



WITHOUT PRECEDENT AND PREJUDICE

August 1, 2025

Cole Kramer
President
USW

Re: Settlement agreement for Policy Grievance re: Tool Policy for Machine Operators

This letter follows the parties without precedent or prejudice discussions regarding grievance USW-PRES-2024-002 / CN-USW-2024-00072. The Company and Union agree that the grievance is now considered resolved with full and final settlement as per the following terms:

Terms and Conditions:

- 1) The Company will arrange to have one (1) tool kit issued with tools outlined in Appendix “A” (attached) provided to each CN Machine Operator holding a bid machine operator position across the system in Canada as of October 1, 2025.
- 2) The following classifications will be provided with a CN issued tool kit:
 - Permanent Machine Operator
 - Machine Operator Special Group
 - Machine Operator Group I & II
- 3) Machine Operators will be responsible for maintaining the tools in good working order and immediately report any broken/missing tools to their Supervisor. The Supervisor will review and replace any tools as required.
- 4) Machine Operators are responsible only for basic equipment maintenance as assigned, limited to tasks that do not encroach upon or replace duties performed by Mechanics. If additional tools are required to carry out this basic maintenance, the Company will review and provide them as deemed necessary.
- 5) Should a Machine Operator bid off a machine operator position, or their employment should end in any way, they will be required to return the complete Tool Kit in good working condition back to the Company.
- 6) The Company will ensure that General Engineering Instructions (GEI) 10.4 – “Machine Operator Qualifications” is updated accordingly to remove the reference to Machine Operators being required to supply their own tools. The updated GEI will reflect that the Company will provide the required tools to the Machine Operators. This will be communicated to all unionized and management employees once this agreement has been implemented.
- 7) The Company reserves the right to determine the tools included in the Tool Kit and to add any necessary tools on a going forward basis as deemed required by the Company.

- 8) As of October 1, 2025, the Company will provide each machine operator as outlined above, with a tool kit.

This agreement in general is also made on a without prejudice and without precedent basis and will not be referred to regarding any similar situation on a going forward basis.

In recognition of the transition away from requiring Machine Operators to supply their own tools, the Company agrees to provide reimbursement to any Machine Operator who, between April 15, 2024, and October 1, 2025, purchased tools reasonably necessary to perform their duties as a Machine Operator in compliance with General Engineering Instructions 10.4. Reimbursement shall be provided to those employees who can submit valid proof of purchase (receipts) for tools that would otherwise have been included in the Company-issued tool kit, up to a maximum amount consistent with the value of the standard issued tool kit as determined by the Company. Requests for reimbursement under this provision must be submitted in writing no later than January 31, 2026. Any tools reimbursed by the Company with valid receipts, will become property of the Company and must be provided to the employees' supervisor upon the Company issuing the employee their new tool kit.

The Company will review all reimbursement requests in good faith and issue reimbursement within thirty (30) days of approving a submitted claim. Any disputes regarding reimbursement amounts will be subject to the normal grievance procedure.

Should you agree to the above terms and conditions of the Agreement governing the settlement of these grievances, please sign in the appropriate space below to confirm the Union agreement to the above and in recognition that this agreement represents full and final settlement of this issue.

This agreement will be effective upon receipt of signed concurrence of all parties.

Yours truly,



Wade Clark
Chief Engineering Officer
Production

I concur,



Cole Kramer
President, USW

Date: 2025-08-08

Appendix "A"

Basic operator tool set

1. Carry type tool bag. 24"
2. Combination wrench set, 3/8" to 1-1/4"
3. 10" vise grip pliers.
4. Regular Adjustable pliers set.
5. 10- 12" Adjustable wrench.
6. screwdriver set.
7. An Allen wrench set. 1/16"- 3/8", 1.5 mm -10mm
8. A ball pen hammer, 16 ounces.
9. A pry bar set.
10. Oil filter strap wrench.
11. 1 ½ wrench