locomotive Engineers
206-1026 St. Jean Street
Quebec, Quebec
GIR IR7

Mr. P.M. Mandziak
General Chairman
Brotherhood of Locomotive Engineers
P.O. Box 208
St. Thomas, Ontario
POT 2HO

Dear Sirs:

This letter is to advise you that while vacations of less than three weeks may not be split, employees who qualify for three, four or five weeks' vacation with pay will be permitted to split such annual vacation provided no additional expense occurs to the Company and under the following conditions.

An employee entitled to three weeks' annual vacation may split his vacation once on the basis of one week and two weeks or vice versa.

An employee entitled to four weeks' annual vacation may split his vacation once on the basis of two weeks and two weeks or one week and three weeks or vice versa.

An employee entitled to five weeks' annual vacation may split his vacation twice, e.g. two weeks, two weeks and one week or other weekly combinations.

An employee entitled to six weeks' annual vacation may split his vacation twice on the basis of: two weeks, two weeks, two weeks; three weeks, two weeks, one week; or other weekly combinations, subject to the provisions of paragraph 115.10 of Article 115 (now paragraph 29.14 of Article 29) - Annual Vacation. *

Where vacations are split, the second and third periods of vacation may not be taken until all locomotive engineers their juniors have been allocated vacation dates, i.e. their dates where no split is made, or, their first period where a vacation is split. The same order will prevail as between 2nd and 3rd split preferences.

This letter supersedes and cancels all other instructions concerning the splitting of annual vacation and reflects our discussions on March 14, 1985.

Yours truly,

(Sgd) W.A. McLeish
For: Vice-President
Great Lakes Region

(Sgd) P.J. Thivierge
For: Vice-President
St. Lawrence Region

(Sgd) H.J. Koberinski
For: Vice-President
Atlantic Region

* Paragraph number updated to reflect integration of Annual Vacation Article as per the NBET-QET October 2, 2015 memorandum of agreement.

Letter 123

June 21, 1989

Mr. D.S. Kipp
General Chairman
Brotherhood of Locomotive Engineers
310-2265 Pembina Highway
Winnipeg, Manitoba R3T 5J3

Mr. J.D. Pickle
General Chairman
Brotherhood of Locomotive Engineers
559 Exmouth Street
Sarnia, Ontario N7T 5P6

Mr. G. Hallé
General Chairman
Brotherhood of Locomotive Engineers
25 Place Marche Champlain, Fl. 2
Quebec, Quebec G1K 4H7

Gentlemen:

During the current round of negotiations the Brotherhood submitted a demand to amend the bereavement leave provisions of the collective agreements in respect to the time during which the three days leave could be taken. The amendment sought by the Brotherhood would have allowed the employee the entitlement to elect leave on any three days in the first seven calendar days immediately following the death.

One of the reasons behind this demand concerned road service employees who, as a result of being on bereavement leave, miss their assignment, or turn in the pool, which operates out of the home terminal on the third day of such leave.

Consequently, they are not in position at the away-from-home terminal to work the return leg of that assignment. If the return leg operates on the following calendar day (i.e. on the day after bereavement leave has expired), these employees do, in fact, lose earnings.

While the Company would not accede to the Brotherhood's demand, it did agree that, in the circumstances described above, that is, if the return trip is on the day after bereavement leave expires the employee would be compensated pursuant to the bereavement leave provisions of the collective agreement.

Therefore, an employee who misses a tour of duty out of the away-from-home terminal solely and directly as a result of having been on bereavement leave will be compensated notwithstanding that such tour of duty occurred outside the three calendar days specified in the bereavement leave provisions of the collective agreement.

Yours truly,

(Sgd) D.C. Fraleigh
Assistant Vice-President
Labour Relations

cc: S.A. Warner, Vice-President & Canadian Director, Brotherhood of Locomotive Engineers

Letter 124

January 8, 1986

Mr. R.A. Bennett General Chairman United Transportation Union 3341A Bloor St. W. Toronto, Ontario M8X 1E9	Mr. B. Leclerc General Chairman United Transportation Union Suite 200 1026 St. Jean Street Quebec, Quebec G1R 1R7
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Mr. W.G. Scarrow General Chairman United Transportation Union 486 North Christina St. Sarnia, Ontario N7T 5W4	Mr. D.J. Morgan General Chairman United Transportation Union 779 Portage Avenue Winnipeg, Manitoba R3G 0N3
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Gentlemen:

During the current round of negotiations, the Union submitted the following proposal:

Leave of absence for Union purposes not to affect vacation entitlement.

During discussions on this proposal, the Company indicated that it was prepared to count time spent by Union officers on Union business as "days worked and/or available" for the purpose of calculating the number of days vacation entitlement. This would apply to Union officers elected or appointed to any of the full or part-time positions set out in paragraphs 80.1 and 80.2 of Article 80 of Agreement 4.16 and paragraphs 130.1 and 130.2 of Article 130 of Agreement 4.3. However, it was clearly stated that the calculation of actual vacation pay would still be confined to the wages actually paid by the Company as shown on Form T-4 issued by the Company.

The Union stated that this was fully understood.

Yours truly,

(Sgd) D.C. Fraleigh
Assistant Vice-President
Labour Relations

Letter 125

April 27, 1978

Mr. R.B. Ferrier
General Superintendent
Transportation
Moncton, N.B.

Mr. J.M. Beaulieu
General Superintendent
Transportation
Montreal, Quebec

Mr. A.A. Smail
General Superintendent
Transportation
Toronto, Ontario

One of the proposals made by the United Transportation Union in the recent negotiations was that *Article 154 - Grievance Procedure be revised.

During the negotiations, U.T.U. Officers explained that some Railway Supervisors were not complying with the provisions of *Article 154. They specifically mentioned that cases not involving monetary claims were not dealt with within the specified time limits; also, very brief replies were being given by Supervisors without dealing with the points raised by the Union Representative in his letter.

You are reminded of the importance of dealing with **all** grievances within the prescribed time limits. It is appreciated that there may be an unusual case that cannot be handled within the time limits. In such instances, you should request an extension of the time limits from the appropriate Union Representative.

The last sentence of Step 1 of *Article 154 reads: "In case of declination, the Supervisor will state his reasons from the decision in relation to the statement of grievance submitted". The wording in Step 2 is very similar. This wording clearly requires the Supervisor to deal with the points raised in the grievance.

Would you please see that this matter is brought to the attention of all Transportation Supervisors and that grievances directed to them are handled in accordance with the provisions of the wage agreement.

(Sgd) C.J. Tremblay
For: R.A. Walker
Chief of Transportation

*Now Article 27 in current Agreement

* Paragraph number updated to reflect integration of Grievance procedure Article as per the NBET-QET October 2, 2015 memorandum of agreement.

Letter 126

**CANADIAN NATIONAL RAILWAY COMPANY
Atlantic, St. Lawrence and Great Lakes Regions
Excluding Newfoundland Area and Lines in United States**

MEMORANDUM OF AGREEMENT with respect to basis of granting annual vacation to locomotive Engineers represented by the Brotherhood of Locomotive Engineers and to Trainmen and Yardmen represented by the United Transportation Union (T), who perform service in both occupational classifications during the preceding calendar year.

Effective January 1, 1974, it is agreed that employees who, in the application of seniority rules, are required to perform service, part as a locomotive engineer and part as a trainman or yardman, will be allotted vacation period on a six-month basis, i.e. if the preponderance of work in the previous year was performed as a trainman or yardman, the employee would be granted vacation date(s) on the trainmen's or yardmen's vacation list; if the preponderance of work in the previous year was performed as a locomotive engineer, then the employee would be granted vacation date(s) on the locomotive engineers' vacation list.

Disputes from individual employees arising from this arrangement are to be settled by the proper Officer of the Company and the Local Chairman concerned.

The Memorandum of Agreement is subject to cancellation on 30 days' notice in writing from any of the signatories hereto.

Signed at Montreal, Quebec, this 29th day of January 1974.

FOR THE COMPANY:

(Sgd) G.H. Bloomfield
Assistant Vice-President
Labour Relations

FOR THE EMPLOYEES:

(Sgd) D.E. McAvoy
General Chairman
Brotherhood of Locomotive
Engineers

(Sgd) E.J. Davies
General Chairman
Brotherhood of Locomotive
Engineers

(Sgd) Paul LaRochelle
General Chairman
United Transportation Union

(Sgd) G. Robt. Ashman
General Chairman
United Transportation Union

(Sgd) G.E. McLellan
Assistant General Chairman
United Transportation Union