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September 13, 2017

Dave Fulton Greg Edwards CTY West LE West

General Chairman General Chairman

Wayne Apsey John Campbell CTY East LE East

General Chairman General Chairman

Gentlemen,

This is further to our recent discussions that culminated in the parties reaching a tentative agreement dated September 6, 2017. During our discussions, the Company committed as a good faith effort to implement specific items identified and hi-lited in Appendix 4 (attached) upon the parties signing the tentative agreement.

This letter confirms our commitment is moving forward. We will provide you with a status update of each of the items by September 19, 2017.

This will also confirm my availability over the next two weeks to meet with you for the purpose of scheduling meeting dates to discuss the items listed in Appendix 3 of the tentative agreement.

Sincerely,

Myron Becker Assistant Vice President

Labour Relations

CC: Robert Johnson, Tony Marquis, Mark Redd, Dave Guerin

Appendix 4

The following items and understanding will form part of the respective articles within the Consolidated Collective Agreement and will go into effect within 15 days following ratification.

Short Turn Rule (revise the current short turn rule to include) Subject to ratification

- a. Unassigned service employees and/or employees assigned to a road or common spareboard who are called for yard service, assignments, ad hoc road switchers, will upon tying up be placed in their original position on the board they were called from provided ten (10) hours, or less, rest is booked upon the completion of their tour of duty.
- b. In the application of paragraph 1. a. above, unassigned employees will be placed at the foot of their respective pool or spareboard after a second consecutive short turn.
- c. This short turn rule has no application to a Conductor holding a regular position who has advised the Local officers or their desire to do relief work of less than 6 days in either passenger, mixed, way-freight, road switcher or work service and is called as such.
- d. Essentially, if a Conductor bids spare running and receives relief work in accordance with that bid, they cannot reposition their turn.
- e. The provisions of paragraph 1. a. above, will also apply to employees who are canceled after work has commenced and are paid a 100 mile basic day.
- f. It is the responsibility of the employee to ensure that their turn is placed correctly. Employee requests to review the placement will not be entertained beyond one (1) hour after tie-up.

2. Renewal of Letters

a. and b. Subject to ratification

- a. As part of a one (1) year renewal to the existing Collective Agreement, all current side letters and memorandums of understanding incorporated into the Collective Agreement will be renewed provided they are effective the date of signing of this Agreement. Additionally issues that are subject to estoppel will remain in effect for the term of this Collective Agreement.
- b. The Arbitrators Award concerning OM payments at Vaughan will continue to apply for the term of this agreement.
- c. The new hire lump sum payment provided for in the December 5, 2007 letter between the parties will apply to all employees hired prior to December 31, 2017 after which time this letter will expire.

3. Calling Rules

Effective 9/15/17

When two employees are called from the spareboard for the same assignment or tour of duty, the senior employee will be given preference to the higher rated position. Employees will be responsible for contacting the Crew Management Centre in the event they are called out of turn.

4. Locomotive Engineer Extra Board (LEEB)

CMC reviewing programing requirements

The Company agrees to include the LEEB list on a terminal by terminal basis in the VRU and crew information screen subject to any CMA modifications/enhancements.

5. **Road Switcher General Holiday**

Effective 9/15/17

A road switcher assignment that spends the entire shift working within the yard on a General Holiday, will be paid at yard rates and conditions including overtime for the General Holiday.

6. Road Switcher Lunch

Subject to ratification

- a. Yard lunch provisions will apply to Road Switchers that spend the entire shift working within the yard as defined by the OMTS.
- b. Road Switchers that work outside of the OMTS but within yard switching limits will be provided the opportunity to take 20 minutes for lunch between 4 and 5½ hours after starting work without deduction in pay and upon advising the RTC at least 1 hour in advance. Employees will not be required to work longer than 5½ hours without being allowed 20 minutes for lunch, with no reduction in pay or time therefore.
- c. Road Switchers that work outside of the Terminal limits will be governed by the road provisions for Meals Enroute.

Note: In the event there is a dispute concerning the application of this provision, it shall be elevated by the General Chairmen and the Senior Vice President Operations.

Question 1: In the application of paragraph a. how will it be determined that a Road Switcher

assignment spends the entire shift within the yard for these provisions to apply?

Answer: Road Switchers that work within the yard as defined by the OMTS, or in the same

manner as a conventional yard job for their entire shift, will be governed by this

provision.

Question 2: Which provision above, a. or b. applies to Road Switcher assignments that operate

outside of the outer main track switch but within yard switching limits?

Answer: Paragraph b applies, however it is understood that employees will take their lunch

either on the locomotive or at the customer facility, if available.

Question 3: In the event the locomotive is not equipped with a functioning refrigerator, what options

are available to the employees?

Answer: When the employee reports for duty and determines that the refrigerator is not

functioning, they must notify their supervisor as soon as possible so that alternate

arrangements can be made to accommodate lunch.

Question 4: In the event a Road Switcher performs work within both a yard and outside of the

OMTS but within yard switching limits, how will it be determined which lunch

provision applies for that shift?

Answer: Employees will be advised when they report for duty which lunch provision will

govern their work day. In the application of this provision, in the event the crew is within close proximity to a designated lunch facility and no additional operational delay will be incur, the employee will have the option of using the designated lunch

facility.

7. Rest after Investigations

Subject to ratification

Employees will have the ability to book 8 hours rest following Company initiated investigation. Rest will commence from the time stated at the conclusion of the investigation.

8. **Cancellation of Investigations**

Subject to ratification

When a scheduled investigation is cancelled employees will be paid for actual lost earnings, if any. Notice of cancellation will be provided to anyone required to attend the investigation.

9. Earned Days Off (EDO)/ Mileage Dates

As outlined

Employees will have the opportunity to rebid their EDO/ Mileage dates on the basis of seniority sixty (60) days after the issuance of the Consolidated Collective Agreement to employees and every three (3) years thereafter.

10. AV Slot at Sparwood

Subject to ratification

Commencing with the 2018 vacation period, one (1) additional slot during peak vacation period will be provided to the Sparwood Home terminal, and as a result:

• One (1) slot during the peak vacation period will be reduced from the Cranbrook / Fort Steele Home terminal.

11. AV Vacancy Procedure

Effective 2018 - continuation of Adams Award

Create a new article in the Consolidated Collective Agreement establishing the October 17, 2016 Decision of Arbitrator Stout regarding "The Establishment of a Process to Fill Annual Vacation Vacancies."

12. Annual Vacation (AV) Letters

Effective 9/15/17

Amend the AV Articles in the Consolidated Collective Agreement to include the following letters:

- April 7, 2017 Annual Vacation Preponderance
- April 10, 2017 Calculation of the Annual Vacation Flatline
- April 10, 2017 Calculation of the Annual Vacation Flatline Annual Vacation Matrix

13. Calendar of Employees on Annual Vacation (AV)

Effective 9/15/17

The Company agrees to provide a complete list of employees who are on vacation in each week for the entire year. The Company will provide an updated list monthly with the bulletin advertising AV vacancies.

14. Courtesy Calls

Current practices will remain in place

- a. Create new article in the Consolidated Collective Agreement establishing that "employees will be afforded in thirty (30) minute increments courtesy calls at the home and away from home terminal if desired.
- b. Any abuse of courtesy calls will result in a loss of privilege for a ninety (90) day period.

15. LTD Language

Housekeeping - add to Consolidated Agreement

Amend the Consolidated Collective Agreement to include the following:

An employee paid Long Term Disability Plan (LTD), implemented by the TCRC Locomotive Engineers (LE), Conductors-Trainmen-Yardmen-Switchtenders - Road Service Employee-Road Service Helper-Yard Service Employee-Yard Service Helper-Utility Yard Employee (CTY), will be administered by the Company. Administration will include payroll deduction of premiums, which will be forwarded to the Insurance Carrier. Premiums and all other costs associated with this plan will be borne by the individual TCRC LE/CTY members.

16. Medical Hold Pilot

Subject to ratification

- a. Amend the Family Care Letter to include a pilot for the term of the Collective Agreement for the ability to hold turns for personal medical appointments, and:
 - Unless the appointment is of emergent necessity, the employee will be required to provide a minimum of 14 days' notice and proof of the appointment to the Superintendent and CMC. Application is limited to when such appointments cannot reasonably be scheduled during offduty time.
 - ii) Employees cannot use this Medical Hold provision between the hours of 1700 hours Friday until 1800 hours on Sunday.
 - iii) During Medical Hold period employees will have their turn held.
- b. Within 30 days of ratification the parties will identify three trial locations across Canada, one of which will include a major metropolitan area.

17. CROA 4259

Within 30 days Jointly review outstanding claims

The parties agree that, with respect to CROA 4259 and the supplementary award, ad hoc road switchers will receive all payments that are applicable to a freight crew that is called in turn service, including but not limited to, off main payments (OM), TT&J and PU claims pursuant to the respective Collective Agreement provisions.

18. Terminal Assignments

Local Chairmen and Superintendents review as need arises

With respect to the Union's concern on the amount of extra assignments within a given terminal, including turns and ad hoc road switchers, the parties agree to identify where this is an issue and discuss creating assignments to minimize the impact on the employees. The local discussions will focus on establishing assignments to reduce or eliminate extra assignment calls and increase predictability and employee availability. Should local discussions fail to resolve the issues, they will be escalated to the respective General Chairman and Director of Labour Relations for resolutions.