CP - TCRC

Bargaining Proposals

11/16/2017

CP

Labour Relations

A. TERM OF CONTRACT

The Collective Agreement between the Company and the TCRC will be renewed for a period of five (5) years commencing January 1, 2018 through to December 31, 2022.

Replace the existing Collective Agreement duration clauses to reflect the following:

This Agreement is effective January 1, 2018 and supersedes all previous Agreements, rulings or interpretations that are in conflict therewith. It will remain in effect until December 31, 2022, and thereafter until revised or superseded. In accordance with the Canada Labour Code, S 49 (1) this agreement will be subject to four months written notice preceding the expiration of the term from either party to the Agreement of its desire to revise, amend, or terminate it.

B. WAGES AND OTHER COMPENSATION

a. General Wage Increase

- Effective January 1, 2018, increase by 2% the rates in effect on December 31, 2017.
- ii. Effective January 1, 2019, increase by 2% the rates in effect on December 31, 2018.
- iii. Effective January 1, 2020, increase by 2% the rates in effect on December 31, 2019.
- iv. Effective January 1, 2021, increase by 2% the rates in effect on December 31, 2020.
- v. Effective January 1, 2022, increase by 2% the rates in effect on December 31, 2021.
- vi. See letter at Appendix 1, attached, regarding Application of General Wage Increase for the Term of Agreement.

C. BENEFITS - Plan Amendment Document

Upon final settlement and effective January 1, 2018, the appropriate documents will be updated to reflect the following benefit terms.

1. Life Insurance

- a) Effective January 1, 2018, the basic group life insurance coverage will be increased from \$51,000 to \$52,000 for employees who have service with the Company on or subsequent to that date.
- b) Effective January 1, 2019, the basic group life insurance coverage will be increased from \$52,000 to \$53,000 for employees who have service with the Company on or subsequent to that date.
- c) Effective January 1, 2020, the basic group life insurance coverage will be increased from \$53,000 to \$54,000 for employees who have service with the Company on or subsequent to that date.
- d) Effective January 1, 2021, the basic group life insurance coverage will be increased from \$54,000 to \$55,000 for employees who have service with the Company on or subsequent to that date.
- e) Effective January 1, 2022, the basic group life insurance coverage will be increased from \$55,000 to \$56,000 for employees who have service with the Company on or subsequent to that date.

2. <u>Disability Benefits</u>

- a) Effective January 1, 2018, the maximum benefit will be increased to \$720.00.
- b) Effective January 1, 2019, the maximum benefit will be increased to \$730.00.
- c) Effective January 1, 2020, the maximum benefit will be increased to \$740.00.
- Effective January 1, 2021, the maximum benefit will be increased to \$750.00.
- e) Effective January 1, 2022, the maximum benefit will be increased to \$760.00.

3. Dental Plan

Modify the provision concerning covered expenses as follows:

- a) Effective with treatment which commenced on or after January 1, 2018 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2018.
- b) Effective with treatment which commenced on or after January 1, 2019 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2019.
- c) Effective with treatment which commenced on or after January 1, 2020 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2020.

- d) Effective with treatment which commenced on or after January 1, 2021 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2021.
- e) Effective with treatment which commenced on or after January 1, 2022 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2022.

4. Extended Health & Vision Care Plan

a) Effective January 1, 2018, the maximum amount of chargeable expenses for vision care will be increased from \$275.00 to \$325.00 (coverage will remain at 80%) in a 12 month period for persons under the age of 18 and in a 24 month period for persons age 18 and over.

5. Benefits General

Effective January 1, 2018, or as soon thereafter as it may be arranged, the various contracts and policies provided in the Employee Benefit Plan Supplemental Agreement and attached as Appendices to the Dental Plan and the Extended Health & Vision Care Plan, will be amended in conformity with the aforementioned changes.

Provide Service

D. MATERIAL CHANGE PROVISIONS

Replace existing Material Change provisions to allow for the timely introduction of changes in working conditions which are to be initiated by the Company.

- a. Minor Changes: In all cases of material changes in working conditions, other than defined as "Major Changes" which are to be initiated by the Company and which would have significantly adverse effects on employees, the Company will give at least 120 days advance notice to the Union of any such proposed change, with a description thereof and details as to the anticipated changes in working conditions;
 - Examples of minor changes are, but not limited to:
 - Remote Control Locomotive System Implementation; and
 - Extended Service Runs;
- b. Major Changes: Prior to the introduction of operation through a home terminal and/or a partial relocation of a home terminal and/or cross border operations, the Company will give at least 180 days advance notice to the Union of any such proposed change, with a description thereof and details as to the anticipated changes in working conditions; and
 - Examples of major changes are, but not limited to:
 - Establishment of new Home and Away-from-home terminals;
 and
 - Canada/US Cross Border Operations;
- c. **Benefits**: Amend Material Change provisions to define all potential benefit entitlements to address any significant adverse effects.
 - i. Maintenance of Basic Rates;
 - ii. Lay Off Protection
 - iii. Commuting Allowances;
 - iv. Relocation benefits;
 - v. Early Retirement opportunities;

Issue:

Current provisions and timelines result in excessive delay of implementation as well as needless debate and arbitration over same benefit streams that are discussed with every material change.

Examples:

Sparwood Material Change: 1398 days from original notice to signed agreement. Lethbridge – Fort Steele ESR: 499 days from notice to signed agreement. RCLS Road and Yard Assignments: 576 days from original notice to signed Agreement.

DIFFERENTIATION OF MINOR/MAJOR MATERIAL CHANGES

Minor Changes:

In all other cases of material changes in working conditions, other than defined as "Major Changes" which are to be initiated by the Company and which would have significantly adverse effects on employees, the Company will:

- a. Give at least 120 days advance notice to the Union of any such proposed change, with a description thereof and details as to the anticipated changes in working conditions; and
- b. Provide benefits as detailed below.

Major Changes:

Prior to the introduction of run-through operations through a home terminal, a partial relocation of a home terminal or establishment of a new home terminal or cross border operations, the Company will:

- a. Give at least 180 days advance notice to the Union of any such proposed change, with a description thereof and details as to the anticipated changes in working conditions; and
- b. Provide benefits as detailed below.

Implementation of Material Change

Minor Changes: The changes referred to herein will be implemented on the date specified but, in no case, less than 120 days from the date of issuance of the notice of Material Change to the Union.

Major Changes: The changes referred to herein will be implemented on the date specified but, in no case, less than 180 days from the date of issuance of the notice of Material Change to the Union.

Benefits

1. Eligibility:

- a. An employee must have at least two (2) years of cumulated compensated service (CCS) with the Company on the day immediately preceding implementation of the change to be entitled to benefits defined herein.
- b. Employees with less than two (2) years of CCS are not entitled to any benefits contained herein.

2. Cumulated Compensated Service (CCS):

- a. One month of CCS will consist of availability:
 - a) For yard service employees 21 days or major portion thereof;
 - b) For road service employees 30 days or major portion thereof;
 - c) 25 days if in both road and yard service or major portion thereof.
- b. In the application of item a. above, twelve (12) months of cumulative compensated service from date of last entry into Company service as a new employee shall constitute one (1) year of CCS. An employee transferring from one branch of the Company into another, in continuous service, shall

not be deemed as a new employee. For partial year credit, six (6) or more months CCS shall be considered as "the major portion thereof" and shall be counted as a year of credit towards computation of layoff benefits. Service of less than six (6) months of CCS shall not be included in the computation.

Example: If an employee has 5 years seniority but on each of the 5 years they worked only 5 months, they will be credited with 2 years 1 month CCS, i.e. 5 years x 5 months – 25 months or 2 years 1 month.

3. Maintenance of Basic Rates:

- a. Subject to the eligibility provisions contained herein, an eligible employee will be entitled to a Maintenance of Basic Rate Benefit (MBR) for a period of three (3) years, if as a result of the change the employee's earnings are reduced.
- b. An eligible employee shall have his/her basic rate maintained by payment to such employee, the difference between actual earnings in a two week period and two times their basic weekly pay. The difference is known as the employee's incumbency. If actual earnings in a two week period meet or exceed two times the basic weekly pay, no incumbency is payable.
- c. An employee's "basic weekly pay" as determined by Item b. will be amended by the amount of any general wage adjustments applicable during the three (3) year period.
- d. For the purpose of this Agreement, the term "basic weekly pay" is defined as:
 - i. For employees in road service or yard service on the effective date, including employees on spare boards; one-fifty second (1/52) of the total earnings of such employee during the twenty-six full pay periods preceding his/her displacement or layoff as a direct consequence of implementation.
 - ii. When computing "basic weekly pay" any pay period during which an employee is absent for seven consecutive days or more because of bona fide injury, sickness in respect of which an employee is in receipt of weekly indemnity benefits, authorized leave of absence if any, together with the earnings of the employee in that pay period, subtracted from the total earnings in the twenty six pay periods when determining the basic weekly pay. In such circumstances "basic weekly pay" shall be calculated on a pro-rated basis by dividing the remaining earnings by the remaining number of pay periods.
 - iii. Employees off for Union leave will not have their "basic weekly pay" computed or reduced due to Union leave.
- e. When provided an MBR, an employee must:
 - Exercise their seniority to the highest rated position at their home terminal or outpost terminal in accordance with Collective Agreement seniority provisions.
 - Should they fail to do so, they will be considered as occupying such position and their incumbency will be reduced accordingly.
 - Should there be a dispute regarding the highest rated position to which the employee must exercise seniority, the Company may designate the position.

- Should the Company and Union fail to reach an agreement in any such dispute; the matter may be advanced by the General Chairman as a grievance at step three of the grievance procedure.
- ii. Work all vacancies available to them consistent with Collective Agreement seniority provisions.
- iii. Be available for service for the entire two-week period. The two-week period is meant to coincide with the scheduled Spareboard Guarantees. If not available, the incumbency for that period will be reduced by an amount equal to the earnings that would have been made on the day(s) unavailable.
 - In the application of paragraph e. all assigned service employees, including yard service and Locomotive Engineers not working as such, cannot be considered unavailable on their assigned rest days.
- iv. Unassigned freight pool employees will be able to book maximum rest according to the provisions of the Collective Agreement without affecting their MBR entitlement provided that they earn their maximum monthly mileage during their mileage period. Employees utilizing Earned Days Off (EDO's) will not affect the MBR's.
- f. In order to allow for proper administration of this Agreement, it is agreed that an employee's MBR period will be matched, as closely as possible, to their mileage period. MBR periods may be pro-rated in order to make this adjustment. Any formula to pro-rate the MBR period must be jointly agreed upon by the parties to this agreement.
- g. If an employee fails to make their maximum monthly mileage and has missed a trip as a result of booking more than twelve (12) hours rest during the MBR entitlement period, their incumbency will be reduced by the earnings associated with the trip(s) missed to a maximum of the number of trips up to the maximum monthly mileage.

Note: A maximum of one trip can be deducted in any one twenty four (24) hour period as a result of booking more than twelve (12) hours rest.

- h. All compensation paid to an employee by the Company in each two (2)-week period, shall be taken into account when computing the employee's incumbency. Shifts or tours of duty commencing between 0001 on the first day of the two-week period and 2359 on the last day of the two-week period, will be included in computing compensation paid. All assigned road and yard employees who work other than their regularly scheduled tours of duty will not have the additional earnings included in the calculation of their MBR incumbency.
- i. Employees shall be entitled to MBR benefits pursuant to this Agreement for a period of three (3) years from the effective date of benefit entitlement.

4. Cumulated Compensated Service (CCS):

- c. One month of CCS will consist of availability:
 - d) For yard service employees 21 days or major portion thereof;
 - e) For road service employees 30 days or major portion thereof;
 - f) 25 days if in both road and yard service or major portion thereof.

d. In the application of item a. above, twelve (12) months of cumulative compensated service from date of last entry into Company service as a new employee shall constitute one (1) year of CCS. An employee transferring from one branch of the Company into another, in continuous service, shall not be deemed as a new employee. For partial year credit, six (6) or more months CCS shall be considered as "the major portion thereof" and shall be counted as a year of credit towards computation of layoff benefits. Service of less than six (6) months of CCS shall not be included in the computation.

Example: If an employee has 5 years seniority but on each of the 5 years they worked only 5 months, they will be credited with 2 years 1 month CCS, i.e. 5 years x 5 months – 25 months or 2 years 1 month.

5.Lay Off Protection:

- a. For each year of CCS (or major portion thereof) an employee will be allowed a lay-off benefit credit of five weeks for each such year. This will be calculated from the last date of entry into the Company's service as a new employee.
- b. An eligible employee, as defined in Items e. and f. may at the expiration of the specified seven-day waiting period, make application to the designated Company Officer for a weekly lay-off benefit as follows:
 - i. A weekly lay-off benefit for each complete week of seven (7) calendar days laid off, following the seven-day waiting period, of an amount that, when added to Unemployment Insurance benefits and/or outside earnings in excess of those allowable under EI for such week, will result in the employee receiving 80 percent of his basic weekly pay at time of lay-off.
 - ii. During any week, following the seven-day waiting period, that an eligible employee is not eligible for EI benefits account eligibility for such benefits having been exhausted or account such employee not being insured for EI benefits, or account EI waiting period, such employee may claim a weekly lay-off benefit for each complete week of seven calendar days laid off of the maximum EI weekly benefit currently in force or such lesser amount that when added to the employee's outside earnings for such week will result in the employee receiving eighty (80) percent of his basic weekly pay at the time of lay-off.
 - iii. Weekly lay-off benefits specified in this Item a. will cease when an eligible employee has exhausted his benefit accumulation as specified in Item b.
 - iv. It shall be the responsibility of the employee to report for each week for which he is claiming a weekly lay-off benefit under this Agreement any amounts received from the Unemployment Insurance Commission in respect of such week, as well as any wages earned during such week while employed outside the Railway. In the event an employee does not report all such outside earnings for any particular week, this will be interpreted

as notice from him that his outside earnings for such week are the same as those for the previous week.

- c. No weekly lay-off benefit will be made for parts of a claim week as defined in Item e. except that:
 - i. RECALL NOT COVERED BY c. (ii) BELOW
 - ii. An employee who has qualified for weekly lay-off benefits in accordance with Item e. and who returns to work for part of the last claim week and thereby receives earnings from the Company in that last claim week may make application for a partial weekly lay-off benefit which,-when added to the earnings received in that week and to unemployment insurance benefits and/or outside earnings in excess of those allowable under EI for such week will result in the employee receiving eighty (80) percent of his basic weekly pay at time of lay-off.
- d. The maximum number of benefits will be the number of assignments reduced at that terminal, multiplied by 1.25.
- e. Eligibility for Layoff Benefits
- f. An eligible employee who is not disqualified under Item f. hereof, shall be eligible for a benefit payment in respect of each full week of seven consecutive calendar days of lay-off (herein called "a claim week") provided he meets all of the following requirements:
 - i. For weekly lay-off benefit payment, a continuous waiting period of seven (7) days in the period of lay-off has expired. Each period of lay-off will require a new seven-day waiting period in order to establish eligibility for weekly lay-off benefits, except that once an employee has been on lay-off for more than seven (7) days, and is recalled to work for a period of less than ninety (90) calendar days, such employee will immediately become eligible for weekly lay-off benefits upon lay-off within such ninety (90) days.
 - ii. He has made application for benefits to the designated Company officers.
 - iii. He has exercised full seniority rights at his home terminal, and outpost thereto, except as otherwise expressly provided in Item f. clauses (ii) and (iii).
- g. Notwithstanding anything to the contrary in Item 4(Layoff Protection), an employee shall not be regarded as laid off:
 - i. During any day or period in which his employment is interrupted by leave of absence for any reason, sickness, disciplinary action (including time held out of service pending investigation) failure to exercise seniority (except as otherwise expressly provided for in

Clause (b) below), retirement, Act of God, including but not limited to fire, flood, tempest or earthquake or a reduction of cessation of work due to strikes by employees of the Railway.

- ii. During any interval between the time that he is recalled to service of the Company after a period of lay-off, and the time at which he actually resumes work; except that an employee who does not, as a consequence of the foregoing, return to service on the day work is available shall be governed by the provisions of Item b. (iv) of the Agreement, on the same basis as if he had returned to work on the date such work became available.
- iii. If he/she declines for any reason, other than as expressly provided in Clause ii above, recall to work at his home location, including outpost thereto.
- iv. In respect of any period in which he is receiving other payments of any kind or nature directly from the Company, except as otherwise expressly provided in Item b. (iii) or
- v. After his dismissal or resignation from the service of the Company.

6. Relocation benefits:

- a. An eligible employee may elect to apply for one of the following permanent relocation benefits to a shortage location, as described above. This benefit would be taken in lieu of lay off benefits or a commuting allowance:
 - i. Door to Door moving expenses in accordance with the Collective Agreement provisions (Articles 34.11 LE and 72.14 CTY), or;
 - ii. \$35,000.00 all-inclusive lump sum payment for a homeowner, or;
 - iii. \$17,500.00 all-inclusive lump sum payment for a renter.
 - a. Employees must physically relocate their principle place of residence to protect work at a shortage location on the district by more than forty (40) km in order to receive the relocation benefit. Payment to be made as follows:
 - i. Upon filling a bulletined position at a shortage location 50% of the all-inclusive lump sum for a homeowner;
 - ii. Confirmation of purchase will entitle the employee to the balance of the all-inclusive lump sum payment.
 - b. Employees who elect to take a lump sum relocation option (\$35,000.00 or \$17,500.00) and who retire within six (6) months of relocating to a shortage location will be required to pay back any money received on a prorated basis.
 - c. The number of relocation opportunities available will be equal to the number of assignments reduced multiplied by 1.25. It is also understood that each relocation opportunity taken under this Agreement by an affected employee at affected terminals will eliminate or reduce the number of MBR, layoff, early separation opportunities that

might otherwise be triggered.

Note: Guaranteed attrition opportunities, as noted in clause 5 b. will not be reduced as a result of relocation opportunities taken under this agreement until all of the attrition opportunities mentioned in clause 5 b. have been eliminated.

7. Commuting Allowance in Lieu of Relocation:

- b. At the time of the change eligible employees may make a one-time election to take a commuting allowance in lieu of relocation.
- c. In such a case, the employee may elect to take advantage a commuting allowance to one of the terminals identified by the Company for one year, based on automobile mileage rates in the Collective Agreement currently \$0.37 per km (rate subject to any negotiated increase). This benefit would be taken in lieu of lay off benefits or relocation benefits.
 - i. In order to receive the commuting allowance employees will be required to commute a distance that is equal or greater than the distance they are currently required to travel to their Home Terminal.
- d. Should an employee choose a permanent relocation benefit or a commuting allowance, one layoff benefit will be eliminated.
- e. Employees are not eligible to take both a permanent relocation and a commuting allowance benefit, in accordance with the language in the Collective Agreement.
- f. No further benefits will be triggered as a result of an employee who chooses to relocate or commute.

8. Early Retirement opportunities:

- herein may be made available to eligible employees at the time of implementation and who have worked continuously at the affected terminal or an outpost terminal thereto for at least one year as a bargaining unit employee immediately prior to the date of acceptance for early separation. This one year requirement may be waived by the General Chairs.
- b. The number of attrition opportunities available, consisting of early separation allowances and severances, will be equal to the number of assignments reduced multiplied by 1.25. Fifty percent of the opportunities that become available will be bulletined not later than January 31 of the year following implementation. These will be awarded to Locomotive Engineers only. Should these opportunities not be taken in a given year, they will be banked and re-bulletined each year for Locomotive Engineers only, until exhausted.

c. The remaining fifty percent of opportunities that become available will be bulletined not later than January 31 of the year following implementation provided that there is a surplus of employees at affected terminals. The number of opportunities bulletined will not exceed the number of surplus employees at the affected terminal or outpost thereto.

Note: For the purposes of this agreement, a surplus employee is defined as an employee with greater than two years CCS who has been laid off for 9 months or more in a 12 month period.

- d. Any attrition opportunities that are not offered or taken during the year that they are generated will be banked and be re-bulletined if there is a surplus as defined above.
- e. It is also understood that each separation opportunity taken under this agreement, including bridging, by an affected employee at the affected terminal will eliminate or reduce the number of MBR, relocation, layoff and severance benefits that might otherwise be triggered.

Note: Each separation opportunity taken under this agreement, including bridging, by a Locomotive Engineer at affected terminals will eliminate a guaranteed attrition opportunity in addition to the number of MBR, layoff and relocation benefits that might otherwise be triggered.

- f. To facilitate the awarding of these early separation opportunities, the bulletin noted above will be issued for 120 days by the Company requesting applications from eligible employees for these separation opportunities. These opportunities will be awarded, as available, on the basis of seniority, provided, of course, that the eligibility requirements are met.
- An employee working in a position covered by this agreement who is a successful applicant and who is eligible for Early Retirement under the Company's Pension Plan, will be entitled to receive a monthly separation allowance until age sixty-five (65) which, when added to his Company pension, will give him an amount equal to a percentage of his average annual earnings over his best five year period, as defined under the pension rules, in accordance with the following formula:

Percentage amount as defined above
80%
78%
76%
74%
72%
70%
68%
66%
64%

26 62% 25 or less 60%

- h. An eligible employee, entitled to the separation allowance may elect to receive in its stead a lump sum payment equal to the present value of his monthly separation payments calculated on the basis of a discount rate of 10% per annum.
- i. An employee whose application is accepted will be advised of his benefit entitlement within 30 days of the closure of the bulletin, and upon notification, must make a decision to accept or reject the separation opportunity within 48 hours of notification. Such decision will be considered irrevocable upon acceptance. The employee must comply with the conditions attached thereto at the earliest opportunity following acceptance. Employees who may not be in a position to see the bulletin when issued due to authorized leave of absence, bona fide sickness or annual vacation will be advised of the contents of the bulletin via double registered mail. It will then be their responsibility to apply within the time limits.
- j. Eligible employees, who elect payment as provided in clause g. above shall be:
 - i. entitled to have their group life insurance coverage continued until age 65 and paid for by the Company; and
 - entitled at age 65 to a life insurance policy, fully paid by the Company, in an amount equal to that in effect in the applicable existing collective agreement;
 and
 - iii. entitled to have his Extended Health and Vision Care benefits continued fully paid by the Company, until age of normal retirement.

Applications from eligible employees will be processed on the basis of their earliest seniority date under the respective collective agreements.

The separation allowance shall cease upon the death of the employee who dies before reaching the age of sixty-five (65).

An employee who elects benefits under this Clause will not be entitled to any other benefits provided elsewhere in this Agreement.

Optimize Assets

E. <u>EMPLOYEE AVAILABILITY PROVISIONS</u>

a. **Monthly Mileage Thresholds:** Modify monthly mileage calculations to only include chargeable operating miles.

b. Heldaway Entitlement;

- i. Heldaway Entitlements to be exclusive of rest booked (reduced by the number of hours of personal rest taken). In addition, held away pay will stop when crew is on duty as opposed to taking control of their train.
- c. **Annual Vacation Flatline**; Establish a true annual vacation Flatline based on a 52 week period. Current AV allotments are established over 48 weeks and peak periods which results in an imbalance to manpower availability and planning during the year.
- d. **General Holiday Payment**; Require employees to be available 24 hours prior to and 24 hours following a General Holiday in order to receive the GH payment in addition to existing provisions in the Collective Agreement.
 - i. In order to be eligible for general holiday pay, unassigned employees shall hold themselves available for duty throughout a general holiday. Employees shall also hold themselves available throughout the day before and the day after a general holiday in order to qualify for general holiday pay.
 - ii. In the application of the above and where an employee who is otherwise qualified for general holiday pay and who is under rest for any portion of a qualifying day, where the rest booked does not exceed 12 hours consecutive with a shift or tour of duty, shall not lose his entitlement to general holiday pay.

F. SPAREBOARDS

a. Amend the Collective Agreement to establish common spareboards where more than one spareboard exists.

APPENDIX 1

Employee Share Purchase Program (ESPP)

November X, 2017

Greg Edwards General Chair LE West 101-10820 24 Street SE Calgary, AB

T2Z 4C9

John Campbell General Chair LE East 381 Queen Street Peterborough, ON K9H 3J7 Dave Fulton General Chair CTY West 101-10820 24 Street SE Calgary, AB T2Z 4C9

Wayne Apsey General Chair CTY East 5334-361 Queen Street Smiths Falls, ON K7A 0A6

Gentlemen:

Re: Employee Share Purchase Program (ESPP)

In recognition and contingent upon a five year contract renewal signed by the parties today, the Company will restore the employer contribution element of the Employee Share Purchase Plan (ESPP) for Teamster Rail Canada Conference Employees effective thirty (30) days after the signing of this agreement.

This is not a negotiated item and does not form part of the Collective Agreement. The Company contribution element of the ESPP program will expire on December 31, 2022 unless otherwise agreed to by the Company.

Sincerely,

Myron Becker Assistant Vice President Labour Relations

APPENDIX 2

Grievance Reduction Initiative

November X, 2017

Greg Edwards General Chair LE West 101-10820 24 Street SE Calgary, AB T2Z 4C9

John Campbell General Chair LE East 381 Queen Street Peterborough, ON

K9H 3J7

Dave Fulton **General Chair CTY West** 101-10820 24 Street SE Calgary, AB T2Z 4C9

Wayne Apsey General Chair CTY East 5334-361 Queen Street Smiths Falls, ON K7A 0A6

Gentlemen:

The parties have taken significant measures to address the existing backlog of grievances filed for arbitration. That stated, it is agreed that the parties will continue to explore various avenues to help reduce the current grievance backlog on the system. Such measures to be explored will include but are not be limited to the following:

- 1. Bi-Monthly grievance meetings with Senior Vice-Presidents Operations (East and West), Labour Relations and General Chairmen.
- 2. Monthly parties paid expedited arbitration handling (minimum of 10-12 sessions per year as needed). This doesn't preclude the Union from advancing cases through CROA.
- 3. Grievance mediation (minimum of 2 days, per month, East & West) with assistance of Federal Mediation Conciliation Services (FMCS).
- 4. The key outstanding grievance items listed on the Attachment to this Appendix 2, will be resolved on the following basis:
- 5. Within 15 days of the date of ratification of this agreement, meetings on each issue will be scheduled not to exceed three (3) working days between the parties.
- 6. Remaining unresolved issues will be dealt with through mediation/arbitration with Arbitrator William Kaplan, or if unavailable another agreed upon arbitrator, by no later than the end of the 2 Quarter of 2018.

- 7. All remaining unresolved issues will be handled over a five (5) calendar day period. Written submissions must be submitted to the Arbitrator no less than seven (7) days in advance of the start of the Mediation/Arbitration date.
- 8. Written submissions will be exchanged between the parties at the same date submissions submitted to the Arbitrator.

Signed:	
Sincerely,	
Myron Becker Assistant Vice President Labour Relations	
Greg Edwards LE West	Dave Fulton CTY West
John Campbell LE East	Wayne Apsey CTY East

If you concur with the forgoing, please sign in the spaces provided below.

Attachment to Appendix 2 - Paragraph 4

- 1. Designation of Golden as an away from home terminal for crews on Mountain Sub. Golden AFHT
- 2. Payment & handling of crews working on Mountain Sub starting or ending at Golden Local Rule#1
- 3. Conductor Only Initial terminal switching
- 4. Conductor Only Final terminal switching
- 5. Policy Grievance deactivation of benefits on suspensions
- 6. Held away claims while called in unassigned work train service Work Train Held Away
- 7. Removal of Locomotive Engineer Trainees midweek and placed onto working lists.
- 8. Lethbridge Hostlers use of Engine attendants from another Bargaining unit for work that belongs to LE's and CTYs in Lethbridge Hostlers.
- 9. FAF Policy expanded requirements for employees to provide broad consent to release info to immediate supervisors and requiring employees to produce the form prior to being returned to work.
- 10. ESB Policy Dispute regarding qualified LE being required to protect LE Work on single trip basis when regularly assigned as Trainmen/Yardmen ESB Policy Grievance and associated penalties including discipline.
- 11. Policy re: Company's interpretation & application of Unfit Clause conveyed through both letter and bulletin in June & July 2015
- 12. Company's cancellation of local rules/calling rules across Canada & implementation of standardized calling rules & board placement procedures
- 13. OM Calculation of claims for employees operating more than 1 mile off main track.
- 14. TJ claims Disputed claims for employees at a turning point.
- 15. Turning Crews back to the Away from Home Terminal (AFHT)