

AGREEMENT 10.1

Between

THE CANADIAN NATIONAL RAILWAY COMPANY

And

**THE UNITED STEELWORKERS Union, Local 2004
(United Steel, Paper and Forestry, Rubber, Manufacturing,
Energy, Allied Industrial and Service Workers
International Union)**

Governing

**Rules for all Employees Working Under the
Scope of the Various Maintenance of Way
Supplemental Agreements**

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ARTICLE 1

COVERAGE

1.1 Unless otherwise provided, this Agreement covers all Maintenance of Way employees that are members of the USW and for whom rates of pay are provided in Agreements Supplemental hereto.

1.2 The word "employee" used herein shall be understood to mean employees for whom rates of pay are provided in this Agreement or Supplemental Agreement hereto. The use of the word "days" will mean calendar days unless otherwise indicated herein.

1.3 The words "Extra Gang Labourers" used herein shall be understood to mean employees working in temporary extra gangs.

1.4 The use of the masculine gender includes the feminine and vice versa.

1.5 It is agreed by the Company and the Union that there will not be any discrimination or harassment towards an employee based on the employee's age, marital status, race, colour, national or ethnic origin, political or religious affiliation, sex, family status, pregnancy, disability, union membership, sexual orientation, or conviction for which a pardon has been granted.

ARTICLE 2

Hours of Service and Meal Period

2.1 Eight consecutive hours, exclusive of meal period (which shall be one hour unless otherwise mutually arranged) shall, except as otherwise provided, constitute a day's work.

2.2 Regular day shifts shall start at or between 0500 hours and 1000 hours.

2.3 Notwithstanding the provisions of Article 2.2, the starting time for employees not living in hotel, motel, boarding cars, or other mobile units may be established or changed to meet the requirements of the service. When the starting time is to be changed, as much advance notice as possible, but no less than 24 hours notice, shall be given the employees affected and, where practicable, the notice will be posted promptly in a place accessible to such employees. The appropriate Unit Chairperson and the USW President, Local 2004 or designated representative shall be advised of any change in starting time at the same time such notice is given to employees.

2.4 Notwithstanding the provisions of Article 2.2, the starting time for employees living in hotel, motel, boarding cars or other mobile units, or for employees who would ordinarily be accommodated in boarding cars or other mobile units, may be established or changed to meet the requirements of the service. When the starting time is to be changed, as much advance notice as possible, but not later than at the completion of the previous tour of duty, shall be given the employees affected and, where practicable, the notice will be posted promptly in a place accessible to such employees. The USW President, Local 2004 or designated representative shall be advised of any change in starting time at the same time such notice is given to employees.

Starting times will not be changed except where it is necessary to do so to obtain proper productivity and efficiency in the work force.

2.5 Any change in starting time is subject to employees being afforded eight hours' rest between tours of duty.

2.6 Where two shifts are worked, the starting time of each shift shall be established to meet the requirements of the service. The provisions of Articles 2.3 or 2.4, as the case may be, apply in respect of any change of starting time.

2.7 Where shifts are worked in continuous service the second shift relieves the first, the third relieves the second and the first relieves the third; the starting time of the first shift shall be at or between 0600 hours and 0800 hours. The provisions of Articles 2.3 and 2.4 do not apply hereto.

2.8 In changing or establishing starting times, due consideration will be given to the availability of public transportation, when applicable.

2.9

a) The periods of advance notice in respect of changes in starting time contained in Articles 2.3 and 2.4 may, by mutual consent between the employees affected and their immediate supervisor, be reduced in any particular situation to meet local conditions.

b) Upon request of foreperson made with consent of workers in the gang and approval of the proper officer of the Company, special arrangements may be made to vary starting times on Friday and/or Monday to permit employees to travel to and from home.

2.10 When eight hours of continuous service are required in regular operations, twenty minutes will be allowed in the fifth or sixth hour of service for a meal without loss of pay when the nature of the service permits.

If required to work overtime for more than three hours, continuous with the completion of an employee's regular tour of duty, said employee will be allowed twenty minutes for a meal without loss of pay as soon as the nature of the service permits upon the completion of the second hour of overtime. Employees will be given as much advance notice as practicable that overtime will be required.

2.11

a) Time for employees not living in hotels, motels, boarding cars, or other mobile units, will start and end at designated tool houses, outfit cars or shops.

b) Assembly points for employees living in Company provided hotels, motels, boarding cars or other mobile units, will be the living accommodation provided. Time for these employees will start and end at the assembly point.

c) Assembly points for employees who arrange their own "accommodation" in accordance with Article 22.1b) or c), will be determined by the Company and the

Union. Assembly points will be designated hotels, motels, tool houses, outfit cars or shops. Time for these employees will start and end at the assembly point.

- d) Travel time in excess of 15 minutes between the assembly point and the worksite will be compensated in accordance with the Collective Agreement. The same principle will apply for return travel from the worksite to the assembly point in accordance with Article 11.10.
- e) Employees who voluntarily elect to travel between the assembly point and worksite in their own vehicles will be paid the same amount as employees outlined in d) above, provided they reach the worksite on time.
- f) Where local conditions necessitate it temporarily, other designated assembly points may be established by mutual agreement between the appropriate representative of the Union and the Company.

2.12 Employees, while assigned to any job and available for service, shall be allowed the minimum number of hours which constitutes a day's work at pro rata rates, for which such number of hours work may be required for each day so assigned, exclusive of rest days and holidays.

ARTICLE 3

Hours of Rest

3.1 Except in cases of emergencies, employees shall not be required to work more than sixteen hours continuously without a rest of eight hours.

ARTICLE 4

Work Week

4.1 The work week for all employees covered by this Agreement, unless otherwise excepted herein, shall be forty hours consisting of five days of eight hours each, with two consecutive rest days in each seven, subject to the following modifications: the work weeks may be staggered in accordance with the Company's operational requirements. This Article shall not be construed to create a guarantee of any number of hours or days of work not provided for elsewhere in this Agreement.

4.2 The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and for laid-off or unassigned employees shall mean a period of seven consecutive days starting with Monday.

4.3

- a) Various work cycle arrangements may be established by mutual agreement between the proper officer of the Company and the Union. Where such agreement is reached the parties will make a joint application to the Minister of Labour in accordance with the provisions of the Canada Labour Code, if required.
- b) It is understood that the various work cycle arrangements are for the purpose of meeting the Company's operational requirements or to provide employees working long distances from home sufficient time to return home on their rest days. It is

also understood that every effort will be made to avoid overtime situations on the last day of the work cycle, unless in the presence of a unavoidable operational necessity outside the supervisory personnel's control or emergency situation.

NOTE: General Holidays for employees working such work cycles will be paid in accordance with the note to Article 10.6.

ARTICLE 5

Assignment of Rest Days

5.1 The rest days shall be consecutive as far as is possible consistent with the establishment of regular relief assignments and the avoidance of working an employee on an assigned rest day. Preference shall be given to Saturday and Sunday, and then to Sunday and Monday, and Friday and Saturday. In any dispute as to the necessity of departing from the pattern of two consecutive rest days or for granting rest days other than Saturday and Sunday, or Sunday and Monday, or Friday and Saturday, it shall be incumbent on the Company to show that such departure is necessary to meet operational requirements and that otherwise additional relief service or working an employee on an assigned rest day would be involved.

Non-Consecutive Rest Days

5.2 In the event that a situation arises which makes it impracticable to assign consecutive rest days to all employees on a particular seniority territory, the following procedure shall be followed.

5.3 All possible regular relief positions shall be established pursuant to Articles 6.1, 6.2 and 6.3.

5.4 Possible use of rest days other than Saturday, Sunday or Monday, where these may be required under this Agreement, to be explored by the parties.

5.5 Other suitable or practicable plans which may be suggested by either of the parties shall be considered and efforts made to come to an agreement thereon.

5.6 If the foregoing does not solve the problem, then some of the relief or extra employees may be given non-consecutive rest days.

5.7 If, after all the foregoing has been done, there still remains service which can only be performed by requiring employees to work in excess of five days per week, the number of regular assignments necessary to avoid this may be made with two non-consecutive days off.

5.8 The least desirable solution of the problem would be to work some regular employees on the sixth or seventh days at overtime rates and thus withhold work from additional relief persons.

ARTICLE 6

Relief Assignments

6.1 All possible regular relief assignments with five days' work per week and two consecutive rest days (subject to Articles 5.2 to 5.8, inclusive) shall be established to perform necessary relief work or to perform relief work on certain days and such types of other work on other days as may be assigned under this Agreement.

6.2 Where situations exist making it impracticable to establish relief assignments in accordance with the above, the proper officer of the Company and the USW President, Local 2004 or designated representative concerned may, by mutual agreement, arrange for relief assignments on such other basis as may be suitable. Consent to such proposed arrangements shall not be unreasonably withheld in cases where otherwise employees would be required to work on assigned rest days or unreasonable travel time would be involved.

6.3 Regular relief assignments may on different days have different starting times, duties and work locations, provided such starting times, duties and work locations are those of the employee or employees relieved.

ARTICLE 7

Training

This Article does not apply to the Cook, Cookee and Diver Classifications.

7.1 Employees taking training under this Article shall be designed as Regular Employee or Trainee as defined in Article 7.1a) and 7.1b) of supplemental Agreements 10.8 and 10.9.

7.2 Regular employees will be required to take training and attempt the qualifying tests in all classifications in which they hold seniority. In instances where employees request that he not be required to take training because of particular circumstances, their case will be reviewed by the USW President, Local 2004 or designated representative or his authorized representative, and proper officer of the Company. In the event such employees do not take training they will not be entitled to the higher rate.

7.3 Regular employees holding seniority in a higher classification who fail to qualify in such higher classification, shall retain seniority in such classification until they relinquish it in accordance with the provisions of the applicable Agreement.

7.4 Notwithstanding the provisions of Article 16.10 of Agreement 10.1, employees may accept promotion by bulletin to a higher classification in order of seniority prior to taking training in such classification. Employees so promoted must complete the training and become qualified within 12 months from the date they are promoted to such higher classification or be returned to their former position and forfeit any seniority acquired through such promotion.

7.5 Regular employees hired prior to **(May 1st, 1981 Bridge and Structure Forces)** and **(January 1, 1978 for Track Forces)** who make written application, are accepted and successfully complete training for promotion must, when their seniority entitle them, accept such promotion. Such employees failing to accept promotion shall only be permitted to

use their seniority in their former lower classification to bid on future positions bulletined in the higher classification.

7.6 Employees hired on or **after (May 1st, 1981 Bridge and Structure Forces) and (January 1, 1978 for Track Forces)**, whom make written application, are accepted and successfully complete training for promotion must, when their seniority entitles them, accept such promotion. Such employees failing to accept promotion shall be released from service, unless otherwise mutually agreed.

7.7 The Company shall determine the order in which employees will receive their training. The selection will be based on seniority order to the extent practicable. However, senior employees who request training shall not lose seniority in a higher classification to junior employees when, through no fault of their own, such senior employees have not had the opportunity to take training and qualify. Until they take training, such senior employees shall, while occupying a position in a higher classification, be paid the rate applicable to qualified employees. Such senior employee will not be laid off when junior employees are working. The number of senior employees receiving the higher rate and/or protected from lay off under this article will not exceed the number of junior employees who have been trained and are working.

7.8 Employees selected for training must attend and actively participate in all training sessions.

7.9 The requirements for qualification in each classification, the training and corresponding tests to be given, will be established by the Company. USW President, Local 2004 or designated representative will be given an opportunity to review written course material to be used in the training program.

7.10 Employees taking training will be required to take the corresponding oral, practical and/or written tests. Trainees who fail a test on the first attempt will be given a second opportunity to pass such test prior to the expiration of two years' cumulative compensated service, unless otherwise mutually agreed. Regular employees who fail a test on the first attempt will be given a second opportunity to pass such test within a reasonable period of time.

7.11 Regular employees who fail twice on any test will be considered for further testing on their own time, and providing that the Company is not put to any expense or undue inconvenience. Such employees desiring further testing must apply in writing to their supervisor requesting an appointment.

7.12 Employees who fail any test and claims they did not have a proper test may appeal the decision under the provisions of Article 18.6 of Agreement 10.1, starting at Step II.

7.13 Employees will not be required to attempt a particular qualifying test without having had an opportunity to receive the appropriate training or be exposed to that aspect of the job.

7.14 Employees will, when required, assist other employees to learn and understand the various aspects of their jobs.

Expenses and Rate of Pay While in Training

7.15 While in training, employees will be paid at the rate of pay they would have received had they not been in training and will be allowed actual reasonable away-from-home expenses necessarily incurred. Time spent travelling, up to a maximum of ten (10) hours each way, will be paid to employees directed by the Company to attend training at an away-from-home location. Should such training be held at a location which is on another Region, then the employees will receive payment for all time travelling to attend such training. The Company will determine the method of travel and payment will be made at the employees' regular rate of pay.

7.16 The Company shall provide each employee taking training with text books and/or other written material required for training which will remain the property of the Company and must be returned on request or on leaving Maintenance of Way service.

Rest Days and Accumulative Time

7.17 As a general rule the rest days for employees engaged in classroom instruction shall be Saturday and Sunday however, when regular rest days or general holidays coincide with the classroom training session, other rest days off will be given without loss of pay.

Vacation

7.18 If, through mutual agreement in writing between the employees and the appropriate Company officer employees' annual vacation are rescheduled to enable them to attend the Training Program, the provisions of Article 25.12 of Agreement 10.1 shall not apply and employees affected shall be granted their vacation at a mutually convenient later date.

7.19 Employees who have successfully passed all tests in a classification shall receive a certificate signed by the District Engineer or, where appropriate, the Director Engineering Services, and the Chief Engineer.

7.20 Employees required to attend a medical examination and/or rule examination on their own time will be compensated an amount not more than eight (8) hours at straight time rate for each day so involved. The employee will also be covered by Rule 22.1.

Training

7.21 Employees who have requested and successfully complete Company sponsored training of three days or more may be required to protect assignments for which training has been provided for a period of one (1) work season.

7.22 Employees who are successful in obtaining a Special License required by the Company to operate equipment will be reimbursed for the costs of obtaining and renewing such license. This provision does not apply to standard motor vehicle operating licenses.

7.23 Employees will be reimbursed for the cost of any medical or optical examination required to obtain or renew a Special License referred to in paragraph 15.8. They will be compensated, up to a maximum of eight (8) hours, from time necessarily lost from regularly scheduled work associated with obtaining the Special License and/or undergoing the medical or optical examination associated with obtaining the Special License.

ARTICLE 8

Overtime and Calls

8.1 Except as otherwise provided, when employees are required to work in excess of eight hours per day, they shall be paid for overtime on actual minute basis at the rate of time and one-half.

8.2 Except as otherwise provided, work in excess of forty straight time hours in any work week shall be paid for at one and one-half times the basic straight time rate, except where such work is performed by an employee moving from one assignment to another, or to or from a laid-off list.

8.3 Except as otherwise provided, employees working more than five days in a work week shall be paid one and one-half times the basic straight time rate for work on such sixth and seventh days worked in any work week, except where such work is performed by an employee due to moving from one assignment to another, or to or from a laid-off list.

8.4 There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight paid for on holidays or for changing shift, be utilized in computing the forty hours per week, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, deadheading, travel time, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours, or where such time is now included under existing rules in computations leading to overtime.

8.5 Employees called in case of emergency or a temporary urgency outside of their regularly assigned hours, after having been relieved, shall be paid a minimum of three hours at overtime rates for which three hours of service may be required, but for such minimum shall not be required to perform work other than that of the emergency, and possibly another emergency which might arise subsequent to time of call. If, however, employees are called to commence work less than two hours before regular starting time, the time will be computed continuously with the regular day's work, and the time before the regular starting time shall be paid for at the rate of time and one-half on the minute basis.

An employee who is called by the Company for overtime work pre-arranged or otherwise and accepts the call, will be paid one (1) hour at punitive rates if such call is cancelled prior to his/her leaving home.

8.6 Employees shall not be required to suspend work in regular working hours to equalize overtime.

8.7 All overtime earned shall be shown as a separate item on the pay cheques of employees.

8.8 A record will be kept of overtime worked and regular employees will be called with the purpose in view of distributing the overtime equally to the extent possible subject to the following conditions:

(a) An employee is already engaged in the work for which overtime is required;

- (b) An employee has the qualifications required to perform the overtime work;
- (c) An employee on duty is immediately available for the overtime work to be performed.
- (d) Provided that the Company's operational requirements are protected at all times, the assignment of overtime shall be allotted on a senior may - junior must basis, subject to employees being qualified for the assignment.

In a case where an employee has missed an overtime opportunity the Unit Chairperson and the appropriate Company Officer will meet in order to arrange for the employee to make up the lost overtime opportunity.

8.9 Employees required to work on regularly assigned rest days shall be paid at the rate of time and one-half.

ARTICLE 9

Employees assigned to Higher-Rated and Lower-Rated Positions

9.1 Employees temporarily assigned to higher-rated positions shall receive the higher rates while occupying such positions.

9.2 Employees temporarily assigned to lower-rated positions shall not have their rates reduced.

ARTICLE 10

General Holidays

10.1 The following general holiday provisions shall be applicable in respect of general holiday entitlement.

10.2 An employee who qualifies in accordance with Article 10.4 shall be granted a holiday with pay on each of the following general holidays. When a general holiday falls on an employee's rest day, such holiday shall be moved to the normal working day immediately following the employee's rest day.

All Provinces

New Year's Day

The day after that on which New Year's Day is observed.

Good Friday

Victoria Day

Canada Day

Labour Day

Thanksgiving Day

Christmas Day

Boxing Day

Nova Scotia and Prince Edward Island

Easter Monday
Remembrance Day

New Brunswick

New Brunswick Day (the first Monday in August)
Remembrance Day

Quebec

National Day (in substitution for Remembrance Day)
The first Monday in August

Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia

Civic Holiday (the first Monday in August)
Remembrance Day

Newfoundland

Remembrance Day
Discovery Day

Note: If the Government of Canada designates "Heritage Day" or such other day as a general holiday, the day so designated by the Government shall be substituted for the day after New Year's Day in all Provinces except the Province of Quebec and for the first Monday in August in the Province of Quebec.

As a consequence of employees' transferring from one province to another, no employee shall be entitled, if qualified, to less than or more than a total of eleven general holidays in any year.

10.3 If, in any province or part thereof, a holiday is more generally recognized than any one of the holidays specified above, the signatories to the Master Agreement dated May 24, 1974 will substitute such holiday therefore in that province or part thereof. If such signatories fail to agree that such holiday is more generally recognized, the dispute will be submitted to arbitration for final decision.

10.4 In order to qualify for pay for any one of the holidays specified in Article 10.2, employees:

- (a)** must have been in the service of the Company and available for duty for at least 30 days. This sub-paragraph (a) does not apply to employees who are required to work on the holiday;
- (b)** must be available for duty on such holiday if it occurs on one of their work days excluding vacation days.

This sub-paragraph (b) does not apply in respect of employees who are laid off or suffering from a bona fide injury or who are hospitalized on the holiday, or who are

in receipt of, or who subsequently qualifies for, weekly sickness benefits because of illness on such holiday.

Regularly assigned employees who is required to work on such general holiday shall be given an advance notice of four (4) days, except for unforeseen exigencies of the service in which case they will be notified not later than the completion of their shift or tour of duty immediately preceding such holiday that their services will be required;

- (c) must be entitled to wages for at least 12 shifts or tours of duty during the 30 days immediately preceding the general holiday. This sub-paragraph (c) does not apply to employees who are required to work on the holiday.

Note: Provided that an employee is available for work on the general holiday, absences from scheduled shifts or tours of duty because of bona fide injury, hospitalization, illness for which the employee qualifies for weekly sickness benefits and authorized maternity leave will be included in determining the 12 shifts or tours of duty referred to in Article 10.4 (c).

10.5 A qualified employee whose vacation period coincides with any of the general holidays specified in Article 10.2 shall receive an extra day's vacation with the pay to which the employee is entitled for that general holiday.

10.6 Assigned employees qualified under Article 10.4 and who are not required to work on a general holiday shall be paid eight hours' pay at the straight time rate of their regular assignment. If such employees are temporarily assigned to a higher rated position coincidental with the date of a general holiday, they shall be paid eight hours' pay at the straight time rate of the higher rated position to which he is assigned.

NOTE: Employees working a cycle other than 8 hours per day will be compensated an equal number of hours for the general holiday when qualified (e.g. 4 days at 10 hours per day).

10.7 Unassigned or spare employees qualified under Article 10.4 and who are not required to work on a general holiday shall be paid eight hours' pay at the straight time rate applicable to the position in which such employees worked their last tour of duty prior to the general holiday.

Note: In the application of this Article 10.7 for employees paid on the basis of a specified number of hours per four-week period "eight hours' pay at the pro rata hourly rate" shall be deemed to be a day's pay.

10.8 Employees who are required to work on a general holiday shall be paid, in addition to the pay provided in Article 10.6, at a rate equal to one and one-half times their regular rate of wages for the actual hours worked by them on that holiday with a minimum of three hours for which three hours' service may be required, but employees called for a specific purpose shall not be required to perform routine work to make up such minimum time.

10.9 Where an employee is paid a guarantee of a specified number of hours per four-week period and who works on the holiday, the general holiday with pay specified in Article 10.6 shall be paid in addition to the regular compensation for such four-week period.

10.10 Shifts or tours of duty commencing between 2400 hours midnight on the eve of the general holiday and 2359 hours on the night of the general holiday, both times inclusive, shall be considered as work on that holiday.

10.11 Pump repairers paid on the basis of 179.3 hours per four-week period and qualified under Article 10.7 and who are not required to work on a general holiday shall be paid eight hours at the straight time rate and this time shall be included in making up the 179.3 hours.

Close-Down for Christmas and New Years Holidays

10.12 Where maintenance of way gangs, otherwise continuously employed are closed down for the Christmas and New Year's holidays to allow employees to return to their homes, and where employees so affected are, by mutual arrangement and as a consequence of such close-down, required by the Company to work additional days over and above their normal work week prior to such close-down, the additional days so worked will be recognized as shifts or tours of duty for which the employee is entitled to wages in the application of Article 10.4 (c). Where such close-down occurs and the Company does not require the employees to work additional days as a consequence thereof, the number of working days in the period of close-down will be credited in the application of Article 10.4 (c).

ARTICLE 11

Travelling or Detained on Orders of the Company

11.1

- (a)** Except as provided in Article 11.1(b), employees travelling from one location to another account the exercise of seniority, including moving to or from the laid-off list shall not be entitled to travel time.
- (b)** Employees forced to exercise their seniority in accordance with the Collective Agreement, and who by so doing are required to move further from their home location, except moving to and from the laid off list, will be compensated for half the actual travel time from one location to the other. Such compensation will be limited to one round trip.

Travelling During Work Week

11.2 Employees when detained for conveyance and while travelling on passenger trains or public transportation, on orders of the Company from one work location to another shall be paid for all time travelling between 0600 hours and 2200 hours at the straight time rate if sleeping accommodation is provided; if sleeping accommodation is not provided they shall be paid for all time occupied in travelling at the straight time rate.

(See Understanding No. 2 - USER Guide)

Travelling During Rest Days and/or General Holidays

11.3

- (a)** If employees are released from duty and commutes to their place of residence for their rest days and/or general holiday(s) they will not be paid travelling time for reporting to the new work location.

- (b)** An employee who is required to travel from one work location to another will be paid travelling time in keeping with the provisions of Article 11.2.
- (c)** Employees who accompany their boarding cars to a new work location will be paid actual time travelling less all time set off and/or waiting with a maximum of 8 hours for all time involved.
- (d)** Employees ordered to accompany equipment between work locations shall be entitled to a maximum of 8 hours per day at the straight time rate. If the travelling time exceeds 8 hours the employee will be compensated in accordance with Article 11.2.

11.4 Employees will be paid for time travelling in boarding and sleeping cars, on orders of the Company, under the following conditions only:

- (a)** during regular working hours, or
- (b)** between 0001 hour and 0600 hours provided the employees concerned have to work that day, or
- (c)** between 0600 hours and 2200 hours on a regularly assigned rest day or on a general holiday.

Payment under the foregoing conditions shall be at straight time.

11.5 Employees who notify their supervisor that they will not be travelling in passenger trains or public transportation from one work location to another shall be paid the same amount as employees travelling under Article 11.2 provided that they are available for duty at the old work location at the completion of work and is available for duty at the new work location at the commencement of work.

11.6 In the event employees are required to perform work outside of their regular assigned work hours while travelling to their work location, they shall be paid overtime rates for all time so engaged.

11.7 When required, the Foreperson or another employee designated by the Company, will accompany boarding and sleeping cars being moved from one location to another. In such circumstances, payment will be in accordance with Article 11.4.

11.8 When practical to do so, boarding and sleeping cars shall be moved at times other than between 2300 hours and 0600 hours.

11.9 Employees' time spent travelling to and from the designated assembly point during assigned hours will be included in a day's pay.

11.10 Employees' time spent travelling on track motorcars or Company-operated vehicles outside of assigned hours shall be paid at the time and one-half rate except:

while travelling as passengers in a bus, truck cab, crew compartment of a highway vehicle, or in other similar suitable equipment provided for the carrying of passengers, when payment will be made at the straight time rate.

11.11 Notwithstanding the provisions of Article 11.10 employees' time spent travelling prior to regular starting time shall be paid at time and one-half rate.

11.12 The travelling time referred to in Articles 11.10 and 11.11 will not be used in computing daily or weekly overtime.

ARTICLE 12

Wet and Stormy Days

12.1 Employees shall be allowed straight time for wet or stormy days, provided they remain on duty.

ARTICLE 13

Temporary Transfer

13.1 In case of emergency, an employee may be transferred temporarily to another sub-department of the Maintenance of Way service. Employees may also be transferred temporarily for extra gang work, to construction department, from one seniority territory to another, or on the opening of new lines, without losing their seniority standing on the seniority territory from which transferred, and transfer will be given in writing, if requested. Transfers, if extended beyond one year, shall be subject to agreement between USW President, Local 2004 or designated representative and the appropriate officer of the Company.

ARTICLE 14

Positions Not Subject to Rules of Promotion

14.1 The positions of Track and Bridge Watchperson, and Signalperson at highway or railway (non-interlocked) crossing are not subject to the general rules for promotion. These positions are intended to provide for employees who become unfit for other service, and shall be assigned to such employees in the maintenance of way department unless mutually agreed otherwise between the USW President, Local 2004 or designated representative and the appropriate officer of the Company.

(See Appendix I)

14.2 Watchpersons at each location shall have preference of shift, based on seniority as Watchperson, provided that, by mutual agreement between local committees and representatives of the Company, rotation of shift may be arranged.

14.3 In the event of reduction of forces in positions mentioned in Article 14.1, the employee with the longest service under this Agreement shall have preference of employment. It is understood, however, that an able-bodied person may be displaced by a disabled person under the provisions of Article 14.1.

(See Understanding No. 3. - User Guide)

ARTICLE 15

Bulletining and Filling Positions

15.1 Bulletined positions may be filled temporarily by an immediately available employee pending the assignment of the successful applicant.

15.2 Any appeal against appointment must be made in writing within twenty-eight days from date of issue of award bulletin covering such appointment.

15.3 Appointments shall be made by the officer issuing the bulletin. Employees will be awarded positions in order of seniority provided they are qualified. The name of the appointees and their seniority number will be included in the award portion of the next bulletin. The successful applicant will be required to assume the position to which appointed within 15 days from the date of the award bulletin unless otherwise specified. This period may be extended by mutual agreement between the USW President, Local 2004 or designated representative and the appropriate officer of the Company, if due to unforeseen circumstances the employee cannot be released to assume the position.

15.4 All vacancies will be advertised. If the position is not required it will be noted on the next bulletin as "not required" in order to provide a record. Should employees not return to work due to illness or injury for a period of one year, the position, if required, will then be advertised as permanent unless otherwise mutually agreed with the USW President, Local 2004 or designated representative. If such employees return to work after one year, they will be required to exercise their displacement rights.

15.5 Bulletins will provide the following information; classification of position (if temporary, the expected duration), location (headquarters, if any), rates of pay, work cycle and whether or not living accommodations are to be provided and the type of living accommodations (i.e. hotel, white fleet etc.). Start times will also be shown on the bulletin where they are known. In no way is this to be construed or limiting the Company's rights in regard to start times under Article 2.

15.6 Employees who are awarded a temporary vacancy in accordance with Article 15 may be required to remain on such vacancy for up to 90 days, but will be released if they are the successful applicant on another higher-rated vacancy, or a permanent vacancy. Employees who are awarded a temporary vacancy will not be subject to displacement except by a senior qualified employee who is unable to hold another permanent or temporary position within their seniority group. When an employee is held on a temporary assignment, under the terms of this Article, this shall, in no way, affect the employee's entitlement to expenses, if otherwise payable.

15.7 Temporary vacancies of less than forty-five (45) days required by the Company to be filled, may be filled by the senior qualified employee immediately available. Employees who do not exercise seniority to such temporary vacancies will not forfeit any seniority. Junior qualified employees immediately available must protect assignments in all instances.

15.8 On gangs where a Safety Representative is required, such responsibilities will be advertised on the bulletin and will be awarded to the employee with the most service under

Agreement 10.1 on the gang who indicates an interest for these responsibilities. Such employee will be protected from displacement for the duration of the position awarded.

Note: If the employee cannot fulfill the requirement of the Safety Representative position, through agreement with USW President, Local 2004 or designated representative and Company Officer, the responsibilities will be awarded to the next senior applicant.

Senior May - Junior Must Rules

The objectives are:

- 1) to increase the stability of employees and
- 2) to introduce a mechanism for employees to work closer to home, and
- 3) to contain expenses incurred by the Company.

Filling positions - General:

15.9 Positions will be filled consistent with Article 17. Simultaneously, the bulletin process will begin pursuant to this Article 15 and positions will be awarded in accordance with Article 15.3.

15.10 Senior employees holding seniority in the higher classification will not lose such seniority if they do not apply for a position in the higher classification.

Filling permanent positions:

15.11

- (a) In the event that no qualified employee applies for the position, the position will be offered to laid off employees in seniority order, who are qualified and who hold seniority in the classification. (See Articles 17.21 and 17.22)
- (b) If positions remain unfilled, junior laid off employees will be forced, in inverse seniority order, and must protect the assignment. (See Article 15.15)
- (c) If positions remain unfilled, they will be awarded to the senior employees bidding to establish seniority in that classification provided such employees possess the basic job requirements and are adaptable and suitable to be trained for the positions.
- (d) If positions remain unfilled following the above process, the junior qualified employee holding seniority in the classification and working in a lower classification will be forced in inverse seniority order and must protect the assignment. (See Article 15.15)

15.12 Except in an employment security situation, senior qualified employees who could have applied for a permanent position in the same classification or in higher classifications in which they hold seniority, will not be permitted to displace a junior employee holding a permanent position until such time as they re-establish themselves, by bulletin, on a permanent job, in the classification.

15.13

- a) Employees bidding from a permanent higher classification to a permanent lower classification will not be entitled to any moving expenses or other expenses to move to the position awarded. Their permanent positions in the higher classification will be advertised as permanent. In the event such employees are placed in a situation to exercise their seniority, they will not be permitted to displace a junior employee holding a permanent or temporary position in the higher classification until such time as they re-establish themselves, by bulletin, on a permanent or temporary position, in the higher classification.
- b) Employees bidding from a permanent higher classification to a temporary lower classification will not be entitled to expenses on the position awarded. Seniority permitting, they must work the position until completion. Their permanent positions in the higher classification will be advertised as permanent. In the event such employees are placed in a situation to exercise their seniority, they will not be permitted to displace a junior employee holding a permanent or temporary position in the higher classification until such time as they re-establish themselves, by bulletin, on a permanent or temporary position, in the higher classification.
- c) Employees bidding from a temporary position in a higher classification to a permanent position in a lower classification (in order to establish or secure themselves on a permanent position or to change permanent position) will be required to complete their assignment on the temporary higher position. At the expiration of the temporary assignment, they will be entitled to displace on any temporary position in the higher classification or revert to their new permanent position.

Filling temporary positions:

15.14

- (a) In the event that no qualified employee applies for the position, the position will be offered in seniority order to qualified laid off employees on the Region. (See Articles 17.23 and 17.24)
- (b) If positions remain unfilled, the Company will force, in inverse seniority order, the junior qualified laid off employees at the location. (See Article 15.15)
- (c) If positions remain unfilled, the Company will force, in inverse seniority order, the junior qualified laid off employees on the region. (See article 15.15)
- (d) If positions remain unfilled, the Company will force, in inverse seniority order, the junior qualified employees, holding seniority in that classification and working in a lower classification in the same supplemental agreement on the region. (See Article 15.15)
- (e) In the event jobs remain unfilled after this process, they will be awarded to the senior employees bidding to establish seniority in that classification provided such employees possess the basic job requirements and are adaptable and suitable to be trained for the positions.

15.15 In the application of Articles 15.11(b), 15.11(d), 15.14(b), 15.14(c) and 15.14(d), failure to accept the recall under these Articles will result in loss of employment with the Company unless prevented by illness covered by Weekly Indemnity - Sickness Benefits Plan (Sun Life and WCB) or other Bona Fide cause for which a leave of absence has been

granted. The USW President, Local 2004 or designated representative will be advised of all authorized leave of absence granted by the Company.

Special Rules:

(For Permanent Area Foreperson Welders and Welders bidding laterally to Temporary Regional or Production positions)

15.16 Temporary positions of Foreperson Welder and Welder will be awarded in accordance with Article 15.3 of Agreement 10.1. Employees working as permanent Foreperson Welder or Welder on an Area, may bid these lateral temporary positions without loss of seniority.

15.17 For those bidding on lateral positions, upon appointment to the temporary position, employees must declare their intention as follows:

- (a) to retain their rights to their permanent position, or
- (b) to forfeit their rights to a permanent position.

15.18 In the application of 15.17(a) employees electing to retain their rights to their permanent position, will not be entitled to expenses under Article 22 for the duration of their temporary assignment. During their absence their permanent position will be bulletined temporarily and, at the completion of the temporary assignment they will return to their permanent position or displace onto another temporary position within the same classification.

15.19 In the application of 15.17(b) employees electing to forfeit their rights to a permanent position, will be entitled to expenses under Article 22. Their positions will be advertised as permanent. At the completion of their temporary assignments, they will only be entitled to displace on temporary assignments or bid on advertised positions.

15.20

- a) When bidding positions, employees will declare whether they wish to establish seniority in the classification with their bid,
- b) if there are no qualified applicants for the position and no employees are available from laid-off status, the position would be awarded first to the senior applicant wishing to establish seniority in the classification in accordance with the provisions of Article 15.14 (e),
- c) if there are no applicants wishing to establish seniority, the position would be awarded to the senior applicant from the line of promotion for the particular position from those applicants declaring that they do not wish to establish seniority in the classification,
- d) in the event that there are no applicants from the line of promotion of the position, the position would be awarded to the senior applicant based on the earliest entered-service date under Agreement 10.1,

In all cases, such awards would be made on the basis of the employee possessing the basic job requirements and being adaptable and suitable to be trained for the position. In

the event that an employee requires more than 3 days training in order to fill/work a position, the provisions of Article 7.21 would apply.

ARTICLE 16

Seniority Status and Lists

16.1 When two or more employees commence work in the same seniority group on the same day the procedure for establishing their relative seniority shall be as follows:

- (a) The employee who commenced work at the earliest hour of the day shall be senior;
- (b) When the employees commenced work at the same hour, the one who signed the Company's application form for employment (Form 85B) first shall be senior;
- (c) All other things being equal they shall be placed on the seniority list as mutually agreed between the proper officer of the Company and the USW President, Local 2004 or designated representative

16.2

a) **For Bridge and Structures and Track Forces employees** and except as otherwise provided in Article 7.12, new employees shall not be regarded as permanently employed until they complete 90 working days' service, which service must be accumulated within the preceding 24 months. Within such period they may, without investigation, be removed for cause which in the opinion of the Company renders them undesirable for its service. If removed for cause, they shall be provided with a written notice following a written or verbal request.

Note: Extra Gang Labourers and Attendant must, before completion of probationary period, undergo medical examination as required by the Company.

- b) **For Steel Bridge and Masonry employees and Mechanics A** In addition to the 90 days set out in Article 16.2a) the Company will have an additional 40 working days during which, it may remove new employees from service account of qualifications. If retained their seniority shall commence from the date of entry into the service in any one of these classifications. The 24 months provision set out in Article 16.2a) does not apply to these employees.
- c) The names of employees shall be placed on the seniority lists immediately after they are accepted for a position covered by this Agreement, and seniority will accrue from such date in the classification in which employed, except that if employed either as Assistant Steel Bridge Foreperson or as Masonry Foreperson or as Cook, a corresponding seniority date will be accorded to them as Steel Bridge Worker or Masonry Worker or Cookee respectively.

Probationary Employees

(d) Probationary employees (new hirers or employees transferring from another bargaining unit) will not be permitted to exercise their seniority to positions until the completion of their probationary period.

16.3 Employees who have been discharged and are subsequently returned to the service with their former seniority standing, will only be allowed seniority from the date of their return to the service provided they have maintained full union assessment. Employees who are not reinstated with their former seniority standing within one year of the date of their discharge, may only be so reinstated by agreement between the proper officer of the Company and the USW President, Local 2004 or designated representative

16.4

(a) Seniority lists shall be updated and posted at the headquarters locations of all employees concerned, on or before January 31 of each year. A copy of said list shall also be furnished to the union representatives of the employees.

(b) Seniority lists shall be open for correction for a period of 180 calendar days on presentation in writing of proof of error by the employee or his/her representative to the employee's immediate supervisor.

(c) Except by mutual agreement between the USW President, Local 2004 or designated representative and the appropriate Company Officer, seniority standing shall not be changed after becoming established by being posted for sixty calendar days following date of issue, without written protest.

(d) Upon revision and establishment of the seniority list, the Company will provide to the Union an up-to-date electronic list of employees in that bargaining unit along with the employees' address and phone numbers.

16.5 The names of employees who have been or are promoted to an official or excepted position with the Company or its subsidiaries will be continued on the seniority lists for the groups from which promoted, and shall retain their seniority rights, and, subject to paragraph three of Appendix VIII, continue to accumulate seniority while so employed. If released from such official or excepted position, employees promoted to temporary official or excepted positions may return to their former position; employees promoted to permanent official or excepted positions may only displace the junior employee or bid a vacancy in their seniority group on their seniority territory.

16.6 Employees occupying a temporary position who are awarded a permanent position will be required to fill such position immediately following the award unless they have indicated on their application that they will occupy the position on conclusion of the temporary vacancy.

16.7 Probationary employees, if qualified, shall have preference of employment over the engagement of new probationary employees.

16.8 Employees who during the preceding calendar year, have performed no service under any of the Agreements supplemental to Agreement 10.1 may be removed from the seniority list by agreement between the USW President, Local 2004 or designated representative and the proper officer(s) of the Company.

16.9 Employees, covered by Agreements supplemental to this Agreement, shall be promoted within each of their Agreements, on their region, in order of seniority, provided they are qualified.

Transfer of Work

16.10 When through an unusual development it becomes necessary to transfer work from a Division or Region, to another seniority Division or Region, not more than a sufficient number of employees to perform such work shall, in seniority order be given the opportunity to transfer, carrying their seniority rights with them. The proper officer of the Railway and the USW President, Local 2004 or designated representative shall cooperate to determine the number of employees who shall transfer.

Employees who transfer under this provision shall after 90 calendar days lose their seniority on the region they left.

16.11 Complete lists of all employees covered by Agreements Supplemental to this Agreement on each Region, showing their seniority standing and dates of promotion to higher classifications shall be prepared and posted in accordance with Article 16.4. Seniority territories shall not be changed except by agreement between the Company and the USW President, Local 2004 or designated representative. For employees engaged in specialized classes of work which justify other specified seniority territories these may be established by agreement between the USW President, Local 2004 or designated representative and the appropriate officer of the Company.

16.12 Unless otherwise mutually agreed between the proper officers of the Company and the Union, employees who voluntarily leave this agreement to work under another bargaining unit when work is available under this agreement will forfeit all seniority under this Agreement and their name will be removed from any seniority list under which they held seniority.

ARTICLE 17

Staff Reduction, Displacements and Recall to Service

17.1 Not less than four working days advance notice will be given when regularly assigned positions are to be abolished, except in the event of a strike or a work stoppage by employees in the railway industry, in which case a shorter notice may be given.

In the event the positions continue for more than four working days past the effective date of the abolishment, a new written four working day notice will be provided.

17.2 In the event of reduction of staff, senior qualified employees will be retained. Employees laid off, or displaced, will, if qualified, have the right to exercise their seniority on their seniority territory. The USW President, Local 2004 or designated representative concerned will be provided with a list of the positions which have been declared redundant.

17.3 When an employee's regular assignment is abolished or when he/she is displaced from his/her regular assignment while he/she is working on a temporary position he/she will be required to declare his/her displacement rights onto another regular assignment.

17.4

- (a)** Laid-off employees who desire to return to the service when work is available for them must keep the proper officer advised of their address and telephone number, in order that they may be readily located.
- (b)** Except as otherwise provided in articles 3.8 of Supplemental Agreement 10.3 and Articles 3.13 and 3.15 of Supplemental Agreement 10.8 and Article 3.1 of Supplemental Agreement 10.9, Maintenance of Way employees in USW service order who are on laid off status will be given consideration and provided opportunity for any unfilled vacancies within the Maintenance of Way department prior to the Company hiring any new employees.
- (c)** Maintenance of Way employees who are on laid off status and who are qualified or demonstrate the suitability and adaptability to qualify will be given consideration for any unfilled position or vacancy within the Company prior to the Company hiring any new employees. Only employees who have communicated an interest to the Company for such work will be considered including employees from other seniority territories.

In these cases, employees may continue to work under the jurisdiction of another union, and maintain their standing on the USW seniority list, provided the employees continue to directly reimburse the USW the appropriate union dues. Failure to pay union dues to the USW will result in forfeiture of the employee's standing on the USW seniority list and their names will be removed from all seniority lists.

In the event employees are recalled to USW service, they will have the opportunity to refuse such recall for up to twelve (12) months from the date they are recalled to a position represented by the USW without loss of USW seniority.

17.5

- (a)** Employees who are displaced or laid off while on leave of absence due to bona fide illness or injury, or vacation, or other authorized leave of absence, shall be able to utilize this Article 17 upon return to service.
- (b)** All employees will be required to pay a Union assessment while on layoff, or leave of absence for any reason. The employee will be notified by the USW President, Local 2004 or designated representative of the amount of assessment. The Company will not be liable for any missed assessment.

17.6 Except as otherwise provided in Article 15.7 or 17.3, employees displaced or affected by a reduction in staff shall immediately displace a junior employee holding a regular position or a position closer to his residence which is pending bulletin, unless prevented by illness or other cause for which a bona fide leave of absence has been granted. Employees failing to exercise their seniority immediately unless prevented by illness or other cause shall forfeit their seniority under this agreement.

In the application of the above, employees who are unable to hold work in their own classification or group on their seniority territory will be granted up to five (5) unpaid days to report to their new position. Employees who elect not to immediately report to their new assignment may only assume their new position on the first day of a work cycle.

Senior May - Junior Must Rules (Displacements)

17.7 Employees placed in a situation to exercise their displacement rights from a permanent position who decide to displace onto a temporary position within the same classification while permanent positions are available in the same classification will not be permitted to displace a junior employee holding a permanent position in that classification until such time as they re-establish themselves, by bulletin, on a permanent position in that classification.

17.8 Employees placed in a situation to exercise their displacement rights from a temporary position and who do not hold a permanent position in that classification or in the classification in which displacing, will not be permitted to displace onto a permanent position in that classification until such time as they establish themselves, by bulletin onto a permanent position in those classifications.

17.9 Employee's temporary positions of 45 days or more which come to a completion or when employees are displaced from a temporary position, in a classification in which they hold a permanent position may displace on another temporary position or a pending bulletin position in the same classification or revert to their permanent position.

17.10

- a)** In situations where employees voluntarily give up a permanent position by bid in the supplement in which they are working, they will not be able to exercise their displacement rights onto any permanent position in any other supplemental agreement in which they hold seniority prior to establishing a permanent position by bid in that supplemental agreement.
- b)** The same principle will also apply in cases of displacements where these employees could have displaced onto a permanent position in the supplemental in which working and decided not to do so. In these cases these employees will be considered as voluntarily giving up a permanent position in the supplemental in which they are working.

17.11 In all cases, employees will not lose their seniority in any classification including in an Employment Security situation.

Sequence of displacements within a supplemental agreement:

17.12 In cases of displacements from permanent positions or the abolishment of permanent positions, employees placed in a situation to exercise their displacement rights should follow the following order to maintain their maximum rights to permanent positions:

- (a)** at their home location, on permanent positions in the same classification as the one from which displaced, their being none,
- (b)** away from their home location, on permanent positions in the same classification as the one from which displaced, their being none,
- (c)** at their home location, on temporary positions in the same classification as the one from which displaced, their being none,

- (d) away from their home location, on temporary positions in the same classification as the one from which displaced, their being none,
- (e) at their home location, on permanent positions in the next lower classification in which they hold seniority, their being none,
- (f) away from their home location, on permanent positions in the next lower classification in which they hold seniority, their being none,
- (g) at their home location, on temporary positions in the next lower classification in which they hold seniority, their being none,
- (h) away from their home location, on temporary positions in the next lower classification in which they hold seniority.

Note: Employees should follow this principle from classification to classification until they reach the lowest classification in which they hold seniority.

17.13 In the event employees choose not to follow the sequence outlined in 17.12 above, Articles 22.2 (e) & (f) will apply. Furthermore, employees who do not displace on permanent positions in lower classification in which they hold seniority will not at any time be able to displace in any higher classifications on a permanent position until they re-establish themselves on a permanent position by bulletin.

17.14 Employees displacing from a temporary position and holding a permanent position in a lower classification will be entitled to displace on any temporary position provided the temporary position is a higher classification to the permanent position held by that employee.

17.15 Employees who wish to protect their entitlement to Employment Security in an Article 8 situation must follow the sequences outlined in Articles 17.12 and 17.14. In addition to the requirements therein, seniority permitting, displace on any permanent position which they can hold within the classification affected, then on any permanent position in any classification downward within the same line of promotion from the one vacating.

Recall to Service

17.16

- a) **For Bridge and Structure Employees, and all Employees Covered by the Track Supplemental Agreement**, when staff is increased or when vacancies of forty-five (45) days or more occur, laid-off employees shall be recalled to service in seniority order, in their respective classifications
- b) **For Steel Bridge and Masonry Employees and employees covered by the Work Equipment Supplemental Agreement**, in addition to 17.16a) above, employees recalled in these classifications will be recalled in seniority order if qualified.
- (c) The initial recall outlined in 17.16(a) and (b) will be done by telephone. Where an employee does not return a telephone call, a registered letter will be sent. Failure to respond to such written recall within fifteen (15) days of the date the employee is notified by registered mail at their last known address shall result in severance of

employment relationship, unless satisfactory reason is given. (See the recall process in Appendix V)

17.17

- a) Temporary positions or temporary vacancies of under forty-five (45) days' duration shall be filled by qualified laid-off employees living at or near the work location, provided they are immediately available. Laid-off employees shall not be required to accept recall to vacancies of less than forty-five days when they have steady employment elsewhere. Employees assigned under this article will not be allowed to bid or displace during this assignment and will revert to their previous status at the completion of this assignment.
- b) In the application of Articles 17.16 a) and b) above the Company may fill the position pending the return of recalled employees in accordance with this article 17.17 a).

Note: The Company agrees to provide notice of recall under Article 17.17 to the Union.

17.18 An employee who does not hold a permanent assignment at the completion of his temporary assignment, may elect to take layoff provided that there are junior qualified employees available to fill all assignments. This Article will only have application on conclusion of the summer working period between 15 September to 31 December of each year.

17.19 A Trackman/Track Maintainer who has been laid off on account of reduction of staff and who is unable to exercise displacement rights in accordance with this Article shall have preference of employment in order of seniority in any extra gangs prior to hiring new employees. Senior employees may and junior employees must return to a position in that classification on their seniority territory when properly notified that such work of an expected duration of forty-five days or more is available to them.

Senior May - Junior Must Rules (Recall)

17.20 Senior laid off employees will not be obliged to accept recall from lay off. However, the consequences of a refusal on Employment Security or Lay-off benefits is outlined in Articles 17.21 to 17.24 below.

Recall to a Permanent Job (Article 15.11)

17.21 Employees on Employment Security Status and in receipt of Employment Security benefits may accept recall, in seniority order to a permanent job on the Region. However, if they refuse such recall in seniority order they will forfeit forever their entitlement to the benefits contained in Article 7 and 8 of the Employment Security and Income Maintenance Plan (ESIMP). Unless the recall is for their home location they will maintain their rights to the benefits contained in Article 4 of the ESIMP. They will maintain their seniority in the classification for which they were recalled. However, they will not be entitled to exercise such seniority on a permanent job until such time as they re-establish themselves onto a permanent job by bulletin. In all instances the junior employee holding seniority in the classification must protect the assignment.

17.22 Employees on Laid Off Status may accept recall, in seniority order to a permanent job on the Region. Unless the recall is for their home location they will maintain their rights to the benefits contained in Article 4 of the ESIMP. They will maintain their seniority in the classification for which they were recalled. However, they will not be entitled to exercise

such seniority on a permanent job until such time as they reestablish themselves onto a permanent job by bulletin. In all instances the junior employee holding seniority in the classification must protect the assignment.

Recall to a Temporary Job (Article 15.14):

17.23 Employees on Employment Security Status and in receipt of Employment Security benefits may accept recall, in seniority order to a temporary job on the Region. However, if they refuse such recall in seniority order they will forfeit forever their entitlement to the benefits contained in Article 7 and 8 of the Employment Security and Income Maintenance Plan (ESIMP). They will also forfeit their entitlement to the benefits contained in Article 4 of the ESIMP for the duration of the assignment if such recall is at their home location. They will maintain their seniority in the classification for which they were recalled. In all instances the junior employee holding seniority in the classification must protect the assignment.

17.24 Employees on Laid Off Status may accept recall, in seniority order to a temporary job on the Region. However if they refuse such recall at the home location they will forfeit their entitlement to the benefits contained in Article 4 of the ESIMP for the duration of the assignment. They will maintain their seniority in the classification for which they were recalled. In all instances the junior employee holding seniority in the classification must protect the assignment.

ARTICLE 18

Discipline and Grievance Procedure

(See Appendix II)

Informal Investigation

18.1

- (a)** Subject to the provisions of Article 18.2 (a) (ii), minor incidents will be handled without the necessity of a formal investigation.
- (b)** Such incidents will be investigated as quickly as possible by a proper officer(s) of the Company and subsequently reviewed with the employee(s) concerned.
- (c)** In cases where the assessment of discipline is warranted, the employee will be advised in writing within 28 days from the date the incident is reviewed with the employee except as otherwise mutually agreed. The employee will be provided with a Declaration Form at the same time that he is served with a Form 780. A copy of the Incident Report and a copy of the Form 780 issued will be sent to the USW President, Local 2004 or designated representative
- (d)** When an employee is notified of the conclusions reached by the Company, and of the discipline assessed if any, he shall, if such are not acceptable to him, have the right to exercise one of the following options:
 - (i)** if he is not in accord with the conclusions reached by the Company he may, within 20 days of receipt of such notification, so advise the proper officer of the Company and request a formal investigation under the procedures set forth in Article 18.2 hereof; or

- (ii) if he accepts the conclusions reached by the Company but he is not in accord with the discipline assessed he may initiate an appeal of the discipline in accordance with the grievance procedure of the respective collective agreements, but commencing with Step II.

Formal Investigation

18.2

- (a) A formal investigation will be held:
 - (i) in the case of an employee committing an alleged dismissible offence;
 - (ii) when an employee is alleged to have committed a minor offence where the seriousness of such offence might warrant discipline to the extent that when added to his current record could result in discharge for accumulation of demerit marks;
 - (iii) when an employee is alleged to have been involved in a major incident;
 - (iv) when an employee is involved in an incident where the need for information and appropriate documentation is required by order, regulation or Company requirements.
- (b) When required to attend a formal investigation, an employee will be given at least 48 hours' notice in writing. The notice will include the date, time, place and subject matter of the hearing.
- (c) Where an employee wishes to have an *accredited representative appear with him at a hearing and such a representative cannot be made available for the time set for the hearing, the employee, either directly or through an accredited representative, may seek a delay in the hearing sufficient for the Union to have an accredited representative made available. Concurrence to such a request will not be unreasonably withheld by the proper officer of the Company. Application of this provision will not result in a need for a second notice period under the terms of Item (b) above.

The following USW Officers will be considered accredited representative:

USW President, Local 2004
USW Division Vice-Presidents
Unit Chairperson, and
Grievance Representatives

- (d) Where an employee so wishes an accredited representative may appear with him at the hearing. Prior to the commencement of the hearing, the employee will be provided with a copy of all of the written evidence as well as any oral evidence which has been recorded and which has a bearing on his involvement. The employee and his accredited representative will have the right to hear all of the evidence submitted and will be given an opportunity through the presiding officer to ask questions of the witnesses (including Company Officers where necessary) whose evidence may have a bearing on his involvement. The questions and answers will be recorded and the

employee and his accredited representative will be furnished with a copy of the statement.

- (e) If corrective action is to be taken, the employee will be so notified in writing of the Company's decision within 28 days from the completion of the employee's investigation, unless otherwise mutually agreed. Such notification will be given at the same time or after the employee is personally interviewed by the appropriate Company officer(s) unless the employee is not available for such an interview within the time limit prescribed.
- (f) Employees will not be held out of service pending investigation unless:
 - (i) the circumstances of the incident are such that there is reason to believe that the employee's continued performance on the job could constitute a hazard to himself, other persons or the operations;
 - (ii) the offence is considered sufficiently serious to warrant such action;
 - (iii) it is essential to carrying out the investigation.
- (g) Except as otherwise mutually agreed, the investigating officer shall be an individual who is in the best position to develop all of the relevant facts, provided such individual is not emotionally involved with the incident.
- (h) The Unit chairperson or Grievance Representative will be compensated for all lost wages while attending investigations at their normal rate of pay for up to a maximum of 8 hours per day at straight time rate.

18.3 An employee who is held out of service while under investigation, except in cases where the offense with which charged is of a nature which may result in suspension or dismissal, will be paid for any loss of schedule wages. Suspension will commence from the date the employee is removed from service. Dismissal will be effective on the date the decision is made to dismiss the employee.

18.4 An appeal against discipline imposed may be initiated at Step II of the grievance procedure. Should discipline after appeal be found to be unjust, resulting in cancellation of such discipline, the employee will be paid at schedule wages for each day lost, exclusive of any amount earned in other employment. He will also be reimbursed for any reasonable expenses incurred if required to be away from home in connection with the investigation.

18.5 For employees who are disciplined in the form of a demotion, restriction or dismissal, the following will apply;

- a) An employee who is demoted, suspended or restricted for a period of one year or less will have his position bulletined as a temporary vacancy and will, upon termination of such discipline, return to his former position.
- b) An employee demoted or restricted on a permanent basis, or discharged will have his position advertised on a temporary basis provided that such discipline is being appealed within the time limits specified in the grievance procedure.

- c) An employee who is permanently demoted or dismissed and subsequently reinstated in his former classification shall not have any displacement rights. Such employee will only be permitted to fill temporary vacancies and must exercise his seniority on the first permanent vacancy in the classification in which reinstated under the terms of the agreement. Failure to so exercise his seniority will result in forfeiture of seniority in that classification.

Grievances

18.6 A grievance concerning the interpretation, or alleged violation of this Agreement, or an appeal by an employee who believes he has been unjustly dealt with shall be handled in the following manner.

Step I

The aggrieved employee/employees or their duly authorized representative, shall present the grievance in writing to the Officer designated by the Company within twenty-eight days from the date of the cause of the grievance and a decision shall be rendered in writing within twenty-eight days of receipt of the grievance.

Step II

Within twenty-eight days of receiving the decision under Step I, the USW Division Vice-President or his authorized representative may appeal the decision in writing to the Officer designated by the Company. A decision shall be rendered in writing within twenty-eight days from time of receipt of the appeal.

Step III

Within sixty days of receiving the decision under Step II, the USW President, Local 2004 or designated representative or his authorized representative may request a joint conference with the Officer designated by the Company. The request for joint conference must be accompanied by the Union's contention and all relevant information to the dispute involved. The joint conference shall be arranged to take place within sixty days from the time such request is received and a decision shall be rendered in writing within sixty days of the joint conference.

Note 1: Each party will notify the other in writing of any changes in designated Officers.

Note 2: The term "authorized representative" as it appears in this Article makes reference to those USW Officers identified in paragraph 18.2 (c).

18.7 A grievance under Article 18.6 shall include a written statement of the grievance and where it concerns the interpretation or alleged violation of the Collective Agreement, the statement shall identify the Article involved.

18.8 A grievance not progressed within the time limits specified shall be considered settled on the basis of the last decision and shall not be subject to further appeal. Where a decision is not rendered by the appropriate officer of the Company within the time limits specified, the grievance may be progressed to the next step in the grievance procedure, except as otherwise provided in Article 18.9.

18.9 Where, in the case of a grievance based on a claim for unpaid wages, a decision is not rendered by the designated officer of the Company as outlined in Article 18.6 within the prescribed time limits specified, the claim will be paid. The application of this Article shall not constitute an interpretation of the Collective Agreement.

18.10 Time limits referred to in Article 18.6 may be extended by mutual agreement between the parties referred to in each such step

ARTICLE 19

Final Disposition of Grievances

19.1 A grievance which is not settled at the last 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.

19.2 A request for arbitration shall be made within sixty days following the date decision is rendered in writing by the officer designated in the last step of the grievance procedure. The request shall be made by filing written notice thereof with the Canadian Railway Office of Arbitration in accordance with the procedure established by the Canadian Railway Office of Arbitration.

19.3 The time limits specified in Article 19.2 may be extended by mutual agreement between the USW President, Local 2004 or designated representative and the officer designated by the Company.

19.4 The settlement of a grievance shall not under any circumstances involve retroactive pay beyond a period of sixty days prior to the date such grievance was submitted to the immediate supervisory officer in accordance with Article 18.6.

ARTICLE 20

Manning New Lines or Extensions

20.1 Preference in manning new lines or extensions shall be given to employees on promotion territories from which the new lines divert.

ARTICLE 21

Leave of Absence and Transportation

For Union Positions

21.1 Employees elected or appointed to a Union position or as a delegate to any Union activity requiring leave of absence, shall be granted leave for the term of office or until completing the activity as the case may be, for which leave of absence was granted. Applications for, or renewal of such leave, for periods of one month or more must be made by the USW President, Local 2004 or designated representative to the Vice-President of the Region on which the applicant is employed. Any elected Union official on leave of

absence from his regular position will be credited with compensated service for all time served in his elected union position. Pass transportation will be granted in accordance with Company policy.

Note: Union position referred to above are those in the rank of Unit Chairperson or higher.

For Other Reasons

21.2 Employees, at the discretion of the Company, may be granted leave of absence of up to three months, permission to be obtained in writing. Unless prevented from reporting for duty on or before the expiration of such leave by illness or other cause for which bona fide leave of absence has been granted, they shall be considered as dismissed from the Company's service. Leave of absence may be extended by application in writing to the proper officer in ample time to receive permission or return to duty at the expiration of such leave. Absolute proof must be furnished as to bona fide sickness which prevented the employee's return to duty at expiration of his authorized leave of absence.

21.3 The name of an employee on authorized leave of absence shall be continued on the seniority list. The appropriate USW President, Local 2004 or designated representative shall be advised when the Company grants an employee a leave of absence. Employees on leave of absence for education or personal leave for which authorization has been granted under Article 21.2 of Agreement 10.1 will be required to remit union dues directly to the USW during such leave of absence to maintain their seniority.

21.4 Any employee engaging in other employment while he is on leave, except by mutual agreement between the proper officer of the Company and the USW President, Local 2004 or designated representative, shall be considered dismissed from service.

21.5 Employees shall be granted free transportation in accordance with the current pass regulations.

21.6 Leave of absence and free transportation shall be granted to members of duly appointed committees for the adjustment of matters in dispute between the Company and the employees within ten days after request in writing has been made to the proper officer.

21.7 Employees shall, if desired, be granted leave of absence and free transportation at least six times each year to attend their meetings. Such free transportation shall not extend beyond their Region; leave of absence shall not exceed five working days and then only when consistent with good service and provided the Company is not put to any additional expense. It is understood that transportation issued in accordance with this Article shall not interfere with the issue of transportation in accordance with the Company's general regulations.

21.8

- (a)** Employees laid off through reduction, when re-engaged within one year, shall be granted free transportation to place of work over the Region on which formerly employed.
- (b)** Employees laid off through reduction will be granted free transportation back to their place of residence.

Opportunity and free transportation shall be given to employees for getting to their place of residence on weekends in accordance with the terms of Articles 22.13 to 22.17.

21.10 When employees move from one point to another by order of the Company, or in the exercise of their seniority rights, their household effects shall be transported free of charge.

21.11 Where an automobile mileage allowance is paid, such allowance shall be 33 cents per kilometer. The allowance will also apply where a private automobile is used under the direction of the Company as per the following;

- a) When required by the Company to use private automobile to travel to a new location during the workweek cycle,
- b) When required by the company to attend a Training Session away from their headquarters or attend a Company required medical examination or the like.

(See Appendix XXII)

Article 22
Meals and Lodging

22.1 Employees required to remain away from their headquarters or boarding cars overnight, employees who have no headquarters and are required to be absent from their place of residence overnight or employees, including Relief Foreperson, forced to fill temporary assignments in order to protect their seniority, will be afforded one of the following:

- a) The Company will provide meals in accordance with paragraphs 22.6, 22.7 or a daily meal allowance of:

Effective February 1, 2008 \$38.00

Except for Foreperson, accommodations based on double occupancy where practicable or,

- b) Reasonable expenses for meals and lodging which they necessarily incur for each day the employees are scheduled for work at the discretion of the Company. Reasonable expenses for meals and lodging will be as follows:

Effective February 1, 2008 \$95.00

Effective January 1, 2011, this amount will be adjusted as per the following formula:

Effective January 1, 2011, adjust the meal allowances and the all inclusive allowance by an amount equal to the changes in the Consumer Price Index (Canada, All items) based on November 2008 to November 2010 year over year change.

“ Note : Employees compensated under Article 22.1(b) who decide to travel back to their place of residence daily instead of availing themselves of the benefits of the Article will be compensated in accordance with Article 21.11 up to the daily all inclusive allowance as provided in this Article 22.1 (b).

It is understood that employees availing themselves of the above must request to do so for the entire work cycle they are working.”

c) Actual reasonable expenses

Note: Reimbursement may be made through Direct Deposit System (**D.D.S.**) once per pay period by adding it to their regular wages as a separate item.

The Company retains the right to determine which of the foregoing will apply.

It is understood that the assistance provided for under this paragraph 22.1 is limited to those employees required to be absent from their headquarters, boarding cars, or for employees without a headquarters, from their place of residence, to work at a location which is **greater than seventy (70) kilometres** from their place of residence.

Note 1: For those employees with headquarters or boarding cars, the assistance provided in Article 22.1 will only be provided if they are required to work at a location which is greater than seventy kilometres away from their headquarters or boarding car and provided the new work location is also more than seventy kilometres from their place of residence.

Note 2: For those employees without headquarters, the assistance provided in Article 22.1 will only be provided if they are required to work at a location greater than seventy kilometres away from their place of residence.

* For the purpose of this Article, the seventy (70) kilometres reference means 70 kilometres miles by the most direct public accessible road. The per diem payment for expenses provided for under subparagraph 22.1(b) will supersede any form of living, meals and/or transportation expense or allowance which is provided for by the Company. However, the assistance provided under the terms of Articles 22.13 to 22.17 of Agreement 10.1 (Weekend Travel Assistance) will be expanded to include employees receiving per diem expenses provided under Article 22.1 (b) above.

Senior May - Junior Must Rules

22.2 In an effort to contain expenses in the application of the Senior May - Junior must seniority rules, no expenses under Article 22 will be paid in the filling of temporary positions under the following situations:

- (a) When bidding on lateral moves (See special rules for Welding, Articles 15.16 to 15.19)
- (b) When employees could hold in the same or higher classification at their home location,
- (c) When employees voluntary demote themselves into lower classifications, unless the employee is coming from and going to a position covered by expenses,
- (d) When employees **notified by bulletin** in receipt of expenses under Article 22 fails to bid permanent or temporary positions in the same or higher classifications at their home location

or in displacing

(e) When displacing away from the home location when work is available in the same classification at the home location,

(f) When displacing in a lower classification away from the home location when work is available in the same lower classification at the home location.

22.3 Successful applicants to temporary positions in a higher classification will be entitled to the provisions of Article 22.1. This article will also apply in the case of employees establishing seniority in a higher classification.

22.4 Employee forced to cover temporary assignment will be entitled to the provisions of Article 22.1.

22.5 For the purpose of Senior May - Junior Must rules, the term "home location" means within seventy (70) kilometers in one direction by the most direct route (140 kilometers return) from the employees' headquarters, boarding cars or for employees without a headquarters, from their place of residence.

22.6 Employees boarding in Company or contractor's outfits shall not be required to pay for meals while on leave of absence, when absent from outfits on duty or on account of sickness, or when permitted to go home for the weekend and absent for two or more consecutive meals. In the latter case forty-eight hours' written notice must be given to those in charge of outfits of intent to be absent from such meals, otherwise the employee will be charged four dollars (\$4.00) for each meal not taken.

22.7 Subject to Articles 22.6 and 22.10, the employees will not be charged for meals supplied by the Company or by contractor's outfit.

22.8 Employees required to stay in a BKD, Nomad Camp or equivalent accommodation (i.e. kitchen/diner with cook/foreperson sleeper unit) will be afforded a per diem allowance for expenses of \$25.00 each. The allowance will apply each day the employees are required to remain at the temporary location.

22.9 In large gangs time will be increased sufficiently for him to perform this duty. Forepersons shall be held responsible if there is any excess time devoted to cooking. Employees performing this service shall not be paid for time in excess of that period on any day to other labourers in his gang. Notwithstanding the provisions of Article 22.4, the Company may elect to employ a suitable cook.

22.10 When it can be done without in any way interfering with the work, employees shall be permitted to take meals at their homes. In such cases, no charges for meals shall be made provided that the employee gives a forty-eight-hour written notice to those in charge of outfits of his intent to be absent from such meals, otherwise the employee will be charged four dollars (\$4.00) for each meal not taken.

22.11 Boarding car outfits generally used throughout the years, will be equipped with clean mattresses, and with end doors if required, and as conditions permit such cars as are not fitted with sleeping car type berths will be equipped with steel bunks with springs, and the

number of bunks per car will be so regulated that there will not be less than 7.89 cubic meters of space per employee sleeping in the car.

22.12 Employees required to use their private vehicle to commute from the company supplied accommodation to the work site will be compensated at a rate equal to the one specified in Article 22.14 (d)..

Weekend Travel Assistance

22.13 Qualification

In order to qualify for weekend travel assistance an employee must be required to work away from his home location on a regular basis (a minimum of 5 consecutive days prior to the weekend). If such work is on a permanent position, which has an established Headquarters location, there must be an acceptable reason for the employee not relocating his home to the Headquarters location, such as remoteness of the location or limited housing at the location.

22.14 As mentioned above the means to be used to assist employees with weekend travel will vary and the determination of which will apply in each case will rest with the appropriate Company Officers. The means that may be employed are:

- (a)** Train Service
- (b)** Company vehicles
- (c)** A kilometre allowance of 24 cents per kilometre when employees use their automobiles.
- (d)** Any other means which meets the criteria mentioned in the first paragraph of this letter; or
- (e)** Any combination of a, b, c, and d above.

22.15 The adequacy of train service where it is considered as a means for weekend travel is of course a very relative matter. Waiting time, travelling time, and the alternatives available must all be considered. This basic criteria are that the means used must be fair and practical, must not interfere with the performance of the work and must not place an unreasonable economic burden upon the railways. Where there is a difference of opinion between an employee and his Supervisor in this regard, the local Union representative or the Regional Chief Steward and the Supervisor should confer in an effort to resolve the difference.

22.16 Where a work location is accessible by road the Company shall be under no obligation to provide assistance when the distance to be travelled is forty miles or less in one direction (eighty miles or less return).

The Company's obligation under this arrangement shall not exceed beyond the limits of the Region on which the employee is working, unless employees go beyond the Region at the request of the Company.

For employees who are granted a mileage expense allowance, payment shall be limited to **3,500** miles (5,631 KM) in any one calendar month. However, under special circumstances, after discussions between the USW Local 2004 President and the Division Engineer, the latter has the flexibility to increase this maximum.

Administration

22.17 Claims for payment under the terms of this arrangement must be made in accordance with Company instructions.

ARTICLE 23

Attending Court or Investigations

23.1 Employees attending court or investigations at the request of the proper officer of the Company, or required to attend inquests in which the Company is concerned, will be paid at schedule rates for each day lost, and reasonable expenses actually incurred while away from home. This will not apply where employees are required for examination for promotion, disability, to meet legal requirements, or in connection with irregularities for which they are found to be responsible. Any fee or mileage accruing will be assigned to the Company.

Jury Duty

23.2 An employee who is summoned for jury duty and is required to lose time from his assignment as a result thereof, shall be paid for actual time lost with a maximum of one basic day's pay at the straight time rate of his position for each day 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 sixty days in any calendar year.
- (c)** No 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 paragraph (c) above an employee's annual vacation will, if the employee so requests, be rescheduled if it falls during a period of jury duty.

ARTICLE 24

Section Houses and Dwellings

24.1 The Company shall keep section houses in good repair, the cost of repairs other than those due to ordinary wear and tear shall be charged to the occupants, their surroundings must be kept clean by the occupants. The Company shall also furnish, when

required, storm doors, storm windows (for cold sections of the country), and shall also furnish window and door screens when necessary.

24.2 Regular section houses shall be for the use of Track Maintenance Forepersons and their families only, unless with the consent of the occupants.

24.3 Where necessary at outlying points where other living accommodation is not available, suitable quarters for sleeping and eating shall be provided for Pumpmen, Trackmen/Track Maintainers, Signalmen and Watchperson, which shall be kept in good repair.

24.4 Where it is necessary to transport water for the use of the employees living in Company dwellings, good water and suitable receptacles shall be provided. When water is not available in the vicinity, and is not supplied by the Company, it may be obtained on the Company's time.

24.5 Before water is used from an unknown source, it must be analyzed to ensure that it is safe for human consumption.

ARTICLE 25

Vacation With Pay

25.1 An employee who, at the beginning of the calendar year, is not qualified for vacation under Article 25.2 hereof, shall be allowed one working day's vacation with pay for each twenty-five days' cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of ten working days until qualifying for further vacation under Article 25.2.

25.2 Subject to the provisions of Note 1 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least three years and has completed at least 750 days cumulative compensated service, shall have his vacation scheduled on the basis of one working day's vacation with pay for each 16-2/3 days cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of fifteen working days; in subsequent years, he will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 25.3.

Note 1: An employee covered by Article 25.2 will be entitled to vacation on the basis outlined therein if on his fourth or subsequent service anniversary date he achieves 1,000 days of cumulative compensated service; otherwise his vacation entitlement will be calculated as set out in Article 25.1. 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 leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving.

25.3 Subject to the provisions of Note 2 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 9 years and has completed at least 2,250 days of cumulative compensated service, shall have his vacation scheduled on the basis of one working day's vacation with pay for each 12-1/2 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of 20 working days; in subsequent years, he will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 25.4.

Note 2: An employee covered by Article 25.3 will be entitled to vacation on the basis outlined therein if on his tenth or subsequent service anniversary date he achieves 2,500 days of cumulative compensated service; otherwise his vacation entitlement will be calculated as set out in Article 25.2. 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 leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving.

25.4 Subject to the provisions of Note 3 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 19 years and has completed at least 4,750 days of cumulative compensated service, shall have his vacation scheduled on the basis of one working day's vacation with pay for each 10 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of 25 working days; in subsequent years, he will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 25.5.

Note 3: An employee covered by Article 25.4 will be entitled to vacation on the basis outlined therein if on his twentieth or subsequent service anniversary date he achieves 5,000 days of cumulative compensated service; otherwise his vacation entitlement will be calculated as set out in Article 25.3. 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 leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving.

25.5 Subject to the provisions of Note 4 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 28 years and has completed at least 7,000 days of cumulative compensated service, shall have his vacation scheduled on the basis of one working day's vacation with pay for each 8-1/3 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of 30 working days.

Note 4: An employee covered by Article 25.5 will be entitled to vacation on the basis outlined therein if on his twenty-ninth or subsequent service anniversary date he achieves 7,250 days of cumulative compensated service; otherwise his vacation entitlement will be calculated as set out in Article 25.4. 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 leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving.

25.6 In the application of Article 25.5, the Company will have the option of:

- (i) Scheduling an employee for five weeks' vacation with the employee being paid for the sixth week at pro rata rates; or
- (ii) Splitting the vacation on the basis of five weeks and one week.

Note: Employees with three or more weeks vacation will be permitted to make one vacation split.

25.7 A year's service is defined as 250 days of cumulative compensated service.

25.8 In computing service under Articles 25.1, 25.2, 25.3, 25.4, and 25.5, days worked in any position covered by similar vacation agreements shall be accumulated for the purpose of qualifying for vacation with pay.

25.9 Provided an employee renders compensated working service in any calendar year, time off duty account bona fide illness, injury, authorized pregnancy leave, to attend committee meetings, called to court as a witness or for uncompensated jury duty, not exceeding a total of 150 days in any calendar year, shall be included in the computation of service in that year for vacation purposes.

25.10 An employee who, while on annual vacation, becomes ill or is injured, shall have the right to terminate (temporarily) his 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 his vacation if within his 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 authorized Local Union representative.

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

25.12 An employee who is entitled to vacation shall take same at the time scheduled. If, however, it becomes necessary for the Company to reschedule an employee's scheduled vacation dates, he shall be given at least fifteen (15) working days' advance notice of such rescheduling and will be paid at the rate of time and one-half his regular rate of wages for all work performed during the scheduled vacation period. The rescheduled vacation with pay to which he is entitled will be granted at a mutually agreed upon later date.

This Article 25.12 does not apply where rescheduling is a result of an employee exercising his seniority to a position covered by another vacation schedule.

25.13 An employee will be compensated for vacation at the rate of pay he would have earned had he not been on vacation during such period.

25.14 An employee terminating his employment for any reason at a time when an unused period of vacation with pay stands to his credit shall be allowed vacation calculated to the date of his leaving the service, as provided for in Articles 25.1, 25.2, 25.3, 25.4, and 25.5 and if not granted shall be allowed pay in lieu thereof.

25.15 An employee who is laid off shall be placed on vacation for any vacation due him at the beginning of the current calendar year and not previously taken, and if not subsequently recalled to service during such year shall, upon application be allowed pay in lieu of any vacation due him at the beginning of the following calendar year.

This Article will not apply if employees are recalled to service for jobs of less than sixty 60 working days, as specified in Article 17.17 a).

25.16 An individual who leaves the service of his own accord or who is dismissed for cause and not reinstated in his former standing within two years of date of such dismissal shall, if subsequently returned to the service, be required to qualify again for vacation with pay as provided in Article 25.1.

25.17 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.

25.18 Applications for vacation from employees filed between December 15th of the previous year and January 31st, shall, insofar as it is practicable to do so, be given preference in order of service of the applicants under Agreement 10.1 and its supplements. Such applicants will have preference over later applicants. Applicants will be advised and the vacation dates allotted will be posted, in February, and unless otherwise mutually agreed, employees must take their vacation at the time allotted.

25.19 Unless otherwise mutually agreed, employees who do not apply for vacation prior to February 1st or who change location and vacation list shall take their vacation at a time to be prescribed by the Company.

Where practicable the employee will be given a two-week written notice of his/her vacation allotment.

25.20 Employees desiring an advance vacation payment must make application for same not later than five weeks prior to commencing their vacation.

The advance vacation payment shall be 4% of the employee's previous year's earnings, less an appropriate amount (approximately 30%) to cover standard deductions.

ARTICLE 26

Shift Differentials

26.1 Employees whose regularly assigned shifts commence between 1400 hours and 2159 hours shall receive a shift differential of 75cents per hour, and employees whose regularly assigned shifts commence between 2200 hours and **0459** hours shall receive a shift differential of 80 cents per hour.

26.2 Effective January 1, 2007, employees whose regularly assigned shifts commence between 2200 and 0459 hours shall receive a shift differential of **one dollar (\$1.00) per hour**.

26.3 Overtime shall not be calculated on the shift differential nor shall the shift differential be paid for paid absence from duty such as vacations, general holidays, etc.

ARTICLE 27

Compensation for Additional Positions or Classifications

27.1 When additional positions or classifications are created, or upon introducing new major equipment for specific Supplemental Agreements which is significantly different from current equipment, compensation shall be fixed in conformity with agreed rates for similar positions within that Supplemental Agreement or by agreement between the USW President, Local 2004 or designated representative and Officers of the Company.

ARTICLE 28

Injured on Duty

28.1 An employee prevented from completing a shift due to a bona fide injury sustained while on duty will be paid for his full shift at straight time rates of pay, unless the employee receives Worker's Compensation benefits for the day of the injury in which case the employee will be paid the difference between such compensation and payment for their full shift.

ARTICLE 29

Paid Maternity Leave Plan

29.1 The Maternity Leave Plan shall be that Plan established by the Non-Operating Employee Benefit Plan Agreement dated June 18, 1985, as revised, amended or superseded by any Agreement to which the parties to this Agreement are signatories.

ARTICLE 30

Bereavement Leave

30.1 Upon the death of an employee's spouse, child, step-child or parent, the employee shall be entitled to five (5) days bereavement leave without loss of pay provided he has not less than three months cumulative compensated service.

30.2 Upon the death of an employee's brother, sister, step-parent, father-in-law, mother-in-law, step-brother, step-sister, grandchild or grandparent, the employee shall be entitled to three (3) days' bereavement leave without loss of pay provided he has not less than three months' cumulative compensated service.

It is the intent of this article to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of regular wages for that period to the employee to whom leave is granted.

Employees who while on annual vacation are bereaved, shall be entitled to suspend their vacation and revert to bereavement status in accordance with the above.

Definition of Eligible Spouse:

The person who is legally married to the Eligible Employee and who is residing with or supported by the Eligible Employee, provided that, if there is no legally married spouse that is eligible, it means the person that qualifies as a spouse under the definition of that word in Section 2(1) of the Canadian Human Rights Benefits Regulations, so long as such person is residing with the Eligible Employee.

ARTICLE 31

Life Insurance Upon Retirement

31.1 An employee who retires from the service of the Company subsequent to January 1, 2001, will, provided he is fifty-five years of age or over and has not less than ten years' cumulative compensated service, be entitled, upon retirement, to a \$6,000 life insurance policy, fully paid up by the Company. This amount will be increased to \$7,000 effective January 1, 2003.

ARTICLE 32

Dental and Extended Health Care Plans

32.1 The Dental Plan shall be that Plan established by the Dental Plan Agreement dated July 25, 1986, as revised, amended or superseded by any Agreement to which the parties to this Collective Agreement are signatories.

32.2 The Extended Health Care Plan is established by the Extended Health Care Plan Agreement dated July 25, 1986, as revised, amended or superseded by any Agreement to which the parties to this Collective Agreement are signatories.

ARTICLE 33

Contracting Out

33.1 Effective February 3, 1988, work presently and normally performed by employees who are subject to the provisions of this collective agreement will not be contracted out except:

- (1)** when technical or managerial skills are not available from within the Railway; or
- (2)** where sufficient employees, qualified to perform the work, are not available from the active or laid-off employees; or
- (3)** when essential equipment or facilities are not available and cannot be made available at the time and place required (a) from Railway-owned property, or (b) which may be bona fide leased from other sources at a reasonable cost without the operator; or
- (4)** where the nature or volume of work is such that it does not justify the capital or operating expenditure involved; or
- (5)** the required time of completion of the work cannot be met with the skills, personnel or equipment available on the property; or
- (6)** where the nature or volume of the work is such that undesirable fluctuations in employment would automatically result.

33.2 The conditions set forth above will not apply in emergencies, to items normally obtained from manufacturers or suppliers nor to the performance of warranty work.

33.3 At a mutually convenient time at the beginning of each year and, in any event, no later than January 31 of each year, representatives of the Union will meet with the designated officers to discuss the Company's plans with respect to contracting out of work for that year. In the event Union representatives are unavailable for such meetings, such unavailability will not delay implementation of Company plans with respect to contracting out of work for that year.

33.4 The Company will advise the Union representatives involved in writing, as far in advance as is practicable, of its intention to contract out work which would have a material

and adverse effect on employees. Except in case of emergency, such notice will be not less than 30 days.

33.5 Such advice will contain a description of the work to be contracted out; the anticipated duration; the reasons for contracting out and, if possible, the date the contract is to commence. If the USW President, Local 2004 or designated representative requests a meeting to discuss matters relating to the contracting out of work specified in the above notice, the appropriate company representative will promptly meet with him for that purpose.

33.6 Should the USW President, Local 2004 or designated representative request information respecting contracting out which has not been covered by a notice of intent, it will be supplied to him promptly. If a meeting is requested to discuss such contracting out, it will be arranged at a mutually acceptable time and place.

33.7 Where the Union contends that the Company has contracted out work contrary to the provisions of this Article, the Union may progress a grievance commencing at the Regional Vice-President level (or equivalent). The Union officer shall submit the facts on which the Union relies to support its contention. Any such grievance must be submitted within 30 days from the alleged non-compliance.

ARTICLE 34

General

Cleaning Latrines

34.1 Employees shall not be required to clean out public station latrines or septic tanks.

Stoves in Tool Houses

34.2 The use of stoves will be permitted in tool houses.

Performance of Maintenance of Way Work by Employees Outside of Department

34.3 Except in cases of emergency, employees outside of the maintenance of way service shall not be assigned to do work which properly belongs to the maintenance of way department.

Handling Snow Plow Tarpaulins

34.4 Except where shop hands are not available, employees in charge of snowplows shall not be required to put on or take off snow screens or tarpaulins of engines.

Payments to Employees

34.5 At the discretion of the Company, all payments to employees will be through the Direct Deposit System.

ARTICLE 35

Certificate of Service

35.1 Employees leaving the service of the Company shall be furnished with certificate of service, if requested.

35.2 Persons entering the service of the Company will within 30 days from date of employment have returned to them all service cards and letters of recommendation which had been taken up for inspection by the Company, except those addressed to or issued by the Company.

ARTICLE 36

In Term Committee

36.1 The Company and the Union agree to the establishment of an In Term Committee which shall meet twice yearly, or more often as may be agreed to by the parties, to deal with business issues affecting the membership of the Union and problems arising from the administration of the Agreement.

36.2 The In Term Committee shall consist of six (6) members, three (3) of whom shall be appointed by the Union and three (3) of whom shall be appointed by the Company. The parties shall name a like number of persons to act as substitutes. Each party will elect one person from their own members to act as Co-Chairperson.

36.3 The Co-Chairpersons shall arrange for meetings of the In Term Committee and will agree on the meeting agenda. Items for inclusion on the agenda shall be exchanged between Co-Chairpersons two (2) weeks in advance of the meeting. It is agreed that items dealing with a revision to the Agreement or interpretation or application of the Agreement will be submitted in writing to the other party thirty (30) days in advance of the meeting.

36.4 Amendments to the Agreement, when agreed upon by both parties, shall form part of the Agreement.

ARTICLE 37

Employment Security and Income Maintenance Plan

37.1 The provisions of the Employment Security and Income Maintenance Plan dated April 21, 1989, as revised, amended or superseded by any Agreement to which the parties to this Collective Agreement are signatories, will apply to employees covered by this Agreement.

ARTICLE 38

Deduction of Dues

38.1 The Company will deduct and forward dues to USW in accordance with the constitution by-laws and regulations of the USW.

- a) The Company shall deduct twice per month from wages due and payable to each employee coming within the scope of this Collective Agreement an amount of union dues determined by the USW, subject to the conditions and exceptions set forth hereunder.
- b) The amount to be deducted shall be in accordance with the USW constitution by-laws and regulations. The amount to be deducted shall not be changed during the term of the applicable Agreement excepting to conform with a change in the amount of regular dues of the USW in accordance with its constitutional provisions.
- c) Employees promoted temporarily to a non-schedule official or excepted position, will be subject to dues deductions while working temporarily on this non-schedule, official or excepted position. In the event there is a legal strike by the USW or a legal lockout of the USW, such employees will be returned to the Union ranks.

Employees occupying a permanent non-schedule, official or excepted position upon conclusion of this round of national negotiations and employees promoted permanently to such position will have the option of paying a union assessment. Employees who elect to pay the union assessment shall continue to accumulate seniority in the groups from which promoted. Employees who elect not to pay the union assessment shall cease accumulating seniority but shall retain the seniority rights already accumulated up to the date upon which they elect to cease paying the union assessment. The union assessment referred to above will not exceed the union dues paid by employees represented by the USW.

- d) Membership shall be available to any employee eligible under the constitution of the applicable Organization on payment of the initiation or reinstatement fees uniformly required of all other such applicants by the local lodge or division concerned. Membership shall not be denied for reasons of race, national origin, color or religion.
- e) Employees filling positions coming within the scope of more than one Wage Agreement in the pay period in which deduction is made shall have dues deducted for the Organization holding the Agreement under which the preponderance of their time is worked in that period. Not more than one deduction of dues shall be made from any employee in any month.
- f) Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.
- g) The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Company to the officer or officers of the USW, as may be mutually agreed by the Company and the Union, not later than forty days following the pay period in which the deductions are made.
- h) The Company shall not be responsible financially or otherwise, either to the Organization 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 shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the USW, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all

amounts deducted pursuant to the provisions of this article shall terminate at the time it remits the amounts payable to the designated officer or officers of the USW.

- i) The question of what, if any, compensation shall be paid the Company by the USW in recognition of services performed under this Agreement shall be left in abeyance subject to reconsideration at the request of either party on fifteen days' notice in writing.
- j) In the event of any action at law against the parties hereto or any of them resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to paragraph (1) of this Agreement, all parties shall cooperate fully in the defence of such action. Each party shall bear its own cost of such defence except that if at the request of the USW or any of them counsel fees are incurred these shall be borne by the USW. Save as aforesaid the USW shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by the Company as a result of any such deduction or deductions from payrolls.

ARTICLE 39

Jurisdiction

39.1 For the carrying out of this Agreement, the Company shall, except as otherwise provided, deal only with duly authorized committees of its maintenance of way employees. At the beginning of each year the Union will furnish the Division Regional Engineer or other officer in charge with the names of the committees authorized to deal with such matters in their respective territories.

ARTICLE 40

Seasonal Staff Reduction

40.1 The Company will provide the Union and affected employees with 30 days notice of seasonal staff reductions where practicable.

ARTICLE 41

Health and Welfare

41.1 Health and Welfare benefits will be provided in accordance with Employee Benefit Plan Supplemental Agreement dated July 25, 1986, as revised, amended or superseded by any agreement to which the parties of this Collective Agreement are signatories.

ARTICLE 42

Printing of Agreements

42.1 The Company will undertake the responsibility for the printing of this Agreement and Agreements supplemental hereto as may be required from time to time and will absorb the cost of such printing. This will include the cost of printing updated pages.

ARTICLE 43

Duration of Agreement

43.1 This Agreement, as amended and updated, shall remain in full force and effect until December 31, 2011 and thereafter, subject to four months' (120-day) advance notice in writing from either party to this Agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to September 1 2011, unless otherwise specified herein..

Signed at Montreal, Quebec this 20th, day of November 2007

FOR THE COMPANY

K. Madigan
Vice-President,
Labour Relations, North America

Alain Y. de Montigny
Sr. Manager Labour Relations

Robert T. Olbrycht
Assistant Chief Engineer

David Brodie
Manager Labour Relations

FOR THE UNION

Fil Falbo
USW
Chief Negotiator

John Dinnery
President USW, Local 2004

Mike Piché
Staff Representative

Al Kane
Staff Representative

Alain Croteau
Staff Representative

Paul Wright
Chief Steward

Michel Lacroix
Chief Steward

John Vukoja
Vice-President & Chief Steward

Grant Colli
Chief Steward

Pierre Jacques
Chief Steward

APPENDICES

OLD

NEW

Appendix I	User Guide
Appendix II	Archived
Appendix III	Archived
Appendix IV	Archived
Appendix V	Appendix I and re-write to today's standard.
Appendix VI	Now Appendix II
Appendix VII	Archived
Appendix VIII	Moved to Article 38
Appendix IX	Archived, rewritten as New Appendix III
Appendix X	Archived
Appendix XI	Archived
Appendix XII	Was intentionally left blank, now deleted
Appendix XIII	Moved to Article 22 and Archived
Appendix XIV	Archived
Appendix XV	Now Appendix IV
Appendix XVI	Now Appendix XV in 10.8
Appendix XVII	Archived
Appendix XVIII	Archived
Appendix XIX	Archived, portion moved to Article 15
Appendix XX	Now Appendix V
Appendix XXI	Archived
Appendix XXII	Moved to Article 21.11 in 10.1
Appendix XXIII	Now Appendix VI
Appendix XXIV	Now Appendix VII

Letter – K. Madigan Jan. 14, 2005 Re: Art. 25.18 Vacation – Archived
Off Region Agreement – Attachment E – Now is Appendix VIII

Appendix E (10.3) and Appendix XIV (10.8) - Now Appendix IX

APPENDIX I

Montreal, Quebec
August 13, 2008

Mr. John Dinnery
President
USW Local 2004
234 Eglinton Ave East, Suite 507
Toronto, ON
Vice-President
Brotherhood of Maintenance
of Way Employees
Suite 1
1708 Bank Street
Ottawa, Ontario
K1V 7Y6

Dear Sir:

This has reference to discussions during current contract negotiations with respect to the railway's proposal regarding the desirability of undertaking special arrangements for an employee who becomes physically disabled during the course of his employment and is unable to perform the regular duties of his assigned position and is unable to exercise his seniority on a position which he is capable of performing.

This letter will confirm our understanding that, in such circumstances, the proper officer of the Company and the General Chairman of the Brotherhood will meet to see if arrangements can be made to provide employment to the employee concerned within the bargaining unit. The parties may by mutual agreement, place a disabled employee on a position that his qualifications and ability allow him to perform, notwithstanding that it may be necessary to displace an able bodied employee in the bargaining unit so as to provide suitable employment. The permanently assigned employee so displaced will be allowed to exercise seniority onto a position within the bargaining unit that he is qualified for and has the ability to perform.

A disabled employee placed on a position shall not be displaced by an able-bodied employee so long as he remains on that position except when a senior employee is otherwise unable to hold a position within his seniority group.

Should the disabled employee subsequently recuperate, he shall be subject to displacement, in which case such employee will exercise seniority rights. When a senior able bodied employee believes that the provisions of this letter will result in undue hardship, the General Chairman may discuss the circumstances with the Company.

The above understanding is to provide guidelines for assisting disabled employees to continue to be employed.

If you are in accord with the above, would you please so indicate below.

Yours truly,

(Sgd.) W.H. Morin
Vice-President
Canadian National Railways Company

I CONCUR:

(Sgd.) A. Passaretti
Vice-President
Brotherhood of Maintenance
of Way Employees

APPENDIX II

Montreal, Quebec
February 15, 1984

Mr. P.A. Legros
System Federation
General Chairman
Eastern Lines

Mr. A.F. Currie
System Federation
General Chairman
Western Lines

Mr. A. Passaretti
Vice-President
Brotherhood of Maintenance
of Way Employees

For some time now the unions and many people in management have expressed varying degrees of dissatisfaction with the current discipline system. Your Brotherhood's concerns were manifested in contract demands served in recent years which included changes to the discipline and investigation provisions of the Collective Agreements.

During discussions both the Brotherhood and the Company recognized that much of the problem with the current system, i.e. the apparent friction, emanated from the system itself. The parties were interested in exploring ways of lessening the formal aspects of the investigation procedure, and undertook to develop a system that would:

- (a) better define the role of the fellow employee or accredited representative appearing with an employee at an investigation;
- (b) allow the Company to assess a level of discipline without the need for a formal investigation.

While continuing to adhere to the concept of a formal system for employees involved in major situations, the new system contains a procedure that will, under certain circumstances, permit the Company to assess discipline to a maximum level of fifteen demerit marks without the necessity of a formal investigation. It has built-in safeguards which enable an employee to request a formal investigation in the event he is not satisfied with the results of the informal investigation. Any discipline assessed may, as usual, be appealed through the grievance procedure, but commencing at Step II.

The new discipline system will have two separate and distinct procedures. One procedure (Informal) will apply in the majority of cases involving incidents which are considered minor in nature. Minor incidents involving employee infractions are defined as those which would warrant fifteen or less demerit marks in the event the employee is found responsible. The second procedure (Formal) will apply in more serious situations, i.e. those falling into what might be termed the major category.

The informal procedure is designed to be simple and easily understood. It does away with the need for any formal statement taking and the traditional question and answer format. It is hoped and indeed expected that this new approach will tend to eliminate or at least substantially reduce the apparent friction caused by the formal method.

In response to Brotherhood requests the formal procedure contains changes which have been made on an experimental basis. Our belief, however, is that the informal process will prove to be more advantageous for all concerned and that the need for formal statement taking in future will diminish as the success of the informal process becomes evident.

One of the changes to the formal procedure requested by the Brotherhood dealt with the role of the "fellow employee" appearing at investigations. The Brotherhood wanted this role redefined with the view to expanding his responsibilities at a formal hearing. In fact, the role of the fellow employee has evolved through changes brought about by discussion between the parties and various decisions of Arbitrators throughout the past several years. It is clear that the presence of the fellow employee is not that of a mere observer and that certain rights have now been accepted by the parties. It was therefore agreed, that in the new discipline system, the term accredited representative will be used and the term fellow employee will be dropped. The parties have acknowledged that the additional rights provided the accredited representative will in no way undermine the current procedure which is designed to bring out the facts of the case and to provide for a fair and impartial hearing. It is in the light of this understanding that the Company is prepared to define the role of the accredited representative appearing at a formal investigation as follows:

The employee under investigation may discuss with his accredited representative any questions directly related to and having a bearing on the alleged irregularity under review. However, this practice is not to be abused so as to impede investigation through the employee holding such discussions prior to answering routine questions, such as name, occupation, work location, hours of work, etc. Also, the accredited representative will be permitted to raise questions through the officer conducting the investigation during the course of the investigation. It will be the responsibility of the investigating officer to rule on whether or not such questions are relevant. Whether considered relevant or irrelevant, the question and answer will be recorded.

It is to be emphasized that any advice given by the accredited representative to the effect that the employee under investigation should not answer a relevant question will not be accepted by the officer conducting the investigation. The investigation will be conducted in a proper and dignified manner and at all times under the control of the person conducting the investigation. The role of the accredited representative as well as the officer conducting the formal investigation will be monitored by the Union/Management Monitoring Committee.

The progress of the new discipline system is to be monitored at the Regional and System levels. The monitoring teams will be comprised as follows:

Regions - System Federation General Chairman, the Regional Chief Engineer and the Manager Labour Relations.

The System Steering Committee comprising the current negotiating groups will continue to meet periodically to monitor the results of the new discipline system, to ensure consistency in application and to adjudicate if necessary, on matters dealing with the overall intent and objectives of the program.

Throughout these discussions, some fear was expressed by both sides that some of the proposed changes would encourage the parties to take advantage of certain situations. The Brotherhood expressed the fear that any loosening of the formal structure where

traditional safeguards were removed, as in the proposed informal process, would invite certain supervisors to take advantage of employees who were now stripped of the protection provided by the formal system. Assurances were given that this aspect would be carefully monitored to ensure proper application in line with the principles involved.

On the other hand, some members of management are apprehensive that certain people might misconstrue the instruction of this change as signalling a new laissez-faire approach to discipline and are concerned that performance factors, i.e. accidents, personal injuries, etc., might suffer as a consequence.

In fact, neither of these perceptions is correct. Both the Company and the Brotherhood agree that there must be some form of discipline system. It is, therefore, not a question of whether some action will be taken, but rather a question of the mode or process that will be employed to bring about the desired result in keeping with the philosophy of the Company's discipline policy. The success of the new discipline system will depend to a large extent on the good faith and genuine commitment of those involved. To aid in this endeavour, the Company will provide appropriate training for both Company and Brotherhood (Local) officers directly involved. Brotherhood officers will be paid for such training. In addition, those employees affected by the changes will be apprised of the program jointly by Brotherhood and Management officers and informed of the discipline provisions that will apply to them.

Would you please indicate your concurrence with the foregoing by signing this letter in the space provided below.

Yours very truly,

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

I CONCUR:

(Sgd.) Paul A. Legros
System Federation General
Chairman Eastern Lines
Brotherhood of Maintenance
of Way Employees

(Sgd.) A.F. Currie
System Federation General
Chairman Western Lines
Brotherhood of Maintenance
of Way Employees

APPENDIX III

Montreal, Quebec
August 13, 2008

Mr. John Dinnery
President USW Local 2004
234 Eglinton Ave East, Suite 507
Toronto, ON M4P 1K7

Dear Mr. Dinnery,

This will confirm our understanding concerning the policy to be adopted with respect to employees who, because of severe snow conditions, either report late for work or are unable to report at all.

All employees are expected to make every effort to report for work on time, notwithstanding snow or storm conditions. However, in the circumstances quoted above, it is agreed that employees who arrive late for their assignments, but report prior to the mid-point of their tour of duty, will be paid for the day provided such late arrival is directly attributable to the aforementioned severe snow conditions. Employees who report after the mid-point of their tour of duty will be paid one-half day.

With respect to employees who are unable to report for work due to the aforementioned severe snow conditions, or who report after the mid-point of their tour of duty, it is agreed that notwithstanding the provisions of the collective agreement, such employees may be given the opportunity to work additional hours at straight time rates in order to make up part or all of such lost time. It is understood that such arrangements will only apply insofar as they do not conflict with the provisions of the Canada Labour Code.

The above policy only applies when the proper municipal authorities have requested the public to leave their motor vehicles at home and local public transportation services are not operating due to snowstorms.

Yours truly,

(Sgd.) Kim Madigan
Vice-President
Labour Relations, North America
Canadian National Railway

APPENDIX IV

February 28, 1989

Mr. A. Passaretti
Vice-President
Brotherhood of Maintenance of Way Employees
2775 Lancaster Road, Suite #1
Ottawa, Ontario
K1B 4V8

Dear Mr. Passaretti:

During national negotiations your Union expressed concern about non-schedule supervisors performing work normally done by employees covered by collective agreements between Canadian National Railway Company and the Brotherhood of Maintenance of Way Employees.

This will confirm the opinion expressed by the Company's representative that the Main function of such supervisors should be to direct the work force and not engage, normally, in work currently or traditionally performed by employees in the bargaining unit.

It is understood, of course, there may be instances where, for various reasons, supervisors will find it necessary to become so engaged for brief periods. However, such instances should be kept to a minimum.

This matter will be brought to the attention of our operating officers.

Yours truly,

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

Appendix V

Recall Process

Attachment "A"

To

Senior May - Junior Must Agreement

Signed May 12, 1999

With the introduction of the Senior May / Junior Must agreement and the presentations that were jointly made across the system both the Union and the Company agreed that some modifications were required to the recall procedure. For instance, under the new concept employees will have the right to initially refuse a recall to work without loss of seniority and employment. The process agreed to is outlined below.

The Process:

The DMC will recall in seniority order, laid off employees, including:

- employees on employment security status and in receipt of Employment Security benefits,
- those who have exercised their consolidated seniority into another supplemental agreement
- and those who displaced into another supplemental agreement

using a standardized form which will contain specific explanation to be given to the employees along with specific questions to be asked to the recalled employees.

Note: Employees who voluntarily bid from one supplemental agreement to another are not be subject to this recall process.

Insofar as the voluntary recall procedure is concerned, employees will be informed of the following:

- Classification for which recalled
- If the position is permanent or temporary (if temporary the expected duration)
- The location (if applicable)
- The supervisor's name
- The gang number
- The expected starting date
- The reporting date & time
- Standard of accommodation

Employees who accept a recall to a permanent or temporary position:

- must report to work within 24 to 48 hours, and
- must secure the or a position by bulletin

Employees, refusing a recall to a permanent position, will be advised by the DMC of the following:

- 1) They maintain their seniority in the classification for which recalled.
- 2) Job security benefits will be forfeited for the duration of assignment if assignment is at their home location.

- 3) Employees will not be permitted to displace a junior employee on a permanent positions until such time as the recalled employees re-established themselves by bulletin on a permanent position in the classification refused.
- 4) Employees in receipt of Employment Security benefits will forever forfeit Employment Security protection.

Employees refusing a recall to a temporary position, they will be advised by the DMC of the following:

- 1) They maintain their seniority in the classification for which recalled
- 2) Job security benefits will be forfeited for the duration of assignment if assignment is at their home location.
- 3) Employees in receipt of Employment Security benefits will forever forfeit Employment Security protection.

At the end of each day a copy of each recall form will be sent to the System Federation General Chairman.

If at the end of the voluntary recall, positions remain unfilled, the DMC will invoke the following procedure and start forcing qualified employees in the following order:

If the recall is for a permanent position:

- 1) In inverse seniority order starting by the junior qualified employee laid off, including employees on Employment Security Status and in receipt of Employment Security benefits on the Region. If positions remain unfilled.
- 2) In inverse seniority order starting by the junior qualified employees working in a lower classification on the Region.

If the recall is for a temporary position:

- 1) In inverse seniority order starting by the junior qualified employee laid off including employees on Employment Security Status and in receipt of Employment Security benefits at the location. If positions remain unfilled.
- 2) In inverse seniority order starting by the junior qualified employee laid off including employees on Employment Security Status and in receipt of Employment Security benefits on the Region, If positions remain unfilled.
- 3) In inverse seniority order starting by the junior qualified employees working in a lower classification on the Region

In the case of a refusal, a three way conference call will be arranged with the employee, the office of the System Federation General Chairman and the DMC to ensure the employee is aware of the repercussion of his/her refusal. The conference call will be registered using a standardized form.

At that time, it should be mentioned to the employee that he/she must accept the assignment and that a refusal would result in the termination of his/her employment with the Company.

Employees will be asked questions such as:

- 1) Is there any valid reasons for not accepting this recall?
(Sun Life, "WCB" and authorized leave of absence)

- 2) Are you aware of the repercussion of your refusal?
- 3) Do you understand that if you do not accept this recall your employment relationship with the Company will be terminated?

At the conclusion of the three way conference call if the employee persists in refusing the recall, unless valid reasons are provided, a registered letter will be sent to the employee's last known address confirming the three way conference call and termination of his/her employment. The DMC will also attach to the letter a copy of the standard forms and pension documents for the employee to complete. A copy of the letter will be sent to the System Federation General Chairman.

APPENDIX VI

January 14, 2005

Mr. R.A. Bowden
Chairman – Negotiating Committee
USWA, Local 2004
100-280 rue Albert Street
Ottawa, Ontario. K1P 5G8

Dear Sir:

This concerns the Union's demand associated with Contracting Out Article 33 of Agreement 10.1.

As described by Article 33.3, the Company and the Union are committed to meet at the beginning of each year to review and discuss the Company's plans with respect to Contracting Out for that year. The Union requested that the committee(s) be re-established to meet this commitment and to address issues associated with Contracting Out and/or Contracting In.

The terms and conditions governing the make up and procedures affecting the committee will be modelled on the terms contained in the attached document describing "Outsourcing Protocols".

Yours truly,

(Sgd) Dwight Tays
Chief Engineer

OUTSOURCING PROTOCOLS

General

Whenever the Company must outsource work that is done in-house by Maintenance of Way employees, it is important to inform the Union representative assigned to the territory. This procedure will help the Company to make use of our resources. Accordingly, the escalation procedure will be based on the following structure:

a. Level 1

Except in emergencies, the supervisor as set out in article 33.4 of 10.1 agreement must inform the local USW representative as soon as possible and when possible 30 days before work is to be outsourced. The supervisor will explain why the work is to be outsourced. This exchange of information between the supervisor and the local representative will allow alternatives to be explored.

If the parties do not come to a mutual agreement, the matter will be escalated to Level 2.

b. Level 2

If the matter cannot be resolved at Level 1, the USW Vice-President of the Local may request a meeting with the appropriate Company officer to discuss the outsourcing proposal. If this meeting is unsuccessful and the matter remains unresolved, it will be escalated to Level 3.

c. Level 3

If the matter is unresolved at Level 2, it will be referred to the USW President of the Local and the appropriate Company officer.

Collective agreement

It should be noted that this procedure is intended to make it easier to find alternatives to outsourcing and does not in any way modify the provisions of Article 33 of Collective Agreement 10.1. Consequently, the Union does not waive its jurisdiction on the work in question and the Company shall comply with the provisions of this article.

APPENDIX VII

January 14, 2005

Mr. R.A. Bowden
Chairman – Negotiating Committee
USWA, Local 2004
100-280 rue Albert Street
Ottawa, Ontario. K1P 5G8

Dear Sir:

This is with regards to your concerns raised regarding the crediting of service for benefit entitlement under the terms of the ESIMA. Although we cannot agree with your suggestion that employees be given credit for 2 days of cumulative compensated service for the same calendar day, we are open to crediting employees who may work 8 hours on each of their scheduled rest days. Therefore in full and final settlement of your demand the company will credit employees with a day of CCS should they work 8 hours or more on a scheduled rest day.

If you concur please signify your agreement by countersigning below.

Yours truly,

(Sgd.) D. S. Fisher
Director, Labour Relations

I agree,

(Sgd) R.A. Bowden
For: USWA

**APPENDIX VIII
(ATTACHMENT 2008)**

OFF REGION ASSIGNMENTS

MEMORANDUM OF AGREEMENT between the Canadian National Railway Company and the United Steelworkers Local 2004 with respect to Off Territory Assignments;

At the commencement of each calendar year, the Company shall bulletin specified gangs on each Seniority Territory in accordance with the terms of the collective agreement, indicating that certain specified gangs may be required to travel to, and work on an another seniority territory for temporary periods. Should there be insufficient applicants for such gangs from any given Seniority Territory, the Senior May - Junior Must provisions to fill such vacancies will apply to employees hired on or after December 31, 2007, within that seniority territory so as to complete the necessary number of employees on the gang. The number of employees that the Company may temporarily move off of each seniority territory shall not exceed 65 per seniority territory. The seniority status of employees whose seniority grants them the option to apply or not apply for off-region assignments will not be affected by the implementation of this Memorandum of Agreement with respect to Off Territory Assignments.

Employees who were awarded a position on a gang identified above who may be required to work off-territory, will be given first preference for such positions in the next operating season prior to any new applicants being considered.

Employees awarded positions in accordance with this Agreement must remain on such positions until their completion, and will not be subject to displacement. Upon the termination of the positions, employees will be returned to their original position and seniority Territory without loss of seniority.

The use off off-territory gangs will not permit the Company to invoke the exceptions of Article 33.1 (2) to justify contracting out.

An employee working in another seniority territory will be allowed transportation expenses as outlined in Article 21.11 of Agreement 10.1, to and from his place of residence to the work location once per work cycle. Where it is cost effective, the company may, at its discretion, provide air transportation rather than mileage expense.

When a general holiday specified in Article 10 of Agreement 10.1 falls on a day which does not coincide with an employee's rest days, it may with the approval of the President of Local 2004, or his designate, the Company may move and grant the holiday to coincide with the employee's rest days.

When such substitution takes place the employees will be compensated at the straight time rate for work performed on the day originally designated as the general holiday. When employees are required to work on the day to which the general holiday was moved, they shall be compensated in accordance with Article 10.8 of Agreement 10.1.

The work cycle for such assignments shall be agreed to between CN and the President of USW Local 2004, prior to the assignment being bulletined. Failing such agreement, the provisions of Article 4 of Agreement 10.1 shall apply.

The Parties agree that no gangs shall work away from their seniority territory while there are sufficient qualified employees laid off on the territory where the work is required.

Signed at Montreal, this 20th of November 2007.

For the Company:

For the Union:

Kim Madigan
Vice-President
Labour Relations

John Dinnery
President USW Local 2004

APPENDIX IX

August 14, 2008

Mr. John Dinnery
USW Local 2004 President
234 Eglinton Ave. East, Suite 507
Toronto, ON M4P 1K7

Dear Mr. Dinnery,

The following are general guidelines under which boarding cars will be supplied to employees working under the provisions of Agreements 10.3 and 10.8 only. These are guidelines which will apply in addition to the considerations already provided by the terms of Article 22.1 of Agreement 10.1.

In establishing general guidelines, it is necessary to accept the basic premise that employees will normally maintain their permanent residence in proximity to where they work on a permanent basis. This they would do ordinarily of their own accord and is a personal responsibility over which the Company has no interest or control.

However, due to the nature of our operations, there are circumstances which require employees to work at locations that are not in reasonable proximity to their permanent residence. It is in circumstances such as these, over which the employee has no control, that it would be expected the Company assume responsibility for providing some form of accommodation to the employee.

These circumstances involve situations as follows:

- 1) where employees are required to move frequently from one work location to another or whether they may be required to work in remote locations where living accommodations are not available;
- 2) where employees, through the exercising of seniority rights, are required to work away from their permanent residence under circumstances where they would not normally be expected to relocate; or
- 3) where employees would be permanently relocating, but where there may be a temporary period of time where some form of accommodation would be warranted before the permanent relocation is made.

It is under the three foregoing circumstances that accommodation may be provided by the Company in the form of boarding cars.

In the case of Item 1 above, boarding cars or some form of accommodation will always be provided to employees when required to work away from their permanent residence.

In making this commitment for Items 2 and 3 however, there may be times when boarding facilities are not available and no assistance will be provided. In such instances, the Company Officer concerned will, upon request, discuss the problem with the Brotherhood Representative involved. In any event it should be understood that the final determination

as to where and when boarding cars will be supplied will continue to rest with Company Officers on the Regions.

One of the problems you pointed out in our discussions, concerns the situation where the Company issues bulletins advertising positions at locations where boarding accommodations are not supplied. This practice is not acceptable to the Brotherhood because employees who would normally require boarding accommodation have no way of knowing if accommodation will be supplied when they are required to exercise their seniority rights to one of these locations.

At times employees have been supplied with boarding accommodation at these locations even though the latest bulletin indicated that boarding accommodations would not be provided. This practice will continue to apply where practicable, depending on the availability of boarding cars.

(Sgd) K. Madigan
Vice-President
Labour Relations, North America