

COLLECTIVE AGREEMENT

between

CANADIAN PACIFIC

and

TC LOCAL 1976

of the

UNITED STEELWORKERS



COLLECTIVE AGREEMENT

between

CANADIAN PACIFIC

-- Hereinafter referred to as the Company--

and

TC LOCAL 1976

of the

UNITED STEELWORKERS

-- Hereinafter referred to as the Union--

Revised as of January 1, 2018

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PREAMBLE

This agreement governs rates of pay, hours of work and working conditions of employees in positions to which this agreement applies as provided in Article 4. It supersedes all agreements and understandings in effect prior to January 19, 1972 governing said employees unless otherwise stated in the text, or the appendices.

The Company and the Union acknowledge that they will support Employment Equity plans that have been developed in consultation with the Union to address employment equity barriers.

ARTICLE 1

DEFINITIONS

ABSENT ON LEAVE means absence on account of annual vacation, sickness or authorized leave of absence.

ASSIGNED EMPLOYEE means an employee employed on a regular assignment who reports for duty each day of his assignment without notification.

CUMULATIVE COMPENSATED SERVICE See Income Security Agreement for definition.

LOCAL AGREEMENT means agreement between the local Union Representative and the appropriate Company Officer or their representatives when authorized and approved by the President of the Union and the Manager, Labour Relations.

MUTUAL AGREEMENT and MUTUALLY AGREED means agreement between the President and the appropriate Company Officer or their representatives when authorized.

PERMANENT UNASSIGNED EMPLOYEE means an employee who holds a permanent position by bulletin with no regular assigned hours and/or with no regular assigned days off.

TEMPORARY ASSIGNMENT contemplates the fulfillment of the duties and responsibilities of the position during the time occupied, whether the regular occupant of the position is absent or whether the temporary assignee does the work irrespective of the presence of the regular employee. Assisting a higher-rated employee due to a temporary increase in the volume of work or for the purpose of obtaining experience for future promotion does not constitute a temporary assignment. (See Article 24.3)

UNASSIGNED EMPLOYEE (Spare Employee) means an employee who does not hold a permanent position by bulletin and who reports for duty as required due to work being irregular.

WORK WEEK for regularly assigned employees means a week beginning on the first day on which the assignment is bulletined to work and which ends after the days off of the assignment; and for unassigned employees means a period of seven consecutive days starting on Friday.

ARTICLE 2

INTERPRETATION

- 2.1 Where necessary, the Company shall translate this agreement into French. If, in respect of any Article of this agreement, there is a dispute concerning a difference in meaning between the French text and the English text, then the English text will prevail.

- 2.2 Any Memorandum of Agreement entered into by the parties shall be translated into French as translation resources become available. If, in respect to any provision contained in such Memorandum of Agreement, there is a dispute concerning a difference in the meaning between the French text and the English text, then the English text will prevail.

ARTICLE 3

UNION RECOGNITION

- 3.1 The Company recognizes the Union as the sole collective bargaining agent of employees in positions in the bargaining units described in Article 4.

ARTICLE 4

THE BARGAINING UNITS

4.1 Bargaining Unit No. I

The provisions of this agreement apply to employees holding clerical and manual scheduled positions in the seniority groups listed in Article 22 except Pension Services Calgary.

4.2 Bargaining Unit No. II

The provisions of this agreement apply to employees holding clerical scheduled positions in the office of Pension Services Calgary.

ARTICLE 5

RIGHT OF SELECTION

- 5.1 The Company shall have the right of appointment to the positions listed in Clause 5.3 except that seniority and results of selection criteria evaluation shall be considering factors in filling vacancies in such positions and in filling new positions. The selection criteria will be developed upon at the local level. The appropriate officer of the Company shall be the judge, subject to appeal.
- 5.2 Notices shall be posted in accordance with the provisions of Clause 23.1 of all vacancies in positions subject to Clause 5.1. Employees may submit applications for such vacancies, stating their qualifications, prior to the stated expiration of the Notice. The Company assumes no obligation to award such vacancy to any such applicant, the award being subject to Clause 5.1.
- 5.3 Positions to which right of selection applies:

CANADIAN PACIFIC

| Location | Office | Occupation |
|-----------------|---------------|-------------------|
|-----------------|---------------|-------------------|

ADMINISTRATION

| | | |
|--------------|-------------|---------------------------------------|
| Thunder Bay | Yard Office | Chief Clerk |
| Winnipeg | Yard Office | General Clerk Service Area Support |
| Medicine Hat | Yard Office | Chief Clerk |
| Lethbridge | Yard Office | Chief Clerk |
| Edmonton | Yard Office | Chief Clerk |

ENGINEERING SERVICES

| | | |
|---------|--|---------------------------|
| Calgary | | Seniority Coordinator (1) |
|---------|--|---------------------------|

OPERATING

Saskatoon

Icing Staff

Foreman (Cleaning
Gang)

TRANSPORTATION

Winnipeg

Senior Specialists (11)

Production Seniors
(11)

Trainer (as and when
required)

Senior Transportation
Service Representative
Administration

Senior Payroll
Administrator

CUSTOMER SERVICES - DAMAGE PREVENTION & CLAIM SERVICES

Manager, Damage
Prevention & Claim Services

Winnipeg

Claim Services
Representative (4)

Winnipeg

Claim Services
Investigator (4)

HUMAN RESOURCES

Montréal HR Service Centre

Montréal

Senior ESR (3)

HR Service Centre
Accounting and Reconciliation

Calgary

Senior Carrier Clerk (1)

FINANCE AND ACCOUNTING

Accounting Service Centre

Montréal

Senior Accounting
Service Representative
(8)

Senior Cashier (2)

Senior Accounts
Payable
Representative UP/PE

Senior Accounts
Payable
Representative PO/EDI

Senior Equipment
Accounting
Representative Car
Hire Accounts

Senior Equipment
Accounting
Representative Private
Mileage Compensation

Senior Equipment
Accounting
Representative

Special
Equipment Accounts &
Reclaims

Confidential Contracts
Representative

Bilateral Agreement
Representative

Correspondence Clerk

Accounting

Calgary

Senior Clerk
Accounting

Non Freight Revenue Billing

Calgary

Senior Clerk
Non-Freight Revenue
Billing

PURCHASES AND MATERIALS

Vancouver

Coquitlam Store

Senior Storeperson (2)

Golden

Golden Store

Senior Storeperson

Calgary

Alyth Store

Senior Storeperson (2)

Material Distribution

Store Senior
Storeperson

Lethbridge

Lethbridge Store

Senior Storeperson

Moose Jaw

Moose Jaw Store

Senior Storeperson

Winnipeg

Weston Store

Senior Storeperson (3)

Logan Store

Senior Storeperson (2)

Metal Fabrication

Senior Storeperson

Material Distribution

Senior Storeperson

Thunder Bay

Thunder Bay Store

Senior Storeperson

Toronto

Agincourt Store

Senior Storeperson

St. Luc

St. Luc Store

Senior Storeperson

BUILDING SERVICES, WINDSOR STATION, MONTRÉAL

Montréal

Building Staff

Caretaker (Night)

Mail Room

Senior Mail Distribution
Clerk

SAFETY & REGULATORY AFFAIRS

| | | |
|----------|---------------------|--|
| Montréal | Accident Prevention | Clerk (Train Accident Prevention Statistics) Clerk (Personal Injury Statistics) |
|----------|---------------------|--|

AAR SERVICES

| | | |
|---------|--------------------|--|
| Calgary | Gulf Canada Square | AAR Accounting Service Representatives (3) |
|---------|--------------------|--|

INTERMODAL SERVICES

| | | |
|--------------------------|------------------|--|
| | System | Coach |
| Toronto | Vaughan Terminal | Crane Operator |
| | Obico | Safety Coach |
| Central Operations Group | Mississauga | Senior Intermodal Operations Rep. (2) |

CREW MANAGEMENT CENTRE

| | | |
|----------|--------------------|--|
| Calgary | Gulf Canada Square | Crew Change Clerk (5) MBR Clerk (2) Payroll Administration Clerk |
| Montréal | Montréal O.C. | Crew Change Clerk (1) |

ARTICLE 6

BASIC RATES OF PAY

6.1 Basic rates of pay of positions covered by this agreement shall be as shown in the Schedule of Rates of Pay and shall be known as the **S.E.S Group Rate of Pay** which are part of this agreement.

Starting Rates:

(a) Employees entering the service will be compensated as follows:

1st 12 months of cumulative compensated service (CCS) will be at 90% of the job rate, thereafter at 100% of the job rate.

(b) An employee subject to paragraph (a) above, will, when entering a different position in the same bargaining unit, be compensated at the same percentage of the job rate of the position being entered as s/he was receiving in the position being vacated. Service in the position vacated will be counted as service in the position entered for purposes of application of paragraph (a).

6.2 For the purpose of calculating hourly rates, weekly rates shall be divided by forty. Fractions of one-half cent and over shall be as one cent; fractions of less than one-half cent shall be dropped.

6.3 For the duration of this collective agreement, the wages will be adjusted as follows:

- a) Effective January 1, 2018, increase by 2% the rates in effect on December 31, 2017.
- b) Effective January 1, 2019, increase by 2% the rates in effect on December 31, 2018.
- c) Effective January 1, 2020, increase by 2% the rates in effect on December 31, 2019.
- d) Effective January 1, 2021, increase by 2% the rates in effect on December 31, 2020.
- e) Effective January 1, 2022, increase by 2% the rates in effect on December 31, 2021.

- f) The Gainshare Program has been cancelled effective December 31, 2017
 - i) In lieu of the Gainshare Program lump sum payments will be made in 2019 and 2020.
 - ii) The lump sum payments will not be less than the payment in 2017 for the 2016 gainshare program year.
- g) Hourly rates of pay for years 2021 and 2022 may increase by up to 1% contingent upon the Company's Revenue Tonne Mileage metric.

6.4 Group levels and basic hourly **S.E.S Group Rates of Pay** are as follows:

| SES Level | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | | SES Level |
|-----------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|-----------|
| | 90% of Job Rate, 0-12 Months CCS | 100% of Job Rate, After 12 Months CCS | 90% of Job Rate, 0-12 Months CCS | 100% of Job Rate, After 12 Months CCS | 90% of Job Rate, 0-12 Months CCS | 100% of Job Rate, After 12 Months CCS | 90% of Job Rate, 0-12 Months CCS | 100% of Job Rate, After 12 Months CCS | 90% of Job Rate, 0-12 Months CCS | 100% of Job Rate, After 12 Months CCS | |
| 1 | \$21.909 | \$24.342 | \$22.347 | \$24.829 | \$22.794 | \$25.326 | \$23.250 | \$25.832 | \$23.715 | \$26.349 | 1 |
| 2 | \$22.459 | \$24.955 | \$22.909 | \$25.454 | \$23.367 | \$25.964 | \$23.834 | \$26.483 | \$24.311 | \$27.012 | 2 |
| 3 | \$23.010 | \$25.566 | \$23.470 | \$26.078 | \$23.940 | \$26.599 | \$24.419 | \$27.131 | \$24.907 | \$27.674 | 3 |
| 4 | | | | | | | | | | | 4 |
| 5 | \$24.112 | \$26.790 | \$24.594 | \$27.326 | \$25.086 | \$27.873 | \$25.588 | \$28.430 | \$26.099 | \$28.999 | 5 |
| 6 | \$24.663 | \$27.402 | \$25.156 | \$27.950 | \$25.659 | \$28.509 | \$26.172 | \$29.080 | \$26.696 | \$29.661 | 6 |
| 7 | \$25.213 | \$28.014 | \$25.718 | \$28.575 | \$26.232 | \$29.146 | \$26.757 | \$29.729 | \$27.292 | \$30.324 | 7 |
| 8 | \$25.763 | \$28.625 | \$26.278 | \$29.198 | \$26.804 | \$29.782 | \$27.340 | \$30.377 | \$27.887 | \$30.985 | 8 |
| 9 | \$26.315 | \$29.238 | \$26.841 | \$29.823 | \$27.378 | \$30.420 | \$27.926 | \$31.028 | \$28.484 | \$31.648 | 9 |
| 10 | \$26.865 | \$29.849 | \$27.402 | \$30.446 | \$27.950 | \$31.055 | \$28.509 | \$31.676 | \$29.079 | \$32.310 | 10 |
| 11 | \$27.417 | \$30.462 | \$27.965 | \$31.072 | \$28.524 | \$31.693 | \$29.095 | \$32.327 | \$29.677 | \$32.973 | 11 |
| 12 | \$27.966 | \$31.073 | \$28.526 | \$31.695 | \$29.096 | \$32.329 | \$29.678 | \$32.975 | \$30.272 | \$33.635 | 12 |
| 13 | \$28.518 | \$31.687 | \$29.089 | \$32.321 | \$29.670 | \$32.967 | \$30.264 | \$33.627 | \$30.869 | \$34.299 | 13 |
| 14 | \$29.067 | \$32.296 | \$29.648 | \$32.942 | \$30.241 | \$33.601 | \$30.846 | \$34.273 | \$31.463 | \$34.959 | 14 |
| 15 | \$29.620 | \$32.910 | \$30.212 | \$33.569 | \$30.816 | \$34.240 | \$31.433 | \$34.925 | \$32.061 | \$35.623 | 15 |
| 16 | \$30.171 | \$33.523 | \$30.774 | \$34.194 | \$31.389 | \$34.878 | \$32.017 | \$35.575 | \$32.658 | \$36.287 | 16 |
| 17 | \$30.721 | \$34.135 | \$31.336 | \$34.818 | \$31.963 | \$35.514 | \$32.602 | \$36.225 | \$33.254 | \$36.949 | 17 |

6.5 SES Job Group Table

| SES | Job Title | Location |
|-----|--------------------------------------|----------------------|
| 1 | Cleaners | Building Services |
| 2 | Junior Clerk | ASC Montréal |
| 3 | Janitors | Building Services |
| 5 | Distribution Clerk | Calgary Mailroom |
| 6 | Bobcat Driver / Labourer | Saskatoon |
| 6 | Labourer | Saskatoon |
| 7 | Checker Car Compound | St Luc Yard |
| 7 | Clerk Eng Maintenance | Ogden/Alyth |
| 7 | Clerk Typist - Pension | Pension Calgary |
| 7 | Crew Bus Driver Field Ops Operations | |
| 7 | Customs Clerk | IMS COG |
| 7 | Dispatch Clerk | Alyth |
| 7 | Dispatcher Car Compound | St Luc Yard |
| 7 | Driver Car Compound | St Luc Yard |
| 7 | General Clerk Brandon | Winnipeg Yard Office |
| 7 | General Clerk Locomotive | Ogden/Alyth |
| 7 | Progress Service Rep | Winnipeg Weston |
| 7 | Service Agent | Pension Calgary |
| 7 | Sr Clerk Mailroom & Printing | Bldg Services |
| 8 | Chief Distribution Clerk | Calgary Mailroom |
| 8 | Clerk Billing | Non-Freight Billing |
| 8 | Clerk Car Hire Reclaims | ASC Montréal |
| 8 | General Clerk Operations | CSF Montréal |
| 8 | Ground Person Vaughan | IMS Vaughan |
| 8 | Perishable Insp. | Winnipeg Yard Office |
| 8 | PIPS Data Entry Fuel/PO | ASC Montréal |
| 8 | Senior Perishable Inspector | Winnipeg Yard Office |
| 8 | Steno Clerk | Winnipeg Weston |
| 8 | Utility/Groundperson | IMS |
| 9 | Accounts Payable Contracts | ASC Montréal |
| 9 | Accounts Payable Jnt.Fac. | ASC Montréal |
| 9 | Carrier Clerk | Payroll Calgary |
| 9 | Chief Clerk - Field Operations | Operations |

| | | |
|----|------------------------------------|---------------------|
| 9 | Claims Service Representative | DPCS Winnipeg |
| 9 | Clerk Special Projects | Non-Freight Billing |
| 9 | Clerk Staff Records - CMC | NMC Calgary |
| 9 | EFAP Admin Support | EFAP |
| 9 | Equipment Maintenance | IMS Lachine |
| 9 | Field Data Processing APEX | Vancouver |
| 9 | General Clerk | Safety Performance |
| 9 | General Clerk Invoicing | CSF Montréal |
| 9 | General Clerk Operations | Montréal |
| 9 | General Clerk SAP Data Entry | Montréal |
| 9 | General Clerk SAS | Field Admin |
| 9 | General Clerk SAS & ESFDP Clerk | Port Coquitlam |
| 9 | Inventory Clerk Car Compound | St Luc |
| 9 | Senior TSR Diesel Shop | CSF Winnipeg |
| 9 | Storeperson | Various |
| 10 | Caretaker | Building Services |
| 10 | Storeperson – Golden | Golden |
| 10 | Clerk MBR | CMC Calgary |
| 10 | Dispatcher | Lachine |
| 10 | Equipment Accounting Rep | ASC Montréal |
| 10 | Foreman | Saskatoon |
| 10 | International Clerk | COG |
| 10 | PST Clerk | St Luc Yard |
| 10 | Schedule Clerk | Montréal |
| 10 | Spec Hotel Book Data & Maintenance | Montréal |
| 10 | Seniority Coordinator | Field Admin |
| 10 | Senior Clerk Accounts Payable | ASC Montréal |
| 10 | Wash Facility Foreman | Saskatoon |
| 11 | Crew Change Clerk | NMC Calgary |
| 11 | General Clerk Inspector | Various |
| 11 | Investigative Spec | Pension Calgary |
| 11 | Payroll Admin Clerk | NMC Calgary |
| 11 | Intermodal Operations Rep | COG |
| 12 | AAR Accounting Service Rep | AAR Mech |
| 12 | Accounting Services Rep | CSF Winnipeg |
| 12 | Accounting Services Rep | CSF Montréal |
| 12 | Acct Payable Clerk JF/IS/C/I/DF | CSF Montréal |
| 12 | Crew Dispatcher | CMC Calgary |
| 12 | Employee Services Rep | HRSC Montréal |
| 12 | Lease Representative | ASC Montréal |
| 12 | Senior Carrier Clerk | Payroll Calgary |

| | | |
|----|--|----------------------------|
| 12 | Senior TSR Admin | CSF Winnipeg |
| 12 | Terminal Service Rep IMS | IMS Western Canada |
| 12 | Transportation Service Rep | CSF Winnipeg |
| 13 | Senior Storeperson | Various |
| 13 | Cashier | CSF Montréal |
| 13 | Intermodal Clerk | IMS Vaughan |
| 13 | Pension Analyst | Pension Calgary |
| 13 | Production Sr | CSF Winnipeg |
| 13 | SeniorClerk Accounts Payable | ASC Montréal |
| 14 | Clerk Bilateral Agreement | ASC Montréal |
| 14 | Clerk Confidential Contract | ASC Montréal |
| 14 | Senior Clerk Accounting | General Accounting Calgary |
| 14 | Senior Clerk Billing | Non-Freight Billing |
| 14 | Senior Intermodal Operations | IMS |
| 14 | Senior Spec – CST | Winnipeg |
| 14 | Senior TSR OPS Specialist | CSF Winnipeg |
| 14 | Senior Billing Coord | Calgary |
| 14 | Senior Clerk Accounts Payable PO/EDI | ASC Montréal |
| 14 | Senior Employee Services Rep | Montréal |
| 14 | Senior Specialist | Winnipeg |
| 14 | Top lift Operator | IMS |
| 15 | Bank Reconciliation Clerk–Pay Service | Calgary |
| 15 | Crane Operator | IMS Vaughan |
| 15 | Correspondence Clerk | ASC Montréal |
| 15 | Senior Clerk Accounting | ASC Montréal |
| 15 | Senior Claims Rep | Winnipeg |
| 16 | Claims Service Investigator | DPCS Winnipeg |
| 16 | Senior Cashier/EDI | CSF Montréal |
| 16 | Senior Accounting Rep | CSF Montréal |
| 16 | Senior Clerk Accounts Payable | CSF Montréal |
| 17 | Joint Placement Committee Rep | ASC Montréal |
| 17 | Senior Equip Accounting Rep-Priv Mileage Comp | ASC Montréal |
| 17 | Senior Equipment Accounting Rep | ASC Montréal |

ARTICLE 7

POSITION EVALUATION, POSITION CLASSIFICATION AND WAGE ADMINISTRATION

PREAMBLE

The following provisions are the guidelines for Canadian Pacific, hereinafter called "the Company" and the United Steelworkers, Local Union TC 1976, hereinafter called "the Union" for Job Descriptions, Classifications and Wage Administration, concerning the Simple Effective Solution (S.E.S.) pay evaluation system.

ITEM I - PURPOSE

- 7.01 This Article is designed to assist companies and bargaining units to:
- (a) Establish and maintain detailed job descriptions and classifications.
 - (b) Establish and maintain an equitable gender-neutral wage structure.
 - (c) Establish a procedure to maintain a gender-neutral compensation system that reflects changes in position requirements and working conditions.

ITEM II - DEFINITIONS

- 7.02 Definitions of terms used in this Article are as follows:
- (a) **"Collective Agreement"** - Collective Bargaining Agreement between the Company and the Union relating to wages and other terms and conditions of employment.
 - (b) **"Employee" or "Employees"** - all employees in the Union that the bargaining agent for as provided in the Basic Collective Bargaining Agreement.
 - (c) **"Position"** - an assignment of a number of duties to an employee. More than one employee may have the same Position.
 - (d) **"Position Content"** - the requirements of a position as to skill, effort, responsibilities and working conditions.

- (e) **"Job Description"** - the official record of a position noting: Purpose of the Position, Qualifications for the Position, Materials, Equipment and/or Product used as well as Specific Duties and Responsibilities.
- (f) **"Classification Record"** - the Position Content Analysis and evaluation of position requirements considering skill, effort, responsibilities and working conditions using;

A Full **Factor System** of 17 Factors.

SKILL:

- SK1: Previous Training and/or Education.
- SK2: On-the-job Experience and Training.
- SK3: Interaction with Others.
- SK4: Movement Skills.
- SK5: Decision Making.

RESPONSIBILITIES:

- RE1: Responsibility for Information.
- RE2: Responsibility for Materials, Equipment and/or Product.
- RE3: Responsibility for Safety of Others.
- RE4: Financial Responsibilities.
- RE5: Manage or Direct Others.

EFFORT:

- EF1: Movement and Concentration.
- EF2: Lifting, Carrying or Repetitive Motion.

WORKING CONDITIONS:

- WO1: Temperature, Noise and other Environmental Conditions.
- WO2: Hazards.
- WO3: Nature of Position Monitoring.
- WO4: Work Interruptions and Distractions.
- WO5: Social Disruption required by Work Scheduling.

- (g) **"Standard Wage Scale"** - a scale of hourly and weekly rates established for position groups. Once positions are described and classified, they are assigned to a position group within the Standard Wage Scale.

- (h) **"Out-of-line Differential (Red Circle) "** - prior to the application of SES, the amount an employee's pay exceeds the amount set out in the Standard Wage Scale.
- (i) **"Benchmark Position"** – a position jointly selected by the Company and the Union to serve as a standard to which other positions will be compared.

ITEM III - JOB DESCRIPTIONS AND CLASSIFICATION

7.03 Accurate evaluations, comparisons and grouping of positions are dependent on the collection and maintenance of accurate and up-to-date information about position requirements when the position is performed at a normal pace. Therefore, job descriptions are used not only to record current requirements but they also provide a base from which to judge changes in requirements or conditions.

Job descriptions note:

- (a) Position Title.
- (b) Location of position.
- (c) Date of Description.
- (d) Purpose of the Position.
- (e) Qualifications for the Position.
- (f) Materials, Equipment and/or Product used.
- (g) Specific Duties and Responsibilities.

7.04 DESCRIPTIONS

- (a) The Company shall prepare a proposed job description as provided for in the "S.E.S." software and in accordance with the requirements of this Article.
- (b) The Company Position Evaluation Representatives and the Union Position Evaluation Representatives shall jointly review the proposed job descriptions and attempt to reach agreement. The Union Position Evaluation Representatives shall have reasonable opportunity to conduct on-the-job reviews of position descriptions with workers involved in the positions. The Company and Union Evaluation Representatives shall each retain a copy of the agreed to job descriptions.

7.05 POSITION CLASSIFICATIONS

Following agreement on job descriptions:

- (a) The Company shall prepare a proposed position classification as provided for in the "S.E.S." software and in accordance with the requirements of this Article.
- (b) The Company and Union Position Evaluation Representatives shall review the position classifications and attempt to reach agreement subject to the approval of the Company and Union Position Evaluation Board of Adjustment. (B.O.A.). The Company and the Union representatives shall each retain a copy of the agreed to classifications.
- (c) Positions are to be placed at the appropriate level in each factor considering the requirements of each position.

7.06 GENERAL

- (a) Work performed by the Company and Union Position Evaluation Committee shall be subject to the approval of the Company and Union Position Evaluation Board of Adjustment. (B.O.A.). If the Company and Union Position Evaluation Representatives fail to reach agreement on a job description, position classification or the assignment of employees, the matter will be referred to the Company and Union Position Evaluation Board of Adjustment. (B.O.A.)
 - (i) The B.O.A. shall consist of two Company and two Union members.
 - (ii) The B.O.A. meet within sixty (60) days of the date the matter was referred to them and they shall attempt to finalize the job description, position classification or assignment of employees. Agreement between the B.O.A. shall be final and binding.
 - (iii) If after following all the steps outlined in this Article, the Company and Union Position Evaluation Board of Adjustment cannot reach agreement, the B.O.A. shall within thirty (30) days of the failure to reach agreement, make arrangements to submit the matter to the C.R.O.A. for the purposes of seeking a mediated solution, or failing a mediated solution, a binding decision from the Arbitrator. Should a binding decision be necessary, the decision will be provided by the Arbitrator, in writing, stating the reasoning supporting the decision.

- (iv) Nothing in this clause shall supersede Article 28, item 28.2.
- b) Agreement on the job description, position classification or assignment of employees shall be indicated by signatures of designated representatives of the Company and the Union.

ITEM IV - APPLICATION

- 7.07 The following shall apply in the application of job descriptions and position classifications:
 - (a) Positions, not employees, shall be rated.
- 7.08 Job descriptions and classifications of positions, determined in accordance with the foregoing items, apply to assign each position to its appropriate Position Group within the Standard Wage Scale. The Collective Agreement currently in effect establishes the Standard Wage Scale and governs the application of rates of pay to employees.
- 7.09 The Standard Wage Scale of rates begins with Position Group 1. The Wage Scale then progresses upward from Position Group to Position Group by equal increments.
- 7.10 Application of wage rates shall not result in a reduction for any employee who is currently receiving more pay than what is provided for in the Standard Wage Scale. "Out-of-line differentials (Red Circle) " will be established for such employees. In addition to other means that may be provided for in the Collective Bargaining Agreement, future increases shall be used to reduce or eliminate "out-of-line differentials (Red Circle)".
- 7.11 The job descriptions and classifications of each position shall be consistent with, and conform to, the job descriptions and classification of positions already agreed to, and also with the appropriate "benchmark" job descriptions and classifications.

ITEM V - MAINTENANCE

- 7.12 Maintaining up-to-date and accurate job descriptions and classification records ensures continuation of an equitable gender-neutral wage structure. As position requirements and conditions change, so must job descriptions and classifications. The Company and the Union shall jointly maintain job descriptions and position classifications.

- 7.13 Agreed-to job descriptions and position classifications currently in effect and any that may subsequently be agreed to, shall stay in effect unless:
- a) Position content changes to the extent of one full position group, or more;
 - b) The position is terminated; or
 - c) The job description or classification is changed by mutual agreement of the Company and Union.
 - d) The Local Company Manager and / or the Local Union Representative shall jointly ensure that any change to a position, or the creation of a new position, are promptly brought to the attention of the Company and Union Position Evaluation Representatives.
- 7.14 Whenever the Company establishes a new position or changes the requirements of an existing position to the extent of one full position group or more, upwards or downwards, a new position description and classification for the new or changed position shall be prepared as follows:
- (a) The Company will develop a job description and classification of the position in accordance with the provisions of Item III.
 - (b) The job description and classification will be proposed to the Union for approval in accordance with the provisions of Item III.
 - (c) The position will be assigned to a Position Group and the rate as set out in the Standard Wage Scale shall be effective as of the date the new position was established or on the date the requirements for an existing position were changed.
- 7.15 If the Company and Union cannot agree on the job description and/or classification, the dispute resolution process, outlined in Item 7.06 shall be followed.
- 7.16 When the Company changes the position requirements by less than one full Position Group, an amendment notice shall be prepared. This amendment, as provided for in the "S.E.S." software, assists the Company and the Union to ensure that all job descriptions and classifications are up-to-date. An amendment notice shall be prepared as follows:
- (a) The Company shall prepare an amendment notice and submit it to the Union for approval in accordance with the provisions of Item III.

- (b) When, and if, position content changes of less than a full Position Group accumulate to a total of one Position Group or more, the position shall be re-described and reclassified in accordance with the provision of Item III. The new position rate will take effect as of the date of the most recent change in position content.
- (c) If the change results in a lower classification, any incumbents of such positions shall receive an "out-of-line differential (Red Circle)" equal to the difference between the rate for the position before the change and the rate thereafter. Such "out-of-line differential (Red Circle)" would then be reduced by future negotiated increases.

7.17 SES position evaluations shall be performed on a semi-annual basis or in exceptional circumstances. In the event of an upward change in the SES level, the wage adjustment shall be retroactive as to the date of the position evaluation request

7.18 When the Company terminates a position, an amendment notice shall be prepared noting cancellation of the job description and classification. This notice will include a statement of causes or reasons for termination. This amendment notice will be submitted to the Union as set out in Item III.

ARTICLE 8

HOURS OF SERVICE

8.1 Except as otherwise provided in Articles 8.5 (archived), 10.5 and 10.6, eight (8) consecutive hours service, exclusive of meal period, shall constitute a day's work. Where it has been the practice for employees to work less than eight (8) hours per day, that practice shall be continued unless changed on account of conditions beyond the control of the Company. Such employees may be required to work extra hours to take care of the requirements of the service. Excess hours worked will be paid in accordance with Article 9.

8.2 An employee temporarily transferred at the instance of the Company from his/her regular position to another position shall not be paid less than he/she would have been paid in his/her regular position.

8.3 Where work is required by the Company to be performed on a day which is not part of any assignment, it may be performed by an available unassigned employee who will otherwise not have 40 hours of work that week; in all other cases, by the regular employee.

8.4 **Shift Differential**

Employees whose regularly assigned shifts commence between 1400 and 2159 hours shall receive a shift differential of 75 cents per hour, and employees whose regularly assigned shifts commence between 2200 and 0559 hours shall receive a shift differential of \$1.00 per hour. 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.

8.5 **Passenger Service**

Passenger Service, as established in the Collective Agreement dated August 13, 2001, is archived.

8.6 **Freight Shed Service**

Freight Shed Service, as established in the Collective Agreement dated August 13, 2001, is archived.

8.7 **Loss of Wages in Emergent Situations**

(a) 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 conditions. Employees who report after mid-point of their tour of duty will be paid one-half day.

- (b) With respect to employees who are unable to report for work due to the aforementioned severe conditions, or who report after the mid-point of their tour of duty, it is agreed that 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.
- (c) Article 8.7 only applies when the proper municipal authorities have requested the public to leave their motor vehicles at home and local public transportation services are, as a result, not operating.

- 8.8 Hours of service shall not be changed without thirty-six hours notice, and every effort will be made to discuss any change first with the Local Representative.
- 8.9 The starting time of each position, except relief positions, shall as far as possible be the same on all days of the week.

ARTICLE 9

Excess Hours

- 9.1 Time worked on proper authority during an averaging period in excess of scheduled hours will be considered as excess hours, and paid at time and one half rates at the completion of the averaging period (2, 4 or 6 weeks). The averaging period will coincide with the pay periods.

NOTE: Excess hours performed by an employee due to moving from one assignment to another, or to or from an unassigned or laid off list will not be part of the averaging period and will not be paid at time and one half.

- 9.2 Hours worked, including any paid authorized leave as outlined in the Canada Labour Code and pre-approved banked hours taken in lieu, for each designated averaging period will be totaled and hours in excess of 40 hours times the number of weeks in the averaging period will be paid at time and one-half rates. (i.e. Hours worked over 160 hours in a 4 week averaging period would be paid at time and one-half rates.)

NOTE: For clarification purposes, paid authorized leave includes general holidays (this does not impact the payment of a general holiday) Additionally, paid authorized leaves includes pre-approved bank hours taken in lieu. It does not include sick leave or any other authorized leave which does not include payment from the Company.

- 9.3 There shall be no overtime on overtime; neither shall overtime hours paid or, other than hours not in excess of eight paid for on holidays or for changing shifts, 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.

- 9.4 Subject to article 9.1, if an employee is called in advance of his/her regular starting time, he/she shall be paid for all time worked in advance of and continuous with his/her regular starting time with a minimum of one (1) hour. Excess hours will be calculated and paid based on the excess hours provision.

- 9.5 Employees shall not be required to suspend work during regular hours to absorb excess hours.
- 9.6 Except as otherwise provided in Article 9.1, employees notified or called to perform work not continuous with, before or after, the regular work period shall be paid for a minimum of three hours. If held on duty in excess of three hours, shall be paid for actual time worked. Excess hours will be calculated and paid based on the excess hours provision.
- 9.7 Subject to article 9.1, excess hours of four hours or less continuous with regular shifts will be made available to qualified employees working on the shift. Work in excess of four hours as provided for in this Article will first be made available to unassigned employees who have not qualified for excess hours pay. If none available, this work will be offered to employees under the excess hours provision in accordance with Article 9.8.

9.8 Assignment of Excess Hours

- (a) Work identifiable as belonging to a specific position.

Work in excess of the normal work day that is required to be performed shall be assigned, whenever practicable, to the occupant of that position.

- (b) Work in excess of the normal work day that is required to be performed in a particular office, shed or work location which is not identifiable as belonging to a specific position due to there being two or more positions in the same job classification and performing the same work:

- (1) Work in excess of the normal work day that is required to be performed that is brought about by an increase in work load or by an employee being absent from work and not replaced, shall first be assigned to the senior qualified employee in that job classification in such office, shed, work location and shift where such work is required who has signified a desire to work excess hours pursuant to paragraph (3) of this Clause (b); however, if excess work remains to be assigned, the junior available qualified employee in that job classification in such office, shed, work location and shift, will be required to work the excess work.

- (2) Work in excess of the normal work day that is required to be performed which is brought about by an employee being absent and the Company requiring a replacement, shall first be assigned to the senior qualified employee in that job classification in such office, shed or work location, where such work is required who has signified a desire to work excess hours pursuant to paragraph (3) of this Clause (b); however, if excess work remains to be assigned, the junior available qualified employee in that job classification in such office, shed or work location will be required to work.
- (3) Employees who wish to work excess hours shall so signify their availability in writing and a list will be prepared and updated as required with a copy to the Local Chairperson. Except in extenuating circumstances, these employees will be required to work the excess hours when so assigned. An employee whose name is on the list and who no longer wishes to work excess hours may have his/her name removed from the list upon serving three days written notice. An employee who refuses a call will have their name removed from the Excess Hours List for a period of 30 days from the date of the call. An employee whose name has been removed, or is not on the list, and who wishes to work excess hours shall be required to submit a request in writing to have their name placed or re-instated on the Excess Hours List.
- (4) Employees who wish to make up lost time shall so signify their availability in writing and a make up list will be prepared and updated as required with a copy to the Local Chairperson. Except in extenuating circumstances, these employees will be required to work the make-up time when so assigned. An employee who no longer wishes to remain on the make-up list may have his/her name removed from the list upon serving three days written notice. An employee who refuses a call will have their name removed from the make-up list for a period of 30 days from the date of the call. Employees on the make-up list will be called after spare employees but ahead of employees on the excess hours list. Once an employee has made up the lost time, the employee will no longer be called from the make-up list.
- (5) Arrangements may be made to assign the excess work on a different basis by local agreement.

NOTE: The provisions of Clauses (a) and (b) above shall apply to the extent they are consistent with the Canada Labour Code in respect of the maximum number of hours of work per week.

- 9.9 All hours worked on proper authority during an averaging period in excess of scheduled hours will be shown as a separate item on the pay slips of employees.
- 9.10 Employees may either be paid out time for excess hours worked at time and one-half worked or elect time off (banking) for excess hours work in lieu of such payment in accordance with the following:

Payment

- (a) Employees working excess hours may indicate their desire to be paid at the overtime rate. Should an employee work excess hours during the averaging period, the employee will be paid at the pro-rata rate (straight time rate) for all hours worked in that averaging period. If entitled to overtime at the end of the averaging period, the employee will be paid the difference between the pro-rata rate already paid and the Overtime Rate for all excess hours worked.

Banking

- (b) Employees may elect time off for excess hours worked in lieu of payment at time and one-half. A maximum of 32 hours at the time and one half rate may be accumulated at any given time for the purposes of time off and a maximum of 40 accumulated straight time hours may be taken as time off in any given instance. While the accumulation and taking of time off in lieu of payment at the overtime rate must be agreed to between supervisors and employees, the final determination will be at the discretion of the supervisors according to the requirements and exigencies of the service. In cases where the averaging period is two weeks, at the end of that period, for any time worked in excess of 80 hours, employees will have the option to bank this as overtime or be paid at time and one-half rates.
- (c) In cases where the averaging period is greater than two weeks, prior to the commencement of the averaging period, employees must advise Company of their desire to either bank excess hours at the end of the averaging period or be paid for that averaging period. In such case, any hours worked in excess of 40 hours

times the number of weeks in the averaging period will not be paid but will be held in abeyance. At the end of the averaging period, the excess hours will be banked at overtime rates of pay (time and one half). If there are no excess hours, hours worked will be paid at straight time rates of pay.

- (d) An employee who accumulates excess hours to be taken as time off may later elect to be paid for such overtime rather than take it as time off, if mutually arranged between the Company and the employee.
- (e) Subject to local agreement, employees may accumulate unlimited bank time in excess of the maximum hours permissible at time and one half as provided by Clause 9.10 (a) and Appendix A-11 4 (e)
- (f) Employees will be allowed to carry a maximum of 48 straight time hours of banked time into a new year. All hours in excess of 48 straight time hours will be paid out to each employee yearly in pay period 26.
- (g) Employees displacing or exercising seniority from one department, terminal, centre or office, or seniority list to another, must take all accumulated excess hours as provided by Clauses 9.10 (a) and 9.10 (c), immediately on the last pay period worked by the employee in the department where the excess hours was accumulated.

ARTICLE 10

MEAL PERIOD

- 10.1 When a meal period is allowed, it shall be after the fourth hour and before the sixth hour after starting work unless otherwise locally agreed.
- 10.2 If the meal period is not afforded within the allowed or agreed time limit and is worked, the meal period shall be paid for at the straight-time rate and twenty minutes with pay in which to eat shall be afforded at the first opportunity.
- 10.3 Employees required to work less than four hours beyond their assigned hours of service shall be allowed twenty minutes with pay in which to eat after completion of their extra assignment. Employees required to work more than four hours beyond their assigned hours of service shall be allowed twenty minutes with pay in which to eat prior to commencing their extra assignment.
- 10.4 Except as otherwise provided, meal periods shall be of one hour duration. Practices in effect prior to the signing of this agreement shall continue until otherwise locally agreed.
- 10.5 On continuous shifts twenty minutes shall be allowed for meal without deduction in pay.
- 10.6 A twenty-minute meal period without deduction in pay shall be allowed Stores Department employees and shop clerks employed at Weston and Ogden Shops.

ARTICLE 11

ASSIGNED REST DAYS

- 11.1 Employees shall be assigned two rest days in each seven. 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. The work weeks may be staggered in accordance with the Company's operational requirements.

- 11.2 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, 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.

ARTICLE 12

RELIEF ASSIGNMENTS

- 12.1 All possible regular relief assignments with five days work per week and two consecutive rest days (subject to Clause 11.1) 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.
- 12.2 Where situations exist making it impracticable to establish relief assignments in accordance with Clause 12.1, relief assignments on other bases may be arranged by mutual agreement. 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.
- 12.3 Regular relief assignments may on different days have different starting times, duties and work locations, provided that such starting times, duties and work locations are those of the employee or employees relieved.
- 12.4 When regular relief assignments, are established under Clause 12.3, every effort will be made to avoid having an employee work two consecutive shifts of eight hours.

ARTICLE 13

GENERAL HOLIDAYS

- 13.1 An employee who qualifies in accordance with Article 13.3 of this article 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:

Easter Monday

Remembrance Day

New Brunswick:

New Brunswick Day (the first Monday in August)

Remembrance Day

Quebec:

St. Jean Baptiste Day

First Monday in August

Ontario, Manitoba, Saskatchewan, Alberta and British Columbia:

Civic Holiday (the first Monday in August)

Remembrance Day

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 first Monday in August in the Province of Quebec and for the day after that on which New Year's Day is observed in the other provinces.

- 13.2 If, in any province or part thereof, a holiday is more generally recognized than any one of the holidays specified above, the signatories to this agreement will substitute such holiday therefore in that province or part thereof. If the signatories to this agreement fail to agree that such holiday is more generally recognized, the dispute will be submitted to arbitration for final decision.
- 13.3 In order to qualify for pay for any one of the holidays specified in Article 13.1, an employee:
- (a) Must have been in the service of the Company and available for duty for at least 30 calendar days; this Article 13.3(a) does not apply to an employee who is required to work on the holiday;
 - (b) Must be available for duty on such holiday if it occurs on one of his/her work days excluding vacation days except that this does not apply in respect of an employee who is laid off or suffering from a bona fide injury, or who is hospitalized on the holiday, or who is in receipt of, or who subsequently qualifies for, weekly sickness benefits because of illness on such holiday; a regularly assigned employee who is required to work on such general holiday shall be given an advance notice of four calendar days, except for unforeseen exigencies of the service, in which case s/he will be notified not later than the completion of his/her shift or tour of duty immediately preceding such holiday that his/her services will be required;
 - (c) Must be entitled to wages for at least 12 shifts or tours of duty during the 30 calendar days immediately preceding the general holiday. (This Article 13.3 (c) does not apply to an employee who is required to work on the holiday.)

NOTE: Provided that an employee is available for work on the general holiday, absences from scheduled shifts or tour 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 this Clause (c).

- 13.4 A qualified employee whose vacation period coincides with any of the general holidays specified in Article 13.1 shall receive an extra day's vacation with the pay to which the employee is entitled for that general holiday.
- 13.5 An assigned employee qualified under Article 13.3 of this article and who is not required to work on a general holiday shall be paid eight hours pay at the straight time rate of his/her regular assignment.
- 13.6 An unassigned or spare employee qualified under Article 13.3 of this article and who is 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 employee worked his/her last tour of duty prior to the general holiday.
- 13.7 In the application of Articles 13.5 and 13.6 for weekly rated employees, eight hours pay at the straight-time rate shall be a day's pay and calculated according to Article 6.4.
- 13.8 An employee paid on an hourly, daily or weekly basis who is required to work on a general holiday shall be paid, in addition to the pay provided in Articles 13.5 and 13.6 of this article, at a rate equal to one and one-half times his/her regular rate of wages for the actual hours worked by him/her on that holiday with a minimum of 3 hours for which 3 hours service may be required, but an employee called for a specific purpose shall not be required to perform routine work to make up such minimum time.
- 13.9 Shifts or tours of duty commencing between 00:00 midnight on the eve of the general holiday and 23:59 on the night of the general holiday, both times inclusive, shall be considered as work on that holiday.
- 13.10 Employees may elect time off for work performed on a general holiday in lieu of payment at time and one-half on the same basis and conditions as contained in Article 9.9.

- 13.11 (a) Employees who by the nature of their work may be required to work in more than one province, will be granted general holidays with pay on the basis of the location of their headquarters, irrespective of where they may actually be working on the day of the general holiday.
- (b) Employees transferring their headquarters from one province to another will be granted the general holiday with pay on the basis of their headquarters on the day of the general holiday. 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.

ARTICLE 14

ANNUAL VACATIONS

- 14.1 An employee who, at the beginning of the calendar year, is not qualified for vacation under Article 14.2 hereof, shall be allowed one working day vacation with pay for each 25 days cumulative compensated service, or major portion thereof, during the current calendar year, with a maximum of 10 working days until qualifying for further vacation under Article 14.2.

For clarity, during their first year of service, an employee shall have his/her vacation entitlement pro-rated as follows:

Example #1 - An employee hired on January 1st is expected to accumulate 250 days of cumulative compensated service and shall be entitled to 10 days of annual vacation during his/her first year of cumulative compensated service (250 days/25 days = 10 days, s/he is entitled to the 10 day maximum of annual vacation)

Example #2 - An employee hired on July 1st is expected to accumulate 125 days of cumulative compensated service and shall be entitled to 5 days of annual vacation during his/her first year of cumulative compensated service (125 days/25 days = 5 days, s/he is entitled to the 5 days of annual vacation)

Example #3 - An employee hired on October 17th is expected to accumulate 54 days of cumulative compensated service and shall be entitled to 2 days of annual vacation during his/her first year of cumulative compensated service (54 days/25 = 2.16 Days, s/he will be entitled to 2 days of annual vacation.

Note: See Annual Vacation Table in Appendix A-30.

- 14.2 An employee who, in the year s/he will attain a continuous employment relationship of at least 3 years, and who is expected to have completed at least 750 days cumulative compensated service, shall have vacation scheduled on the basis of one working day's vacation with pay for each 16 2/3 days of cumulative compensated service, or major portion thereof, during the current calendar year, with a maximum of 15 working days; in subsequent years, the employee will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 14.3.

In the event, at the end of the calendar year, the employee fails to meet the criteria for incremental vacation entitlement noted herein, the reconciliation referred to in Article 14.13.B will be done in accordance with annual vacation entitlement as defined by Article 14.1.

- 14.3 An employee who, in the year s/he will attain a continuous employment relationship of at least 10 years, and who is expected to have completed at least 2,500 days cumulative compensated service, shall have 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 current calendar year, with a maximum of 20 working days; in subsequent years, the employee will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 14.4.

In the event, at the end of the calendar year, the employee fails to meet the criteria for incremental vacation entitlement noted herein, the reconciliation referred to in Article 14.13.B will be done in accordance with annual vacation entitlement as defined by Article 14.2.

- 14.4 An employee who, in the year s/he will attain a continuous employment relationship of at least 18 years, and who is expected to have completed at least 4,500 days cumulative compensated service, shall have 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 current calendar year, with a maximum of 25 working days; in subsequent years, the employee will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 14.5.

In the event, at the end of the calendar year, the employee fails to meet the criteria for incremental vacation entitlement noted herein, the reconciliation referred to in Article 14.13.B will be done in accordance with annual vacation entitlement as defined by Article 14.3.

- 14.5 An employee who, in the year s/he will attain a continuous employment relationship of at least 28 years, and who is expected to have completed at least 7,000 days cumulative compensated service, shall have 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 current calendar year, with a maximum of 30 working days.

In the event, at the end of the calendar year, the employee fails to meet the criteria for incremental vacation entitlement noted herein, the reconciliation referred to in Article 14.13.B will be done in accordance with annual vacation entitlement as defined by Article 14.4.

- 14.6 In the application of Article 14.5, the Company will have the option of:
- (a) Scheduling an employee for five weeks vacation with the employee being paid for the sixth week at pro rata rates; or
 - (b) Splitting the vacation on the basis of five weeks and one week.
- 14.7 In computing service under Articles 14.1, 14.2, 14.3, 14.4 and 14.5, days worked in any position covered by similar vacation agreements shall be accumulated for the purpose of qualifying for vacation with pay.
- 14.8 An employee will be compensated for vacation at the higher of the two following rates:
- (a) the rate of pay that s/he would have earned had s/he not been on vacation during such period, or
 - (b) the percentage of the current years gross earnings as follows: 1 week 2%, 2 weeks 4%, 3 weeks 6%, 4 weeks 8%, 5 weeks 10%, 6 weeks 12%.
- 14.9 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 100 days in any calendar year, shall be included in the computation of service in that year for vacation purposes.
- 14.10 Except for employees in the main shops, employees entitled to three or more weeks vacation may apply under Article 14.11 of the collective agreement to split their vacation in two or more portions, none of which will be less than one week. Where vacations are split the preference in order of seniority of applicants shall be limited to the portion indicated as first choice. Main shop employees entitled to five or more weeks vacation may apply to split their vacation on the basis of taking the vacation entitlement in excess of the annual shop shutdown separately.
- 14.11 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 seniority of the applicants. Such applicants will have preference over later applicants. Applicants will be advised in February of the dates allotted them and, unless otherwise locally agreed, employees must take their vacation at the time allotted.

In those offices where it has been the practice to circulate a vacation list in seniority order, the vacation list shall have priority over individual applications.

14.12 Unless otherwise locally agreed, employees who do not apply for vacation prior to February 1st shall be required to take their vacation at a time to be prescribed by the Company.

14.13 (a) An employee terminating his / her employment for any reason at a time when an unused period of vacation with pay stands to his/her credit shall be allowed vacation pay calculated to the date of his/ her leaving the service, as provided for in Clauses 14.1, 14.2, 14.3, 14.4 and 14.5.

(b) An employee who took annual vacation, who is subsequently laid off, resigns or where the employment relationship is otherwise severed, may not have earned the annual vacation they have taken. This may also apply to employees who are on leave, off sick etc.

In such circumstances, the Company will have the ability to reduce the employee's accrued annual vacation bank first to make up the difference. If a shortfall remains, the Company will make the appropriate deductions from outstanding wages as required and advise. If there are no outstanding wages the employee will make up the difference.

14.14 An employee who is laid off shall be paid for any vacation due to him/her at the end 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/her at the end of the current calendar year.

14.15 A person who is dismissed for cause and not reinstated within two years of such dismissal or who leaves the service of his / her own accord shall, if subsequently returned to service, be entitled to vacation with pay as provided for in Article 14.1.

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

14.17 An employee who, while on annual vacation, becomes ill or is injured shall have the right to terminate (temporarily) his / her 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 / her vacation if within his / her scheduled dates. If the remaining vacation falls outside the employee's scheduled dates, such vacation will be rescheduled as may be locally agreed between the proper officer of the Company and the authorized Local Union Representative.

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

14.19 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, s/he shall be given at least 15 working days advance notice of such rescheduling and will be paid at the rate of time and one-half his/her regular rate of wages for all work performed during the scheduled vacation period. The rescheduled vacation with pay to which s/he is entitled will be granted at a locally agreed upon later date. This Clause 14.19 does not apply where rescheduling is a result of an employee exercising his/her seniority to a position covered by another vacation schedule.

ARTICLE 15

INCOME SECURITY AND TECHNOLOGICAL, OPERATIONAL AND ORGANIZATIONAL CHANGE

- 15.1 The provisions of the Income Security Agreement effective May 1, 1995, to which the Company and the Union are signatories, shall apply to employees in positions covered by this agreement.

ARTICLE 16

EMPLOYEE BENEFIT PLAN

- 16.1 The Employee Benefit Plan shall be that Plan established by the Supplemental Agreement of March 20, 1975, as revised, amended or superseded, between certain Canadian Railways and The Associated Railway Unions representing non-operating employees, to which the Company and the Union are signatories.

ARTICLE 17

CONTRACTING OUT

- 17.1 Work presently and normally performed by employees who are subject to the provisions of this collective agreement will not be contracted out except:
- (a) when technical or managerial skills are not available from within the Railway;
or
 - (b) where sufficient employees, qualified to perform the work, are not available from the active or laid-off employees;
or
 - (c) 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
 - (d) where the nature or volume of work is such that it does not justify the capital or operating expenditure involved;
or
 - (e) the required time of completion of the work cannot be met with the skills, personnel or equipment available on the property;
or
 - (f) where the nature or volume of the work is such that undesirable fluctuations in employment would automatically result.
- 17.2 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.
- 17.3 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.
- 17.4 The Company will advise the President 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.

- 17.5 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 President 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/her for that purpose.
- 17.6 Should the President request information respecting contracting out which has not been covered by a notice of intent, it will be supplied to him/her promptly. If s/he requests a meeting to discuss such contracting out, it will be arranged at a mutually acceptable time and place.
- 17.7 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 step two of the grievance procedure. The Union officer shall submit the facts on which the Union relies to support its contention. Any such grievance must be submitted within 42 days from the alleged non-compliance.

**ARTICLE 18
IS DELETED**

ARTICLE 19

BEREAVEMENT LEAVE

- 19.1 (a) Upon the death of an employee's spouse*, child, step child, parent, brother, or sister, the employee shall be entitled to five days bereavement leave without loss of pay provided s/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 his/her regular wages for that period to the employee to whom leave is granted.

10 and 12 Hour Shifts

- (b) Employee shall be entitled to five days leave and receive a maximum of 40 hours pay at his/her basic rate of pay.

- 19.2 (a) Upon the death of an employee's grandparent, spousal grandparent, grandchild, step-parent, step-brother, step-sister, father-in-law or mother-in-law, the employee shall be entitled to three days bereavement leave without loss of pay provided s/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 his/her regular wages for that period to the employee to whom leave is granted.

10 and 12 Hour Shifts

- (b) Employee shall be entitled to three days leave and receive a maximum of 24 hours pay at his/her basic rate of pay.

Definition of Eligible Spouse

The person who is legally married to you and who is residing with or supported by you, provided that there is no legally married "spouse" that is eligible, it is the person that qualifies as a "spouse" under the definition of that word in Section 2(1) of the Canadian Human Rights Benefit Regulations, so long as such person who may be of the same or opposite sex was publicly represented by you as your "spouse" and cohabited with you in a conjugal relationship for:

- At least one (1) year if you and that person were free to marry: or
- At least three (3) years if either of you was not free to marry the other.

- 19.3 The employee shall be entitled to suspend annual vacation during the Bereavement Leave period.
- 19.4 Rest days are excluded in the calculation of the three days, or five days, as appropriate, consecutive working days leave. Statutory holidays are to be included in the calculation of the three days or five days consecutive working days leave. An employee who is on Annual Vacation leave at a time when bereavement leave would be granted under this Article, shall be entitled to terminate (temporarily) his/her vacation and be placed on bereavement leave. Upon completion of the bereavement leave, the employee will continue his/her vacation if within his/her scheduled dates. If the remaining vacation falls outside the employee's scheduled dates, such vacation will be rescheduled as may be locally agreed between the proper officer of the Company and the authorized Local Union representative.
- 19.5 Under no circumstances should wages exceeding three days, or five days, as appropriate, be paid for bereavement leave.

Examples of Application

- (a) An employee with assigned days of rest as Saturday and Sunday suffers the loss of a family member as listed in Article 19.2 (a) on a Thursday night.
- Employee would be paid bereavement leave for Friday, Monday and Tuesday.
- (b) Loss of a family member as listed in Clause 19.2 (a) occurs on a Tuesday, employee is granted bereavement leave on Wednesday, Thursday and Friday. The Friday happens to be a Statutory Holiday.
- Employee would be paid bereavement leave for Wednesday and Thursday. Payment for Friday would be for the statutory holiday (not bereavement leave).

ARTICLE 20

USE OF PRIVATE AUTOMOBILE

- 20.1 Where an automobile mileage allowance is paid, such allowance shall be paid at the following rates:
- a) Effective January 1st, 2014 increase the automobile mileage allowance to \$0.37/km.

ARTICLE 21

SENIORITY

- 21.1 Seniority groups shall be established in accordance with Article 22. A seniority list of all employees in each seniority group, showing employee number, name, seniority date, location, position occupied and S.E.S. Group level, shall be posted in locations accessible to those affected. The date of entry into the Company's service will also be included if different than the seniority date. The date of promotion will also be included where applicable.
- 21.2 Seniority lists shall be updated and posted at the headquarters locations of all employees concerned, on or before May 1 of each year. A copy of said list shall also be furnished to the President and Local Chairperson. The President shall also be advised with respect to the names of individuals removed from a seniority list since the previous posting.
- 21.3 Seniority lists shall be open for correction for a period of sixty calendar days on presentation in writing of proof of error by the employee or his/her representative to the employee's immediate supervisor.
- 21.4 Except by mutual agreement, seniority standing shall not be changed after becoming established by being posted for sixty calendar days following date of issue without written protest. It is understood that an employee shall not lose seniority as a result of being removed from a seniority list improperly or through an administrative error or lose or gain seniority through an administrative error.
- 21.5 (a) A new employee shall be on probation and not be regarded as permanently employed until he/she has completed 120 days of cumulative compensated service and, if retained, shall then rank on the seniority list from the date first employed in a position covered by this agreement. In the meantime, unless removed for cause, which in the opinion of the Company renders the employee undesirable for service, s/he shall be regarded as coming within the terms of the agreement. The parties may extend the 120 day period, subject to mutual agreement

- (b) In circumstances where the Company hires students to provide for additional vacation allotment during peak vacation periods, students so hired will be subject to the following conditions:
 - (i) Students will receive training required to perform only a limited number of functions and will be assigned to vacancies accordingly, notwithstanding the provisions of Article 23.1 (c) of the Collective Agreement.
 - (ii) Students shall not accumulate seniority or cumulative compensated service.
 - (iii) Students shall not be entitled to benefits, nor shall they become members of the pension plan.
 - (iv) Students shall be paid for all service performed at 85% of the job rate of the position assigned.
 - (v) Students shall not have the ability to apply to bulletined positions and shall not be given preference for permanent employment should their student status change and they apply for a position within the Company at a later date.
 - (vi) In order to be considered as a student, proof of registration in a recognized institution shall be required to be produced upon request.

21.6 Seniority of employees shall be confined to the respective seniority group in which employed. An employee may, however, in case of ill health be transferred from one seniority group to another without loss of seniority as may be mutually agreed. (See Appendix A-6 with respect to special arrangements for physically disabled employees.)

- 21.7 (a) Employees transferring from one roster to another as a result of being the successful applicant on either a temporary or permanent bulletin shall take their seniority with them. Upon expiration of a temporary bulletined assignment, the employee must revert to his/her permanent position with full seniority.
- (b) Except as otherwise provided in Clause 21.7(a) or as mutually agreed, an employee accepting a transfer to a position on another seniority list shall lose his/her seniority rights unless service is not required in the position vacated.

21.8 **Promotion Outside Bargaining Unit**

- (a) Employees promoted prior to July 1, 1985 to official positions or to positions excepted or excluded from the terms of this agreement shall retain their rights and continue to accumulate seniority on the seniority list from which promoted.

- (b) Employees promoted subsequent to June 30, 1985, to official positions or to positions excepted or excluded from the terms of this agreement, or to positions not covered by another agreement or to non-scheduled positions shall no longer accumulate seniority, effective with the date of promotion, but shall retain the seniority rights accumulated to that date. Employees desiring to have their seniority protected must, within 30 days from the date of promotion, contact the Union making their request known. The Union shall make the final determination and arrangements, advising the Company of the result. The seniority protection may be extended by mutual agreement. For employees whose seniority protection is extended by mutual agreement, the Company shall deduct on the payroll from the wages due and payable for each such employee, an amount equivalent to the full monthly dues of the Union, subject to the conditions and exceptions set forth in the Collective Agreement.

- (c) If an employee is released from such position covered by Articles 21.8 (a) or 21.8 (b) above, s/he must revert to the seniority list and position from which promoted unless such position has been abolished or is held by a senior employee. In such instance employee may exercise his/her seniority to displace a junior employee on that seniority list after providing the junior employee with no less than three days advance notice of displacement.

- (d) Employees holding positions as described in Articles 21.8 (a) or 21.8 (b) must exercise seniority as provided in Article 21.8 (c) above and in accordance with Article 25.2 before being eligible to apply for a schedule position under bulletin.

21.9 Temporary Promotion Outside Bargaining Unit

- (a) An employee who is temporarily promoted to an official or excepted position with the railway will have his/her name continued on the seniority list of the group from which promoted and will retain seniority rights and continue to accumulate seniority.
- (b) When released from such official or excepted position, the employee will revert back to the position held prior to the promotion.
- (c) The Company shall deduct on the payroll from the wages due and payable for each employee temporarily promoted, an amount equivalent to the full monthly dues of the Union subject to the conditions and exceptions set forth in the collective agreement.
- (d) Temporary vacancies resulting from employees being promoted to official or excepted positions for more than one year will be posted as permanent positions. Upon mutual agreement, promotions to official or excepted positions for project work of a known duration greater than 12 months may be posted as temporary positions.
- (e) An employee who is temporarily promoted to an official or excepted position with the railway will be governed by the following policy entitled: "Compensation And Benefits for Unionized Employees who Temporarily Assume Non-Unionized Positions" (currently CP Policy 8503)

21.10 Election or Appointment to Full Time Union Position

- (a) Employees elected or appointed to full time Union positions representing TC Local 1976 of the USW represented employees covered by this Collective Agreement shall retain and accumulate seniority during the period spent occupying such elected or appointed full time Union position.
- (b) Vacancies resulting from full time duly elected or appointed Union Officers being granted leaves of absence of more than one year duration shall be posted as permanent.

- (c) When reverting to their CPR position s/he must revert to the seniority list and position from which the union leave was granted, unless such position has been abolished or is held by a senior employee. In such instance the employee may exercise his/her seniority to displace a junior employee on any other seniority list at the location
- 21.11 (a) Except as provided in Article 21.11(b) below or otherwise mutually agreed, employees who, on account of reduction in forces, have performed no service for the Company for a period of 1 year shall be dropped from the seniority list and have their employment with the Company terminated.
- (b) Employees laid off in excess of 1 year who are in receipt of Income Security benefits will not have their names removed from the seniority list while such benefits are payable. Upon exhaustion of Income Security benefits, their employment with the Company will be terminated unless otherwise mutually agreed.
- 21.12 When two or more employees are employed in the bargaining unit on the same day, their seniority standing will be determined in the following order:
- (a) last date of entry into Company service; if the same,
 - (b) the local time at which they started work in the bargaining unit; if the same,
 - (c) date on which application for employment was made; if the same,
 - (d) by a drawing of names as arranged by the appropriate Company Officer and Local Representative.

ARTICLE 22

SENIORITY GROUPS

- 22.1 Seniority groups as established in the Collective Agreement dated May 10, 2004 are archived and have subsequently been established as shown herein:

ATLANTIC REGION

| | | |
|-----|------------------------------------|--|
| A-2 | Quebec Division Montréal | Clerical staffs at St. Luc yard offices, St. Luc Car Compound, Crew Management Center, Mechanical Services |
| C-2 | Montréal | Clerical Staff Administrative Services. |
| S | Montréal | Common Spare Board Clerical Positions |

EASTERN REGION

| | | |
|-----|------------------------------------|--|
| A-3 | Toronto Division Toronto | Clerical staff Yard offices, and Mechanical department clerks. |
|-----|------------------------------------|--|

PRAIRIE REGION

| | | |
|-----|---|---|
| A-1 | Lakehead Division Thunder Bay | Yard Office Staff and Mechanical Department Staff |
| A-2 | Winnipeg Division Winnipeg | Yard Office Staff, Progress Rail Clerical Staff, Customer Services Winnipeg, Mechanical Services Clerical Staff, Damage Prevention and Claim Services |
| A-4 | Brandon | Clerical Staff Administrative Services |
| A-6 | Moose Jaw Division Moose Jaw | Clerical Staff Yard Office and Mechanical Department. |

A-7 **Saskatoon Division**
Sutherland Car cleaners Staff

PACIFIC REGION

A-1 **Vancouver Division**
Coquitlam Clerical Staff Yard Office
Mechanical Department
HR Service Centre
ESFDP

A-3 **Revelstoke Division**
Golden Clerical Staff Yard Office and
Mechanical department

A-5 **Calgary Division**
Calgary Clerical Staff Yard Office and
Mechanical department

A-9 **Calgary** Clerical Staff Crew Management
Centre

A-6 **Edmonton** Clerical Staff Yard Office and
Mechanical department

A-7 **Lethbridge** Clerical Staff Yard Office and
Mechanical department

A-8 **Medicine Hat** Clerical Staff Yard Office and
Mechanical department

SUPPLY SERVICES

B. Eastern Region

B1. Supply Services staffs at St. Luc Diesel, St. Luc Car

B2. Supply Services Staff at Toronto, Toronto Yard,
West Toronto Roadway Equipment

- C. Prairie Region
Supply Services Staff at Thunder Bay, Winnipeg,
Weston Shops, Winnipeg Diesel, Winnipeg Roadway Equipment,
Moose Jaw.

- D. Pacific Region
Supply Services Staff at Calgary, Ogden Shops, Alyth
Diesel, Alyth Car, Vancouver, Coquitlam Car, Coquitlam Diesel,
Golden.

MANAGER BUILDING SERVICES, WINDSOR STATION, MONTRÉAL

- B. Maintenance staffs -- Cleaners, Janitors, Mail Room Staff.

FINANCE AND ACCOUNTING

- W. Accounting Service Center Montréal

GULF CANADA SQUARE – SUPPORT

- R. Non Freight Revenue Billing
General Accounting Department
Pay Services
Mailroom
AAR Services

PENSION AND ACTUARIAL SERVICES

- Pension Services Calgary

INTERMODAL OPERATIONS

Atlantic Region

- A. Montréal Terminal -- Clerical positions.
- B. Montréal Terminal -- Manual positions.
- S. Montréal -- Common Spare Board Clerical Positions

Eastern Region

- A-2 Toronto Terminal -- Clerical positions.
- B-2 Toronto Terminal -- Manual positions.
- S Common Spare Board – Manual positions
- A-3 Central Operations Group Mississauga

Prairie Region

- A. Winnipeg Terminal -- Clerical positions.

Pacific Region

- A-1 Calgary Terminal -- Clerical positions.
- A-2 Vancouver Terminal -- Clerical positions.
- A-3 Edmonton Terminal -- Clerical positions.

ARTICLE 23

BULLETINING OF POSITIONS

- 23.1 (a) New positions, permanent positions, temporary positions and vacancies of a known duration of more than 120 calendar days shall be promptly bulletined for a period of ten calendar days in the seniority group where they occur and in all other groups at the location. The bulletining of positions may include, but will not be limited to, electronic bulletin postings.
- (b) Shorter periods of time for posting of bulletins and making appointments may be made by mutual agreement.
- (c) Temporary positions or vacancies of less than 120 calendar days required to be filled shall be offered to the senior qualified employee desiring such vacancy at the particular workplace concerned.
- (d) In order to prevent unnecessary disruptions at a work location (ie: department, terminal, centre or office) where there is more than one position with the same S.E.S. GROUP level, job classification, shift and days off, employees are barred from claiming or being awarded another position that has the same S.E.S. GROUP level, job classification, shift and days off as the employee presently holds by appointment. This requirement may be waived by agreement between the Company and the Local Union Officer.
- 23.2 (a) Except as otherwise provided in Article 23.2(b), employees desiring such bulletined positions shall file their applications with the designated officer within that time and an appointment shall be made within five calendar days thereafter.
- (b) An employee absent on leave when a vacancy occurs shall not be barred from claiming a position and receiving the appointment, if entitled to it, providing that such claim is made within seven calendar days from date of return to work. Employees affected by an employee exercising their right under this clause will be permitted to claim any other position similarly bulletined during the leave period.
- (c) Prior to the closure of a bulletin, an employee may withdraw his/her application.

- 23.3 Subject to operational requirements, successful applicants for temporary positions may be required to occupy said temporary position for its entire duration.
- 23.4 (a) The name of the appointee shall immediately thereafter be posted where the position or vacancy was bulletined, and the successful applicant shall be transferred within five calendar days after closing date of bulletin.
- (b) If not so transferred, the successful applicant shall be paid the rate of the position awarded or the position actually worked, whichever is greater. Every effort shall be made to complete the transfer within ten calendar days.
- (c) In the event the transfer does not take place within five calendar days, the appropriate company officer will refer the matter to the Labour Adjustment Committee for final determination.
- 23.5 Should there be no applicants, the following shall apply unless otherwise mutually agreed.
- (a) The junior, qualified, trained unassigned employee from the seniority list in the department at the work location will be awarded the position.
- (b) Should there be no junior, qualified and trained employee, then the junior unassigned employee at the work location will be awarded the position.
- 23.6 Pending appointment, the senior qualified employee desiring the vacancy at the particular work location concerned, shall be appointed to the position.
- 23.7 (a) A position that requires a change in location, rate of pay, regular assigned rest days or hours of services involving change of more than one hour will not be bulletined. Such change will not become effective until the position has been filled; except that in case of emergency the change will be made and position be made available as soon as possible thereafter.
- (b) A position that requires a change per this clause 23.7 will not be bulletined as outlined in clause 23.1 but will rather be made available to permanent employees in the affected group in the office, center, department where the change occurs. The positions will be made available through a verbal rundown by local union and management or the LAC.

- (c) The purpose of 23.7 is to ensure that all permanent employees remain with a permanent position within their affected group once the rundown is complete. All employees who are displaced must displace a permanent employee within the affected group.
 - (d) As a result spare and unassigned employees will not be able to attain a permanent position as a result of the application of Article 23.7
 - (e) Any disputes arising from the application of Article 23.7 shall be referred to the President of the Union and the Manager, Labour Relations for review.
- 23.8 Bulletins shall show location, title, rate of pay, hours of service, regular assigned rest days, nature of duties, name of previous incumbent (if applicable) and, if temporary, the approximate duration.
- 23.9 Copies of bulletins and names of applicants for new positions or temporary vacancies shall be furnished to the Local Union Representative.
- 23.10 When more than one vacancy or new position is bulletined at the same time, employees shall have the right to bid on any or all, stating preference.

ARTICLE 24

AWARDING POSITIONS

- 24.1 (a) Awards shall be based on ability, merit and seniority; ability and merit being sufficient, seniority shall prevail. The officer of the Company in charge shall be the judge, subject to appeal, such appeal to be made in writing within 28 calendar days of the appointment.
- (b) The following applies to an existing employee who, in pursuit of a specific position, has previously undergone a selection process involving interviewing and or testing or who has failed to successfully complete training (whether on the job or classroom training).

At the discretion of the Company, the employee may not be permitted to make a subsequent attempt to secure the same position within two years of a previous attempt, except in cases where:

- the employee sought out the areas where he/she could improve through the application of Article 24.2 and;
- the employee can demonstrate that they have made an improvement(s) in their personal skills or abilities (based on the application of Article 24.2) such that they can be reasonably expected to succeed in another attempt to be selected or qualify the position in question.

In such cases, the training may, at the Company's discretion, at first be confined to those areas of previous deficiency to ensure the employee has in fact improved in those areas, and if so, training on the other aspects of the position will be undertaken. Should the employee not be able to demonstrate his/her ability to satisfactorily perform previous areas of deficiency, the training will be discontinued.

- 24.2 Should the senior employee not be awarded the position, the Local Union Representative shall, upon written request, be furnished with the reasons therefore in writing.
- 24.3 Employees temporarily or permanently assigned to higher-rated positions shall receive the higher rates while occupying such positions, including excluded or excepted positions; employees temporarily assigned to lower-rated positions shall not have their rates reduced.

- 24.4 An employee assigned to a position by bulletin will receive a full explanation of the duties of the position and must demonstrate his/her ability to perform the work within a reasonable period of up to thirty calendar days, the length of time to be dependent upon the character of the work. The thirty calendar day period shall commence after such time as any formal training or on the job training has been completed, unless it is apparent to the Supervisor that the employee lacks sufficient merit and ability to be assigned to the position. Failing to demonstrate his/her ability to do the work within the period allowed, s/he shall be returned to his/her former position without loss of seniority, and the position shall be awarded to the next senior qualified employee who has applied. Upon request, an employee shall be provided, in writing, the reasons for the disqualification.
- 24.5 (a) Except as otherwise provided in Article 23.3, successful applicants for new positions, permanent positions, temporary positions and vacancies of a known duration of more than 120 calendar days may be required to remain on their position for a period of 12 months commencing from the time the employee is awarded such position.
- (b) Income Security Agreement, Article 7, Maintenance of Basic Rates qualifying requirements and Article 25.5 MBR Protection requirements will be waived for the duration employee is being held.
- (c) Except as otherwise provided in Article 23.3, an employee who bids on a higher rated position and who would otherwise have been the successful applicant for the higher rated position, will be paid the rate of the higher rated position for the duration employee is being held.
- (d) Employees being held on a position in accordance with Article 24.5 (a), for the duration they are being held may continue to bid on subsequent bulletins, until such time as they are released from the position being held and occupy the new permanent position.
- 24.6 Except as otherwise provided in Article 5, employees covered by this agreement shall be given prior consideration in the making of appointments to positions excepted from their respective seniority groups and shall be given consideration in making appointments to supervisory positions.

ARTICLE 25

REDUCTION AND INCREASE IN STAFF

25.1 In reducing forces seniority shall govern.

25.2 **Procedures**

- (a) Within two working days of receiving Notice of job abolishment or displacement, per Clause 25.8, such employee shall notify the appropriate Company Officer and the designated member of the Union of the position to which s/he will exercise seniority and shall fill that position following the job abolishment or displacement procedures. An employee absent on leave when his/her position is abolished or s/he is displaced, shall exercise seniority upon expiry of leave, pursuant to Clause 25.9.
- (b) An employee who fails to comply with said time limits, unless reason satisfactory to the appropriate Company Officer and the President is given for not doing so, shall not exercise seniority to displace any junior employee, but may be recalled to duty or may exercise seniority to a bulletined permanent or temporary vacancy. Such employee shall only have the right to exercise seniority to displace pursuant to this Clause after s/he again holds a permanent position and in unable to hold such position due to staff reduction.
- (c) Clauses 24.1 and 24.4 will have application to all displacements. If an employee displaces into and is subsequently disqualified from a position on another seniority list within the 30 day period provided in Article 24.4, all employees affected by the original displacement will revert to their former positions, unless otherwise mutually agreed.
- (d) In order to prevent unnecessary disruptions at the work location (ie: department, terminal, centre or office) an employee wishing to displace onto a position with the same S.E.S. GROUP level, job classification, shift and days off as other positions in that work location must displace the junior of the employees holding the same S.E.S. GROUP level, job classification, shift and days off. This requirement may be waived by agreement between the Company the Local Union Officer.

NOTE: In the application of this Article, it is not intended that an employee be required to exercise his/her seniority to another location in his/her seniority group if such location would make it impractical to commute daily by means other than privately-owned automobile.

25.3 Options

An employee whose position is abolished or who is displaced shall exercise their seniority in the following order

- (a) AT LOCATION - Employee shall displace a junior employee in his/her seniority list or on any other seniority list at the location provided the position into which displacing is equal to or at a higher S.E.S. GROUP level than a position s/he could hold on the list from which displaced;
- (b) ON THE REGION - Employee shall displace a junior employee in any other seniority list on the Region in which employed provided the position into which displacing is at a higher S.E.S. GROUP level than a position which s/he could hold on the list from which displaced.
- (c) Employees displacing from one list to another will have their seniority dovetailed into the seniority group to which displacing.
- (d) Employees may elect to remain on former seniority list and occupy temporary positions prior to physically exercising seniority into the position s/he has elected to displace, pursuant to Clause 25.4.
- (e) Displacements into or from the Pension Department in Calgary will not be governed by the provisions of this Article.
- (f) These provisions apply to displacements into and from both the TC Local 1976 of the USW Mainline Agreement and Security Guard Agreement.

25.4 "On Paper Displacement"

The intent of this Article is that an employee establish him/herself on a permanent position. However, employees may, subject to requisite threshold skills and qualifications, continue to fill temporary vacancies on the list containing the position from which displaced prior to physically exercising seniority onto the position claimed in accordance with the following:

- (a) initial displacement will be made on paper and all subsequent displacement rights/obligations will be held in abeyance until such time as the employee initiating the displacement actually occupies and is confirmed in writing on the position;

- (b) employees may exercise seniority to fill a temporary position in compliance with the Collective Agreement prior to filling the position claimed. Upon completion of filling a temporary vacancy, an employee may exercise seniority to other temporary vacancies held by junior employees prior to filling the position claimed, providing that such subsequent temporary vacancies have in excess of five working days remaining to be filled, and the employee displacing into such subsequent temporary vacancy is qualified at the time of displacement.
- (c) when spare, unassigned temporary or relief work is no longer available, the affected employee will be required to effect the intended displacement immediately;
- (d) the familiarization period outlined in Article 24 will begin once the employee actually occupies the position to which s/he has exercised seniority;
- (e) until such time as the displacing employee actually occupies the position into which displacing, the previous permanent incumbent shall be considered the regular incumbent for purposes of subsequent displacements, Income Security Agreement Article 1.1 (a) Notices, etc;
- (f) if, by the time the employee having previously displaced on paper elects or is required to move, s/he can no longer hold the position to which s/he had previously declared, or any other permanent position on the regional roster, such employee will remain as a spare or unassigned employee on his/her original seniority roster;
- (g) notice of paper only displacement intentions shall be made in writing to the employee's immediate supervisor, with a copy to the employee's local chairperson. Records of such paper only displacements shall be maintained by the employee's local supervisor or other designated Company Officer;
- (h) should the position to which an employee has indicated a desire to displace on paper becomes the subject of displacement by a more senior employee, the original employee will be required to once again declare his/her intentions as is required under the terms of the Collective Agreement and Income Security Agreement.

25.5 **MBR Protection**

An employee adversely affected as the result of a Notice issued pursuant to Article 1.1 (a) of the Income Security Agreement will fulfill the requirements of the Income Security Agreement with respect to the Maintenance of Basic Rate (MBR) by either accepting the highest rated position on his/her seniority list at his/her location, based upon qualifications and seniority, or accepting the highest rated position on another seniority list at his/her location also subject to qualifications and seniority and the provisions of this Article.

25.6 An employee will, unless displaced, or the position is abolished, be required to remain in the position to which displacing for the duration of the qualifying period as provided in Article 24.4 before exercising seniority to other positions on the roster.

25.7 Displacements between Departments and seniority rosters should not unduly impair the efficiency of the workplace. Therefore, if restrictions or alterations in the application of the displacement provisions should be necessary at any given time in individual situations, discussions will be held between the General Managers or Department Heads and the President. In such instances, however, the proposed restriction or alteration will not be implemented unless mutually agreed.

25.8 Not less than five working days advance notice shall be given to regularly assigned employees when the positions they are holding are not required by the Company, except in the event of a strike or work stoppage by employees in the railway industry, in which case a shorter notice may be given. As much advance notice as possible shall be given to unassigned employees. Notice of all staff reductions will be furnished to the appropriate Local Chairperson concurrent with such notice being issued to employees.

25.9 Advance notice under Article 25.8 may be served at any time, such as when an employee is on vacation, on leave of absence, absent account illness as well as when an employee is working at his/her position.

25.10 **Increase in Staff**

When forces are increased, employees shall be returned to service in the order of their seniority, subject to qualifications. Employees who wish to avail themselves of the provisions of this Clause must ensure that the appropriate Company Officer of the original seniority group is kept informed of the address to which notification of vacancy should be sent.

25.11 Employees failing to report for duty, or give satisfactory reasons for not doing so, within seven calendar days from the date of notification shall be considered out of service, pending investigation.

ARTICLE 26

LEAVE OF ABSENCE

26.1 **Leaves of Absence**

- (a) When the requirements of the service permit, employees, on request, will be granted leave of absence for periods of up to three months. Leave of absence of more than three months shall be subject to the approval of the President, except in cases of leave being granted for medical reasons in which cases the President will be informed but his approval not required.
- (b) An employee provided with an opportunity to train for a position in another bargaining unit will be provided with an L.O.A. for the duration of that training. Upon successful completion of the training, the employee will forfeit all seniority within the USW.

26.2 Leave of absence shall not be granted for the purpose of engaging in work outside Company service, except in cases involving sickness or other exceptional circumstances, subject to mutual agreement.

26.3 **Leave of Absence to Attend Meetings**

Employees requesting leave of absence to attend their meetings will be granted leave provided that sufficient advance notice is given and the operational requirements permit.

26.4 Leave of absence shall not exceed two working days. It shall only be granted when it will not interfere with the requirements of the traffic and the service and provided that the Company is not thereby put to additional expense.

26.5 Article 26.4 shall not be construed to prevent the granting of a longer period of absence when required by individual employees to attend system or committee meetings.

ARTICLE 27

INVESTIGATION AND DISCIPLINE

27.1 An employee shall not be disciplined or dismissed until after a fair and impartial investigation has been held and the employee's responsibility is established by assessing the evidence produced and the employee will not be required to assume this responsibility in his/her statement.

27.2 Investigation

(a) An employee subject to investigation will be given a minimum advance written notice of forty-eight (48) hours when an investigation is to be held, and each employee whose presence is desired will be notified of the time, place and subject matter of the investigation. In addition, the local accredited representative of the Union will also be copied on such notice. In circumstances where the Company officer is unable to contact the local representative, the investigating officer shall transmit via fax, a copy of such notice to the President of the Union at the same time the notice is being supplied to the employee.

Failure on the part of the Company to provide a copy of the notice to the Local Representative will not procedurally invalidate the investigation.

(b) An employee is not to be held out of service unnecessarily in connection with an investigation but, where necessary, the time so held out of service shall not exceed ten working days (eighty regular hours) and the employee will be notified in writing of the charges. The President of the Union, or authorized designate, must be notified in writing if an employee is held out of service in excess of five working days (forty regular hours). Failure to notify the President will result in payment of all time held out in excess of forty hours.

It is understood that employees may be held out of service where:

- The nature of the offence is dismissible in and of itself, or;
- There are significant workplace safety concerns;
- The continued employment of the individual is in jeopardy

In cases where the incident has the potential to culminate in dismissal but where the culminating incident is not dismissible in and of itself, it is understood that wages will not be withheld from the employee while they are out of service.

(c) An employee may be accompanied by a fellow employee or accredited representatives of the Union to assist him/her at the investigation.

- (d) An employee is entitled to be present during the examination of any witness whose testimony may have a bearing on his/her responsibility, or to read the evidence of such witness, and offer rebuttal thereto.
- (e) Upon request, an employee will be provided with the available documents that will be introduced in the investigation, 24 hours prior to the scheduled start of the hearing. In the event that the material is not available within this time frame, failure to provide material in advance will not procedurally invalidate the investigation.
- (f) An employee shall be given a copy of his/her statement and a transcript of evidence taken at the investigation, or on the appeal, shall be furnished on request to the employee and his/her representative.
- (g) In the case of investigations related to Human Rights issues, and/or Harassment and Discrimination cases, given their sensitive nature, statements, evidence, or other documentation related to the case will only be provided, upon request, to the employee being investigated and/or the accredited representative present at the investigation(s)

27.3 **Discipline**

- (a) A decision shall be rendered within 21 calendar days following the date of completion of the investigation, unless otherwise mutually agreed.
- (b) If the employee considers the decision rendered is unjust, an appeal may be made, commencing with Step 1 of the grievance and arbitration procedure. In cases of dismissal, an appeal may be commenced at Step 2 of the grievance and arbitration procedure
- (c) If, in the final decision, the charges against an employee are not sustained, his/her record shall be cleared of the charges; if suspended or dismissed, he/she shall be returned to his/her former position and reimbursed for wages lost, less any earnings derived from outside employment during the period so compensated; if the investigation was away from home, she/he shall be reimbursed for reasonable travel expenses upon presenting receipts.

27.4 INFORMAL HANDLING

- (a) The service record of the individual warranting, for the first offence of a minor nature the case may be handled in the following manner.
- (b) In the place of the formal investigation as provided for in the Collective Agreement an informal interview will be held to review the incident involved at which interview the employee may have an accredited representative of the union present.
- (c) A record of the incident will be placed on the employee's file and a copy of same given to the employee.
- (d) This record on file does not constitute discipline but does establish that the incident took place. The fact that the incident occurred may be used by the Company in assessing the appropriate amount of discipline should repeat offenses take place within a one-year period.
- (e) The existence of this record on an employee's file will not be used at arbitration by either party if repeat offenses do not take place within one year.

27.5 ADMISSION OF RESPONSIBILITY

- (a) Where an individual admits responsibility for an incident where the penalty to be assessed is a suspension of up to 5 working days (which may include deferred and record suspensions), and the individual chooses to waive the right to a formal investigation provided for in his/her Collective Agreement, discipline may be assessed without the need for such investigation.
- (b) In these circumstances an informal interview will be held to review the incident involved. If so desired, the employee may have an accredited representative of the union present. Discipline will be issued within 21 calendar days of the interview
- (c) No written record of the proceedings will be kept except for the discipline itself and the individual's written concurrence that he/she wishes to forego the formal investigation and admit responsibility.
- (d) By accepting an Admission of Responsibility, the employee waives the right to grieve the discipline assessed under the provisions of his/her Collective Agreement.

27.6 DEFERRED DISCIPLINE

- (a) This article is intended to address an individual who has been found responsible for an incident in circumstances that by themselves are not dismissible, but which, due to the existence of demerit points on the individual's record, would result in dismissal.
- (b) Where it is felt that the service record of the individual warrants his retention in employment, he/she may be assessed "deferred discipline."
- (c) Deferred discipline is a procedure whereby the discipline assessed will be annotated on the employee's file, but not added to his demerit mark total provided, for a period of one year following the issuance of the deferred discipline, he/she is discipline-free. Following one year of discipline-free service the employee's discipline record will revert to its standing prior to the assessment of the deferred discipline.
- (d) If additional discipline is issued to the individual during the one-year period then the discipline which had been deferred will be added to his/her discipline total.
- (e) Where it is determined that the situation warrants the assessment of deferred discipline, the employee will be so advised and will have three (3) days in which to advise the Company that he/she wishes to accept the deferred discipline. By so accepting the individual will be waiving the right to grieve the discipline as provided for in his/her Collective Agreement. It is understood that for the purposes of rendering a decision, the date upon which the individual is advised that his/her discipline may be deferred will be regarded as the date upon which the Company has rendered its decision. If the individual indicates that he/she does not wish to accept the deferred discipline – or has not replied within the three (3) day delay – the discipline assessed will be immediately added to his/her discipline record.

ARTICLE 28

GRIEVANCE AND ARBITRATION

28.1 Disputes in respect to the meaning, interpretation or alleged violation of the terms of this agreement, or when an employee claims that s/he has been unjustly dealt with in respect thereof and s/he is unable to obtain satisfactory explanation, after having discussed the issue with the appropriate supervisor, may be dealt with in the following manner:

Step 1

The aggrieved employee or the Local Chairperson shall present the grievance in writing to the appropriate Head of the Department within 28 calendar days following the cause of the grievance. Such Head of Department will render a decision in writing within 28 calendar days following receipt of the written grievance. During that period of time, a meeting may take place between the grievor, the local representative and the Department Head (or representative) to discuss the grievance.

Step 2

If the grievance is not settled at Step 1, the President may appeal the decision in writing, giving the reasons for the appeal, to the highest officer designated by the Company to handle grievances, within 42 calendar days following receipt of the decision rendered in Step 1. Such officer will render a decision in writing, giving reasons for the decision, within 42 calendar days following receipt of the appeal.

Step 3

If the grievance is not settled at Step 2, it may then be referred by either party to the Canadian Railway Office of Arbitration for final and binding settlement without stoppage of work in accordance with the rules and procedures of that Office. The party requesting arbitration must notify the other party in writing within 42 calendar days following receipt of the decision in Step 2, or the due date of such decision if not received.

28.2 Disputes arising out of proposed changes in rates of pay, rules or working conditions, modifications in or additions to the terms of this agreement, are specifically excluded from the jurisdiction of the Canadian Railway Office of Arbitration.

- 28.3 When a grievance is not progressed by the Union within the prescribed time limits, it shall be considered as dropped. When the appropriate officer of the Company fails to render a decision within the prescribed time limits, the grievance may be progressed to the next step within the prescribed time limits based on the last date such decision was due, except as otherwise provided in Article 28.4.
- 28.4 When a grievance based on a claim for unpaid wages is not progressed by the Union within the prescribed time limits, it shall be considered as dropped. When the appropriate officer of the Company fails to render a decision with respect to such a claim for unpaid wages within the prescribed time limits, the claim will be paid. The application of this rule shall not constitute an interpretation of the collective agreement.
- 28.5 The time limits specified herein may be extended by mutual agreement.
- 28.6 Settlement of a grievance shall not involve retroactive pay beyond 60 calendar days prior to the date that such grievance was first submitted in writing.
- 28.7 Prior to adjudication or final disposition of a grievance there shall be neither a shut-down by the Company nor a work stoppage by the employees.
- 28.8 Grievances not docketed for arbitration by either party within two years from the date of filing of the step one grievance will be considered as dropped.

ARTICLE 29

DEDUCTION OF UNION DUES

- 29.1 The Company shall deduct on the payroll for the pay period which contains the 24th day of the month from wages due and payable to each employee subject to the terms of this agreement an amount equivalent to the uniform, monthly dues of the Union, subject to the conditions and exceptions set forth in this Article.
- 29.2 The amount to be deducted shall be equivalent to the uniform, regular dues payment of the Union and shall not include initiation fees or special assessments. The amount to be deducted shall not be changed during the term of this agreement except to conform with a change in the amount of regular dues of the Union in accordance with its constitutional provisions. The provisions of this Article shall be applicable on receipt by the Company of notice in writing from the Union of the amount of regular monthly dues.
- 29.3 Membership in the Union shall be available to any employee eligible under the constitution of the Union on payment of the initiation or reinstatement fees uniformly required of all other such applicants.
- 29.4 Union dues deductions for new employees shall commence on the first pay period which contains the 24th day of the month.
- 29.5 If the wages of an employee payable on the payroll for the pay period which contains the 24th day of the month are insufficient to permit the deduction of the full amount of dues, no such deduction shall be made from the wages of such employee by the Company in such month. The Company shall not, because the employee did not have sufficient wages payable to him/her on the designated payroll, carry forward and deduct from any subsequent wages any dues not deducted in an earlier month.
- 29.6 Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.
- 29.7 The amounts of dues so deducted from wages, accompanied by a statement of deductions from individuals, shall be remitted by the Company to the designated officer of the Union not later than forty calendar days following the pay period in which the deductions are made.

The remittance shall be sent to TC Local 1976 USW, 2360 De LaSalle Avenue, Suite 202, Montréal (Quebec) H1V 2L1.

- 29.8 The Company shall not be responsible financially or otherwise, either to the Union 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 Union, 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 of the Union.
- 29.9 The question of what, if any, compensation shall be paid the Company by the Union in recognition of services performed under this Article shall be left in abeyance subject to reconsideration at the request of either party on fifteen days notice in writing.
- 29.10 In the event of any action at law against the parties hereto resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to this Article, both parties shall co-operate fully in the defense of such action. Each party shall bear its own cost of such defense except that, if at the request of the Union counsel fees are incurred, these shall be borne by the Union. Save as aforesaid, the Union shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by it as a result of any such deduction or deductions from payrolls.
- 29.11 Union dues may be deducted on a bi-weekly basis upon mutual agreement between the parties.

ARTICLE 30

TRAVELLING AWAY FROM HEADQUARTERS

- 30.1 Employees assigned to duties which require traveling away from their headquarters to perform work shall be paid at pro rata rate for time traveled outside of regularly assigned hours, except that compensation will not be allowed for meal periods and also for such time between the hours of 23K and the regular starting time when sleeping accommodation is furnished. In addition payment shall be made at the rate of time and one-half for all time worked on proper authority outside the limits of such regularly assigned hours.

ARTICLE 31

ATTENDING COURT AND JURY DUTY

- 31.1 Employees required by the Company to attend court or other public investigation shall be paid schedule rates for time lost and shall be reimbursed actual reasonable expenses when away from home. In such cases the witness fees shall go to the Company.
- 31.2 An employee who is summoned for jury duty and is required to lose time from his/her 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/her position for each day lost, less the amount allowed him/her 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 60 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/her vacation dates will not be required to change his/her vacation because s/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 32

LIFE INSURANCE UPON RETIREMENT

- 32.1 An employee who retires from the service of the Company subsequent to January 1, 2001, will, provided s/he 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.

Effective January 1, 2003 an employee who retires from the service of the Company subsequent to January 1, 2003, will, provided s/he has not less than ten years' cumulative compensated service, be entitled, upon retirement, to a \$7,000 life insurance policy, fully paid up by the Company.

ARTICLE 33

PRINTING OF AGREEMENT

- 33.1 The Company will undertake the responsibility for the printing of the collective agreement 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 34

DENTAL PLAN AND EXTENDED HEALTH AND VISION CARE PLAN

- 34.1 The Dental Plan, shall be that plan which is established pursuant to Article VII of the Master Agreement dated April 26, 1979, as revised, amended or superseded, between certain Canadian Railways and their non-operating employees represented by the Associated Non-Operating Railway Unions, to which the Company and the Union are signatories.
- 34.2 The Extended Health and Vision Care Plan shall be that plan established by the Extended Health and Vision Care Plan Agreement dated December 10, 1985, as revised, amended or superseded by any Agreement to which the parties to this collective agreement are signatories.

ARTICLE 35

PERSONAL FILES

- 35.1 Employees may inspect and/or receive copies of their personal files in accordance with the terms and conditions outlined in Canadian Pacific's Policy concerning Privacy of Information. A copy of this policy is available upon request from the immediate Supervisor.
- 35.2 Upon a formal request in writing from the Union, the Company will provide one designated Representative from the Union with a list of employees governed by this Collective Agreement, which shall include the employee's home address and telephone number. This information shall be provided once per year, for the purpose of conducting Union business, unless circumstances warrant otherwise.

ARTICLE 36

INJURED ON DUTY

- 36.1 An employee prevented from completing a shift due to a bona-fide injury sustained while on duty will be paid for his/her 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 37

TRANSFER OF WORK

- 37.1 When through an unusual development it becomes necessary to transfer work from a seniority group, Division or Region, to another seniority group, 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 President shall co-operate to determine the number of employees who shall transfer.
- 37.2 Employees who change locations under this provision shall after 90 calendar days lose their seniority in the seniority group they left.

ARTICLE 38

METHOD OF PAYMENT

- 38.1 Direct deposit will be mandatory.
- 38.2 Where an employee is short-paid more than four hours, a special payment by direct deposit will be made to cover the shortage upon request.

ARTICLE 39

TRAINING

- 39.1 Employees shall be encouraged to learn and opportunity shall be afforded them to learn the duties of other positions within their respective seniority groups during their regular working hours when it will not interfere with the performance of assigned duties. The supervisory officer may arrange with the employees' representative and interested employees to exchange positions for short temporary periods by local agreement, without affecting the rates of pay of the employees concerned.
- 39.2 The Company recognizes and indeed encourages the practice of employees in mutually arranging through their supervisors for the opportunity to change or rotate between positions for the purpose of familiarization with existing positions within individual seniority units.
- 39.3 The Company will provide training to employees who have a minimum of two years seniority and who have been given a notice of displacement or lay-off as a result of a position being abolished and who are otherwise qualified for supplemental unemployment benefits. Such an employee will be trained for another position which would be available at his/her home location at the same classification level or less.

This training shall only be provided to employees who:

- a) would have no other position available to them at their home location;
- b) may become qualified for the new position within a period of 10 working days; and
- c) have the capability of being trained for that position.

39.4 **Training Allowance**

In circumstances where an employee is assigned by management to train another employee for a period of 30 minutes or more, the employee so assigned shall be allowed a payment of an additional 10% of his/her basic hourly rate of pay with a minimum payment in any instance based on one hour of training time. For the purposes of the allocation, training refers to those situations where an employee is assigned by management, under the direction of another employee for the purpose of instruction with respect to the duties of the position to which assigned. Training does not include the familiarization of other employees pursuant to the provisions of Article 39.1 and 39.2.

ARTICLE 40

HUMAN RIGHTS

40.1 Statement of Purpose

The Company and the Union agree that there shall be no discrimination, interference, restriction or coercion permitted in the workplace with respect to race, nation or ethnic origin, color, religion, age, sex, marital status, family status, sexual orientation, disability or conviction for which a pardon has been granted.

40.2 Definition of Harassment

Harassment is any conduct that offends or humiliates whether or not it is based on any of the grounds listed in 40.01. Harassment will be considered to have taken place if it reasonably ought to have been known that the behavior was unwelcome or inappropriate in the workplace.

40.3 Harassment

Harassment may take many forms, including: threats, intimidation, verbal abuse, unwelcome remarks, innuendo, offensive and inappropriate material, hate literature, offensive jokes.

40.4 Sexual Harassment

Sexual harassment is any unsolicited and unwelcome conduct, comment, gesture or contact of a sexual nature that is likely to cause offence or humiliation or might be perceived as placing a condition of a sexual nature on conditions of employment, including any opportunity for training or promotion.

40.5 Sexual harassment may include but is not limited to: suggestive remarks, jokes, innuendos or taunting in a sexual context; unwarranted touching; leering; compromising invitations; displaying of pornographic or other offensive or derogatory pictures or material of a sexual nature; sexually degrading words used to describe a person or a group; derogatory or degrading words regarding gender or sexual orientation, or directed towards members of one sex or one's sexual orientation; sexual assault.

40.6 **Discrimination & Harassment Policy**

The Company and the Union recognize that harassment or sexual harassment is unacceptable behavior and will not be tolerated in the workplace. The Company has a Discrimination and Harassment Policy, which covers discrimination and harassment based on illegal grounds. Employees with questions may contact the Director, Employee Relations. Collect calls will be accepted.

40.7 **Handling of Complaints**

Discrimination or harassment complaints may be handled in several ways:

- Union handling;
- Company handling through Collective Agreement investigation;
or
- Company handling through other resolution mechanisms.

ARTICLE 41

DURATION

- 41.1 This Agreement shall remain in effect until December 31, 2022 and thereafter; subject to 120 days advanced notice in writing from either party to the other of their desire to revise, amend or terminate it. Such notice may be served at any time subsequent to May 1, 2022.

Signed at Calgary, Alberta, Canada, November 15, 2017

FOR THE COMPANY:

FOR THE UNION:

(Signed) Myron Becker
Assistant Vice President
Labour Relations

(Signed) S. Hadden
President
TC Local 1976, USW

Dave Guerin
Senior Director,
Labour Relations

Nancy Lapointe
Vice President, District 5
TC Local 1976, USW

Brianne Sly
Assistant Director
Labour Relations

Nathalie Lapointe
Staff Representative
USW

APPENDIX A-1

Letter to Heads of Departments concerning
the handling of all grievances within the prescribed time limits.

Date: Montréal, April 26, 1982.

File: N/O 82-5

From: R. Colosimo

| | | |
|-------------|---------------|------------------|
| To: Messrs. | J.M. Bentham | L.A. Hill |
| | A.A. Boyar | G.H. Legault |
| | J.B. Chabot | W. Mummery |
| | J.P.T. Clough | T.E. Munford |
| | J.A. Edge | J.J.E. Pelletier |
| | J.H. Geddis | I.B. Scott |
| | R.C. Gilmore | R.J. Shepp |

One of the proposals made by the Associated Non-Operating Unions in the recent negotiations was that when, in the application of the applicable grievance procedure, a decision was not rendered by the designated officer of the Company the claim will be paid or, in the case of a grievance not involving a time claim, the grievance would be allowed.

During negotiations the Union representatives explained that the major problem was that some designated officers were not complying with the intent of the grievance procedures. They specifically mentioned that cases not involving monetary claims were not dealt with within the specified time limits; also, very brief replies were being given by Supervisors without dealing with the points raised by the Union representative in his letter.

We undertook to remind you of the importance of dealing with all grievances within the prescribed time limits. It is appreciated that there may be an unusual case that cannot be handled within the time limits. In such instances, you should request an extension of time limits from the appropriate Union representative. In addition we expect that the appropriate Supervisor will state his reasons for declination in relation to the statement of grievance submitted by the Union representative.

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

(Sgd.) R. Colosimo
Vice-President, Industrial Relations

c.c.: Messrs. J.D. Hunter, R.C. Smith, G.M. Tychon, J.E. Platt, A. Passaretti

APPENDIX A-2

Letter of Understanding dated June 19, 1997 concerning
the right to request medical certificates as proof that an illness was legitimate

MONTREAL, June 19, 1997

Mr. R. Page
Executive Vice-President
Transportation Communications
Union Rail, Marine, and
Communications Division
4115 Ontario Street East, 4th Floor
MONTREAL, Quebec
H1V 1J7

Dear Mr. Page:

This refers to our discussions during the current contract negotiations dealing with the Company practice of demanding a medical certificate from the employee attesting to the bona fides of the illness as proof that the illness was legitimate when the employee is absent account illness for a short duration.

While it was agreed between the parties that the Company has the right to require such a medical certificate, the parties also agree that this should not be considered as an automatic requirement. While good reason exists, for example, to require a medical certificate in cases of doubt about the legitimacy of an employee's illness, conversely, no good reason exists to require a medical certificate in cases where there is no reason to doubt the legitimacy of an employee's illness.

Accordingly, it is important that good judgment be used in order that the Company exercises its right in a reasonable manner.

Yours truly,

(signed) L.S. Wormsbecker
Manager, Labour Relations

APPENDIX A-3

Letter to Heads of Departments with regard to employees classified as
"spare, unassigned and/or laid off."

Montréal, February 12, 1987

File: 105.58

I.J. Waddell

Messrs. G.W. Bartley
E.S. Cavanaugh
G.A. Swanson
L.A. Hill
J.P.T. Clough
J.A. Edge
A.S. Lanyi
J.K. Leslie
G.F. Sekely
J.L. Masse
G.M. Booth
K. Porter

Messrs. R.J. Nadeau
R.J. Ritchie
H.E. Carter
F.B. Wallace
D. Pope
C. McGaw
R. Teoli
R.L. Benner
R.A. Michaud
R.R. Morrish
P. Cotnam
D. Walker

SUBJECT: Article III Negotiations with BRAC

Demand No. 16 submitted by the BRAC Union in their March 27, 1986 notice for Article III negotiations read as follows:

"Item No. 16 -- The Company and Union to agree upon a guideline defining "spare employees", "unassigned employees".

"Under what condition is each entitled to work".

"Under what condition will their names be deleted from a spare list".

While no specific definition of spare, unassigned or laid off employee was agreed to, we did agree to advise Department Heads that when such employees are recalled to service to fill a specific vacancy, e.g. vacation vacancy they are then classed as assigned employees for the duration of the vacancy for which recalled.

The Union representatives cited alleged examples of employees being recalled to fill specific vacancies, but on the pretext of being unassigned employees, they were required to work on various other positions during the time period of the vacancy for which recalled. Further, instances were cited when such "unassigned" employees were expected to work in excess of 8 hours per day

and/or 40 hours per week at straight time rates on the premise of moving from one assignment to another as an "unassigned" employee.

When a spare, unassigned or laid off employee is recalled to fill a vacancy, the employee becomes assigned to the vacancy and under normal circumstances should be allowed to complete the assigned vacancy. Obviously, if during that time period another vacancy occurs for which the temporarily assigned employee is qualified and for which an available unassigned or spare employee is not qualified, then the temporarily assigned employee can be transferred to such vacancy if necessary.

Please be guided accordingly in recalling spare, unassigned, laid off employees.

A second feature concerning laid off employees requires your attention. It can be difficult for laid off employees, especially in the larger seniority territories, to know their recall status vis-à-vis other laid off employees on the territory. Please ensure that as seniority lists are updated, published and distributed by location within a seniority territory, they contain listings of all laid off employees, in seniority order, or alternately, distribute separate listings of laid off employees to all appropriate locations. Seniority listings are presently being computerized, so this additional feature should not pose administrative difficulties.

(Sgd.) I.J. Waddell
Manager, Labour Relations

cc: D.J. Bujold
D. Deveau

APPENDIX A-4

Letter to Heads of Departments with regard to situations involving displacement and methods of providing necessary familiarization for new incumbent

Montréal, February 12, 1987

File: 105.58

I.J. Waddell

Messrs. G.W. Bartley
E.S. Cavanaugh
G.A. Swanson
L.A. Hill
J.P.T. Clough
J.A. Edge
A.S. Lanyi
J.K. Leslie
G.F. Sekely
J.L. Masse
G.M. Booth
K. Porter

Messrs. R.J. Nadeau
R.J. Ritchie
H.E. Carter
F.B. Wallace
D. Pope
C. McGaw
R. Teoli
R.L. Benner
R.A. Michaud
R.R. Morrish
P. Cotnam
D. Walker

SUBJECT: Article III Negotiations with BRAC

Demand No. 26 submitted by the BRAC Union in their March 27, 1986 notice for Article III negotiations contained certain proposals related to the up to 30-day familiarization period provided in Article 24.4 in the collective agreement.

While the negotiations were concluded without alteration to the contents of Article 24.4, one segment of our discussions on the topic of familiarization periods should be relayed to you for consideration and attention. Clerical employees are not averse to helping fellow employees familiarize themselves on their own positions. However in situations involving displacement the employee to be displaced is not the ideal candidate to aid the displacing employee in learning the requirements of the position. When and where possible, alternate methods of familiarization should be utilized in such situations, e.g. additional supervisor involvement or aid from other qualified employees.

The above is conveyed not simply account employee sensitivity but also to insure and maintain a knowledgeable and qualified work force.

(Sgd.) I.J. Waddell
Manager, Labour Relations
cc: D.J. Bujold, D. Deveau

APPENDIX A-5

Letter to Heads of Departments concerning the selection of applicants for vacancies coming under Article 5

MONTREAL, March 22, 1992

Heads of Departments

During the recent negotiations with the Transportation-Communications Union with respect to the renewal of the "Mainline" Collective Agreement, there was protracted discussion concerning various facets of 'Article 5' positions.

One major concern expressed by the Union representatives relates to the determination of the successful applicant for vacancies in such positions.

They are of the opinion that, on some occasions, a decision with respect to the successful applicant has been made without fully assessing the suitability of other more senior applicants. This, in turn, results in complaints to the Local Chairman or more senior Union representative, which they are unable to satisfactorily answer.

In discussing the matter, we advised the Union that it was our policy to determine the successful applicant following an objective analysis of the qualifications, ability, experience, work experience, etc. of the various candidates and one of the purposes of this letter is to highlight this policy.

Finally, we would recommend that you arrange to make the Local Chairman aware of your decision with respect to the filling of vacancies in such positions and at the same time provide he or she an opportunity to discuss any concern that they may have in this regard.

Should you have any questions, please contact me.

(Sgd.) I. J. Waddell
Manager, Labour Relations

cc: Mr. D. Deveau
Executive Vice-President\
TCU Rail, Marine &
Communications Division
Suite 401
630 - 8th Avenue S.W.
Calgary, Alta.
T2P 1G6

Mr. J. Manchip
Executive Vice-President
TCU Rail, Marine &
Communications Division
550 Sherbrooke St. W.
Suite 570, West Tower
Montréal, Quebec
H3A 1B9

APPENDIX A-6

Letter of Understanding concerning
special arrangements for a physically disabled employee

CP RAIL

April 26, 1982

Our File: N/0 82-5

Mr. R. C. Smith
National Vice-President
B.R.A.C.
2085 Union Street
Suite 690
Montréal, Quebec
H3A 2C3

Dear Mr. Smith:

This has reference to discussions during current contract negotiations with respect to the railways' 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 Union 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/her 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.) R. Colosimo

Vice-President
Industrial Relations

I concur:

(Sgd.) R.C. Smith
National Vice-President
Brotherhood of Railway, Airline and Steamship Clerks

APPENDIX A-7

Letter of Understanding on "Competitive Services"

MONTREAL, April 29, 1992

(Letter addressed to the Signatories to the Memorandum of Agreement, dated April 29, 1992)

Gentlemen:

Subject: Competitive Services

In the current round of negotiations, the Company served a demand upon the Unions concerning the establishment of a Competitive Services Rule. In resolution of this item the parties agreed as follows:

This will confirm our understanding whereas the parties agree that discussions to improve the competitive position of the Company should be undertaken, it is agreed as follows:

- (i) Where the Company believes that the relaxation, revision or elimination of provisions in a collective agreement are required in order for the Company to attract or retain business in the intermodal, multimodal, unit train, solid train or dedicated train service business segments, the Company may serve a notice to this effect on the General Chairman concerned giving full details of the proposed change, the necessity for such change and indicating how the change will allow the Company to secure, attract or retain business, as well as the nature of the possible adverse effects on employment and on the Company generally should the change not take place.
- (ii) In its notice the Company will specify which working conditions, work rules or pay rules it determines must be relaxed, revised or eliminated in order to meet such competition.
- (iii) The parties will meet to negotiate the Company's notice within 21 calendar days of its issuance, unless otherwise mutually agreeable.
- (iv) It is understood that if no settlement is reached as a result of negotiations pursuant to paragraph (iii) above, the Company cannot implement any proposed change(s) or refer the matter to arbitration.

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

Yours truly,

(Sgd.) D. V. Brazier
Assistant Vice-President
Industrial Relations

I CONCUR:

(Sgd.) A. Cunningham
Senior System General Chairman
Canadian Signal and Communications
System Council No. 11 of the IBEW

(Sgd.) Roger E. McCaughan
System General Chairman
Canadian Signal and Communications
System Council No. 11 of the IBEW

(Sgd.) D J. Bujold
National Secretary-Treasurer
Transportation Communications
International Union

(Sgd.) Dennis Deveau
Executive Vice-President
Transportation Communications
International Union

(Sgd.) J. Manchip
Executive Vice-President
Transportation Communications
International Union

(Sgd.) Claude Robert
System General Chairman
International Association of
Machinists & Aerospace Workers(Sgd.) Robert Laroche
System General Chairman &
Secretary-Treasurer
International Brotherhood of
Electrical Workers, System Council
No. 34 of the IBEW

(Sgd.) J. J. Brady
President & Eastern System
General Chairman
United Association of Journeymen &
Apprentices of the Plumbing and
Pipefitting Industry of the United
States and Canada

(Sgd.) Pierre Watson
System General Chairman
International Brotherhood of
Boilermakers, Iron Ship Builders,
Blacksmiths, Forgers & Helpers

(Sgd.) Alain Desmarais
System General Chairman
Sheet Metal Workers International
Association

(Sgd.) D. Mancini
President and Treasurer
International Brotherhood of
Firemen and Oilers, System Council
No. 7

(Sgd.) A. Rosner
Executive Secretary
Canadian Council of Railway
Shopcraft Unions

APPENDIX A-8

Letter of April 21, 1989, re
supervisors performing work normally performed by employees

MONTREAL, April 21, 1989

Mr. G. Fane
National Vice-President
Transportation-Communications
International Union
Suite 1700
130 Albert Street
Ottawa, Ontario
K1P 5G4

Dear Mr. Fane

During negotiations, your union expressed concern about supervisors performing work normally performed by employees covered by the Collective Agreements between CP Rail and the TCU.

The Company is prepared to investigate any complaints in this regard brought to the attention of the Manager, Labour Relations. When warranted corrective action will be taken.

This understanding does not preclude the Union exercising their rights to final determination under the disputes resolution procedures of the applicable Collective Agreement.

Yours truly,

(Sgd) D.V. Brazier
Assistant Vice-President
Industrial Relations

APPENDIX A-9

Letter dated December 5, 2003, concerning
Staff reduction in Pension Services Department

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This refers to our discussions concerning the application Appendix A-12 of the Collective Agreement, Article 23 BULLETINING OF POSITIONS and Article 25 REDUCTIONS AND INCREASE IN STAFF of the Collective Agreement with respect to employees holding positions in the Pension Services Department in Calgary.

Effective on this December 5, 2003, Appendix A-12 of the Collective Agreement dated August 13, 2001, shall be replaced by the following:

1. Bulletining of Positions

New positions, permanent positions, temporary positions and vacancies occurring in the Pension Department shall only be bulletined within the Pension Department seniority group.

New positions, permanent positions, temporary positions and vacancies occurring in all other seniority groups at Calgary shall not be bulletined within the Pension Department seniority group.

2. Reductions and Increase in Staff

- (a) An employee whose position is abolished pursuant to a five-day notice per Article 25.8 or who is displaced shall exercise seniority to displace a junior employee in his/her seniority group (Pension Department), if qualified in accordance with Articles 24.1 and 24.4. Within two working days of receiving notice of job abolishment or displacement, such employee shall notify the appropriate Company Officer of the position to which s/he will exercise seniority, and shall fill that position following the job abolishment or displacement procedures. An employee absent on leave when his/her position is abolished or is displaced shall exercise seniority upon expiry of leave, pursuant to Article 25.9.
- (b) An employee who fails to comply with said time limits, unless reason satisfactory to the appropriate Company Officer and the President is given for not doing so, shall not exercise seniority to displace any junior employee in his/her seniority group (Pension Department), but may be recalled to duty or may exercise seniority to a bulletined vacancy in his/her seniority group (Pension Department). Such employee shall not have the right to exercise seniority to displace until such time as s/he again holds a permanent position and is unable to hold such position due to staff reductions.
- (c) An employee whose position is abolished or who is displaced by an employee effected by a change pursuant to Article 1.1 (a) of the Income Security Agreement (ISA) shall be required to exercise seniority to displace a junior employee in his/her seniority group (Pension Department), prior to fulfilling the requirements outlined in Article 3.2 (a) through (i), in order to become eligible to receive the benefits contained in Article 3 of the ISA and shall be required to exercise seniority to displace a junior employee in his/her seniority group (Pension Department), prior to fulfilling the requirements outlined in Article 4.1 (a) through (d), in order to become eligible to receive the benefits contained in Article 4 of the ISA.

If the foregoing properly reflects your understanding of our agreement, would you please indicate your concurrence in the space provided below and return one signed copy to me for my records.

Yours truly,

(Sgd.) G.S. Seeney
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-10

Letter dated December 1, 2000 concerning
amendments or variations of hours of work

CALGARY, December 1, 2000

Ms. N. Lapointe
President
TC Local 1976
United Steel Workers of America
4115 Ontario Street East
4th Floor
MONTRÉAL, Quebec
H1V 1J7

Dear Madam:

During our recent discussions concerning the issue of staffing, you indicated that you could not accede to the Company's proposal with regard to the amending of the hour of service provision on a wholesale basis.

However, it was agreed that either party would be amenable to addressing specific requests put forward with regard to the hours of work, i.e 8, 10, 12 hour shifts, or combination thereof and rest days, and that amendments to the hour of service provision could be implemented upon mutual agreement on a case by case basis.

Yours truly,

(Sgd.) L.S. Wormsbecker

Manager Labour Relations

APPENDIX A-11

Letter of Understanding updated July 15, 2009, concerning the implementation of 12 Hour shifts at the Calgary Crew Management Centre

Initial memorandum of Agreement date June 19, 1997.

MEMORANDUM OF AGREEMENT BETWEEN
CANADIAN PACIFIC (THE COMPANY)
AND TC LOCAL 1976 of the
UNITED STEELWORKERS
(THE UNION)
REGARDING THE IMPLEMENTATION OF 12-HOUR SHIFTS AT THE
CALGARY CREW MANAGEMENT CENTRE
MONTRÉAL CREW MANAGEMENT CENTRE

The Calgary Crew Management Centre (CMC) located at 401-9th Avenue S.W., Calgary, Alberta commenced operations in June, 1997. Employees are scheduled to work on the basis of a 12-hour shift concept. Attached, are details of this 12-hour shift concept.

The following terms and conditions will apply to employees working under the 12-hour shift concept at the Calgary CMC:

1. Shift Differential

There will be two shifts (day and night shift) at the Centre. Employees who work the night shift shall receive a shift differential of \$1.00 per hour. 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.

2. Work Cycle Period and Work Week

- a) Each assigned Crew Dispatcher position will have a work cycle period which will identify the work days with start times and rest days. The work cycle period will be for 21 consecutive days or a multiple thereof. The first day of the work cycle period may be a work day or a rest day. When practical, all Crew Dispatcher positions dispatching the same territory will begin their work cycle period on the same calendar day.
- b) The work week for an assigned Crew Dispatcher position will be a seven day period the first day of which will be the same day of the week as the work cycle period.

- c) The work week for an unassigned Crew Dispatcher position will be a seven day period the first day of which will be Friday.

3. Hours of Service

- a) Twelve consecutive hours of service shall constitute a day's work. Under the 12 hour shift concept, employees will be required to work ten shifts of twelve hours in each work cycle period (120 hours).
- b) Reporting times of each of the two shifts shall be posted and employees so informed.

4. Excess Hours

- a) Excess hours will be paid in accordance with Article 9 and the principles of Overtime Averaging.
- b) Overtime Averaging will be based on a six week averaging period.
- c) The averaging period may be modified subject to mutual agreement at the local level.

5. Meal Period

A total of thirty minutes shall be allowed for meal(s) without a deduction in pay not later than seven hours following the commencement of the shift.

6. General Holidays

- a) An employee who is not required to work on a general holiday will receive 12 hours pay at the straight rate of his regular assignment provided he qualifies in accordance with Clause 13.4 of the Collective Agreement.
- b) Clause 13.3 (c) of the Collective Agreement is revised to read as follows:
 - "13.3 (c) Must be entitled to wages for at least 96 hours during the 30 calendar days immediately preceding the general holiday. (This Clause 13.4(c) does not apply to an employee who is required to work on the holiday.)"

- c) An employee who is required to work on such holiday shall receive 12 hours pay at one and one-half times his regular rate, in addition to 12 hours straight time rate.
- d) The calendar day on which a general holiday falls shall be the day actually observed.

7. Annual Vacation

- a) Annual vacation for employees covered by the 12-hour shift concept will be calculated through the following conversion:
 - (i) 5 days 40 hours vacation divided by 12 shifts = 3.33 days
 - (ii) 10 days 80 hours vacation divided by 12 shifts = 6.67 days
 - (iii) 15 days 120 hours vacation divided by 12 shifts = 10.00 days
 - (iv) 20 days 160 hours vacation divided by 12 shifts = 13.33 days
 - (v) 25 days 200 hours vacation divided by 12 shifts = 16.67 days
 - (vi) 30 days 240 hours vacation divided by 12 shifts = 20.00 days
- b) Employees in classes (a), (b), (d), and (e) may exercise one of the following options for the .33 or .67 days of their entitlement:
 - (i) increase their entitlement to the next whole number of days and receive only 4 or 8 hours respectively for the increased day;
 - (ii) decrease their entitlement to the next whole number of days and transfer the 4 or 8 hours respectively to their lieu bank time.

Employees in classes (a), (b), (d), and (e) will advise in writing the option which they wish to exercise.

- c) Applications for vacation from employees filed between November 15 and December 31 of the previous year shall, insofar as it is practicable to do so, be given preference in order of seniority of applicants. Such applicants will have preference over later applicants. Applicants will be advised on or about January 15th of

the dates allotted them and, unless otherwise mutually agreed, employees must take their vacation at the time allotted.

- d) Unless otherwise mutually agreed, employees who do not apply for vacation prior to December 31 of the previous year shall be required to take their vacation at a time to be prescribed by the Company.
- e) 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 67 (804 hours) days in any calendar year, shall be included in the computation of service in that year for vacation purposes. A year's service is defined as 166.67 days (2,000 hours at straight time rate) of cumulative compensated service.
- f) Where the Company requires annual vacation relief for vacancies of a 3 week cycle, preference shall be given to the senior qualified employee within the Centre desiring such relief work.

8. Bereavement Leave

If entitled to bereavement leave under the Collective Agreement, employees shall be entitled to three days or five days leave with pay (a maximum of 24 or 40 hours pay at his basic rate of pay).

9. Pay

Although working 72, 84 or 96 hours per pay period, employees working the 12 hour shift will be paid eighty (80) hours per pay period and adjustments will be made when necessary.

10. Grievance Procedure

- a) The grievance procedure in Article 28 of the Collective Agreement is revised as follows:

Step 1

The aggrieved employee or the Local Chairman shall present the grievance in writing to the Manager, Crew Management Centre within 28 calendar days following the cause of the grievance. Such officer will render a decision in writing within 28 calendar days following receipt of the written grievance.

Step 2

If the grievance is not settled at Step 1, the President may appeal the decision in writing, giving his reasons for the appeal, to the Director, Research & Operations Development, within 42 calendar days following receipt by the Union of the decision in Step 1. Such officer will render a decision in writing, giving his reasons for the decision, within 42 calendar days following receipt of the appeal.

Step 3

If the grievance is not settled at Step 2, it may then be referred by either party to the Canadian Railway Office of Arbitration for final and binding settlement without stoppage of work in accordance with the rules and procedures of that Office. The party requesting arbitration must notify the other party in writing within 42 calendar days following receipt of the decision in Step 2, or the due date of such decision if not received.

- b) The other provisions in Article 28 of the Collective Agreement remain unchanged.
- 11.
- a) All other terms and conditions as contained in the Collective Agreement will apply to employees working under the 12-hour shift concept.
 - b) The parties signatory hereto agree to meet periodically and not less than within one year to determine whether the 12 hour shift concept remains functionally efficient or requires changes.
 - c) This Agreement will remain in effect until December 31, 1999 and thereafter, subject to one month advance notice in writing from either party to the other of desire to revise, amend or terminate it.

SIGNED AT MONTRÉAL, QUEBEC, this 19th day of June, 1997.

FOR THE COMPANY:

FOR THE UNION:

(signed) L.S. Wormsbecker
Manager, Labour Relations

(signed) R. Page
Executive Vice-President
TCU

APPENDIX "A"

TWELVE HOUR SHIFT SCHEDULE

x = shifts worked on Day 1 cycle
 o = shifts worked on Day 2 cycle
 y = shifts worked on Night 1 cycle
 z = shifts worked on Night 2 cycle
 S = spare shifts

| | Cycle day (could be any day of the week) | | | | | | | | | | | | | | | | | | | | |
|----------------|--|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| Day 1 | | | | x | x | x | | | | | x | x | x | x | | | | x | x | x | S |
| Day 2 | o | o | o | | | | o | o | o | o | | | | | o | o | o | | | | |
| Night 1 | S | y | y | y | | | | | y | y | y | y | | | | | y | y | y | | |
| Night 2 | | | | | z | z | z | z | | | | | z | z | z | | | | z | z | z |

Employee A works Day 1 then Day 2 then reverts to Day 1. Similar for nights.

Employee B works Day 2 then Day 1 then reverts to Day 2. Similar for nights.

Moving from Day 1 to Day 2 results in 1 day off.

Moving from Day 2 to Day 1 results in 7 days off.

Moving from Night 1 to Night 2 results in 7 days off.

Moving from Night 2 to Night 1 results in 1 day off.

APPENDIX A-12

Letter dated December 1, 2000 concerning the posting of seniority lists on an electronic file and maintaining Regional Seniority lists

CALGARY, December 1, 2000

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
4115 Ontario Street East
4th Floor
Montréal, Quebec
H1V 1J7

Dear Madam:

During the current round of negotiations, the Union requested that seniority lists be posted in locations in other work locations to allow employees working on a temporary position on another seniority list to have access to their home list. While the Company was unable to agree to this request, the Company did agree to arrange to post seniority lists on an electronic file and allow employees with computer access the ability to review the electronic file.

The Union also requested that Regional Seniority lists also be prepared and maintained jointly by representatives of the Company and representatives of the Union. This will serve to confirm that the Company is agreeable to this request.

Yours truly,

(Sgd.) L.S. Wormsbecker

Manager, Labour Relations

APPENDIX A-13

Letter of Understanding dated March 13, 1995, concerning the establishment of a joint committee to review instances of contracting out

March 13, 1995

Mr. D. Deveau
Executive Vice-President
Transportation Communications Union,
Rail, Marine and
Communications Division
4115 Ontario Street East,
4th Floor
MONTRÉAL, Quebec H1V 1J7

Dear Mr. Deveau:

Re: Joint Committee on Contracting-out

Following the conclusion of a Memorandum of Agreement, the parties agree to establish a Joint Committee, composed of representatives of the Company and the Union, which is mandated to review instances of contracting-out of work brought forward by mutual agreement of the parties. The Company will not unduly withhold its agreement to review an instance of contracting-out which is brought forward by the Union. The parties agree to use their best efforts in order to achieve a resolve, by mutual agreement, on items brought forward.

In reviewing items, the parties will take into account all of the factors that drive contracting decisions. These factors include economics, flexibility, capacity, equipment, quality, time constraints and customer requirements.

Where a business case cannot be supported to have the work performed in-house under the existing collective agreement terms and conditions, the parties may, by mutual agreement, modify such terms and conditions in an effort to have the work performed in-house.

Yours truly,

(signed) Carol Graham
for Manager, Labour Relations

APPENDIX A-14

Letter of Understanding dated March 13, 1995, concerning
training availability in displacement circumstances

March 13, 1995

Mr. D. Deveau
Executive Vice-President
TCU
Rail, Marine &
Communications Division
550 Sherbrooke Street West
Suite 570 - West Tower
Montréal, QC H3A 1B9

Dear Mr. Deveau:

This has reference to our recent discussions with respect to training.

Although it is not our intention to utilize the qualification/training criteria as a roadblock to displacing into particular areas of our operation, it must nevertheless be realized that we cannot severely disrupt our operations. However, in cases where the lack of qualifications is the only barrier to displacing into positions, it is our intention to provide suitable training in order for the displacement to take effect. Such training could take the form of any available formal training or it could require that positions be double-staffed for a period of time.

As stated to you during our recent discussions, it is our intention to ensure that future abolishments within the TCU bargaining unit are effected in a smooth and efficient manner with the result being that senior employees are able to secure positions and that our employment security liability is minimized to the extent possible.

Yours truly,

(signed) Carol Graham
for Manager, Labour Relations

APPENDIX A-15

Letter of Understanding concerning the substitution of General Holidays

CALGARY, December 1, 2000

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
4115 Ontario Street East
4th Floor
Montréal, Quebec
H1V 1J7

Dear Madam:

During negotiations, the Company and the Union discussed the Union's concerns with respect to the inability of employees to be away from the workplace in order to celebrate specific religious holidays.

The parties recognize that the Company has a diversified workforce covering many different cultures and religions. With the diversified workforce, the issue of substitution of the current general holidays for specific significant religious celebrations was discussed.

The parties agree that arrangements can be made to allow for the substitution of current general holidays, subject to operational requirements and specific conditions. For employees wishing to utilize this understanding, the conditions are as follows:

- employees wishing to substitute a current general holiday or holidays for specific significant religious celebrations must contact their immediate supervisor and identify the dates of the specific religious celebrations that they wish to substitute prior to the beginning of each new calendar year.
- the Company officer will identify the current General Holiday(s) available for substitution.
- substitution will only be allowed if operational requirements permit.
- No grievances will be allowed to be submitted in the event that a substitution request is not allowed.
- General Holiday rules will apply to the substituted day.

- The Company will not incur additional costs.
- If required to replace an employee on the substituted day, spare employees may be utilized at straight time rates of pay.

While it is the Parties intent for this new arrangement to be successful and to continue for a trial period of a length equal to the term of the Collective Agreement, it is understood that this agreement may be terminated by either party upon providing 60 days written notice to the other party.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) L.S. Wormsbecker
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-16

Letter of Understanding dated December 1, 2000 concerning the extension of the qualification period for employees bidding into or displacing into outside IMS positions located at Lachine, Vaughan and Obico.

CALGARY, December 1, 2000

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
4115 Ontario Street East
4th Floor
Montréal, Quebec
H1V 1J7

Dear Madam:

This is in regard to our discussions concerning extending the qualification period for employees bidding into or displacing into outside IMS positions, headquartered at Lachine, Vaughan and Obico. The parties recognized that in most cases, the 30-day qualification period provided for in Article 24.4 of the Collective Agreement is of insufficient duration for an employee to demonstrate his/her ability to perform the work, due to the evolving nature of the positions. In this regard, it has been necessary to regularly extend the qualification period for employees bidding or displacing into the referenced IMS terminals by agreement with the Union.

To address this issue, the parties have agreed that for employees bidding or displacing into outside positions headquartered at Lachine, Vaughan or Obico, the period of up to 30 days provided in Article 24.4 is extended to read up to 120 days.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) L.S. Wormsbecker
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-17

Letter of Understanding dated June 19, 1997 concerning
conducting investigations

MONTREAL, June 19, 1997

Mr. R. Page
Executive Vice-President
Transportation Communications
Union Rail, Marine, and
Communications Division
4115 Ontario Street East, 4th Floor
MONTREAL, Quebec
H1V 1J7

Dear Mr. Page:

This refers to our discussions during the current contract negotiations with respect to the holding of employee investigations in accordance with Article 27 of the Collective Agreement.

During our discussions, the Union expressed concern that there may be instances where the investigation was purposely being scheduled outside the employee's regular working hours without proper justification for same at the Winnipeg Transportation Service Centre. The Company indicated that this it was not always possible to conduct investigations during an employees normal working hours.

As a consequence, in those rare cases where an investigation is required to be held outside of the employee's scheduled working hours at the Winnipeg Transportation Service Centre, the employee will be paid in accordance with the terms of the Collective Agreement for such time spent in an investigation.

Yours truly,

(signed) L.S. Wormsbecker
Manager, Labour Relations

APPENDIX A-18

Letter of Understanding dated June 19, 1997 concerning
Weekly Indemnity Benefits

MONTREAL, June 19, 1997

Mr. R. Page
Executive Vice-President
Transportation Communications
Union Rail, Marine, and
Communications Division
4115 Ontario Street East, 4th Floor
MONTREAL, Quebec
H1V 1J7

Dear Mr. Page:

During negotiations, a concern was raised by the Union in regards to employees who encounter financial hardship due to undue delays in a decision being reached by the Workers Compensation Board/CSST.

In such circumstances the President or his delegate may contact the Manager Benefit with a view of providing Weekly Indemnity Benefits. Where it is agreed to provide Weekly Indemnity Benefits a firm commitment must be made by the employee to reimburse such WIB upon a decision by the Workers Compensation Board/CSST.

Yours truly,

(signed) L.S. Wormsbecker
Manager, Labour Relations

APPENDIX A-19

Letter of Understanding concerning the awarding of vacation entitlement at IMS terminals

CALGARY, December 1, 2000

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
4115 Ontario Street East
4th Floor
Montréal, Quebec
H1V 1J7

Dear Madam:

This is in regard to our discussions during negotiations with respect to the Company's request to modify the annual vacation rule to require employees to submit their applications for AV entitlement by November 15th.

Although the Union was unable to agree to the Company's request as presented, the Union agreed to address this issue with respect to the IMS terminals at Vaughan and Obico in the following manner:

The Company will provide the Local Chairperson the maximum # of employees to be allowed to be on AV leave per week, on or before December 1st. The Union will then provide a completed vacation list to the Company on or before January 31st.

It is also understood that at other IMS terminals, the Local Chairperson, or designated Union Officer and the designated Company Officer will meet to arrange a similar agreement to apply to their respective Terminals. Should they be unable to reach a mutually satisfactory arrangement, the format outlined above will also apply to such IMS Terminal.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) L.S. Wormsbecker
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-20

Annual Vacation Table

| | |
|--|--|
| On January 1 st each year, eligible employees will be scheduled for vacations of: | VACATION CHART EFFECTIVE JANUARY 1ST Number of days of Cumulative Service |
|--|--|

| | | | | | | | | | | | | | | | |
|---|------------------------|------------------------|------------------------|---------------------------------------|----------------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------|
| 1 day for every 25 days or major portion thereof in the previous year, then | 1 3 to 3 7 | 3 8 to 6 2 | 6 3 to 8 7 | 8 8 to 1 1 2 3 7 | 1 1 to 1 1 3 7 | 1 3 to 8 2 | 1 6 to 3 7 | 1 8 to 8 1 | 2 3 to 2 7 | 23 8 to 2 3 | | | | | |
| after 3 years and 750 days (or 4 yrs and 1000 days on anniversary date in current yr); 1 day for every 16 2/3 days or major portion thereof in previous year, then | 9 to 2 5 | 2 6 to 4 1 | 4 2 to 5 8 | 5 9 to 7 5 | 7 6 to 9 1 | 9 2 to 1 0 | 1 3 to 8 5 | 1 6 to 1 2 | 1 4 to 4 1 | 15 9 to 17 5 | 17 6 to 19 1 | 19 2 to 20 8 | 20 9 to 22 5 | 22 6 to 24 1 | 24 2 to 24 ov er |
| after 10 years and 2500 days (or 11 yrs and 2750 days on anniversary date in current yr); 1 day for every 12 1/2 days or major portion thereof in previous year, then | 8 to 1 8 | 1 9 to 3 1 | 3 2 to 4 3 | 4 4 to 5 6 | 5 7 to 6 8 | 6 9 to 8 1 | 8 2 to 9 3 | 9 4 to 1 0 | 1 0 to 1 8 | 11 9 to 13 1 | 13 2 to 14 3 | 14 4 to 15 6 | 15 7 to 16 8 | 16 9 to 18 1 | 18 2 to 19 3 |
| after 18 years and 4500 days (or 19 yrs and 4750 days on anniversary date in current yr); 1 day for every 10 days or major portion thereof in previous year, then | 6 to 1 5 | 1 6 to 2 5 | 2 6 to 3 5 | 3 6 to 4 5 | 4 6 to 5 5 | 5 6 to 6 5 | 6 6 to 7 5 | 7 6 to 8 5 | 8 6 to 9 5 | 96 to 10 5 | 10 6 to 11 5 | 11 6 to 12 5 | 12 6 to 13 5 | 13 6 to 14 5 | 14 6 to 15 5 |
| after 28 years and 7000 days (or 29 yrs and 7250 days on anniversary date in current yr); 1 day for every 8 1/3 days or major portion thereof in previous year, then | 5 to 1 2 | 1 3 to 2 0 | 2 2 to 2 9 | 3 3 to 4 7 | 3 8 to 4 5 | 4 6 to 5 4 | 5 5 to 6 2 | 6 3 to 7 0 | 7 1 to 7 9 | 80 to 87 | 88 to 95 | 96 to 10 4 | 10 5 to 11 2 | 11 3 to 12 0 | 12 1 to 12 9 |
| Number of vacation days with pay earned for current year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |

| | |
|--|--|
| On January 1 st each year, eligible employees will be scheduled for vacations of: | VACATION CHART EFFECTIVE JANUARY 1ST Number of days of Cumulative Service |
|--|--|

| | | | | | | | | | | | | | | | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------|--|--|--|--|--|--|--|--|--|--|
| 1 day for every 25 days or major portion thereof in the previous year, then | | | | | | | | | | | | | | | |
| after 3 years and 750 days (or 4 yrs and 1000 days on anniversary date in current yr); 1 day for every 16 2/3 days or major portion thereof in previous year, then | | | | | | | | | | | | | | | |
| after 10 years and 2500 days (or 11 yrs and 2750 days on anniversary date in current yr); 1 day for every 12 1/2 days or major portion thereof in previous year, then | 1 9 4 to 2 0 6 | 2 0 7 to 2 1 8 | 2 1 9 to 2 3 1 | 2 3 2 to 4 4 3 | 24 4 to ov er | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|--|----------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| after 18 years and 4500 days (or 19 yrs and 4750 days on anniversary date in current yr); 1 day for every 10 days or major portion thereof in previous year, then | 1 5 6 to 1 6 5 | 1 6 to 1 7 5 | 1 6 to 1 8 5 | 1 6 to 1 9 5 | 19 6 to 20 5 | 2 0 to 2 1 5 | 2 1 to 2 2 5 | 2 2 to 2 3 5 | 2 3 to 2 4 5 | 24 6 to ov er | | | | | |
| after 28 years and 7000 days (or 29 yrs and 7250 days on anniversary date in current yr); 1 day for every 8 1/3 days or major portion thereof in previous year, then | 1 3 to 1 3 7 | 1 3 to 1 4 5 | 1 4 to 1 5 4 | 1 5 to 1 6 2 | 16 3 to 17 0 | 1 7 to 1 8 9 | 1 8 to 1 9 7 | 1 8 to 1 9 5 | 1 9 to 2 0 4 | 20 5 to 21 2 | 2 1 to 2 2 0 | 22 1 to 22 9 | 23 0 to 23 7 | 23 8 to 24 5 | 24 6 to ov er |
| Number of vacation days with pay earned for current year | 1 6 | 1 7 | 1 8 | 1 9 | 20 | 2 1 | 2 2 | 2 3 | 2 4 | 25 | 2 6 | 27 | 28 | 29 | 3 |

Note: In order to calculate the number of days vacation allowable, add to the number of days of cumulative service in the previous year, any time off duty on account of illness, injury attending committee, hearing of called to court as a witness or for uncompensated jury duty, up to a maximum of 100 days each year.

APPENDIX A-21

Letter dated July 15, 2009, concerning the commitment to meet and reach a resolve with respect to establishing new rules dealing with hours of service, work schedules and the creation of part time positions



**CANADIAN
PACIFIC**

Suite 600, Gulf Canada Square
401 9th Avenue S.W.
Calgary, Alberta
T2P 4Z4

J Bairaktaris
*Director,
Labour Relations*

J M Dorais
*Manager,
Labour Relations*

V Anderson
*Assistant
Labour Relations Officer*

CALGARY July 15th, 2009

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

During negotiations a significant amount of discussion took place with respect to the Company's request to modify the hours of service provisions, work schedule and feasibility of establishing rules surrounding the creation of part time positions. Many of the issues discussed, which included weekend work schedules and reduced work day hours, have significant and complex implications vis-à-vis the current Collective Agreement. As such, the parties could not properly address the issues given the time constraints in attempting to reach a settlement.

The parties recognize the need to explore the issues and have agreed to meet, within 120 days, following the implementation of the Collective Agreement, with a commitment to meeting and potentially reaching a resolve to these issues during the closed period.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) J M. Dorais
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USW

APPENDIX A-22

Letter of Understanding dated February 24, 2017, concerning
LTD Plan is renewed

LETTER OF UNDERSTANDING

BETWEEN:

**CANADIAN PACIFIC RAILWAY
ST. LAWRENCE & HUDSON RAILWAY**

(the “Company”)

**UNITED STEELWORKERS OF AMERICA, TRANSPORTATION
COMMUNICATIONS AMALGAMATED LOCAL 1976**

(the “Union”)

- (1) The parties agree that this Letter of Understanding shall form a part of the current collective agreement between the parties.
- (2) This Letter of Understanding eliminates the application of the disability pension provision in the Canadian Pacific Railway Company Pension Plan (the “Plan”) for Union Members and replaces it with continued accrual of Pensionable Service while a Member is disabled. Union Employee Plan contributions are reduced by the estimated Company savings to the Plan. Concurrently, a long-term disability plan for Union Employees is being implemented outside of the Plan, which will be established by the Union and paid for by the employees.
- (3) Specifically, changes to the Plan with effect from January 1, 2001 for Members who are represented by the Union are as follows:

Members who have at least 10 years of Pensionable Service and who suffer from physical or mental impairment, as described under the Plan provisions, may no longer be retired at a Disability Retirement Date at the discretion of the Committee.

Members who become disabled will continue to accumulate Pensionable Service under the Plan until the earlier of:

1. the date they cease to qualify as disabled; and
2. the Normal Retirement Date.

A Member shall be deemed to be disabled if the Member suffers from a physical or mental impairment, as certified in writing by a qualified medical

doctor licensed to practice in Canada, which meets the qualification criteria for receipt of benefits under the Union's long-term disability plan.

Earnings during such period for pension and Employee contributions purposes will be deemed to be those the Member would have received if not disabled.

The contribution formula percentage of 6.75% of Pensionable Earnings up to the Year's

- 1) Maximum Pensionable Earnings is decreased to 5.67% and the percentage of 8.33% of
- 2) Pensionable Earnings above the Year's Maximum Pensionable Earnings is decreased to 37.25%.

For Members who began, prior to March 1, 1999, their participation in a retirement bridging program offered by the Company and who have elected in 1999 to retain the former pension and contribution percentages, the contribution formula percentage of 4.40% of Pensionable Earnings up to the Year's Maximum Pensionable Earnings is decreased to 3.32% and the percentage of 5.98% of Pensionable Earnings above the Year's Maximum Pensionable Earnings is decreased to 4.90%.

The revised contribution formulae described above also apply for the current buyback provisions.

- (4) The Company agrees to deduct from the wages of each employee (excluding students, and employees who are at least 55 years of age and have 85 points pursuant to the Canadian Pacific Railway Pension Plan) and remit to the TC Local 1976 USWA Long Term Disability Trust Fund (the "LTD Trust Fund") an amount specified by the Union of pensionable earnings (the "Contributions") which amount includes salary or wages paid to each employee, including overtime and deemed earnings (earnings credited for absences which are pensionable, i.e. disability, sickness, parental or maternity leave, leaves for union business... when not receiving actual earnings). The Company shall not be liable for any deduction if an employee is not in receipt of wages. The Company will first deduct any payments required by law, money owing to the Company and Pension Contributions prior to deduction of the Contributions.
- (5) The above Contributions will be remitted to the LTD Trust Fund by the Company forwarding the Contributions to the Administrator of the LTD Trust Fund within 10 days after each pay day; together with the names of the employees for whom the Contributions are remitted and any other employee data reasonably required by the Administrator of the LTD Trust Fund. Currently the employee data required is that found on Appendix 1

attached hereto and this information will be provided with respect to each employee for each pay period.

- (6) The Contributions are to commence based upon all pensionable earnings from on and after January 1, 2001 and are to continue for the term of the collective agreement and thereafter until renewed. Employee contributions based upon all pensionable earnings or deemed pensionable earnings are mandatory.
- (7) The benefits to be provided under the LTD Trust Fund are to be determined by the Board of Trustees under the LTD Trust Fund and the Trustees have the sole and exclusive right to amend, alter, cancel or terminate any benefits as in their discretion they deem advisable.

Dated at Calgary 02/24/2017

For the Company

Myron Becker

For the Union

Steven Hadden

APPENDIX A-23

Letter dated December 5, 2003, concerning
the establishment of a Conflict Resolution Process

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

During negotiations, the Union and the Company agreed to the establishment of a Conflict Resolution process that could be applied, subject to local agreement, prior to or during the grievance procedure to achieve one or more of the following objectives:

| Substantive Objectives ...describes <u>what</u> the conflict resolution process should accomplish. | Procedural Objectives ...describes <u>how</u> the conflict resolution process will operate. |
|--|---|
| <ul style="list-style-type: none"> ▪ earlier resolution of disputes ▪ faster resolution of disputes ▪ a simplified process permitting greater creativity in solution finding ▪ reduced costs for the parties ▪ promote learning and dispute prevention ▪ enhance privacy & confidentiality, builds valued relationships ▪ reduced formal grievances | <ul style="list-style-type: none"> ▪ using interest-based approach and techniques ▪ managing conflict towards resolution not adjudication, where appropriate ▪ recognizing and addressing power imbalances ▪ providing collaborative based training support ▪ dealing with disputes in a more sensitive or humane manner ▪ respecting differences |

Ultimately, the success of the conflict resolution process will be measured against these objectives and guiding principles.

Conflict Resolution Process

Scope

Subject to local agreement at the local level, prior to the submission of a Step 2 grievance, the local Union Representative and the local Company Manager may jointly participate in a meeting to establish facts and generate solutions to the dispute.

The Conflict Resolution process is to be used in cases of alleged violations of the Collective Agreement or Income Security Agreement and /or compensation claims. It will not be used in cases of discipline or dismissal.

The parties agree that solutions, which are jointly generated and implemented at the local level, are achieved without prejudice or precedent and will not be relied upon by either party for adjudication or arbitration processes.

Time Limits

Should the parties locally agree to participate in the Conflict Resolution process, in order to provide sufficient opportunity to determine facts and generate solutions, the time limits outlined in Article 28.1, at Step 1 of the grievance procedure, may be extended as jointly agreed upon at the local level.

Joint Fact Finding

The parties recognize the importance of sharing information and jointly identifying the relevant facts surrounding the issue in conflict. To assist the participants in the conflict resolution process, the local Union Representative and the local Company Manager will jointly complete the "Fact Finding Form", review and attach all supporting documentation and both affix their signatures to it once completed. This document shall serve as the agreed upon basis for the participants to focus their efforts on generating solutions for issues that are locally agreed to be in conflict.

The Joint Checklist and Fact-Finding Form will contain as much information about the grievance as possible, but these Forms will not prohibit the introduction of other pertinent facts at a later time, should those facts have a bearing on the grievance.

Should the Conflict Resolution process not eliminate the dispute, the Fact-Finding Form and all supporting documentation will accompany the written submission of the grievance from the Local Union Representative.

(Copies of these Forms are attached to this letter of Understanding, as Appendix "A").

Generating Solutions/Interest Based Approach

The parties support the principles of the interest-based approach;

- process counts
- focus on the problem, not the personalities or emotions involved
- focus on interests, not positions, as identified on the jointly created Fact Finding Form.
 - reflects the parties concerns about an issue
 - promotes the sharing of information
 - enhances mutual understanding
 - promotes creation and evaluation of options
 - avoids starting the process with a disagreement
 - identify issues that are:
 - mutual interests
 - non-conflicting interests
 - conflicting interests
- Jointly create options to satisfy interests
 - increases flexibility in the search for solutions
 - develops better solutions flowing from a joint effort
 - provides participants with ownership of the process
 - increases commitment with the final outcome
- Jointly discuss and evaluate the options
 - use the three cut methodology:
 - does the option satisfy the parties' interests?
 - are the resources available to implement the solution?
 - can the stakeholders support the solution?
- Postpone commitment where necessary

Training

The parties recognize the success of the Conflict Resolution process at the local level will greatly depend upon training support in the interest-based approach to problem solving. In this regard, the parties agree to incorporate a jointly developed Conflict Resolution training module, which will include an interested-based training component, into the existing joint Investigation Training Workshop.

Yours truly,

(Sgd.) S.J. Samosinski
Director, Labour Relations

I Concur (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

Appendix "A"
Conflict Resolution Process

TC LOCAL 1976 OF THE UNITED STEELWORKERS OF AMERICA
and
CANADIAN PACIFIC RAILWAY
JOINT CHECKLIST

HAS THIS INFORMATION BEEN COVERED AND ENTERED ON THE JOINT FACT FINDING FORM?

| Discipline |
|--|
| 1. Offence as identified on Form 104 & Quantum |
| 2. Date & Time of violation |
| 3. Time Limits |
| 4. Investigating Officer |
| 5. Grievor identification <ul style="list-style-type: none">- position- seniority |
| 6. Witnesses |
| 7. Evidence, diagrams, etc. |

| Collective Agreement Issue (non-wage claim) |
|--|
| 1. Collective Agreement Article(s) and item(s) |
| 2. Date & Time of alleged violation |
| 3. Time Limits |
| 4. Local Supervisor |
| 5. Grievor identification <ul style="list-style-type: none">- position- seniority |
| 6. Other Employee(s) Identification <ul style="list-style-type: none">- position- seniority |
| 7. Description of alleged violation |
| 8. Description of requested remedy |

| Collective Agreement Issue (wage claim) |
|---|
| 1. Collective Agreement Article(s) and item(s) |
| 2. Date & Time of alleged violation |
| 3. Time Limits |
| 4. Local Supervisor |
| 5. Grievor identification <ul style="list-style-type: none">- position- seniority |
| 6. Other Employee(s) Identification <ul style="list-style-type: none">- position- seniority |
| 7. Description of alleged violation |
| 8. Wage Claim Data <ul style="list-style-type: none">- shift, position- employee worked- overtime (if applicable) |
| 9. Description of requested remedy |

| Collective Agreement Issue (Annual Vacation) |
|---|
| 1. Collective Agreement Article(s) and item(s) |
| 2. Date & Time of requested A.V. |
| 3. Seniority of Applicant |
| 4. Local Supervisor |
| 5. Number of employees in work group |
| 6. Number of A.V. slots |
| 7. Reason(s) for declination. |
| 8. Reason(s) for request |

**TC LOCAL 1976 OF THE UNITED STEELWORKERS
and
CANADIAN PACIFIC RAILWAY
JOINT FACT-FINDING FORM**

This form is to be used in the jointly established Conflict Resolution Process and will be appended to the formal advancement and submission of a grievance, should the Conflict Resolution process fail to resolve the dispute.

Who is involved in this Grievance or Complaint?

Who is the person making the complaint or grievance?

Name: _____
Contact Number: _____
Work Location: _____
City & Province: _____ Postal Code: _____
Employee number: _____ Seniority number: _____
Date of entry into Service: _____
Position held at time of complaint or grievance: _____

Who is the Local manager involved?

Name: _____
Contact Number: _____
Work Location: _____
City & Province: _____ Postal Code: _____
Employee number: _____ Seniority number: _____
Date of entry into Service: _____

Who are the witnesses or other persons involved?

Name: _____
Work Location: _____
City & Province: _____ Postal Code: _____
Employee number: _____ Seniority number: _____
Position held at time of complaint or grievance: _____

Name: _____
Work Location: _____
City & Province: _____ Postal Code: _____
Employee number: _____ Seniority number: _____
Position held at time of complaint or grievance: _____

What happened? What is the grievance or complaint about? (Make sure to include all points mentioned on the joint checklist for each type of grievance and include all supporting documentation)

| |
|--|
| |
| |
| |
| |
| |
| |
| |
| |

When did the grievance or complaint occur? (Date and time grievance/complaint began?
How often? For how long? Is it within time limits to proceed with the grievance or complaint?)

| |
|--|
| |
| |
| |
| |
| |

Where did the grievance or complaint occur? (Exact location – department, desk location, yard area; include diagram, sketch or photo if helpful)

| |
|--|
| |
| |
| |
| |

Why is this a grievance or complaint? (Violation of Collective Agreement, Special Agreement, law, past practice, safety regulations, disciplinary matter, etc.?...specify Article(s) and Item(s))

| |
|--|
| |
| |
| |
| |

Requested Remedy (Solutions and/or adjustments to completely settle situation)

| |
|--|
| |
| |
| |
| |

Conflict Resolution Outcome (Solutions and/or adjustments agreed to fully resolve the grievance/complaint, OR, remaining outstanding issues)

| |
|--|
| |
| |
| |
| |

Participants Proposed Next Steps (Agreed upon further action to bring closure or progress grievance/complaint)

| |
|--|
| |
| |
| |
| |

Signature of Local Union Representative: _____

Signature of Local Manager: _____

Date: _____

Note: Copies of all documentary evidence such as original time claims, declination notices, letters, memos, etc. that may have a bearing on this grievance or complaint must be attached to this form before the form is appended to the advancement of a formal grievance, should the Conflict Resolution process fail.

The Local Union Representative and the local Company Manager should retain a copy of this form and all relevant attachments

APPENDIX A-24

Letter dated December 5, 2003, concerning
the re-instatement of the Pension Plan consent provision

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This concerns the Company's desire to re-instate the consent provision for USWA members in the Pension Plan.

You have raised a concern that re-instating consent will lead to corporate abuse of the provision. This will confirm that, for any USWA member otherwise entitled to retire under the Pension Rules with an unreduced pension, in the event that consent is denied by the Company, and the denial is confirmed by the Vice-President, HR/IR, to compensate them for any effect on their retirement planning an affected employee will receive an amount of \$50,000 (Cdn) at the beginning of each twelve month period that consent is withheld.

For clarity, a change by the Company to the effective date of retirement due to the exhausting of outstanding vacation does not constitute a denial of consent.

Yours truly,

S.J. Samosinski
Director, Labour Relations

APPENDIX A-25

Letter dated December 5, 2003, concerning
the cost of securing Medical Reports

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our discussions during negotiations concerning the costs associated with securing medical reports.

In recognition of the fact that the Company requires such reports, the cost of all medical examinations, tests or reports required by the Company and/or the Company's insurance carrier shall be paid by the Company when such examinations, tests or reports are not paid for under a provincial health plan.

Yours truly,

(Sgd.) G.S. Seeney
Manager, Labour Relations

APPENDIX A-26

Letter dated December 5, 2003, concerning Safety and Health, Terms of Reference

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USW
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our discussions during negotiations pertaining to the Union's concerns regarding the absence of Safety and Health language in the Collective Agreement.

Preamble:

The following information provides guidelines concerning the issue of Safety and Health, but does not form part of the Collective Agreement, is not binding on the Company and is not subject to the grievance and arbitration process.

Terms of Reference

Committee Name: CPR/TC Local 1976 USW A Health and Safety Policy Committee

Constituency: The CPR/TC Local 1976 USW A Health and Safety Policy Committee represent the interests of CPR employees.

1. Functions of the Committee:

The CPR/TC Local 1976 USW A Policy Committee is the principal forum for joint labour/management consultation on, and the development of solution to, health and safety problems in the workplace. The committee is responsible for but not limited to the following activities:

- Participating in the development of health and safety policies and programs;
- Considering and expeditiously disposing of matters concerning health and safety raised by members of this committee or referred to it by a workplace health and safety committee or a representative;
- Monitoring data on work accidents, injuries and health hazards;

- Participating in the development and monitoring of a program for the prevention of hazards in the workplace that also provide for the education of employees in health and safety matters;
- Participating, to the extent that it considers necessary, in inquiries, investigations, studies and inspections pertaining to occupational health and safety;
- Participating in the development and monitoring of a program for the provision of personal protective equipment, clothing, devices or materials;
- Cooperating with health and safety officers; and
- Participating in the planning of the implementation and in the implementation of changes that might affect occupational health and safety, including work processes and procedures.

2. Duties of Committee Members: Committee members will:

- 1) Meet and comply with terms and conditions set out in this document
- 2) Actively participate in all duties and functions of the committee and ensure an alternate required to attend has been informed and is prepared.
- 3) Make every effort possible to complete assigned action items by the agreed upon date.
- 4) Review the Terms of Reference annually and signed by co-chairpersons.

3. Records:

The Committee shall ensure that accurate records are kept of all matters that come before it and that minutes are kept of its meetings. The committee shall make the minutes and records available to a health and safety officer at the officer's request.

The co-chairs will mutually agree on administrative support for each meeting, looking for local representation to keep costs at a minimum.

4. Meetings:

- The Policy Committee shall meet during regular working hours at least quarterly and, if other meetings are required as a result of an emergency or other special circumstance, the committee shall meet as required during regular working hours or outside those hours.
- All matters will be handled or disposed of by (100%) consensus.
- The co-chairpersons, if required, may call special meetings
- A quorum shall consist of a minimum of 50% of each of management and employee I representatives.

5. Agenda's and Minutes

- New business items shall be submitted to the co-chairs three (3) weeks prior to the Policy Committee meeting date.

- An agenda will be prepared jointly by the co-chairs or designate person(s) and distributed to members two (2) weeks prior to the meeting.
- Minutes will be prepared within two (2) weeks of the meeting date and will be reviewed and signed by the co-chairpersons prior to distribution.
- Policy Committee minutes shall be distributed to workplace health and safety committees for their information and posting for employees.

6. Composition of Committee:

Judy Harrower, General Manager, Intermodal Operations, Employer Co-Chairperson
 Ian MacKay, General Manager, Customer Service Team
 Malcolm Campbell, General Manager, Accounting
 Nathalie Lapointe, President, TC Local 1976, USWA, Union Co-Chairperson
 Richard Page, Staff Representative, USW A
 Richard Summerside - Chief Steward, Local 1976.

Support Person:

Garry Naylor, Director, Safety and Program Development

The term of office for committee members will not exceed two (2) years. Committee members may be reappointed following their term of office.

The employer and employee representatives on this committee may select alternate members to serve as replacements when they are unable to perform their functions.

7. Committee Officers:

Co-Chairpersons: The Committee shall have two Chairpersons selected from among committee members; one representing management and the other representing non-management. The employee members will select one of the chairpersons and the employer members will select the other. The Chairpersons will alternate every meeting. In the event only one chairperson is present at the meeting, he or she will chair the meeting.

The responsibility of the co-chairperson is to conduct the meeting in an orderly manner and have full knowledge of the agenda. The chairperson must ensure that the agenda is prepared and distributed prior to the meeting.

The Chairpersons must be impartial, he/she must keep the discussion to the point yet encourage full participation.

The Chairpersons should ensure prompt follow-up of items pertaining to the committee through contact with those with the authority to implement the decisions/recommendations.

The term of the Chairpersons will be re-evaluated at the first Policy Committee meeting each year.

8. Sub-Committees:

The Committee has the right to establish or appoint sub--committees (as defined by CLC Part II) to work through specific program or policy development on an as needed basis. The respective committee members will select sub-committee members.

Note: No person serving as a Committee member or sub-committee member is personally liable for anything done or omitted to be done by the person in good faith under the authority or purported authority of Part II of the Canada Labour Code.

9. Guests:

Any member may invite additional person(s) to attend the meeting to provide additional information and comment, but they shall not participate in the regular business of the meeting.

The co-chairpersons must be notified no later than two (2) weeks prior to the meeting of any such invited guests.

10. Other:

Any amendments, deletions or additions to these Terms of Reference or the roles and responsibilities of the Committee and its members shall have the consensus of the total Committee and shall be set out in writing and attached as an Appendix to these Terms of Reference.

Alan Parry,
Employer Co-Chairperson

Nathalie Lapointe, Union
Co-Chairperson

Date:

Date:

Signed at Magog, Quebec, June 18th, 2003.

APPENDIX A-27

Letter dated December 5, 2003, concerning
supplementing the workforce with temporary Agency workers

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our discussions during negotiations pertaining to the Company's concerns regarding the ability to provide relief work at locations that have insufficient employees to fill temporary vacancies.

The parties agreed that in locations with insufficient employees to fill temporary vacancies such as, but not limited to, Ad Hoc, annual vacation, bereavement, temporary increases in work load, the Company may temporarily supplement the workforce with the addition of temporary 'Agency' workers.

In such circumstances, the Parties agreed that the temporary "Agency" worker:

- 1) Shall be compensated at the rate identified in the Collective Agreement for the position and work performed, and,
- 2) Shall be subject to the step rates outlined in the Collective Agreement
- 3) Shall pay Union Dues
- 4) Shall not be entitled to any other benefit or condition provided for under the Collective Agreement
- 5) Shall not establish seniority on any seniority list

In each circumstance when the Company requires the use of "Agency" workers, the Company shall approach the Union President, to seek approval, prior to entering into such arrangements.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) G.S. Seeney
Manager, Labour Relations

(Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-28

Letter dated July 15th, 2009, concerning the application of Article 1.1 (b)
when employee are exercising their seniority and
training classes are not available



**CANADIAN
PACIFIC**

Suite 600, Gulf Canada Square
401 9th Avenue S.W.
Calgary, Alberta
T2P 4Z4

J Bairaktaris
Director,
Labour Relations

J M Dorais
Manager,
Labour Relations

V Anderson
Assistant
Labour Relations Officer

CALGARY July 15th, 2009

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our discussions during negotiations pertaining to the Company's concerns regarding the application of Article 1.1 (b) when employee are exercising their seniority and training classes are not available.

The Parties agreed that when employees are affected by an application of Article 1.1 (b) of the Income Security Agreement and subsequently exercise their seniority to a position requiring training, and such training is not available, providing that the employee has the required qualifications for the position, the employee will be entitled to the S.U.B. benefits as per Article 4 of the I.S.A., until such time as training is available, as follows:

Given the short duration waiting due to the unavailability of training required, affected employees would not be able to qualify for other positions and as such have exercised their seniority rights pursuant to the Collective Agreement and the Income Security Agreement.

Given the above circumstances, the parties agree to the following:

- Junior employees eligible for benefits under the ISA affected by the temporary waiting will have their EI benefits topped off to 85% of their basic rate of pay.
- The affected employees will receive 85% of their basic rate of pay during the waiting period.
- Any benefit paid as a result of this layoff will not reduce the employees SUB bank.
- Waiting employees will continue to be eligible for dental, extended health and vision care and life insurance for the duration of this layoff.
- For the duration of this waiting period employees will continue to accrue CCS.
- These arrangements will not change any of the rules associated with the Pension Plan.
- Employee's annual vacation entitlement will not be affected as a result of the waiting period.
- It is understood that employees must commence training on the date that the training starts, regardless of the position that they are working at the time that training materializes.

In addition, the parties further agree, that at its discretion, the Company may elect to provide an affected employee with some productive work for which he/she would be entitled to their full and current wages. In such cases, the nature of the productive work will first be discussed with the USW Local 1976 President.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) John M. Dorais
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USW

APPENDIX A-29

Letter dated December 5, 2003, concerning training allowance
at Winnipeg Customer Services (Article 39.4)

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our discussions during negotiations regarding the Company's concerns regarding the application of the training allowance, as set forth in Article 39, item 39.4, at Winnipeg Customer Services.

The parties agreed that in lieu of 10% of the employees' basic hourly rate of pay, employees directed by management to train will be provided with a \$2.50 hourly training allowance. In order to qualify for this training allowance and be assigned training responsibilities, employees must first successfully complete the "Train the Trainer" course.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) G.S. Seeney
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-30

Letter dated December 5, 2003, concerning
Accommodations from outside the Bargaining Unit

TORONTO, December 5, 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our discussions during negotiations regarding the Union's concerns pertaining to the prompt notification to the Union when employees are to be accommodated, in the bargaining unit, under the Company's Return to Work Program.

The Parties agreed that, under such circumstances, it is appropriate for the Company to provide prompt notification to the President of the Union, prior to the implementation of the accommodation and the employees' actual return to the workplace so that proper arrangements can be secured.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) G.S. Seeney
Manager, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-31

Letter dated December 5, 2003, concerning
employee paid days off

TORONTO, December 5 2003

Ms. Nathalie Lapointe
President
TC Local 1976, USWA
United Steel Workers of America
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our discussions during negotiations regarding the Union's request to have employees provided with ability to have 5 employee paid days off per year with pay. Specifically, the Union raised a concern for offices that did not work overtime and therefore employees could not bank time.

Although the Company was unable to agree to the Union's request as presented, the Company did agree that employees could direct the financial equivalent or five days wages, at straight time, from their annual incentive compensation (Gain Share) pay-out, in pre-tax dollars, into an employee's existing overtime bank, that can be used, subject to Management approval, for paid days-off. As is the case of banked overtime, requests for time off may be denied subject to operational requirements and replacement employee availability.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

(Sgd.) S.J. Samosinski
Director, Labour Relations

I Concur: (Sgd.) Nathalie Lapointe
President, TC Local 1976, USWA

APPENDIX A-32

Letter dated June 22 , 2006 Collective Agreement Guidelines

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Madam:

This is in regards to our discussions, during negotiations, concerning the suggestion to develop an electronic user guide for the respective collective agreements for use by local union and company officers.

Recognizing the potential benefit of providing clarity regarding certain complex provisions of the respective collective agreements, it was agreed that within 90 days of the new collective agreement taking affect, the parties would meet to determine how best to develop and make available such information, its value before a third party and what articles would benefit from further clarification. It is understood that, if possible, clear simple language in the collective agreement is preferable to a user guide interpretation.

Yours truly,

J.C. Copping
Director, Labour Relations

APPENDIX A-33

Letter dated June 22 , 2006 Short Payments

Montréal, June 22, 2006

Letter to Heads of Departments concerning the intent of Article 38.2

During recent discussions with the representatives of the United Steelworkers, it was drawn to our attention that employees, who are occasionally short paid, are having difficulties in getting a pay adjustment on a timely basis.

As you are aware, with the implementation of mandatory direct deposit as contemplated in Article 38 of the Collective Agreement, our ability to issue a paper cheque or money order to cover the short payment has disappeared. As our intent is to ensure that all employees are paid on a timely basis, it is important to remind those involved with the processing of employee payrolls to review pay verification reports in advance of paydays so that necessary adjustment can be done on a timely basis.

We should also advise all employees who have access to Rail town, that their pay notification is usually available the week prior to payday by accessing the HR Self Service on the intranet.

Will you please see that this matter is brought to the attention of all those involved with the payroll processing.

Yours truly,

J.C. Copping
Director, Labour Relations

APPENDIX A-34

Letter dated June 22 , 2006 Reversion to 8 hour shifts

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Madam:

This is in regards to our discussions, during negotiations, concerning the establishment of eight hour shifts. It was recognized that in those instances where other than eight hour shifts are being used the Company has the ability to revert to eight hour shifts to meet the needs of the service.

However, it was also recognized that when a particular location reverts to an eight hour shift, there may be some disruption to both employees and the operation. In order to alleviate and/or mitigate these disruptions, should they occur the parties agreed to the following:

Employees and the Union will be provided with at least 30 days written notice when reverting to an 8 hour shift.

In such circumstances, the Company will meet and consult with the Union, within 30 days, prior to the change in shifts, to explore alternatives where deemed necessary. This will be accomplished by a Company/Union LAC Sub-Committee which will be formed to review alternatives and to help implement the change. The Company will share appropriate information with the Sub-Committee to assist this process.

It was also acknowledged that any alternative arrangements to eight hour shifts must address the potential disruptions as well as meet the needs of the business at no additional cost and must be agreed upon by the members of the LAC Sub-committee

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

I concur

J.C. Copping
Director, Labour Relations

Nathalie Lapointe
Présidente

APPENDIX A-35

Letter dated June 22 , 2006
Not Docketing a Grievance Within Two Years

Montréal, June, 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
United Steelworkers
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam:

This is in regards to our agreement that a grievance not docketed for arbitration within 2 years of submission of the Step I grievance will be dropped.

The Parties recognize that in exceptional circumstances it may not be practical to have a grievance docketed for arbitration within 2 years. An example of this would be a grievance involving an employee suffering from substance abuse. For this type of situation the parties may mutually agree to waive the two year clause and agree to extend the timeline.

Yours truly,

Jason Copping
Director, Labour Relations

APPENDIX A-36

Letter dated June 22 , 2006
Employee Not Released Within 5 Days

Montréal, June 22, 2006

Letter to Heads of Departments concerning the intent of Article 23.4 (c)

During recent discussions with the representatives of the United Steelworkers, it was drawn to our attention that employees, who bid on positions, are not always transferred to the new position within 5 days of being awarded the position.

This letter is to remind you of the importance of transferring employees within 5 days of being awarded a position. In the event that employees cannot be released within 5 days, the appropriate manager must contact the LAC so that alternative arrangements can be made.

Will you please see that this matter is brought to the attention of all those involved with the transfer of employees.

Yours truly,

J.C. Copping
Director, Labour Relations

APPENDIX A-37

Letter dated June 22, 2006 Letter - Overtime Averaging

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Madam:

As a result of regulations imposed by Human Resources Development Canada, the parties have agreed to implement an Overtime Averaging concept. It is understood that this concept will be tailored to local needs. However, all locations will follow a common framework which is defined as follows:

Framework – Over Time Averaging

Intent

To enable employees to work more than one overtime shift per week as well as to ensure a consistent approach in the payment of overtime, it was agreed to implement a provision for overtime averaging based on the framework outlined below. The provision would be implemented on a location by location basis in consultation with local union representatives at that location.

Process

A Joint Union/Management Orientation Team will be established. This team will develop an overtime averaging aid, which will be used as a guideline for local management and local union officials.

Within thirty days of ratification, local management will meet local union representatives and consult concerning the design of the Over Time averaging for that location. Implementation would be done by the end of the first pay period in January 2007, unless extended by mutual agreement. The Orientation Team will be available to assist in implementation of Overtime Averaging as required.

Issues for discussion will include:

- 1) Duration of the Averaging Period
The duration will be either 2, 4, or 6 weeks depending upon the nature of the operations at the location

- 2) Calling procedure for employees on the make up and overtime lists.

Overtime Averaging

In addition to changes discussed above, the Overtime Averaging provision would affect hours of service, pay for employees and scheduling with the introduction of a Make-up List over the averaging period. These items are addressed below:

Hours of Service

With an overtime averaging provision, an employee may work up to 48 hours times the number of weeks in that averaging period. Currently, under the Canada Labour Code, not counting emergency situations (as defined in the Canada Labour Code), employees may only work up to 48 hours in a 7 day period. For example, using an overtime averaging period of 4 weeks, employees would be entitled to work a maximum of four eight hour shifts in addition to their regular hours during that four week period. This provides greater flexibility for employees who wish to work overtime on a given week and greater flexibility for the Company who may require additional resources on a particular week.

Payment

a) Time worked on proper authority on any day in excess of scheduled hours will be considered as time worked during the averaging period (2, 4 or 6 weeks).

b) Hours worked, including any paid authorized leave as outlined in the Code and pre approved banked hours taken in lieu, for each designated averaging period will be totaled and hours in excess of 40 hours times the number of weeks in the averaging period will be paid at time and one-half rates. (i.e. Hours worked over 160 hours in a 4 week averaging period would be paid at time and one-half rates.)

For clarification paid authorized leave includes General Holidays. (This does not impact the current payment of a General Holiday.) Additionally, paid authorized leave includes pre approved banked hours taken in lieu. It does not include sick leave or any authorized leave which does not include payment from the company.

c) In cases where the averaging period is two weeks, at the end of that period, for any time worked in excess of 80 hours, employees will have the option to bank this as over-time or be paid at time and one-half rates.

d) In cases where the averaging period is greater than two weeks, prior to the commencement of the averaging period, employees must advise Company of their desire to either bank excess hours at the end of the averaging period or be paid for that averaging period.

Employees working excess hours may indicate their desire to be paid at the overtime rate. Should an employee work excess hours during the averaging period, the

employee will be paid at the pro-rata rate (straight time rate) for all hours worked in that averaging period. If entitled to overtime as per paragraph (b), at the end of the averaging period, the employee will be paid the difference between the pro-rata rate already paid and the Overtime Rate for all overtime hours worked.

Employees may choose to bank their excess hours for the averaging period. Any hours worked in excess of 80 hours in a pay period will not be paid but will be held in abeyance. At the end of the averaging period, the excess hours will be banked at overtime rates of pay (time and one half). If there are no excess hours, hours worked will be paid at straight time rates of pay.

e) The averaging period will coincide with the pay periods.

Make-Up List

An employee who is on an unpaid leave (i.e. sick) during the averaging period may place their name on the Make Up list. An employee may only be on this list until s/he recoups the equivalent hours of unpaid leave for that averaging period (i.e. if an employee misses two shifts- 16 hours- they will remain on the Make Up list until they have worked the equivalent of 16 hours through working additional shifts or working prior to / after their regularly scheduled shift). Employees will be placed on this list in seniority order and called in a rotation to ensure a fair distribution of shifts. Employees will be called for shifts provided it does not interfere with their regular schedule. To ensure that this list is used as intended, the parties may make modifications or other arrangements as mutually agreed.

In implementing this provision, the union indicated a concern that it would result in the Company hiring fewer individuals. The Company provided assurance that this was not the intent and also indicated that although overtime averaging permits more flexibility for employees to work extra hours within the averaging period, the maximum hours permitted, on average, would still be governed by legislation.

The terms of this letter supersede the applicable terms of the Collective Agreement

Yours truly,

I Concur

J.C. Copping
Director, Labour Relations

N. Lapointe
President

APPENDIX A-38

Letter dated July 15, 2009
RE: Job Sharing & Phased Retirement

Montréal, July 15, 2009

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Ms. Lapointe,

This is in regards to our conversations pertaining to the desire of the USW to include a provision for Job Sharing and Phased Retirement.

1) Phased Retirement

The intent of phased retirement is to permit employees who are eligible to retire to reduce their work week in preparation for retirement. Details concerning how Phased Retirement would work and how such opportunities will be awarded are outlined below:

i) Number of Opportunities

Awarding of Opportunities will be at the discretion of the Company depending upon staffing needs.

ii) Eligibility to Apply

To be eligible to apply for phased retirement, employees must be eligible to apply for unreduced retirement (minimum age 55, minimum 25 years of service, age plus service 85 points or greater).

iii) Phase and Duration

Employees may apply to reduce their work week to four (4) or three (3) days per week on their current permanent position for the duration of the phased retirement. The work week may also be reduced from four days to three days during this period (i.e. after 6 months). The duration of the phased retirement will be one year. At the end of the one year, the employee will retire. This period may be extended with concurrence of the General Chair and General Manager.

iv) Application & Award Process

If an eligible employee desires to take advantage of this provision, the employee may apply to the Company indicating when they would wish to start the Phased Retirement and which day(s) they are seeking to reduce and when. In order to properly evaluate the request, such requests should be made 30 days in advance of when the employee would wish to start Phased Retirement. The request will be evaluated in light of the staffing needs. If more than one application is received, they will be awarded in order of seniority.

The Company will confirm the start date of the phase, the number and which day(s) on the assignment that will be reduced. Confirmation will also be provided to the Local Chair. The Company will also make arrangements to fill the resulting vacancy on the position as follows:

- For a four day phase resulting in a one (1) day vacancy, such vacancy will be filled by a Permanent Unassigned or Spare position.
- For a three day phase resulting in a two (2) day vacancy, the vacancy may be provided to a job share candidate requesting two days where feasible. If not feasible, the vacancy will be bulletined as a two day vacancy and granted to the senior applicant who would work the position for two days and their own position for three days. Such application will only be granted to employees where this arrangement is operationally feasible. In the event no applications are received for the vacancy caused by the Phased Retirement, such vacancy will be filled by a Permanent Unassigned or Spare position. The two day vacancy created by the Senior applicant being awarded the phased retirement vacancy will be filled by a Permanent Unassigned or Spare position.

2) Job Share

The intent of including a Job Share provision is to assist employees in striking a balance between Work & Personal Life for a period of time when it would be difficult to work five days a week. Examples of certain situations would include employees needing additional time to raise a family or employees responsible for eldercare. It is understood that Job Share arrangements will not apply in situations when an employee desires to work elsewhere.

i) Number of Opportunities

Awarding of Opportunities will be at the discretion of the Company depending upon staffing needs and taking into consideration the size of the office. The maximum number of participants including Spares and P/Us involved in Job Sharing will be 10% of permanent positions (excluding P/U positions.) This maximum number may be increased upon mutual agreement.

ii) Eligibility to Apply

To be eligible to apply, employees must own a permanent position in the USW bargaining unit.

iii) Job Share and Duration

Employees may apply to be involved in a job share, reducing their work week to between two (2) and four (4) days per week. Such period of a job share may be no less than 3 months and no greater than 12 months. The 12 month period may be renewed through the application process.

iv) Application & Award Process

If an eligible employee desires to take advantage of this provision, the employee may apply to the Company 90 days prior to the end of the year indicating the

number of days they wish to work, which day(s) they are seeking to reduce and when and the duration of the job share.

The request will be evaluated in light of the staffing needs. If more than one application is received, they will be awarded in order of seniority. Preference may be given to joint applications for a Regular Job Share (i.e. one person works 3 days per week and another 2 days per week.)

If the application can be granted, the Company will confirm the start date of the job share, the number and which day(s) on the assignment that will be reduced. Confirmation will also be provided to the Local Chair. The Job Shares will be arranged in the following manner:

- For a four and one day job share, the one day vacancy will be filled by a Permanent Unassigned or Spare position.
- For a three and two day Job Share, the Company will attempt to match applications and qualifications based on the job being held by the senior applicant to create a Regular Share. In the event such a match cannot be made, the resulting 2 or 3 day vacancy, will be bulletined and granted to the senior applicant who would work the position for 2 or 3 days and their own position for 2 or 3 days. Such application will only be granted to employees where this arrangement is operationally feasible. The vacancy created by the Senior applicant being awarded the job share vacancy will be filled by a Permanent Unassigned or Spare position. In the event no applications are received for the vacancy caused by the Job Share, such vacancy will be filled by a Permanent Unassigned or Spare position.

v) Termination

If the needs of the business require, upon 30 days written notice, job share arrangements may be cancelled by the Company. This will be done in the reverse order of seniority.

An employee may opt out of the job share arrangement prior to the expiration of the term due to exceptional circumstances and with the concurrence of the President and the General Manager.

3) Administration

In order to administer these arrangements, the following items are provided for clarification.

i) Payment

- Employees will be paid on an hourly basis as per the terms of the collective agreement.

ii) Benefits

- Employees participating in Job Sharing or Phased Retirement will have the following options regarding CPR benefit plans:

(a) Benefit Top-up - The Company and the employee share the costs of extended health & welfare, dental and life insurance benefits outlined in the USW benefit plan. This share will be based upon the amount of hours worked. For example, if an employee works 4 days per week (80%) the Company will pay for 80% of the cost of these benefits and the employee will pay for 20%. This amount will be deducted from the employee's paycheque. The amount will be confirmed prior to the employee accepting job sharing or Phased Retirement and will be based upon the average costs for the benefits for USW represented employees in the previous year. Note that this is in addition to any deductible payment required under the plan.

(b) Opt out of the CPR benefit plan.

iii) Pensions

As per the terms of the pension plan, employees participating in Job Sharing or Phased Retirement will have their Pensionable Service calculated based upon the following formula: 21 days worked will equal 1 month of service with a maximum of 12 months in any one year period. Final Average Earnings, where applicable, will be based on the best 1260 days worked (based on a standard 8 hour day).

iv) Annual Vacation

a) Generation of Entitlement while on Job Sharing/Phased Retirement

Terms of the Collective Agreement will apply. For example, if an employee is entitled to 4 weeks of vacation and only works 3 days per week for the entire previous year, based on the number of days worked and or available, they would be entitled to 12.5 days of paid vacation. Recognizing that the number of paid days would not change, the Company would be prepared to round up to the nearest week in terms of allotment of annual vacation. In the case above, 3 weeks.

b) Taking of Annual Vacation

Employees participating in Phased Retirement will be granted Annual Vacation based on the previous year's entitlement up to the maximum number of weeks of that entitlement as per the terms of the Collective Agreement. For example, an employee working 3 or 4 days/week who is entitled to 6 weeks annual vacation will be granted only six calendar weeks vacation, however, they will be paid for 30 days of Vacation for that period.

Employees participating in Job Sharing will be granted Annual Vacation based on the previous year's entitlement up to the maximum number of weeks of that entitlement as per the terms of the collective agreement. However, in this circumstance, employees participating in Job Sharing may elect to bank Vacation days at the applicable rate until they return to Full time work. For example, an employee working 3 days per week who is entitled to 4 weeks of vacation has the option of taking 4 calendar weeks of vacation and either being paid for 20 days over that period with no carry over or being paid for 12 days in that period and banking the remaining 8 days at the previous years' rate to be used upon return from Job Sharing.

v) Statutory Holiday

For employees Job Sharing or participating in Phased Retirement, payment for Statutory Holidays will be governed as follows:

Regular Job Share – 2 days with 3 days – Employee who works the statutory holiday for the assignment that is being shared will be paid for the holiday.

Job Share – 2 or 3 days with P/U or Spare - Under the agreement, an employee with less than 12 days in the previous 30 days prior to the General Holiday is not entitled to the Statutory Holiday.

Job Share/Phased Retirement – 4 days with P/U or Spare: Employee is entitled to the Statutory Holiday under the terms of the agreement.

vi) Ad Hoc Staff Shortage

If an employee is involved in a Regular Job Share/Phased Retirement with another employee (i.e. 2 days + 3 days) in the event one employee is unavailable, the employee will call their counterpart first to determine if they can work the shift and, if not, will book off as per local policy. In the event the counterpart can work the shift, payment for such work will be at straight time. If the counterpart cannot work the shift, the vacancy will be filled as per the terms of the collective agreement.

If an employee is involved in a Job Share or Phased Retirement with a P/U or Spare and that P/U or Spare is unavailable, and there is no other P/U or Spare available for the shift at straight time, the employee will be offered the shift at straight time. If unavailable or refuses, the vacancy will be filled as per the terms of the collective agreement.

Employees whose applications for Job Share or Phased Retirement have been granted may not be placed on an Overtime list.

vii) Shift Exchange

Where applicable, employees involved in a Regular Job Share or Phased Retirement may exercise shift exchanges with their counterpart on that position only.

viii) Seniority & Dues

Under this arrangement, Seniority will be protected and Dues will be deducted as per the terms of the USW Constitution.

ix) Bereavement Leave

Employees participating in Job Sharing and Phased Retirement are entitled to Bereavement Leave. For clarity, such leave will not be moved to working days.

4) General Provisions

Both Parties recognize that Phased Retirement and Job Share programs are new to the Railway industry and that the USW agreement governs multiple worksites with different schedules, hours of work and practices. As such these programs may need to be altered to obtain the desired outcomes. Accordingly, the parties agree that the terms of the program will not form part of the collective agreement and may be modified upon mutual agreement to meet the needs of each work location. Additionally, it was also understood that the parties with 120 days written notice could cancel the program prior to the end of the year to take effect December 31.

In implementing this program, representatives from Labour Relations, USW and local management will meet as required to review issues and assess the programs.

Yours truly,

John Bairaktaris
Director, Labour Relations

APPENDIX A-39

Letter dated June 22 , 2006
Compassionate Leave

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Ms. Lapointe,

This refers to our recent discussions during negotiations concerning the Union's desire for a provision for Compassionate Leave.

The parties agree to implement a provision for Compassionate Leave under the following conditions:

1. A maximum period of leave of three (3) months duration.
2. For assigned employees, payment in the form of a repayable loan to the employee of the equivalent of the employee's current hourly rate times the number of hours in a regular work week for each week of personal leave or equivalent number of days under a Job Share or Phased Retirement. For an unassigned employee the weekly earnings will be computed from base earnings (i.e. hourly rate excluding overtime, shift differentials) in the prior 12 month period (after the initial 65 days cumulative compensable service per collective agreement definition of permanent employee).
3. Re-payment of loan at a minimum 10% of gross earnings. Full payment must be made over a period of no longer than two (2) years.
4. A guarantee that such loan will be repaid in the event of the employee's death, dismissal, resignation or separation/retirement. (An employee must sign an appropriate document outlining these terms).
5. A ceiling on the number employees on personal leave at any one time. (This will be determined by the Company).
6. Benefits will remain in effect during the leave period.
7. The leave will not be considered as pensionable service or CCS.
8. Applications for such personal leave to be made through the President of the USW.

9. Such personal leave to be subject to approval by the AVP, Industrial Relations.

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

The provision shall remain in effect for the duration of this agreement and may be renewed in the next round of bargaining.

Yours truly,

J.C. Copping
Director, Labour Relations

APPENDIX A-40

Letter dated June 22, 2006 concerning
Paid Sabbatical Leave

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Ms. Lapointe,

This refers to our discussions during recent negotiations concerning the Union's desire for a provision for Paid Sabbatical Leave.

The parties agree to implement a provision for Paid Sabbatical Leave under the following conditions:

Preamble

Sabbatical leave of absence is to permit permanent employee the opportunity to take a leave of absence, which they personally finance through a deferral of salary. If the sabbatical is for full time attendance at a designated educational institute, the sabbatical must be for a minimum of three consecutive months duration. All other sabbatical leaves must be for a minimum of six consecutive months duration. All sabbatical leaves, including educational, must not exceed nine months duration

The sabbatical leave will be awarded on a first come first serve basis. The deferral years will not exceed 5 years. It is understood that Sabbatical leave of absence will not apply in situations where such requests are to go work elsewhere.

Definitions:

Sabbatical leave of absence:

Agreement between the Company and employee(s) allowing such employee(s) to defer a percentage of their basic Rate of Pay to accumulate for a period not exceeding 5 years, to finance a leave of absence not exceeding 9 months.

Deferral years:

The year(s) during which employees are deferring a part of their salary. The Sabbatical will be taken after the deferral years.

Sabbatical leave:

The period during which the employee is on leave of absence under this arrangement. The Sabbatical Leave will not be less than 3 consecutive months and cannot exceed 9 consecutive months and will be compensated by the contributions made by the employee.

Contract:

Signed document between the Company and the employee(s) specifying the period of time of the sabbatical leave and the deferral years.

General application:

Sabbatical Leave will be granted at the sole discretion of the Company. Should a Union's request for sabbatical leave be refused, the Company will supply a written confirmation of such refusal with an explanation of its decision. The Company decision will not be subject to appeal by the employee nor by the Union.

In order to allot sabbatical leaves of absence, the normal manner of allotting vacations may be modified to accommodate those taking sabbatical leave. No sabbatical leave will be taken between June 15 and September 15.

If the sabbatical leave of absence is approved, it will be subject to the following conditions:

1. Any contract cannot be for less than 1 year and cannot exceed 5 years and 9 months.

Example of contract:

If the deferral years are established at two years and the sabbatical at 6 months, the contract will be for a period of 2 ½ years. During the two years deferral the applicants will be compensated at 80 % of their basic weekly rate of pay.

To facilitate the accounting of the deferred salary accumulation due to the numerous variations in salary (job rate, shift differential, transfer time, overtime etc.), the amount deducted will be equal to 20% of the basic rate of pay in effect. That rate of deduction will remain the same for the entire contract period.

During the sabbatical leave, employees will be compensated at a salary calculated by dividing the total contribution accumulated by the employee during the deferral period, by the number of weeks of their leave of absence. (In the example described above, the total amount accumulated would be divided by 26 weeks)

The contract will be based on the attached table which explains the various types of deferral years based on 9 month to 5 year periods for a sabbatical leave of 3 to 9 months. For example, in a two year deferral period, for a sabbatical leave of 3 months duration, the employee would defer 11% of his /her salary, and receive 89% of his/her salary.

Un-deferred Salary

| Deferral period | Length of Sabbatical | Length of Sabbatical | Length of Sabbatical |
|-----------------|----------------------|----------------------|----------------------|
| | 3 months | 6 months | 9 months |
| *9 months | 75 % | | |
| 2 years | 89 % | 80 % | 73 % |
| 3 years | 92 % | 86 % | 80 % |
| 4 years | | 89 % | 84 % |
| 5 years | | 91 % | 87 % |

* A one year contract (9 months deferral period and 3 months sabbatical leave) can only be awarded for educational purposes.

Note 1: The deferred amounts may not exceed one third of basic wages excluding gain/goalshare.

2. Except as provided below, employees under Sabbatical Leave Contract will be afforded all work benefits normally afforded to other permanent employees including the accumulation of seniority and service.
3. Sabbatical leave will not be considered as Pensionable Service.
4. Employees staffed to Sabbatical Leave of absence will be paid through the Direct Deposit System
5. General Holiday(s) falling within the period of Sabbatical Leave will not be compensated or reimbursed by the Company.
6. Employees on Sabbatical Leave will not be entitled to any premium or supplementary pay provided for in the Collective Agreement.
7. Time spent on Sabbatical Leave will count in the calculation of annual vacation for the following year.
8. At the completion of the Sabbatical Leave employees will be reinstated in accordance with the terms and conditions of the Collective Agreement.

9. An employee must return to regular employment for a period no less than the duration of the sabbatical leave taken.
10. The concept of Sabbatical Leave of absence will not be used as a pre-retirement leave of absence nor will it be used to accommodate working for another employer.

Funding

11. Amount deferred retained by the Company, through payroll deduction. Normal payroll deductions will apply.

Withdrawal:

12. Employees who decide to withdraw from the Contract, during the deferral years, should advise the proper officer of the Company, in writing thirty (30) days prior to the effective date of their withdrawal.
13. Employees who decide to withdraw from the Contract, during the Sabbatical, should advise the proper officer of the Company at least ten (10) days prior to their return to work.

Maternity Leave:

14. In cases of pregnancy where employees decide to request a maternity leave during the term of a Contract under this agreement, employees will have the following options:
 - ❑ postpone their Sabbatical leave until after their maternity leave, or
 - ❑ postpone their Sabbatical leave to another year. (This postponement can not exceed a period of five years and nine months from the date of signature of the Contract), or
 - ❑ Abrogate their Contract under this agreement.

Long Term Disability:

15. Should employees become disabled during the term of a Contract under this agreement, the agreement may be modified to cover the change. In cases where employees decide to postpone their Sabbatical Leave to another year, such postponement will not exceed a period of five years and nine months from the date of signature of the Contract.

Resignation:

16. Should an employee decide to resign from the Company during the term of a Contract under this agreement, the Contract will terminate on the effective date of the resignation and all contributions will be reimbursed.

Dismissal or Death:

17. In cases of dismissal of an employee or the death of an employee during the term of a Contract, the terms and conditions of the Contract will cease on the date of the event and all amounts deferred will be reimbursed.

18. In situations covered in items 12 to 17 inclusive, the Company will have thirty (30) days to immediately return all amounts deferred.

19. Except in cases covered by items 14, 15, 16 or 17, employees under Sabbatical Leave will not be permitted to terminate their Sabbatical Leave.

20. For the purposes of calculating Final Average Earnings, in the event that an employee withdraws from the Contract, the amounts deferred returned will not be included.

21. The provisions of this agreement will override any other provisions to the contrary.

The provision shall remain in effect for the duration of this agreement and may be renewed in the next round of bargaining.

Yours truly,

J.C. Copping
Director, Labour Relations

APPENDIX A-41

Letter dated June 22 , 2006 Updated Appendix A-16
Work/Life Balance

Montréal, June 22,2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Madam:

This is in regards to our discussions, during negotiations, concerning various issues surrounding the scheduling of work. The parties acknowledge the employer's right to schedule employees to meet the demands of the business. The parties also acknowledge the right of the employees to maintain a proper work/life balance. Accordingly, the parties agree to meet, within 120 days of ratification, to discuss the following matters, with the intent of improving scheduling flexibility for both the Company and its employees.

- Part time employees during peak workload periods and weekends.
- Flex Time
- A.V. allotment
- Progressive retirement
- Leave for emergent family matters

Prior to this meeting, the parties will research the various best practices with regards to these issues. Upon mutual agreement, the parties may decide to implement any or all of these scheduling tools. The parties will develop appropriate rules to govern these matters.

Yours truly,

J.C. Copping
Director, Labour Relations

I concur

Nathalie Lapointe
President, TC Local 1976 USW

APPENDIX A-42

Letter dated June 22 , 2006
Working General Holiday

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Madam:

This is in regards to our discussions, during negotiations, concerning the scheduling of employees to work on General Holidays. The parties agree an employee may not be required to work on a General Holiday under the following conditions:

The employee will provide his/her supervisor with a minimum 10 days notice of his/her intent not to work the General Holiday.

The Company will solicit other employees to work the General Holiday. These employees will be paid at overtime rates.

If other employees are not available, the employee will be required to work his/her scheduled shift on the General Holiday.

In those instances where an employee's General Holiday does not fall on the officially recognized day of the General Holiday (sliding General Holiday) the employee may also request not to work the General Holiday under the same conditions mentioned above. However in that instance the employee actually working the shift will not be entitled to overtime premiums unless otherwise entitled under the Collective Agreement.

It is understood that an employee who is not required to work on a General Holiday, under the terms of this letter, will be considered available to work on the General Holiday under the terms of Article 13.3(b).

Yours truly,

I concur

J.C. Copping
Director, Labour Relations

Nathalie Lapointe
President, TC Local 1976 USW

APPENDIX A-43

Letter dated June 22 , 2006 – E-Learning

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec

Dear Madam:

This is in regards to our discussions, during negotiations, concerning E-Learning (Electronic Learning). It is understood that the Company has the right to determine the form and content of training programs. It is anticipated that, in the near future, the Company will be developing E-Learning programs for USW represented employees. One of advantages of the E-Learning is that this training need not take place at the work location, as an example, an employee can participate in an E-Learning program at home.

Prior to the implementation of E-Learning, the Company will notify the Union of the implementation of the E-Learning programs. As a general concept, an employee will not be paid if he/she is not required to participate in an E-Learning program and decides to do so on his/her own initiative. If the Company requires an employee to participate in an E-Learning program then that employee will be paid on a lump sum basis. The Company and the Union will agree on the amount of this lump sum on a program by program basis. In determining the lump sum, taking into consideration that both the Company and employees benefit from the implementation of E-Learning programs, the payment would represent part of what the employee would have been paid had they attended the program in class.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

J.C. Copping
Director, Labour Relations

I concur

Nathalie Lapointe
President, TC Local 1976 USW

APPENDIX A-44

Letter dated June 22 , 2006 – Flex Time

Montréal, June 22, 2006

Ms. Nathalie Lapointe
President
TC Local 1976, USW
United Steelworkers
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Madam,

This is in regards to our discussions pertaining to your demand for Paid Flex Days for unionized employees which arose as a result of the implementation of Company policy 7105 on the same subject.

Although the Company could not accede to your request as presented, the Company did recognize that at a number of workplaces with a standard work week and limited opportunity for overtime (and the ability to bank overtime) it is difficult for employees to obtain paid time off to attend to personal and/or family matters.

To this end, it was agreed that the Company and the Union would meet following ratification and may by mutual agreement, modify the normal duration of work on a location by location basis. These modifications may include but are not limited to:

- Flex time policy
- 10/12 hour or variable shifts
- Variable start times/length of day
- Policy to purchase time off
- Shift trade policy

The objective of such arrangements is to provide time off for personal matters, while at the same time, recognize the operational needs of the business.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

J.C. Copping
Director, Labour Relations

I Concur:

Nathalie Lapointe
President, TC Local 1976, USW

APPENDIX A-45

Letter dated July 15, 2009 Regarding Starting Rates



**CANADIAN
PACIFIC**

John Bairaktaris
Director
Labour Relations

Gulf Canada Square
401 – 9th Avenue S.W
Suite 600.
Calgary Alberta
T2P 4Z4

CALGARY July 15th, 2009

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Nathalie,

This is further to our discussion regarding the ability of the Company to quickly respond to market conditions with respect to the attraction and retention of employees.

The Company recognizes that there will be times when local economic conditions make it more difficult to attract and retain employees for periods of time. When this occurs it becomes harder to staff to proper levels. It is in the interest of all to react to such situations as they arise. Inasmuch as any such arrangement will result in increased costs to the Company it will only be used as required.

In this regard, effective on January 1st, 2010, the Company may, at its discretion, modify hourly starting rates beyond the Collective Agreement provisions in areas such as a craft within a department at a location or all employees within a department selected by the Company and for durations determined by the Company.

Starting rates at a specific location may be modified, in whole or in part, for certain job classifications as determined by the Company. The Company will inform the President of the USW Local 1976 in writing when such a change is being undertaken. Union consent, however, is not required to modify starting rates on this basis.

The Company agrees that, when enacted, modified starting rates at the affected office will not be decreased for a minimum period of 3 months. It is further understood that employees whose rates were modified as a result of the provisions of this letter will not have their own rate(s) reduced when the modified rates are restored to reflect the minimum collective agreement provisions. Rather, they will continue on with any remaining progression based on their time in the position and their modified rate.

In addition, the Company may also, at its sole discretion, advance the qualifying period(s) for Extended Health and Dental benefits for new hires. This may be done in conjunction with modified starting rates contemplated in this letter or in isolation.

The Company may also, increase regular job rates in other job classifications by location as required for periods of time, however, given the existing SES (Simple Effective Solution Pay Evaluation System) protocols, this will take place with the mutual agreement of the Union. It is understood that agreement by the Union will not be unreasonably withheld.

The Company also maintains the ability to re-instate collective agreement rates.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below and return one executed copy to me for my records.

Yours truly,

(Sgd) John Bairaktaris
Director Labour Relations
Canadian Pacific

I concur,

(Sgd) Nathalie Lapointe
President, TC Local 1976, USW

APPENDIX A-46

Letter dated July 15, 2009 regarding Accrued Vacation



**CANADIAN
PACIFIC**

John Bairaktaris
Director
Labour Relations

Gulf Canada Square
401 – 9th Avenue S.W
Suite 600.
Calgary Alberta
T2P 4Z4

CALGARY July 15th, 2009

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Nathalie,

This is further to the recent discussions between the Company and the Union in relation to mitigating layoffs as well as your request for the Company to provide paid sick days. While the Company was unwilling to provide paid sick days we were able to arrive at a resolution that will address the sick day concern as well as the need to mitigate layoffs.

The key element of this arrangement is the initiative to convert annual vacation entitlements from the *Accrued* method to the *Current* method. This will have the effect of mitigating the aforementioned layoffs in 2010 and beyond, and will allow employees to pay sick days from their accrued AV bank.

As you know, employees on accrued service earn their vacation entitlement during one calendar year and use it during the following calendar year whereas employees on current service vacation earn and use their vacation entitlement during the calendar year it is earned.

It is understood that for the purpose of transitioning to Current Service, the accrued annual vacation entitlements will be determined based on entitlement as of January 1st 2010. This is a one time transition of accrued annual vacation to a bank that will be used by the employee. This will, henceforth be referred to as an individual's *Accrued AV Bank*. All employees on January 1st, 2010 will be on current annual vacation. New employees hired on after January 1st, 2010 will not have an accrued AV bank and will have pro-rated vacation in their first year.

It is our desire to have all employees deplete their accrued AV bank by December 31st, 2012 however, it is understood that the accrued annual vacation entitlements must be scheduled in a manner that results in an even distribution of work through the year so as to mitigate layoffs.

As an example:

An employee, who on January 1st, 2010 was entitled to 3 weeks annual vacation, will have 3 weeks in their Accrued AV Bank and 3 weeks of Current Annual Vacation.

In 2010, the employee is now on Current Annual Vacation (3weeks) and has 3 weeks in their Accrued AV Bank. He takes 5 weeks of annual vacation in 2010.

In 2011, this employee will have 3 weeks of Current Annual Vacation to take and 1 week of Accrued Annual Vacation left. He takes all 4 weeks.

In 2012, this employee has 3 weeks of Annual Vacation to take and no more weeks in his Accrued AV Bank.

For the purposes of annual vacation entitlement days, the existing formulas within the Collective Agreement will apply with all USW represented employees being moved to current annual vacation however, for the purposes of transitioning from one service level entitlement to another, the incremental entitlement will be scheduled in the year of entitlement.

As an example:

On an employee's "anniversary date" e.g. May 1st, 2010 they have met the criteria to move to 4 weeks of annual vacation from 3, they will be entitled to schedule 4 weeks of annual vacation in 2010.

There are no changes or modifications to any aspect of the Collective Agreement except those that are explicitly stated or implied herein.

It is understood that an employee taking annual vacation on a Current basis, who is subsequently laid off, resigns or where the employment relationship is otherwise severed, may not have earned the annual vacation they have taken. This may also apply to employees who are on leave, off sick etc.

In such circumstances, the Company will have the ability to reduce the employee's accrued AV bank first to make up the difference. If a shortfall remains, the Company will make the appropriate deductions from outstanding wages as required and advise. If there are no outstanding wages the employee will make up the difference.

It was agreed during bargaining that the accrued AV bank may be used for a number of purposes, as follows:

(1) Mitigation of Existing Layoffs

Where employees are laid off, once the accrued AV banks are established, a number of additional AV slots up to the number of layoffs may be created by the Company. These AV slots would be bid and filled in the normal manner using senior may/junior must rules. This creation of these slots allows laid off employees to return to work.

(2) Mitigation of Expected Layoffs

Where employees are not yet laid off a new process will be introduced. The Company will identify to the Union in writing the number of employees that it anticipates would be laid off. This is not a layoff notice. It does, however, trigger the Company's ability to create a number of additional AV slots up to the number of layoffs anticipated by the Company. These additional AV slots would be bid and filled in the normal manner using senior may/junior must rules. The creation of these slots will eliminate or mitigate the number of layoffs that would otherwise take place.

(3) Additional Annual Vacation

The Company will have the right to bulletin additional annual vacation slots, above and beyond the current process, when operating and staffing requirements allow. These additional AV slots would be bid and filled in the normal manner using senior may/junior must rules.

In (1) through (3) above accrued AV slots will be created using 1 week annual vacation blocks.

(4) Banked AV prior to Layoff

While the steps above serve to mitigate layoffs there may be times when it becomes unavoidable. In such cases employees being laid off will be required to exhaust their accrued AV banks prior to layoff.

(5) Sick Days

Employees who are legitimately booked sick will have the ability to draw on their accrued AV bank as payment for those days to a maximum of 5 days per

year. The number of days may be increased by mutual agreement between the Company and the Union. No double payment is allowed.

(6) One-time Voluntary Conversion of Banked AV

On November 1st, 2012, employees with accrued AV banked time remaining may voluntarily convert up to 10 days of it to a one-time lump sum payment. Such a payment will be the equivalent of 8 hours pay at their current job rate for each day they convert to a maximum of 10, for a maximum of 80 hours. Employees on other than 8 shifts will also have an 80 hour maximum and can make necessary arrangements consistent with current practice. Such a lump sum payment will not be considered pensionable, nor will it be used in calculations for goalshare, basic rates etc. The lump sum would be subject to all statutory deductions. Employee choosing not to exercise this one-time option will retain their accrued AV bank. Employees who do exercise the option will retain any additional banked days not converted.

These changes will be reflected in the next printing of the collective agreement.

If you concur with all of the above, please indicate same by signing below and returning a signed copy of this letter to myself.

Yours truly,

(Sgd.) John Bairaktaris
Director Labour Relations
Canadian Pacific

I concur,

(Sgd.) Nathalie Lapointe
President, TC Local 1976, USW



APPENDIX A-47

Letter of Understanding regarding
multiple attempts to re-qualify or be selected for the same position



**CANADIAN
PACIFIC**

John Bairaktaris
Director
Labour Relations

Gulf Canada Square
401 – 9th Avenue S.W
Suite 600.
Calgary Alberta
T2P 4Z4

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec H1V 2L1

CALGARY July 15th, 2009

Nathalie,

This is further to our discussion regarding the ability of employees to pursue a specific position where they have previously (unsuccessfully) undergone a selection process involving interviewing and or testing or who has failed to successfully complete training (whether on the job or classroom training).

The employee will be permitted to make a subsequent attempt to secure the same position, provided that the employee has sought out the areas where he/she could improve through the application of Article 24.2 and he/she can demonstrate that they have made an improvement(s) in their personal skills or abilities (based on the application of Article 24.2) such that they can be reasonably expected to succeed in another attempt to be selected or qualify the position in question.

In such cases, the training may, at the Company's discretion, at first be confined to those areas of previous deficiency to ensure the employee has in fact improved in those areas, and if so, training on the other aspects of the position will be undertaken. Should the employee not be able to demonstrate his/her ability to satisfactorily perform previous areas of deficiency, the training will be discontinued.

Yours truly,

(Sgd.) John Bairaktaris
Director Labour Relations
Canadian Pacific

I concur,

(Sgd.) Nathalie Lapointe
President, TC Local 1976, USW

APPENDIX A-48

Letter dated July 15, 2009 regarding
awarding position under the auspices of Article 5



**CANADIAN
PACIFIC**

John Bairaktaris
Director
Labour Relations

Gulf Canada Square
401 – 9th Avenue S.W
Suite 600.
Calgary Alberta
T2P 4Z4

Ms. Nathalie Lapointe
President
TC Local 1976, USW
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

July 15th, 2009

Nathalie,

This is further to our discussion regarding the awarding of positions under the auspices of Article 5.

During bargaining, discussion took place regarding having seniority as a factor that could be considered in filling vacancies once employees demonstrated a certain “threshold” level of knowledge.

The Union brought forward examples of several variations of selection criteria and processes that exist in different departments. In many locations, when employees demonstrate a certain “threshold” ability as defined in the departmental selection criteria, or when a number of employees achieve very similar scores on their evaluation, the Company awards the position to the senior applicant.

While the Company was not prepared to establish a single process for all departments, this letter serves to clarify and confirm that Company recognizes that seniority is a factor of the selection criteria in the awarding of positions notwithstanding the fact that varied selection processes exist.

Yours truly,
John Bairaktaris
Director Labour Relations
Canadian Pacific

APPENDIX A-49

Letter dated February 24, 2017 concerning Drug Card Renewal

Mr. S. Hadden
President - TC Local 1976, USW
2360 de LaSalle Room 202
Montreal, QC H1V 2L1

Dear Sir,

This refers to our discussions regarding a cost neutral drug card. The Company will continue to make a drug card available to your members subject to the following:

- The drug card will be subject to the same dispensing fee cap that is applied to the management “mid-line” plan; this is currently set as a maximum of \$7.50 per prescription and is reviewed on a regular basis against competitive practice.
- In order to obtain a drug card, employees will be required to positively enroll their dependents and provide data about any other drug plan they have access to (e.g. spousal benefit plan) in order to enable co-ordination of benefits.
- A 25% cap for all employees on allowable pharmacy “markup” on all drug categories. This is consistent with the markup limits in the management plan. Markup is what the plan allows the drug store to charge over and above what provincial drug boards set as the reasonable and customary charges per Drug Identification Number (DIN).

Furthermore the following serves to clarify the definition of a “spouse” with respect to Extended Health, Vision Care and Dental benefits:

A spouse is:

The person who is legally married to you and who is residing with or supported by you, provided that there is no legally married “spouse” that is eligible, it is the person that qualified as a “spouse” under the definition of that word in Section 2(1) of the Canadian Human Rights Benefit Regulations, so long as such person who may be of the same or opposite sex was publicly represented by you as your “spouse” and cohabitated with you in a conjugal relationship for:

- At least one (1) year if you and that person were free to marry or;
- At least three (3) years if either of you was not free to marry the other.

In the case of separation of more than three months, or divorce, he/she is no longer eligible for coverage.

Effective January 1, 2014, USW-represented employees will have the option of obtaining their maintenance medications through either the home mailing service,

currently provided by Express Scripts, or through the regular pharmacy process utilizing their drug card.

Any maintenance medications sourced through the mail order provider will continue to be reimbursed at the current benefit level outline in the USW Benefit Plan.

Should an employee chose not to use this service and obtain their maintenance medication from their own pharmacy, the reimbursement level will be consistent with that of the management plan for maintenance medications purchased at a pharmacy. This reimbursement level is currently at 70% and may be subject to change.

Employee may choose to have any mix of their maintenance medications through the mail order method or through their local pharmacy.

Although employees will not be obliged to get a drug card, please note that the same adjudication practices above will apply for drug claims reimbursed by submitting paper-based claims.

Cards issued will be in effect until December 31, 2022. Should the costs to the Company increase beyond 10% during the usage period, the Company will have the right to revert to the mandatory order pharmacy service in effect prior to January 1, 2014, with 90-days written notice. Prior to this notice being serviced, the parties will meet to discuss the Company's concerns and review opportunities.

If the above accurately reflects your understanding, please indicate your concurrence by signing below.

Yours Truly,

For USW,

Myron Becker
Assistant Vice President
Labour Relations

Steven Hadden
President
TC Local 1976, USW

APPENDIX A-50

Letter dated September 22, 2012 concerning Express Scripts

September 22, 2012

Mr. Steven Hadden
President, TC Local 1976
United Steel Workers
2360 de Lasalle Room 202
Montreal, Quebec, H1V 2L1

Dear Sir:

During our negotiations, you raised two concerns regarding the implementation of the mandatory home mailing program for long-term maintenance drugs. Specifically, you raised situations in which long term maintenance drug prescriptions could be filled at other pharmacies at a lower price than the price offered through Express Scripts. You also asked about providing employees the option to continue to use their regular pharmacist for long term maintenance drugs and pay the different in cost, where it is higher than Express Scripts' cost.

The Company is prepared to investigate both of these issues and commits to meeting with the Union within 60 days of ratification. The purpose of this meeting will be to explore improvement opportunities and potential solutions to the concerns outlined above.

Yours Truly,

Rick Wilson
AVP, Industrial Relations

c.c. Peter Edwards
VP Human Resources and Industrial Relations

APPENDIX A-51

Letter dated February 24, 2017 Regarding Safety Apparel Subsidy

Mr. S. Hadden
President - TC Local 1976, USW
2360 de LaSalle Room 202
Montreal, QC H1V 2L1

Dear Sir,

This refers to our discussion regarding the Union's request to review the existing clothing and footwear subsidies as it applies to the positions listed below today.

The parties agreed that effective January 1, 2018, the employees holding a position in one of the classifications outlined below on January 1st of each year of the agreement will receive a lump sum amount of \$225 (non-taxable allowance) during the 2nd pay period of each year

- Checker – Car Compound
- Toplift Operator
- Crane Operator
- Utility/Ground Person
- Crew Bus Driver Field Operations
- Persihable Inspector
- Dispatcher – Car Compound
- Security Guard
- Driver – Car Compound
- Sr. Storeperson
- General Clerk Inspector
- Storeperson
- Inventory Clerk – Car Compound
- Labourer

The parties agree that should an employee bid onto, or through the exercise of seniority elect one of the aforementioned positions after January 1st they may avail themselves of the existing Company Clothing and Footwear subsidies for that year.

If this reflects our understanding during negotiations leading to the tentative agreement between the parties, please sign in the space provided.

Yours Truly,

Myron Becker
Assistant Vice President
Labour Relations

For USW,

Steven Hadden
President
TC Local 1976, USW

APPENDIX A-52

Letter dated April 26, 2017 Clarification Safety Apparel Subsidy



Myron Becker
AVP
Labour Relations

7550 Ogden Dale Road SE
Calgary Alberta
Canada T2C 4X9

T 403-319-6754
C 403-669-2073
E myron_becker@cpr.ca

April 26, 2017
Mr. S. Hadden
President
TC Local, 1976 USW
2360 de Lasalle Room 202
Montreal Quebec H1V 2L1
Canada

VIA EMAIL

RE: LETTER OF CLARIFICATION – SAFETY APPAREL SUBSIDY

Dear Sir,

This refers to our discussion regarding the application of Appendix 7 of the Memorandum of Settlement (Letter of February 24, 2017 Regarding Safety Apparel Subsidy) which provides that employees in an eligible job classification will receive a lump sum amount of \$225 during the second pay period annually.

This confirms our understanding that, providing they receive signoff from their supervisor, employees in an eligible job classification will also be eligible to claim the Enhanced Boot Subsidy benefit based on the normal reimbursement procedures.

If you concur, please indicate same in the space provided below.

Sincerely,

Myron Becker
AVP, Labour Relations

Steven Hadden
President, TC Local 1976, USW

APPENDIX A-53

Letter dated September 22, 21012, concerning
the archiving of information and Collective Agreement language

CALGARY, September 22, 2012

Steven Hadden
President
TC Local 1976, USW
United Steel Workers
2360 de LaSalle Room 202
Montréal, Quebec
H1V 2L1

Dear Sir:

This is in regards to our discussions during negotiations concerning the archiving of information and Collective Agreement language.

This shall confirm that the parties have agreed to archive certain information and Collective Agreement language. Archived information and Collective Agreement language shall be identified and will be removed from the Collective Agreement, however, shall remain in effect, where applicable, for reference purposes.

The list of archived information and Collective Agreement language contains archiving from December 2003 as follows:

- 1) Article 22: Seniority groups as established in the Collective Agreement dated August 13, 2001
- 2) Article 8, item 8.5
- 3) Article 8, item 8.6

The list of archived information and Collective Agreement language also contains archiving from September 2012 as follows:

- 1) Appendix A-38: Progress Rail Memorandum of Agreement dated February 8, 2000
- 2) Appendix A-63: Letter dated January 1, concerning implementation of the Simple Effect Solution Pay Evaluation System (Archived)
- 3) Appendix A-71: Letter dated June 22 , 2006 - Amalgamation of Seniority Rosters
- 4) Appendix A-72: Letter dated June 22, 2006 – Updated Appendix A-47
- 5) Appendix A-82: Letter dated June 22, 2006 – Union certification

Yours truly,

(Sgd.) Rick Wilson
Assistant Vice-President, Industrial Relations
Canadian Pacific