

**WAGE AGREEMENT
NOS. 41 & 42**

Between

CANADIAN PACIFIC

and the

**Teamsters Canada Rail Conference
Maintenance of Way Employees Division**



**TEAMSTERS
CANADA**

Rail Conference
Maintenance of Way Employees Division



07718 (08)

Rates of Pay and Rules

Wage Agreement No. 41

Superseding Wage Agreement No. 41
signed January 14, 2005

Agreement between

Canadian Pacific

Hereafter referred to as the Company

and the

Teamsters Canada Rail Conference
Maintenance of Way Employees Division

Hereafter referred to as the Union

In respect of employees employed on:

Canadian Pacific in Canada

Rewritten and updated to include changes contained within
Memorandum of Settlement
Dated June 6, 2007

Note: The collective agreement re-write process, including the incorporation of various appendices, was not intended to add to or detract from the intent of the negotiated language by virtue of the re-write itself.

For this reason, the Collective Agreement will be open for correction of any instance where this may have occurred. If the parties have a dispute on whether the intent has been changed in any way, they will meet to resolve the issue. If the issue cannot be resolved, then they will agree to have the matter arbitrated expeditiously.

Any reference to the BMWE contained within W.A. # 41 & 42 or the Job Security Agreement will have application to the TCRC MWED.

Canadian Pacific is committed to providing and maintaining a work environment that supports the dignity of all individuals, and will make every effort to ensure that no one at Canadian Pacific is subjected to discrimination, harassment or sexual harassment. Such conduct will not be tolerated at any level of the Company.

- Note 1:** See Appendix A-4 concerning Harassment and Discrimination Policy
- Note 2:** See Section 17 concerning Human Rights
- Note 3:** The Company and the Union acknowledge that they will support Employment Equity. Further, Employment Equity plans relevant to TCRC MWED members will be developed in consultation with the Union to address employment equity barriers.

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SECTION 1

DEFINITION OF MAINTENANCE OF WAY EMPLOYEES

- 1.1** Maintenance of Way Employees are employees for whom rates of pay are provided in this agreement #41, #42 and supplements thereto.
- 1.2** Labourers in extra gangs, unless those engaged practically all year round, shall be considered as coming under Wage agreement #42.
- 1.3** The use of the masculine gender in this Collective Agreement includes the feminine and vice versa.

SECTION 2

RATES OF PAY

2.1 Rates of pay for the various classes of employees in the Maintenance of Way Department of the Company.

Starting Rates

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

1st 7 months of cumulative compensated service (CCS)	85% of job rate
2nd 7 months of CCS	90% of job rate
3rd 7 months of CCS	95% of job rate
Thereafter	100% of job rate

(b) An employee, 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 the employee 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).

2.2 The minimum hourly rate for probationary employees as defined in Article 9.1 shall be specified in Articles 2.1 (a) and 2.1(b).

(a) This Article 2.2 does not apply in respect of employees who on entering the service can show evidence of six (6) months' service in similar work.

(b) An employee who, on entering the service, can show evidence of six (6) months' service as a Trackman will commence service at 90% of the job rate of Trackman, advancing to the job rate in accordance with the applicable provision of this agreement.

(c) An employee who, on entering the service can show evidence they have, in accordance with the

provisions of Section 14 hereof, received the training and is qualified in any of the classifications referred to in Article 2.1(a), shall upon filling a position in such classifications be paid the rate applicable to qualified employees in those classifications.

Note: This Article will also apply to Grade 1 Maintainer positions.

2.3 a) RATES OF PAY Track Forces. SEE ARTICLES 2.1 (a) & (b)

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Track Maintenance Foreman			
Job Rate	\$22.163	\$23.050	\$23.742
95%	\$21.055	\$21.898	\$22.555
90%	\$19.947	\$20.745	\$21.368
85%	\$18.839	\$19.593	\$20.181
Asst. Track Maintenance Foreman			
Job Rate	\$21.463	\$22.322	\$22.992
95%	\$20.390	\$21.206	\$21.842
90%	\$19.317	\$20.090	\$20.693
85%	\$18.244	\$18.974	\$19.543
Trackman			
Job Rate	\$20.482	\$21.301	\$21.940
95%	\$19.458	\$20.236	\$20.843
90%	\$18.434	\$19.171	\$19.746
85%	\$17.410	\$18.106	\$18.649
Extra Gang Foreman (Article 2.8)			
Job Rate	\$26.420	\$27.477	\$28.301
95%	\$25.099	\$26.103	\$26.886
90%	\$23.778	\$24.729	\$25.471
85%	\$22.457	\$23.355	\$24.056
Extra Gang Foreman (Other)			
Job Rate	\$25.540	\$26.562	\$27.359
95%	\$24.263	\$25.234	\$25.991
90%	\$22.986	\$23.906	\$24.623
85%	\$21.709	\$22.578	\$23.255

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Assistant Extra Gang Foreman (Article 9.16)			
Job Rate	\$22.899	\$23.815	\$24.529
95%	\$21.754	\$22.624	\$23.303
90%	\$20.609	\$21.434	\$22.076
85%	\$19.464	\$20.243	\$20.850
Snow Plow Foreman, Flanger Foreman & Spreader Foreman Covered by Article 13.18			
Job Rate	\$26.301	\$27.353	\$28.174
95%	\$24.986	\$25.985	\$26.765
90%	\$23.671	\$24.618	\$25.357
85%	\$22.356	\$23.250	\$23.948
Welder Foreman			
Job Rate	\$25.540	\$26.562	\$27.359
95%	\$24.263	\$25.234	\$25.991
90%	\$22.986	\$23.906	\$24.623
85%	\$21.709	\$22.578	\$23.255
Welder - Track Forces			
Job Rate	\$24.976	\$25.975	\$26.754
95%	\$23.727	\$24.676	\$25.416
90%	\$22.478	\$23.378	\$24.079
85%	\$21.230	\$22.079	\$22.741

2.3 b) Upon successful completion of the training program specified in Section 14 employees occupying positions in the following classifications shall be entitled to the following rates of pay:

Track Maintenance Foreman – BTMF 8 employees or more (Excluding the Foreman)			
Job Rate	\$25.271	\$26.282	\$27.070
95%	\$24.007	\$24.968	\$25.717
90%	\$22.744	\$23.654	\$24.363
85%	\$21.480	\$22.340	\$23.010

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Track Maintenance Foreman - BTMF			
0-7 employees (Excluding the Foreman)			
Job Rate	\$24.492	\$25.472	\$26.236
95%	\$23.267	\$24.198	\$24.924
90%	\$22.043	\$22.925	\$23.612
85%	\$20.818	\$21.651	\$22.301
Switch Inspector (Article 2.9)			
Job Rate	\$24.492	\$25.472	\$26.236
95%	\$23.267	\$24.198	\$24.924
90%	\$22.043	\$22.925	\$23.612
85%	\$20.818	\$21.651	\$22.301
Rail Lubricator Technician (Article 2.11)			
Job Rate	\$24.492	\$25.472	\$26.236
95%	\$23.267	\$24.198	\$24.924
90%	\$22.043	\$22.925	\$23.612
85%	\$20.818	\$21.651	\$22.301
Asst. Track Maintenance Foreman - BTMF			
Job Rate	\$22.761	\$23.671	\$24.381
95%	\$21.623	\$22.487	\$23.162
90%	\$20.485	\$21.304	\$21.943
85%	\$19.347	\$20.120	\$20.724
Leading Track Maintainer - BTMF			
Job Rate	\$22.230	\$23.119	\$23.813
95%	\$21.119	\$21.963	\$22.622
90%	\$20.007	\$20.807	\$21.432
85%	\$18.896	\$19.651	\$20.241

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Assistant Switch Inspector (Article 2.10)			
Job Rate	\$22.230	\$23.119	\$23.813
95%	\$21.119	\$21.963	\$22.622
90%	\$20.007	\$20.807	\$21.432
85%	\$18.896	\$19.651	\$20.241
Track Maintainer/Section Truck Driver - BTMF			
Job Rate	\$21.842	\$22.716	\$23.397
95%	\$20.750	\$21.580	\$22.227
90%	\$19.658	\$20.444	\$21.057
85%	\$18.566	\$19.309	\$19.887
Track Maintainer/Section Truck Driver AIR - BTMF (Effective August 1, 2007)			
Job Rate	\$23.042	\$23.964	\$24.683
95%	\$21.890	\$22.766	\$23.449
90%	\$20.738	\$21.568	\$22.215
85%	\$19.586	\$20.369	\$20.981
Track Maintainer - BTMF			
Job Rate	\$21.439	\$22.297	\$22.966
95%	\$20.367	\$21.182	\$21.818
90%	\$19.295	\$20.067	\$20.669
85%	\$18.223	\$18.952	\$19.521
Extra Gang Foreman (Article 2.8)			
Job Rate	\$26.420	\$27.477	\$28.301
95%	\$25.099	\$26.103	\$26.886
90%	\$23.778	\$24.729	\$25.471
85%	\$22.457	\$23.355	\$24.056
Asst. Extra Gang Foreman (Articles 9.16 & 9.17)			
Job Rate	\$24.616	\$25.601	\$26.369
95%	\$23.385	\$24.321	\$25.051
90%1	\$22.154	\$23.041	\$23.732
85%	\$20.924	\$21.761	\$22.414

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Signalman, Bridgetender - manual operation and Watchman			
Job Rate	\$20.546	\$21.368	\$22.009
95%	\$19.519	\$20.300	\$20.909
90%	\$18.491	\$19.231	\$19.808
85%	\$17.464	\$18.163	\$18.708
 Bridgetender – Special Agreement Haig/Coquitlam			
Job Rate	\$21.538	\$22.400	\$23.072
95%	\$20.461	\$21.280	\$21.918
90%	\$19.384	\$20.160	\$20.765
85%	\$18.307	\$19.040	\$19.611
 Britt Fuel Plant Maintainer			
	\$24.646	\$25.632	\$26.401
	\$23.414	\$24.350	\$25.081
	\$22.181	\$23.069	\$23.761
	\$20.949	\$21.787	\$22.441
 Britt Fuel Plant Assistant Maintainer			
	\$22.899	\$23.815	\$24.529
	\$21.754	\$22.624	\$23.303
	\$20.609	\$21.434	\$22.076
	\$19.464	\$20.243	\$20.850

2.4 RATES OF PAY B & S FORCES. SEE ARTICLES 2.1(a) & (b)

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
B & S Foreman			
Job Rate	\$25.600	\$26.624	\$27.423
95%	\$24.320	\$25.293	\$26.052
90%	\$23.040	\$23.962	\$24.681
85%	\$21.760	\$22.630	\$23.310
Bench Carpenter, Plumber, Pipefitter, Welder, Pump Repairer, Plasterer, Electrician			
Job Rate	\$24.976	\$25.975	\$26.754
95%	\$23.727	\$24.676	\$25.416
90%	\$22.478	\$23.378	\$24.079
85%	\$21.230	\$22.079	\$22.741
Carpenter			
Job Rate	\$23.672	\$24.619	\$25.358
95%	\$22.488	\$23.388	\$24.090
90%	\$21.305	\$22.157	\$22.822
85%	\$20.121	\$20.926	\$21.554
Painter			
Job Rate	\$22.987	\$23.906	\$24.623
95%	\$21.838	\$22.711	\$23.392
90%	\$20.688	\$21.515	\$22.161
85%	\$19.539	\$20.320	\$20.930
Painter Helper			
Job Rate	\$20.602	\$21.426	\$22.069
95%	\$19.572	\$20.355	\$20.966
90%	\$18.542	\$19.283	\$19.862
85%	\$17.512	\$18.212	\$18.759

Note: When metalizing is being performed by B&S employees, the operator of the metalizing gun or sandblaster will be paid the Painter's rate of pay.

This will not, however, result in a change in an employee's classification or the establishment of seniority in a classification where not previously held.

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Bridgeman or Rough Carpenter			
Job Rate	\$22.442	\$23.340	\$24.040
95%	\$21.320	\$22.173	\$22.838
90%	\$20.198	\$21.006	\$21.636
85%	\$19.076	\$19.839	\$20.434
Helpers of all classes of mechanics			
Job Rate	\$20.302	\$21.114	\$21.747
95%	\$19.287	\$20.058	\$20.660
90%	\$18.272	\$19.003	\$19.572
85%	\$17.257	\$17.947	\$18.485
B & S Gang Labourer (Including Bridgetender - mechanical operation)			
Job Rate	\$19.950	\$20.748	\$21.370
95%	\$18.953	\$19.711	\$20.302
90%	\$17.955	\$18.673	\$19.233
85%	\$16.958	\$17.636	\$18.165
TCRC MWED Safety Representative			
	\$30.292 Jan.1/07		
	\$33.026 Aug.1/07	\$34.347	\$35.377

Compensation for Foremen

- 2.5** A Bridge and Structures Foreman whose gang is increased to twenty employees or more, for the supervision of whose work they are responsible, shall receive sixty (60) cents per day in addition to their regular rate of pay.

Note: When, during overtime hours, the gang is twenty (20) employees or more, overtime will be based on the regular daily rate of the foreman plus sixty (60) cents. When, during overtime hours, the gang is less than twenty (20) employees, overtime will be based on the regular daily rate.

- 2.6** A Track Maintenance Foreman required to leave their own section gang or put in charge of a combination of more than two section gangs, to put in switches, lift, line or surface track, shall be paid the rate of Track Maintenance Foreman 8 or more employees.
- 2.7** Employees who successfully complete the training program for Extra Gang Foreman, shall be paid the maximum Extra Gang Foreman rate while so employed.
- 2.8** Extra Gang Foremen holding seniority as such prior to January 1, 1978, in charge of extra gangs of thirty (30) employees or more, or who have had twelve (12) months' service or more as Extra Gang Foreman, shall be paid the maximum rate for Extra Gang Foreman while so employed.

Switch Inspector

- 2.9** Rate of pay for this classification will be the same as that of Track Maintenance Foreman. Employees not holding TMF Seniority shall establish such when awarded the position. Positions shall be awarded as if they were TMF positions. When implemented, this classification will be primarily responsible for the inspection and maintenance of switches.

Assistant Switch Inspector

- 2.10** Rate of pay for this classification will be the same as that of Leading Track Maintainer. Employees not holding LTM seniority shall establish such when awarded the position.

Positions shall be awarded as if they were LTM positions. No Assistant Switch Inspector shall be established without first the establishment of a Switch Inspector position. When implemented, this classification will be primarily responsible for the inspection and maintenance of switches.

Rail Lubricator Technician

- 2.11** Rate of pay for this classification will be the same as that of Track Maintenance Foreman. Employees not holding TMF seniority shall establish such when awarded the position. Positions shall be awarded as if they were TMF positions. When implemented, this classification will be primarily responsible for the inspection and maintenance of rail lubricators. Rail Lubricator Technicians may be assigned to rail lubricator inspection and repair work throughout the Basic Seniority Territory (BST).

Compensation for Additional Positions or Classifications

- 2.12** When additional positions or classifications are created, compensation shall be fixed in conformity with agreed rates for similar positions or by agreement between the TCRC MWED President and Officers of the Railway.

Additional Pay and Compensation Provisions

- 2.13** Labourers in an extra gang engaged practically all year round (a period of ten (10) months or more in any calendar year), shall be paid the same rates as Trackman or, if qualified as such, as Track Maintainers.

Note: The ten (10) month or greater time period refers to the length of time in a calendar year from the extra gang startup until the time that the extra gang layoff notice

takes effect. A “crew” is defined as any “gang or crew” where Extra Gang Labourers are employed. Extra Gang Labourers who work on any such gang will have their rates adjusted accordingly for all time worked on any such extra gang engaged practically all year round.

2.14 On Railways and in territories where Maintenance of Way Employees are assigned exclusively to steel bridge work, rail and reclamation plants, or other work of a special nature for which seniority territories are established by agreement between the TCRC MWED President and officers of the Railway under the provisions of Article 9.12, the rates to be paid and any special conditions shall be mutually agreed upon between the TCRC MWED President and Officers of the Railway concerned.

2.15 Carpenters employed in the Bridge and Structures department and who are required to perform cabinet making, planing mill, and coach and locomotive carpenter work shall be paid under the same provisions as Bench Carpenter.

2.16 Rates provided for the classification of Bridge and Structures Gang Labourer will not apply to casual labourers temporarily employed as such, provided that regular Bridge and Structures department employees laid off on account of reduction of staff, who take jobs as labourers and are available for service the year round, shall be paid the Bridge and Structures Gang Labourer rate.

2.17 Employees temporarily assigned to higher-rated positions shall receive the higher rates in accordance with Articles 2.3 and 2.4 inclusive and 14.4, while occupying such positions.

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

2.19 The rates of pay defined in this Section 2 for the various

classifications of employees named shall be applied only on the Railways named in the preamble of this agreement, and in the territories on such Railways where such classifications are specified in existing schedules.

- 2.20** Classifications of employees specified in existing schedules on any Railway named in the preamble of this agreement in any territory on such Railways and not named in this Section 2 shall be maintained on such Railways in such territories.

Shift Differentials

- 2.21** Effective August 1, 2007, employees whose regularly assigned shifts commence between 1400 and 2159 hours shall receive a shift differential of \$0.75 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 vacation, general holidays, etc.

Injured on Duty

- 2.22** An employee prevented from completing a shift due to a bona-fide injury sustained while on duty will be paid for their 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.

Attending Court or Investigations

- 2.23** Employees attending court or investigations at the request of the proper officer of the Railway, or required to attend inquests in which the Railway is concerned, will be paid at schedule rates for each day lost, and reasonable expenses actually incurred while away from home. This will not apply where employees are required for examination for promotion, disability, to meet legal

requirements, or in connection with irregularities for which they are found to be responsible. Any fee or mileage accruing will be assigned to the Railway.

Jury Duty

2.24 An employee who is summoned for jury duty and is required to lose time from their assignment as a result thereof, shall be paid for actual time lost with a maximum of one (1) basic day's pay at the straight time rate of their position for each day lost, less the amount allowed to the employee for jury duty for each such day, excluding allowances paid by the court for meals, lodging or transportation, subject to the following requirements and limitations:

- (a) An employee must furnish the company with a statement from the court of jury allowances paid and the days on which jury duty was performed.
- (b) The number of working days for which jury duty pay shall be paid is limited to a maximum of sixty (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 their vacation dates will not be required to change their vacation because of being 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.

Direct Deposit of Paycheques

2.25 Employees will be paid every other Thursday in accordance with the Memorandum of Agreement dated April 30, 1992.

SECTION 3

OVERTIME, CALLS AND WORK ON REST DAYS

- 3.1** Except as otherwise provided, when employees are required to work in excess of eight (8) hours per day or on regularly assigned rest days, unless when these are being accumulated under Article 8.18, employees shall be paid for overtime on an actual minute basis at the rate of time and one half.

For overtime work, the senior employee regularly performing the work will be called. Employees shall be paid overtime based on their regular rate of pay, or the rate of pay for the position they actually work, whichever is higher.

- (a)** For overtime work on any particular track section the following order of call will be utilized:

First Employee – TMF on that section, if unavailable the ATMF, if unavailable the LTM, if unavailable the TM/TD (if qualified), if unavailable the Track Maintainer (if qualified). If there is no qualified employee available from the track section affected, a qualified employee from the mobile crew on that assigned territory will be called, in the same order as above. If unavailable from the mobile crew, then a qualified employee from the closest adjoining section to the work location or the suspected trouble area will be called, in the same order as above.

Second Employee - TM/TD on the track section affected.

Additional employees - will be called, based on Track Maintainer seniority from that track section. If further additional employees are required they shall be called in the same order as above from the following:

- mobile gangs on the assigned territory, if any

- employees from the closest adjoining section on that seniority territory
- other track employees from the seniority territory

Note: In cases of urgency (train delay) requiring track section forces, a qualified employee, who can respond to the service requirement at least ten (10) minutes sooner than the senior employee, will be called.

- (b) For overtime work and callout procedures for Structures employees, the following order of call will be utilized:

First Employee

- (i) If a callout problem is not known the senior Structures Foreman working as such at the headquarter location on the territory where the problem occurs. If unavailable the next senior qualified employee from the Structures Foreman's list at the headquarter location on the territory where the problem occurs. If unavailable then proceed to the Additional Employees callout procedures listed below.
- (ii) If a callout problem is known, the senior qualified employee regularly performing the work will be called.

Additional Employees – will be called from the Bridgeman seniority list at the location if qualified in seniority order. If no qualified employees are available at the location, additional qualified employees will be called from the Seniority Territory as per Appendix B of Wage Agreement 41 where applicable.

- 3.2** Except as otherwise provided, work in excess of forty (40) straight time hours in any work week shall be paid for at one and one-half times the basic straight time rate, except where such work is performed by an employee moving from one assignment to another, or to or from a

laid-off list, or where rest days are being accumulated under Article 8.18.

- 3.3** Except as otherwise provided, employees working more than five (5) days in a work week shall be paid one and one-half times the basic straight time rate for work on such sixth and seventh days worked in any work week, except where such work is performed by an employee due to moving from one assignment to another, or to or from a laid-off list, or where rest days are being accumulated under Article 8.18.
- 3.4** There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight (8) paid for on holidays or for changing shift, be utilized in computing the forty (40) 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.
- 3.5** An employee called in case of emergency or a temporary urgency outside of their regularly assigned hours, after having been relieved, shall be paid a minimum of three (3) hours at overtime rates for which three (3) hours of service may be required, but for such minimum shall not be required to perform work other than that of the emergency, and possibly another emergency which might arise subsequent to time of call. If, however, employees are called to commence work less than two (2) hours before regular starting time, the time will be computed continuously with the regular day's work, and the time before the regular starting time shall be paid for at the rate of time and one-half on the minute basis.
- 3.6** An employee who is called by the Company for overtime work pre-arranged or otherwise and accepts a call, will be paid one (1) hour at punitive rates if such call is

cancelled prior to their leaving home.

- 3.7** Employees shall not be required to suspend work in regular working hours to equalize overtime.
- 3.8** All overtime earned shall be shown as a separate item on the pay statements of employees.
- 3.9** Employees required to work on their rest days will receive the CCS credit for that day, not to exceed two hundred and fifty (250) days per year.
- 3.10** When the Company requires the patrol of two (2) or more sections on the sixth day of the regular work week as a regular practice, any employee (s) assigned to such patrol will be paid at the rate of time and one-half for the time so occupied with a minimum of eight (8) hours work.

Banked Overtime

3.11 a) Regular Bank

Employees are allowed to bank a maximum of five (5) days to be taken as time off in lieu of overtime payments. Requests for time off in lieu of overtime will be evaluated based on operational requirements and the need for resources. Employees can request that their banked time be processed for payment. Banked time will be accumulated on the basis of one (1) hour overtime, to one and one half (1 ½) hours banked.

b) Layoff Bank

In addition to Article 3.11(a), employees shall also be allowed to bank time in a separate bank which they can use to receive regular pay once they have been laid off.

The following conditions shall apply:

1. The bank must be used up in the year it is earned and if this is not possible any banked time remaining in

the bank must be cashed out by December 31st of the year it was banked.

2. While the employee is drawing salary from their bank following layoff, such employee will be considered as a laid-off employee for the purposes of benefits, pension, CCS, etc.

After Hours and Weekend Response

3.12 Opportunity will be provided for two (2) or possibly three (3) qualified employees from designated mainline subdivisions to be placed on call on the following basis:

- Positions will be awarded on a senior may basis.
- Employees on call are only to be called if the Company is unable to secure adequate qualified staff after exhausting the callout procedures, currently specified within the Collective Agreement.
- On call employees cover entire subdivision or terminal.
- Company has the ability to implement/cancel “on call” with seven (7) days notice depending on seasonal and/or operational requirements
- Employees on call to receive four (4) hours pay, at straight time rates, for each seven (7) day period on call.
- Employees on call must carry a Company supplied pager or cellular phone.
- Employees on call must remain fit for duty.

SECTION 4

GENERAL HOLIDAYS

- 4.1** The following general holiday provisions shall be applicable in respect of general holiday entitlement.

Employees will be granted holidays with pay on the basis of their headquarters at the time the holiday occurs, irrespective of where they may actually be working on the holiday in question. However, 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 (11) general holidays in any year.

- 4.2** An employee who qualifies in accordance with Article 4.4 shall be granted a holiday with pay on each of the following general holidays. When a general holiday falls on an employee's rest day, such holiday shall be moved to the normal working day immediately following the employee's rest day.

All Provinces

- New Year's Day
- The day after that on which New Year's Day is observed, except when New Year's Day falls on a Friday this holiday will be observed on the following Monday.
- 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 (in substitution for Remembrance Day)
- The first Monday in August

Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia

- Civic Holiday (the first Monday in August)
- Remembrance Day

Note: If the Government of Canada designates “Heritage Day” or such other day as a general holiday, the day so designated by the Government shall be substituted for the day after New Year’s Day in all Provinces except in Quebec where it will be the first Monday in August.

- 4.3** When any of the above holidays falls on Sunday or Saturday the day observed by the Federal Government in respect of its employees as the holiday shall be recognized.

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

- 4.4** In order to qualify for pay for any one of the holidays specified in Article 4.2, an employee:

- (a)** must have been in the service of the Company and available for duty for at least thirty (30) calendar days. This Article (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 the employee's work days excluding vacation days.

This Article (b) 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 (4) calendar days, except for unforeseen exigencies of the service in which case they will be notified not later than the completion of their shift or tour of duty immediately preceding such holiday that their services will be required;

- (c) must be entitled to wages for at least twelve (12) shifts or tours of duty during the thirty (30) calendar days immediately preceding the general holiday. This Article (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 tours of duty because of bona fide injury, hospitalization, illness for which the employee qualifies for weekly sickness benefits and authorized maternity leave will be included in determining the twelve (12) shifts or tours of duty referred to in this Article (c).

- 4.5** A qualified employee whose vacation period coincides with any of the general holidays specified in Article 4.2 shall receive an extra day's vacation with the pay to which the employee is entitled for that general holiday.

4.6 An assigned employee qualified under Article 4.4 and who is not required to work on a general holiday shall be paid eight (8) hours' pay at the straight time rate of their regular assignment or paid ten (10) hours pay at the straight time rate of their regular assignment if on a 4 & 3 work cycle.

4.7 An unassigned or spare employee qualified under Article 4.4 and who is not required to work on a general holiday shall be paid eight hours' pay at the straight time rate or paid ten (10) hours pay at the straight time rate if on a 4 & 3 work cycle applicable to the position in which such employee worked their last tour of duty prior to the general holiday.

Note: In the application of this Article 4.7 for employees paid on the basis of a specified number of hours per four-week period "eight (8) hours" pay at the pro rata hourly rate" shall be deemed to be a day's pay.

4.8 An employee who is required to work on a general holiday shall be paid, in addition to the pay provided in Article 4.6 at a rate equal to one and one-half (1 ½) times their regular rate of wages for the actual hours worked by the employee on that holiday with a minimum of three (3) hours for which three (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.

4.9 Where an employee is paid a guarantee of a specified number of hours per four (4) week period and who works on the holiday, the general holiday with pay specified in Article 4.6 shall be paid in addition to the regular compensation for such four (4) week period.

4.10 Shifts or tours of duty commencing between 12:00 midnight on the eve of the general holiday and 11:59 p.m. on the night of the general holiday, both times inclusive,

shall be considered as work on that holiday.

- 4.11** Pump Repairers paid on the basis of 179.3 hours per four-week period and qualified under Article 4.7 and who are not required to work on a general holiday shall be paid eight (8) hours at the straight time rate and this time shall be included in making up the 179.3 hours.

Closedown for Christmas and New Year's Holidays

- 4.12** Where Maintenance of Way gangs, otherwise continuously employed are closed down for the Christmas and New Year's holidays to allow employees to return to their homes, and where employees so affected are, by mutual arrangement and as a consequence of such closedown, required by the Company to work additional days over and above their normal work week prior to such closedown, the additional days so worked will be recognized as shifts or tours of duty for which the employee is entitled to wages in the application of Article 4.4 (c). Where such closedown occurs and the Company does not require the employees to work additional days as a consequence thereof, the number of working days in the period of closedown will be credited in the application of Article 4.4 (c).

SECTION 5

BEREAVEMENT LEAVE

- 5.1** Upon the death of an employee's spouse, child, step-child, parent, step-parent, brother or sister, the employee shall be entitled to five (5) days bereavement leave without loss of pay provided they have more than three (3) 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 their regular wages for that period to the employee to whom leave is granted.
- 5.2** Upon the death of an employee's grandparent, grandchild, step-grandchild, father-in-law, mother-in-law, step-brother or step-sister, the employee shall be entitled to three (3) days' bereavement leave without loss of pay provided they have not less than three (3) 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 their regular wages for that period to the employee to whom leave is granted.

Definition of Eligible Spouse:

The person who is legally married to you and who is residing with or supported by you, provided that if there is no legally married "spouse" that is eligible, it means the person that qualifies as a "spouse" under the definition of that word in the Canadian Human Rights Benefit Regulations.

SECTION 6 VACATION WITH PAY

- 6.1** An employee who, at the beginning of the calendar year, is not qualified for vacation under Article 6.2 hereof, shall be allowed one (1) working day's vacation with pay for each twenty-five (25) days' cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of ten (10) working days until qualifying for further vacation under Article 6.2.
- 6.2** Subject to the provisions of Note 1 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least three (3) years and has completed at least 750 days' of cumulative compensated service, shall have their vacation scheduled on the basis of one (1) working day's vacation with pay for each 16-2/3 days' cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of fifteen (15) working days; in subsequent years, they will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 6.3.

Note 1: An employee covered by Article 6.2 will be entitled to vacation on the basis outlined therein if on their fourth or subsequent service anniversary date they achieve one thousand (1,000) days of cumulative compensated service; otherwise their vacation entitlement will be calculated as set out in Article 6.1. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to their next vacation, the adjustment will be made at time of leaving.

- 6.3** Subject to the provisions of Note 2 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for

at least ten (10) years and has completed at least two thousand five hundred (2,500) days of cumulative compensated service, shall have their vacation scheduled on the basis of one (1) working day's vacation with pay for each 12-1/2 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of twenty (20) working days; in subsequent years, they will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 6.4.

Note 2: An employee covered by Article 6.3 will be entitled to vacation on the basis outlined therein if on their eleventh or subsequent service anniversary date they achieve two thousand seven hundred fifty (2,750) days of cumulative compensated service; otherwise their vacation entitlement will be calculated as set out in Article 6.2. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to their next vacation, the adjustment will be made at time of leaving.

6.4 Subject to the provisions of Note 3 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least eighteen (18) years and has completed at least four thousand five hundred (4,500) days of cumulative compensated service, shall have their vacation scheduled on the basis of one (1) working day's vacation with pay for each ten (10) days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of twenty five (25) working days; in subsequent years, they will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Article 6.5.

Note 3: An employee covered by Article 6.4 will be entitled to vacation on the basis outlined therein

if on their nineteenth or subsequent service anniversary date they achieve four thousand seven hundred fifty (4,750) days of cumulative compensated service; otherwise their vacation entitlement will be calculated as set out in Article 6.3. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to their next vacation, the adjustment will be made at time of leaving.

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

Note 4: An employee covered by Article 6.5 will be entitled to vacation on the basis outlined therein if on their twenty-ninth or subsequent service anniversary date they achieve seven thousand two hundred fifty (7,250) days of cumulative compensated service; otherwise their vacation entitlement will be calculated as set out in Article 6.4. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to their next vacation, the adjustment will be made at time of leaving.

- 6.6** In the application of Article 6.5, the company will have the option of:

(a) Scheduling an employee for five (5) 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 (5) weeks and one (1) week.

- 6.7** A year's service is defined as two hundred fifty (250) days of cumulative compensated service.
- 6.8** In computing service under Articles 6.1, 6.2, 6.3, 6.4 and 6.5, days worked in any position covered by similar vacation agreements shall be accumulated for the purpose of qualifying for vacation with pay.
- 6.9** 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 one hundred (100) days in any calendar year, shall be included in the computation of service in that year for vacation purposes.
- 6.10** An employee who becomes ill or is injured while on an annual vacation shall have the right to terminate (temporarily) their 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 their vacation if within their scheduled dates. If the remaining vacation falls outside the employee's scheduled dates, such vacation will be rescheduled as may be mutually agreed between the proper officer of the Company and the authorized Local Union Representative.
- 6.11** An employee who, due to sickness or injury, is unable to take or complete their annual vacation in that year shall, at the option of that employee, have the right to have such vacation carried to the following year.
- 6.12** An employee who is entitled to vacation shall take same

at the time scheduled. If, however, it becomes necessary for the Company to reschedule an employee's scheduled vacation dates, they shall be given at least fifteen (15) working days' advance notice of such rescheduling and will be paid at the rate of time and one-half their regular rate of wages for all work performed during the scheduled vacation period. The rescheduled vacation with pay to which they are entitled will be granted at a mutually agreed upon later date. This Article 6.12 does not apply where rescheduling is a result of an employee exercising their seniority to a position covered by another vacation schedule.

- 6.13** An employee will be compensated for vacation at the rate of pay they would have earned had they not been on vacation during such period.
- 6.14** An employee terminating their employment for any reason at a time when an unused period of vacation with pay stands to their credit shall be allowed vacation calculated to the date of their leaving the service, as provided for in Articles 6.1, 6.2, 6.3, 6.4 and 6.5 if not granted shall be allowed pay in lieu thereof.
- 6.15** An employee who is laid off shall be paid for any vacation due to the employee at the beginning of the current calendar year and not previously taken, and if not subsequently recalled to service during such year shall, upon application be allowed pay in lieu of any vacation due to the employee at the beginning of the following calendar year.
- 6.16** An individual who leaves the service of their own accord or who is dismissed for cause and not reinstated in their former standing within two (2) years of date of such dismissal shall, if subsequently returned to the service, be required to qualify again for vacation with pay as provided in Article 6.1.
- 6.17** An employee who has become entitled to a vacation with

pay shall be granted such vacation within a twelve (12) month period immediately following the completion of the calendar year of employment in respect of which the employee became entitled to the vacation.

- 6.18** Applications for vacation from employees filed between December 15th of the previous year and March 1st 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 March of the dates allotted them and unless otherwise mutually agreed employees must take their vacation at the time allotted. Order of seniority refers to date of entry into Maintenance of Way service.
- 6.19** Unless otherwise mutually agreed, employees who do not apply for vacation prior to March 2nd shall be required to take their vacation at a time to be prescribed by the Company.
- 6.20** Employees desiring an advance vacation payment must make application for it not later than five (5) weeks prior to commencing their vacation.

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

- 6.21** Employees entitled to two (2) or more weeks' of vacation may apply under Article 6.18 of Wage Agreement No. 41 to split their vacation into portions of not less than one (1) week. When vacations are split, the preference in order of seniority of applicants shall be limited to the portion indicated as first choice. When other mutually satisfactory arrangements are in effect for the splitting of vacations, they may continue.
- 6.22** An employee whose vacation period coincides with any of the general holidays specified in Article 4.2 may schedule

the extra day at the commencement or completion of the scheduled vacation. Such scheduling must be included on the employee's application in keeping with Article 6.18.

- 6.23** It is not the intent for an employee working a 4 and 3 work cycle, or any other mutually agreed work cycle to lose vacation as a result of this work cycle.
- 6.24** An employee accepting an official position will have their bargaining unit approved scheduled vacation reassigned to the bargaining unit for the period the employee is occupying their official position. If requested, the Company will allow the most senior employee to reapply for the vacation slot created by the Temporary Supervisor. If requested, the company will also allow the next senior employee to reapply for the vacation slot created by the most senior employee.

SECTION 7

DEDUCTION OF DUES

- 7.1** The Railway shall deduct on the payroll for the pay period which contains the 24th day of each month from wages due and payable to each employee coming within the scope of this Collective Agreement an amount equivalent to the uniform monthly union dues of the Teamsters Canada Rail Conference Maintenance of Way Employees Division, subject to the conditions and exceptions set forth hereunder.
- 7.2** The amount to be deducted shall be equivalent to the uniform, regular dues payment of the Teamsters Canada Rail Conference Maintenance of Way Employees Division covering the position in which the employee concerned is engaged and shall not include special assessments. The amount to be deducted shall not be changed during the term of this Collective Agreement excepting to conform to a change in the amount of regular dues of the TCRC MWED in accordance with its constitutional provisions. The provisions of Section 7 shall be applicable on receipt by the Railway of notice in writing from the TCRC MWED of the amount of regular monthly dues.
- 7.3** Employees filling positions of a supervisory or confidential nature not subject to all the rules of the applicable agreement as may be mutually agreed between the designated officers of the Railway and of the Organization, shall be excluded from dues deduction, except as otherwise provided for in Article 10.21.
- 7.4** Membership in the TCRC MWED shall be available to any employee eligible under the constitution of the TCRC MWED on payment of the initiation or reinstatement fees uniformly required of all other such applicants by the Local Lodge or Division concerned.
- 7.5** Deductions for new employees shall commence on the payroll for the first pay period, which contains the 24th day of the month.

- 7.6** If the wages of an employee payable on the payroll which contains the 24th day of any 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 Railway in such month. The Railway shall not, because the employee did not have sufficient wages payable on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.
- 7.7** Employees filling positions coming within the scope of more than one wage agreement in the pay period in which deduction is made shall have dues deducted for the Organization holding the agreement under which the preponderance of their time is worked in that period. Not more than one (1) deduction of dues shall be made from any employee in any month.
- 7.8** Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Railway, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.
- 7.9** The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Railway to the officer of the TCRC MWED, as may be mutually agreed by the Railway and the TCRC MWED, not later than forty (40) calendar days following the pay period in which the deductions are made.
- 7.10** New employees, whom the TCRC MWED represents, that establish membership with the Union, shall be subject to a one (1) time initiation fee of \$25.00, or as may be altered and communicated by the TCRC MWED from time to time.
- 7.11** The initiation fee will be collected through payroll deduction on the first pay deposit that does not include a regular Union Dues deduction and will be forwarded by

the Company to the Union, accompanied by a statement of deductions. Such deductions shall be remitted by the Railway to the officer of the TCRC MWED, as may be mutually agreed by the Railway and the TCRC MWED, not later than forty (40) calendar days following the pay period in which the deductions are made.

- 7.12** The Railway shall not be put to any cost or risk and shall not be responsible financially or otherwise, either to the TCRC MWED or to any employee, for any failure to make Union Dues and Initiation Fee 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 or initiation fee from an employee's wages, the Railway shall adjust it directly with the employee. In the event of any mistake by the Railway in the amount of its remittance to the TCRC MWED, the Railway shall adjust the amount in a subsequent remittance. The Railway shall have no liability for any and all amounts deducted pursuant to the provisions of this article.
- 7.13** In the event of any action at law against the parties (including without limitation any actions before a Court of Law, an Arbitrator, the Canada Industrial Relations Board, Human Resources Development Canada, or any other decision making body) hereto resulting from any payroll deductions made or intended to be made by the Railway in respect of a Union Dues and Initiation Fee deduction, all parties shall cooperate fully in the defense of such action. The TCRC MWED shall bear its own costs in their entirety, including counsel fees. Further, the TCRC MWED shall indemnify and save harmless the Railway from any losses, damages, costs (including all legal costs), liability or expenses suffered or sustained by it as a result of making payroll deductions in respect of Union Dues and Initiation Fee deductions. In all cases, the TCRC MWED agrees to keep Canadian Pacific whole in all respects. In the case of any challenge of any kind as to the propriety of the Union Dues and Initiation Fee deductions, the

TCRC MWED shall assume all costs and responsibility associated with answering and defending any such challenge.

- 7.14** The question of what, if any, compensation shall be paid the Railway by the TCRC MWED in recognition of services performed under Section 7 shall be left in abeyance subject to reconsideration at the request of either party on fifteen (15) days' notice in writing.

SECTION 8 WORK WEEK

- 8.1** The work week for all employees covered by this agreement, unless otherwise excepted herein, shall be either:
- a)** forty (40) hours consisting of five (5) days of eight (8) hours each, with two (2) consecutive rest days in each seven (7). The preferred rest days will be those identified in Article 8.17, which are Saturday and Sunday and then Sunday and Monday; or
 - b)** forty (40) hours consisting of four (4) days of ten (10) hours each, with three (3) consecutive rest days in each seven (7). The preferred rest days will be Friday, Saturday and Sunday or Saturday, Sunday and Monday; or

Notwithstanding the above, when the work cycles of a crew change, the employee will not suffer lost wages through the course of fulfilling the requirements of eighty (80) regular hours for the pay period.

This Article shall not be construed to create a guarantee of any number of hours or days of work not provided for elsewhere in this agreement. (See Article 8.17)

- 8.2** The term “work week” for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work.
- 8.3** The Company and the Union agree to meet prior to bulletining the gangs in order to finalize gang work cycles.

Prior to the annual meeting, as per above, the General Manager of TP&E will provide to the Union a detailed list showing the locations on each subdivision that will be used to store occupied Boarding Car Outfits for the work season. This information will also contain the explanation

for the storage of occupied Boarding Car Outfits adjacent to main track at all locations where this is to be practiced.

In addition, the Company will schedule its occupied Boarding Outfit Car storage locations with the attempt to eliminate or minimize storage adjacent to main track.

If the Union requests additional reasonable information this will be supplied promptly, prior to the annual Article 8.3 meeting.

If the Union has concerns with any of the locations, every attempt shall be made to resolve such at the 8.3 meeting. If resolution cannot be met, these issues may be escalated to the Vice-President of Engineering Services.

Hours of Service and Meal Period

8.4 Eight (8) consecutive hours, exclusive of meal period (which shall be one (1) hour unless otherwise mutually arranged) shall, except as otherwise provided, constitute a day's work. If an employee normally takes a one (1) hour meal break and is required to work any portion of that time they will be paid time and one half for actual time worked. When eight (8) hours of continuous service are required in regular operations, twenty (20) minutes will be allowed in the fifth or sixth hour of service for a meal without loss of pay, during which no service will be performed. Requirements of the nature of service will determine at what point in the fifth or sixth hour of service the twenty (20) minutes will be.

No employee shall be required to work more than six (6) hours without food.

8.5 Regular day shifts shall start at or between 6:00 a.m. and 8:00 a.m.

8.6 Notwithstanding the provisions of Article 8.5, starting times may be established or changed to meet the

requirements of the service. Where practicable, the notice of establishment or change in starting times will be posted promptly in a place accessible to affected employees. The Local Representative, or designate, and the TCRC MWED Director, or designate, shall be advised as soon as practicable following any change in starting times and in any event, within seventy-two (72) hours of the time the change in starting time became effective.

- (1)** Affected employees with an assigned Headquarter location will be given forty-eight (48) hours advance notice.
- (2)** Affected employees that do not have an assigned Headquarter location shall be given as much advance notice as possible, but not later than at the completion of the previous tour of duty.
- (3)** In the application of this item 8.6, it is understood that starting times could vary each day by up to two (2) hours, however, a starting time change in excess of two (2) hours can only be implemented once in each 5/2 and 4/3 work cycle and twice in each 8/6 work cycle.

- 8.7** Any change in starting time is subject to employees being afforded eight (8) hours rest between tours of duty exclusive of any meal or travel time required.
- 8.8** Upon the request of the Foreman made with the consent of the employees in the work crew and approval of the proper officer of the Railway, special arrangements may be made to vary starting times on the first and/or last day of the work schedule to permit employees to travel to and from home. Notice of such arrangements will be sent to the applicable TCRC MWED Director.
- 8.9** Where two (2) shifts are worked, the starting time of each shift shall be established to meet the requirements of the service. The provisions of Article 8.6 apply in respect of any change of starting time.

- 8.10** Where shifts are worked in continuous service the second shift relieves the first, the third relieves the second and the first relieves the third; the starting time of the first shift shall be at or between 6:00 a.m. and 8:00 a.m. The provisions of Article 8.6 do not apply hereto.
- 8.11** In changing or establishing starting times, due consideration be given to the availability of public transportation, when applicable.
- 8.12** The periods of advance notice in respect of changes in starting time contained in Article 8.6 may, by mutual consent between the employees affected and their immediate supervisor, be reduced in any particular situation to meet local conditions.
- 8.13** All employees working in a production line/shop environment will be allowed a paid fifteen (15) minute break in the first half of their shift and a paid fifteen (15) minute break in the second half of their shift in addition to their regular lunch break. The current practice for the taking of breaks on the remainder of the property will not change.

Hours of Rest

- 8.14** In emergencies, employees shall not be required to work more than sixteen (16) hours continuously without a rest of eight (8) hours.
- Note:** See letter dated November 8, 1985, Appendix A-2
- 8.15** If any of the eight (8) hours of rest is within the employee's regular shift, the employee will be paid at straight-time for those rest hours that fall within the regular shift.
- 8.16** Employees called out within four (4) hours of their regular shift start time will be required to report and work their complete regular shift. Employees called out prior to four (4) hours of their regular shift start time will be afforded six

(6) hours of rest, inclusive of any meal or travel required, if their emergent tour of duty (or night time call out) is not continuous with their regular shift. If any of the six (6) hours of rest is within the employee's regular shift, the employee will be paid at straight-time rate of pay for those rest hours that fall within the regular shift.

Assignment of Rest Days

8.17 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. 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 Railway 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.

(See Article 8.1)

Accumulation of Rest Days

8.18 On positions where it is not reasonably practicable to provide regular relief each week, the rest day or days for which relief is not provided may be accumulated and granted at a later date. Such accumulation shall not exceed ten (10) days and rest days so accumulated shall be allowed consecutively when ten (10) days have been accumulated. However, the accumulation of a greater number of rest days and their allowance at longer intervals may be arranged by mutual agreement between the officers of the Railway and the appropriate TCRC MWED Director.

Non-Consecutive Rest Days

8.19 In the event that a situation arises which makes it impracticable to assign consecutive rest days to all

employees on a particular seniority territory, the following procedure shall be followed.

- 8.20** All possible regular relief positions shall be established pursuant to Articles 8.27, 8.28 and 8.29.
- 8.21** Possible use of rest days other than Friday, Saturday, Sunday or Monday, where these may be required under this agreement, to be explored by the parties.
- 8.22** Accumulation of rest days under Article 8.18 shall be considered.
- 8.23** Other suitable or practicable plans, which may be suggested by either of the parties, shall be considered and efforts made to come to an agreement thereon.
- 8.24** If the foregoing does not solve the problem, then some of the relief or extra employees may be given non-consecutive rest days.
- 8.25** If, after all the foregoing has been done, there still remains service which can only be performed by requiring employees to work in excess of five (5) days per week, the number of regular assignments necessary to avoid this may be made with two (2) non-consecutive days off.
- 8.26** The least desirable solution of the problem would be to work some regular employees on the sixth or seventh days at overtime rates and thus withhold work from additional relief employees.

Relief Assignments

- 8.27** All possible regular relief assignments with five (5) days' work per week and two (2) consecutive rest days (subject to Articles 8.19 to 8.26, inclusive) shall be established to perform necessary relief work or to perform relief work on certain days and such types of other work on other days as may be assigned under this agreement.

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

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

Employees Paid on the Basis Of 179.3 Hours

Per Four-Week Period

8.30 In view of the intermittent character of the work of Pump Repairers, except as otherwise provided herein, such employees shall be allowed 179.3 hours per four (4) week period for all work performed during such four (4) week period. The 179.3 hours per four (4) week period shall be comprised of one hundred and sixty (160) straight-time hours and 19.3 hours at time and one-half

Note: When any employee works less than the regular one hundred and sixty (160) hours in a four (4) week period, the 19.3 hours referred to in Article 8.30 will be pro-rated as per practice currently in effect.

8.31 If required to work in excess of 179.3 hours per four (4) week period, exclusive of time occupied in traveling, such hours shall be paid for as follows:

- Actual overtime hours worked in excess of one hundred and sixty (160) hours will be accumulated over a twelve (12) week period.
- If these total overtime hours worked exceed 57.9

(comprised of 19.3 Hours x 3 four-week periods) such additional hours worked in excess of 57.9 will be paid for at the rate of time and one-half at the conclusion of the twelve(12) week period.

- 8.32** Should an employee take a position paid on the basis of Article 8.30, and remain on such position for a period of less than twelve (12) weeks, the period so engaged will be recognized as the accumulation period for that employee. In such circumstances, overtime compensation will be calculated in relation to the total overtime hours worked pro-rated over the number of weeks actually engaged during the twelve (12) week period. This does not apply to employees who work for periods of less than one (1) week.
- 8.33** They shall be assigned one (1) regular rest day per week, Sunday if possible, and service on such assigned rest day shall be governed by Articles 3.1 and 12.12. Hours paid for on such assigned rest days shall not be included in computing the 179.3 hours per four (4) week period.
- 8.34** Where in regular practice such employees were allowed one (1) day a week off prior to this agreement, the conditions applicable to such day shall apply to the sixth work day of the work week and they shall not be required to work on such days except in emergency to make up the 179.3 hours.
- 8.35** Ordinary maintenance or construction work not heretofore required on Sunday shall not be required on the sixth work day of the work week.

Special Work Crew Classification

- 8.36.1** At the discretion of the Company, work schedules with rest days that are not identified as the preferred rest days in Articles 8.1 (a), 8.1 (b) and 8.17 of the Collective Agreement may be implemented for:

- a) TP&E Seasonal Work Crews working 5&2 or 4&3 work schedules, and/or,
- b) Bridge and Structure Crews working on Capital or Special Maintenance Authority projects while working in alignment with a track block being utilized by a TP&E Seasonal Work Crew working as a Special Work Crew on the same subdivision.

It is understood and agreed that in every instance when a work schedule with rest days that are not identified as the preferred rest days in Articles 8.1 (a), 8.1 (b) and 8.17 of the Collective Agreement is implemented for a crew identified in a) and b) above, the provisions of this Section 8.36 shall apply.

- 8.36.2 a)** Coincident with the implementation of a work schedule that does not give preference to the rest days identified in the Collective Agreement, such work crew will be considered as a "Special Work Crew".
- b)** A Special Work Crew shall represent a new classification of service.
 - c)** Rest days for Special Work Crews shall be consecutive, but shall not give preference to those identified in Articles 8.1 (a), 8.1 (b) or 8.17 of the Collective Agreement.
 - d)** Implementation of Special Work Crew schedules shall be as follows:
 - 1) For TP&E Seasonal Work Crews:
 - i) As advertised in the initial start-up bulletin, or,
 - ii) As advertised by bulletin for crews that commence subsequent to the initial bulletin.

- 2) For Bridge & Structures Crews:
- i) As advertised by bulletin, or,
 - ii) Upon written notification by the Company to the Director of the Union and notification to the affected employees, which shall be posted in the workplace. In such circumstances, notification will be as soon as possible, but no later than fifteen (15) calendar days prior to the implementation date.

This short notification period applies solely for the purpose of aligning the work schedule of a Bridge and Structures Crew, working on the same subdivision as a TP&E Seasonal Work Crew that has been designated as a Special Work Crew. The geographic restriction may be extended by mutual agreement between the Union and the Company. Once the Bridge and Structures Crew is aligned with the TP&E Seasonal Work Crew, as a Special Work Crew, subsequent changes to the TP&E Seasonal Work Crew will also apply to the Bridge and Structures Crew.

- e) Once the work schedule of a TP&E Special Work Crew has been established, the following shall apply:
 - i) In the event that;
 - 1) the established commencement or completion date of an advertised Special Work Crew schedule is changed by two (2) or less work cycles the Company shall post written notice in the workplace for affected employees at least fifteen (15) calendar days prior to the date of the change.

- 2) the established commencement or completion date of an advertised Special Work Crew schedule is changed by more than two (2) work cycles, or in the event that the bulletined Special Work Crew work schedule is cancelled, the Company shall provide written notification to the Director of the Union and post written notice in the workplace for affected employees at least fifteen (15) calendar days prior to the date of the change.
- ii) In the event that:
 - 1) the original schedule is moved forward in time, the time period between the last day of the original schedule and the first day of the new schedule shall not exceed two (2) months.
 - 2) the original schedule is moved backward in time, the time period between the first day of the new schedule and the last day of the original schedule shall not exceed two (2) months.
 - 3) the Company may implement a schedule move that exceeds the two (2) month periods provided for in subsections (1) and (2), a maximum of once per Special Work Crew, once per work season.
 - 4) Whenever a schedule move is implemented pursuant to this subsection ii), the Company shall provide written notification to the Director of the Union and post written notice in the workplace for affected employees at least fifteen (15) calendar days prior to the date of the change.
 - iii) In the application of subsection e i) 2) and

ii) above, the affected employees will inform the Company, within five (5) calendar days of the Company notice, whether they intend to remain or depart the crew. Failure to inform the Company will result in the employee remaining with the crew, unless awarded another position by bid under the provisions of the Collective Agreement.

- iv) Employees subject to the change notice issued pursuant to subsections e i) 2) and ii) that elect to depart the Special Work Crew will be permitted to exercise their seniority under the provisions of the Collective Agreement.
- v) When a Special Work Crew schedule is changed, moved or cancelled and employees elect to depart the work crew, the provisions of Section 8.36 no longer apply and employees will not be entitled to any premium payments for the previously scheduled Special Work Crew period.
- vi) When a Special Work Crew schedule is changed, moved or cancelled and employees elect to remain on the work crew, the provisions of Section 8.36 will only apply to actual time worked in Special Work Crew service.

f) The Company may change the start time for employees working on a Special Work Crew in accordance with Article 8.6 of the Collective Agreement, except that:

- i) the start time may be changed by a maximum of three (3) hours or less, and,
- ii) by more than three (3) hours one (1) time in each 5&2 or 4&3 work cycle.

8.36.3 a) An employee transitioning to and from a Special Work Crew schedule will be paid no less than eighty

(80) regular hours in a pay period, unless absent from work due to illness, injury, leave of absence or other attendance related reasons.

If an employee earns less than eighty (80) hours in a pay period, solely account the change in work schedules, the Company will top-up to eighty (80) hours. The top-up hours will be paid at the Special Work Crew rate of pay.

- b)** Rates of pay for Special Work Crews will be the established rates with a 15.5% increase applied and will only apply when working in Special Work Crew service.

All other provisions of the Collective Agreement apply to employees working on Special Work Crews, except as otherwise provided in this Section 8.36.

- 8.36.4** It is understood between the parties that any unforeseen concerns arising from the application of this agreement will be discussed promptly and a good faith attempt will be made to resolve the issue to both parties satisfaction.

SECTION 9 SENIORITY

- 9.1** Except as otherwise provided in Article 14.13, a new employee shall not be regarded as permanently employed until after sixty-five (65) working day's service, which service must be accumulated within the preceding twenty-four (24) months. Within such sixty-five (65) day period they may, without investigation, be removed for cause, which in the opinion of the Railway renders the employee undesirable for its service. If removed for cause they shall be provided with a written notice. If retained, seniority in the Maintenance of Way department shall commence from the date of entry into the service as Maintenance of Way employee under this agreement.
- 9.2** When two (2) 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 the Local Representative.
- 9.3** In the event of an employee leaving the service when their services are required, upon re-entering the service, they shall rank as a new employee but shall not be required to complete the probationary period stipulated in Article 9.1. If the experience of an applicant meets the requirements of this Section they are, if employed, entitled to the minimum schedule rate.
- 9.4** Probationary employees, if qualified, shall have preference of employment over the engagement of new hires.

Seniority Lists

9.5 Complete lists of all Maintenance of Way employees covered by this agreement on each seniority territory as defined* hereunder, showing their seniority standing in their respective departments and dates of promotion to higher classifications therein, shall be updated and posted at the headquarters locations of all employees concerned, on or before March 31 and September 30 of each year. A copy of said list shall be furnished to the Union Representatives of the employees. Seniority territories, as defined* hereunder, shall not be changed except by agreement between the railway involved and the TCRC MWED President.

Note: See Seniority Territories, Appendix B

9.6 Separate lists will be prepared for employees in the Track Department, Bridge and Structures Department and all other groups governed by this agreement.

9.7 Seniority lists shall be open for correction for a period of one hundred and twenty (120) calendar days on presentation in writing of proof of error by the employee or their Representative to the issuing officer. Except by mutual agreement, between the TCRC MWED President or the authorized Representative and the appropriate officer of the Railway, seniority standing shall not be changed after becoming established by being posted for one hundred and twenty (120) calendar days following date of issue, without written protest.

9.8 The list for Track Maintainer shall be prepared and will include those employees who in the exercise of their seniority have been assigned to vacancies or new positions regarded at the time as providing full time work. A seniority list shall also be prepared for the classification of Trackman "B" to include those employees who have not exercised their seniority to fill positions in the classification of Track Maintainer.

9.9 A seniority list shall not be established for Track Maintainer/Section Truck Drivers. Bulletined vacancies of Track Maintainer/Section Truck Driver will be awarded on the basis of seniority in the classification of Track Maintainer. A Track Maintainer/Section Truck Driver will retain all seniority rights and shall be able to exercise all rights to promotion as currently provided for in the Collective Agreement. Displacement into the position of Track Maintainer/Section Truck Driver will be on the basis of seniority in the classification of Track Maintainer.

- a)** An employee will not forfeit seniority in higher classifications (above Track Maintainer) for failure to occupy vacancies in those classifications if the employee occupies a permanent position as a Track Maintainer/Section Truck Driver.
- b)** The Track Maintainer/Section Truck Driver will have the primary responsibility for the operation of the BTMF Section Vehicle. This operation will consist of the regular driving and daily inspection of the Section Vehicle. The principal duties of an employee working in the position of Track Maintainer/Section Truck Driver shall be that of a Track Maintainer.
- c)** If for any reason a Track Maintainer on the section is unable to drive the Section Vehicle, that duty will be performed by the Leading Track Maintainer or the Track Maintenance Foreman.
- d)** All training regarding the Section Vehicle will be provided by the Company during regular working hours. The Company is prepared to absorb the cost of any additional licensing fees regarding the operation of the Section Vehicle.
- e)** Work Equipment Repair Shop employees represented by the TCRC MWED shall provide maintenance services on the BTMF Section Vehicles, including repair of hydraulic components, crane and Hi-Rail components, in line with present practices.

Note: Following the 1993 BTMF Reorganization, on each Seniority Territory, bulletins were issued to fill the permanent positions of Track Maintainer/Section Truck Driver that were established under the BTMF implementation. For the purposes of establishing these new positions, one position of Track Maintainer, as outlined in the Article 8 notices, for each of the reorganized sections to which a BTMF Section Vehicle was assigned, were considered to be a vacancy for a permanent position of Track Maintainer/Section Truck Driver.

Definitions

9.10 A Track Maintainer is defined as an employee who has successfully completed the training program for such classification and has passed the qualifying tests as outlined in Section 14.

The position of Track Maintainer is to be regarded as one which has been assigned in accordance with the provisions of Article 10.10 and which has been worked, in the preceding eighteen (18) months, by the Track Maintainer assigned to it or by the senior Track Maintainer who has displaced the employee.

9.11 After a position has been filled by a Trackman "B" for one (1) year, it shall be bulletined as a Track Maintainer position unless otherwise agreed between the TCRC MWED President and the appropriate Officer of the Railway.

9.12 For employees engaged in specialized classes of work which justify other specified seniority territories, these may be established by agreement between the TCRC MWED President and the appropriate Officer of the Railway.

9.13 Employees who, during the preceding calendar year, have performed no service for the Railway may be

removed from the seniority list by agreement between the TCRC MWED President and the appropriate Officer of the Railway.

Promotion

9.14 Employees shall be promoted in each of the departments as enumerated in Articles 9.5 to 9.12, inclusive, on their respective seniority territories in order of seniority, provided they are qualified. Employees qualifying for Foremen positions must be able to read and write English or French.

Note: See Appendix A-3

9.15 (a) The line of promotion for employees in the Track Department shall be as follows:

- Extra Gang Foreman (Divisional)
- Asst. Extra Gang Foreman (Divisional)
- Track Maintenance Foreman
- Asst. Track Maintenance Foreman
- Leading Track Maintainer
- Track Maintainer
- Trackman "B"

(b) Extra Gang Foreman. The line of promotion for District or Regional Extra Gang Foreman shall be as follows:

- Extra Gang Foreman
- Assistant Extra Gang Foreman

Then the following based on date of entry into the bargaining unit:

- (1) TMF or Group 1 Machine Operator or ATMF or LTM or Group 2 Machine Operator.
- (2) Assistant Machine Operator or TM or Group 3 Machine Operator.

- (3)** Any others based on entry into the bargaining unit.
- (c)** The order of preference for qualified employees in filling bulletined positions within the Bridge and Structures Department classifications shall be as follows:
- (1)** Bridge and Structures Foreman
 - (2)** Bench Carpenter, Plumber, Pipefitter, Welder, Pump Repairer, Plasterer, Electrician
 - (3)** Carpenter
 - (4)** Bridgeman, Rough Carpenter or Painter
 - (5)** Helper
 - (6)** B&S Gang Labourer (including Bridgetender -mechanical operation).
- (d)** Vacant or newly established welding positions will be awarded on the basis of seniority standing in the following order:
- (1)** Welder Foreman and Welder lists. Division. Seniority Territory per Appendix B Wage Agreement 41 where applicable.
 - (2)** Employees with Track Maintainer Seniority. Division. Seniority Territory per Appendix B Wage Agreement 41 where applicable.
 - (3)** Welder Foreman and Welder lists. District. Seniority Territory for Gangs as per Machine Operator Supplemental Agreement where applicable.
 - (4)** Welder Foreman and Welders lists. Region. Atlantic, Eastern, Prairie or Pacific where applicable.

- (5) Thermite Welders off the District List. Seniority Territory for Gangs as per Machine Operator Supplemental Agreement where applicable.

Note 1: The classification of Welder Helper is eliminated and all Welder Helpers will become Welders provided they are qualified and they will be added to the bottom of the Welders seniority list. Any Welder Helper who is not qualified as a Welder will be grand fathered as a Welder Helper on the District Welders Seniority List.

Note 2: It is understood that Welders will not be required to work alone when working on live track.

- 9.16** An employee who has established seniority as an Assistant Extra Gang Foreman prior to January 1, 1978 shall not be required to take training or establish seniority as Extra Gang Foreman. Such an Assistant Extra Gang Foreman shall be paid the rate specified in Article 2.1(a).
- 9.17** An Assistant Extra Gang Foreman who takes training and becomes qualified as an Extra Gang Foreman and is subsequently found to be unqualified as an Extra Gang Foreman, will forfeit their Extra Gang Foreman Seniority; however, in such case the employee shall retain entitlement to the rate while working as Assistant Extra Gang Foreman.

Positions Not Subject to Rules of Promotion

- 9.18** The positions of Track and Bridge Watchman, and Signalman at highway or railway (non-interlocked) crossings are not subject to the general rules for promotion. These positions are intended to provide for employees who become unfit for other service, and shall be assigned to such employees in the Maintenance of Way department unless mutually agreed otherwise

between the President TCRC MWED and the appropriate Officer of the Railway.

- 9.19** Watchmen at each location shall have preference of shift, based on seniority as Watchman, provided that, by mutual agreement between the authorized Union Representative and Representative of the Railway, rotation of shift may be arranged.
- 9.20** In the event of reduction of forces in positions mentioned in Article 9.18, the employee with the earliest date of entry into service as a Maintenance of Way Employee under this agreement shall have preference of employment. It is understood, however, that a disabled employee under the provisions of Article 9.18 may displace an able-bodied employee.

SECTION 10

VACANCIES AND NEW POSITIONS

10.1 Except as otherwise provided in Article 10.13, except for positions of Trackman "B" which need not be bulletined, employees shall be advised by bulletin on the first Monday of each month of all vacancies or new positions in their department (except official positions), including the positions of Extra Gang Foreman and Assistant Foreman. (When the first Monday is a statutory holiday, the bulletin will be issued on the next regular working day.) Bulletins will be posted promptly in places accessible to all employees affected. A copy of each bulletin will be furnished to the Union officers of the territory involved.

Bulletins will be issued monthly. If there is no information to be distributed, a bulletin to that effect will be issued.

This rule is not intended to preclude the issuance of individual bulletins on other than the first Monday of the month should circumstances so warrant in any particular instance.

Bulletins shall remain open for applications for fifteen (15) days from the date of issuance.

Note: Initial gang bulletins, when issued, will remain open for a minimum of twenty-one (21) days to a maximum of twenty-eight (28) days. Positions advertised will be awarded fourteen (14) days following the close of the bulletin.

10.2 Bulletins will show classifications of position, location and/or expected work locations in production gang advertisements, rest days, closing date, particulars of living accommodation, if the vacancy is temporary, its expected duration and any other information relevant to the position. The format of bulletins will be standard across the System.

- 10.3** Employees desiring bulletined positions will submit written application, which application must reach the issuing officer not later than the fifteenth day after the date of the bulletin. Applicants must forward a copy of their application to their Local Representative. Applicants bidding on more than one position on the same bulletin must state, in order, their preference.
- 10.4** Applicants to all positions on seasonal work gangs will be permitted to make application for a position on more than one (1) gang provided the start up time between those gangs is greater than forty-five (45) days.

Example 1:

Gang 1 start up February 1

Gang 2 start up April 1

An employee senior and qualified could, if he so applied, be awarded a group 1 Machine Operator's position on gang 1 on February 1 with the right to occupy another position on gang 2 on April 1 to which the employee is senior and qualified.

Example 2:

Gang 1 start up February 1

Gang 2 start up March 1

An employee senior and qualified could, if he so applied, be awarded an Extra Gang Foremen's position on gang 1 or gang 2. If he chose gang 1 their application for gang 2 would not be accepted. If he chose gang 2 he would not be permitted to work on gang 1 during the period February 1 – 28 inclusive.

- Subsequent vacancies on seasonal work gangs will be bulletined pursuant to the Collective Agreement.

- All employees awarded positions pursuant to this proposal would be considered as fulfilling their obligations with respect to Article 11.9 of Wage Agreement No. 41.

- 10.5** An employee may bid to a lower classification or group or to any position in Wage Agreement 41 or any Supplemental Agreements thereto, without forfeiting seniority in any classifications or groups in which they have previously established seniority. However, an employee who bids from a permanent position in a higher class or group to a permanent position in a lower class or group within any particular agreement, or from a permanent position in one agreement to a permanent in another, will only be allowed to return to a permanent position in the higher classification or group or former agreement in the following situations:
- (a)** by bulletin, or
 - (b)** when forced by the Senior May/Junior Must provisions, or
 - (c)** E.S. situations, or
 - (d)** in the event the employee is displaced or laid off from their permanent position.
- 10.6** An employee who does not bid on a position for which they had previously established seniority will not forfeit any seniority as a result of failure to bid for any position.
- 10.7** An employee will not forfeit any established seniority while working in a lower classification or group when a junior employee is working in a higher classification or group.
- 10.8** An employee applying for a permanent position is required to show on the application for the permanent position whether or not they intend to occupy that position immediately or to continue to occupy their temporary position. If the employee does not so indicate, it will be

assumed that the employee will occupy the permanent position immediately.

10.9 An employee who has applied for a position may cancel their application provided written cancellation reaches the designated officer and the Union officer prior to the closing date and time of the bulletin, otherwise they will not be permitted to do so. An employee may bid on a vacancy which they have created.

10.10 An awards bulletin will be issued seven (7) days following the closing date informing employees of the successful applicants to the positions advertised. Appointments shall be made by the officer issuing the bulletin to the senior qualified applicant in each classification or group. The name of the appointee and their seniority number will be shown on the next bulletin. Except as otherwise provided, the successful applicant will be required to take over the position without undue delay.

Note: Employees who already possess some of the qualifications required for a particular position or could be qualified in a reasonable period of time will be considered in accordance with Appendix A-3.

10.11 Bulletined positions may be filled temporarily pending the assignment of the successful applicant.

10.12 Any appeal against appointment must be made in the manner provided in Article 15.7 within twenty-eight (28) calendar days from the date of issue of bulletin covering such appointment. In so doing, the grievance is to be commenced with the issuing officer of the bulletin at the first step in the grievance procedure. The grievance procedure will then continue from that step in accordance with Article 15.7.

10.13 (a) Except as otherwise provided below, temporary vacancies of less than forty-five (45) calendar days required by the Company to be filled, in positions

subject to being bulletined in accordance with Article 10.1, shall be filled by the senior qualified employee immediately available, subject to the provisions of Article 12.9.

An employee who does not exercise their seniority to such a temporary vacancy of less than forty-five (45) days will not forfeit any seniority.

- (b)** In the application of Article 10.13 (a) above, where a temporary vacancy of Track Maintenance Foreman or Assistant Track Maintenance Foreman of up to one hundred and twenty (120) calendar days is required by the Company to be filled on sections having regular assigned positions of Assistant Track Maintenance Foreman and/or Leading Track Maintainer, it shall be filled by employees in the following order of priority.

T.M.F.

- (1)** the senior Track Maintenance Foreman on that section not working as such; if none,
- (2)** the Assistant Track Maintenance Foreman on that section; if none,
- (3)** the senior Assistant Track Maintenance Foreman on that section not working as such; if none,
- (4)** the Leading Track Maintainer of that section.

A.T.M.F.

- (1)** the senior Track Maintenance Foreman on that section not working as such; if none,
- (2)** the senior Assistant Track Maintenance Foreman on that section not working as such; if none,

(3) the Leading Track Maintainer on that section.

If such temporary vacancy of over forty-four (44) but less than one hundred and twenty (120) calendar days cannot be filled under the above procedure, it will be bulletined under Article 10.1.

(c) An employee will only establish seniority in a higher classification by being awarded a bulletined vacancy in such higher classification. An employee filling a temporary vacancy under this Article 10.13 other than by bid will, at the conclusion of such temporary vacancy, revert to their former position.

10.14 (a) A qualified employee appointed to a higher classification by bulletin will be accorded a seniority date from the date of appointment on bulletin in such classification and in all lower-rated classifications in which they are qualified to work and in which they had not previously established seniority. This Article 10.14(a) does not apply to Bridge and Structures Department Employees.

(b) An employee appointed by bulletin to a position in a B&S classification listed in Article 9.15 (c) will be accorded a seniority date from the date of appointment in such classification and all lower rated B&S classifications in which they are known to be qualified to work and in which they had not previously established seniority. Notwithstanding the foregoing, an employee will only establish a seniority date in those groups in which they are known to be qualified to work and which they had not previously established seniority. (For the purpose of this Article 10.14 (b) each position listed in classifications 2, 3, 4 and 6 is a separate group.)

(c) Employees establishing seniority as Extra Gang Foremen or Assistant Extra Gang Foremen on a District Seniority List will not establish such

seniority and seniority in lower-rated classifications pursuant to Articles 10.14(a) and 10.14(b) on another seniority list without first being awarded a bulletined vacancy to which such other seniority list applies. An employee establishing seniority as Extra Gang Foreman on a District Seniority List will also establish seniority as an Assistant Extra Gang Foreman on that District Seniority List if not previously established.

- (d) An employee who has been appointed by bulletin to a higher classification and is not qualified to work in all lower-rated classifications or other group(s) within their classification at the time of their appointment, will be accorded their original seniority promotion date in the event they subsequently qualify for the classifications or group(s) for which they were previously unqualified.

10.15 If none of the applicants hold seniority in the classification or group being applied for, the TCRC MWED/Canadian Pacific Committee may apply Appendix A-3 of Wage Agreement No. 41 on a case by case basis to allow applicants from other classifications or groups to be awarded a position. In the event there are no applicants for the position holding seniority within the particular Agreement, applicants from other Agreements, in order of their date of entry into M/W service will be considered based on A-3.

10.16 Should there be no qualified applicants for a bulletined position, the most junior qualified employee holding seniority in that classification or group, and working in a lower paid classification or group will be awarded the position. Should an employee decline to fill such a position awarded in this manner, that employee will forfeit seniority in that classification or group. The position will then immediately be awarded to the next most junior qualified employee holding seniority in that classification or group, and working in a lower classification or group

within the particular Agreement, at the time that the awards are made, and so on.

- 10.17** When it is expected that the result of an employee bidding into another supplemental agreement would result in that employee being forced back to their own vacancy the employee will not be allowed to report to their new position. However, the vacancy they would have created in their own supplemental agreement will still be advertised. If there are qualified employees to fill the position then the employee will be released to their bid position and compensated for all loss of earnings and expenses incurred, if any.
- 10.18** In the event of a vacancy or new appointment occurring in the departments enumerated in Article 9.6 and no application being made, employees of the other departments shall have the preference in filling vacancies or new appointments before new employees are hired, provided they are qualified.
- 10.19** In case of emergency, an employee may be transferred temporarily to another sub-department of the Maintenance of Way service. Employees may also be transferred temporarily for extra gang work, to construction department, from one seniority territory to another, or on the opening of new lines, without losing their seniority standing on the seniority territory from which transferred, and transfer will be given in writing, if requested. Transfers, if extended beyond one (1) year, shall be subject to agreement between the appropriate Union officer and the appropriate officer of the Railway.
- 10.20** An employee accepting an official position may be returned to their former position if such change is made within a period of one (1) year, and after one (1) year they may displace the junior permanent employee of their class on their seniority territory.
- 10.21** Employees accepting official positions with the Railway

will have the option of paying union dues. Employees who elect to pay union dues will continue to accumulate seniority. Employees who elect to not pay union dues shall cease accumulating seniority, but shall retain all seniority accumulated to date. Employees accepting official positions temporarily will be required to pay union dues and will continue to accumulate all seniority.

- 10.22** Permanent and temporary supervisors are not active bargaining unit members nor can they be represented by the Union while serving as a supervisor but they may continue to accumulate seniority in accordance with Article 10.21. The Company will provide timely notice, of temporary and permanent appointments and reversions to the unionized ranks.
- 10.23** Employee's permanently promoted from a bargaining unit position who reverts to a bargaining unit position will not be eligible to receive a benefit contained in the Job Security Agreement, Article 7.14, unless such employee has occupied a bargaining unit position for a period of one (1) year or will be required to relocate in order to hold a position as a result of the implementation of a T/O/O change. It is also understood that this restriction may be waived by mutual agreement between the parties, should a junior employee eligible to receive Article 7 benefits contained in the Job Security Agreement be required to relocate as a result of the implementation of a T/O/O change during this one (1) year period.
- 10.24** An employee holding seniority under this Agreement who works in a classification not specified in this agreement for a period of twelve (12) consecutive months will have their former permanent position bulletined as permanent.

SECTION 11

STAFF REDUCTION AND RECALL

- 11.1** Not less than ten (10) working days' advance notice will be given when regularly assigned positions and seasonal work crew positions are to be abolished, except in the event of a strike or a work stoppage by employees in the Railway industry, in which case a shorter notice may be given. Such notice will include, when known, the expected duration of temporary abolishments. A copy will be provided to the Local Representative.
- 11.2** The Company will provide employees working on seasonal work crews with monthly updates including best possible projection on the expected duration of work programs. It is anticipated that work schedules may change. Such changes and the contents of these updates will not be grieved.
- 11.3** An affected employee must within fifteen (15) calendar days, exclusive of any scheduled annual vacation or approved banked time, fulfill their obligations under Articles 11.3(a) and 11.3(b).
- (a)** Except as otherwise provided in Article 10.13, or 10.14, in the event of displacement or lay off from a temporary position or at the conclusion of a temporary vacancy (over or under forty five (45) days), an employee must, do any of the following:
- (1)** Displace a junior employee working a temporary position in any classification or group in which he holds seniority, or
 - (2)** Revert to their permanent position, or
 - (3)** May fill a vacancy in any class or group in which they hold seniority.

In the event of displacement or lay off from a temporary

position or at the conclusion of a temporary vacancy employees, who hold a permanent position, will not be allowed to displace to other permanent positions in the circumstances where they can exercise any of the three (3) options listed immediately above. However, in situations where the employee does not own a permanent position and does not wish to exercise options one (1) or three (3) above, such employee will be allowed to exercise their established seniority to displace a junior employee in a permanent position.

- (b)** In the event of displacement or lay off from a permanent position, an employee must, do any of the following:
- (1)** Displace a junior employee working a temporary position in any classification or group in which they hold seniority, such employee must declare to a permanent position unless covered under Article 7.9 of the JSA when a declaration is not required. In situations where 7.9 does not apply, an employee may elect to exercise to a temporary position but must declare to a permanent position. Such employee will not be required to report to such position until the employee has concluded exercising on temporary positions or vacancies at which time the relocation benefits under the JSA apply. If such an employee is successful to another permanent vacancy during the time they are exercising on temporary positions, the employee shall be eligible for relocation to that new permanent position, if applicable, at the conclusion of their exercising on temporary positions provided the cost is no greater than the cost would have been had the initial relocation taken place, or
 - (2)** displace any junior employee working a permanent position in the class or group in which they held a permanent position, or

(3) may fill a vacancy in any class or group in which they hold seniority, subject to the same declaration process as in item 1 above.

Note 1: In situations where the employee is unable to exercise any of the above options, such employee will be allowed to exercise their established seniority to displace a junior employee in a permanent position in a higher class or group.

Note 2: Regardless of the above, in E.S. situations, an employee will be required to exercise all established seniority, on a senior may junior must basis, except as provided in Article 7.9 of the JSA.

Note 3: Other than what is currently contained within the Collective Agreement, it is intended that employees will not be laid off when work is available.

(c) An employee failing to exercise their seniority within fifteen (15) days*, unless prevented by illness or other cause for which bona fide leave of absence has been granted, shall result in severance of their employment relationship, unless satisfactory reason is given.

Note: The fifteen (15) day time limit starts at the conclusion of any scheduled annual vacation or approved banked time.

(d) Employees need not exercise seniority to a position expected to be in existence for less than forty-five (45) calendar days.

11.4 An employee whose permanent position is abolished and such employee has exercised their seniority in accordance with the above, will have prior rights to return to their former position if such position is re-established

within a period of eighteen (18) months. Such prior rights will not extend over a senior employee who has been displaced and is exercising seniority to displace a junior employee.

- 11.5** All rights and benefits to which the employees are currently entitled will not be affected by the Senior May / Junior Must concept.
- 11.6** The TCRC MWED and the Company may mutually agree that further changes to these seniority rules are required. Other than what is currently contained within the Collective Agreement, it is the intent of the parties that employees will not be laid off when work is available. Should the parties agree to further changes, all concerned will be advised by bulletin.
- 11.7** A Trackman "B", who is displaced for any reason, may, within fifteen (15) calendar days of being displaced, exercise their seniority rights to displace a junior employee in that group. Such employee will have the right, seniority permitting, to return to their former position when work opens up at that point.
- 11.8** An employee, who is laid off on account of reduction in staff, and who is unable, in the exercise of seniority, to displace a junior employee on their own seniority territory in accordance with Articles 11.3 and 11.7 may, within thirty (30) calendar days, seniority permitting:
- (a)** Displace the junior employee on the Region in the same seniority group from which laid off. An employee who elects to displace in accordance with the foregoing shall carry to the seniority territory to which they transfer only such seniority as was held in the classification from which they were laid off on their former seniority territory. In the application of this Article, Track Maintainers will be regarded as having been laid off from Class "A" positions.
- OR:

- (b) Elect to take layoff.
- (c) An employee electing to displace in accordance with Article 11.8 (a) shall, after displacing the junior employee on the Region, retain their seniority rights on their former seniority territory in all classes or groups in which they had formerly established seniority. However, if they fail to exercise such seniority at the first opportunity to a position bulletined on their former seniority territory where the work is of an expected duration of ninety (90) calendar days or more, they will forfeit any and all seniority dates held in such former classes or groups.

Thereafter they will have the seniority date they carried and seniority dates established on the seniority territory to which they transferred. An employee returning to their former seniority territory shall relinquish all seniority dates held on the seniority territory to which they had transferred. Copies of bulletins shall be furnished the employees concerned.

11.9 Except as provided in Article 11.10, when staff is increased or when vacancies of forty-five (45) days or more occur, laid-off employees shall be recalled to service in seniority order in their respective classifications by registered mail. Failure to respond to such recall within fifteen (15) days of the date the registered letter was sent to the employee's last known address, shall result in severance of employment relationship, unless satisfactory reasons are given.

11.10 When staff is increased or when vacancies of forty-five (45) days or more occur, laid-off Trackman "B" who wish to work on other than their own home section, shall be required to accept recall to such work in seniority order, provided they have indicated in writing to the proper officer of the Railway their desire to have their names placed on the recall list for such work. Failure to

accept such recall within fifteen (15) days of the date an employee is notified at their last known address will result in their name being removed from the recall list and they will not be called again for work on other than their own home section during the period of their lay-off.

- 11.11** Temporary positions or temporary vacancies of under forty-five (45) days duration shall be filled by qualified laid-off employees living at or near the work location, provided they are immediately available. Laid-off employees shall not be required to accept recall to vacancies of less than forty-five (45) days when they have steady employment elsewhere.
- 11.12** A laid-off employee must keep the proper officer of the Railway advised of their address at all times.
- 11.13** A Trackman/Track Maintainer who has been laid off on account of reduction of staff and who is unable to exercise displacement rights in accordance with Article 11.8, shall have preference of employment in order of seniority in any extra gangs.

It will not be necessary for the Trackman or Track Maintainer, having completed their probationary period under Wage Agreement No. 41 to complete a probationary period under Wage Agreement No. 42. They will be paid the maximum rate per hour applicable to a temporary Extra Gang Labourer who has the same amount of cumulative compensated service.

It is also understood that when a temporary Extra Gang Labourer is employed on a regular section gang they will be required to comply with the provisions of Article 9.1 of Wage Agreement No. 41 if they had not previously done so.

SECTION 12

MEALS, LODGING AND EXPENSE CLAIMS

- 12.1** Employees called to work outside of their regular working limits, requiring their absence beyond regular working hours, shall be supplied with boarding cars or alternate accommodations or given an opportunity to procure meals when necessary and practicable.
- 12.2** There shall be no charge to employees for meals supplied by the Company or by contractors outfit on boarding cars. Employee must provide twenty-four (24) hours' notice to those in charge of outfits of their intent to be absent for two (2) or more consecutive meals.
- 12.3** Where it has heretofore been the practice in boarding outfits, one (1) employee shall be allowed one (1) hour for cooking dinner and one (1) hour for cooking supper. This will not apply where meals are furnished by boarding car contractor or where a Foreman is boarding the employees.
- 12.4** In large gangs time will be increased sufficiently for the employee to perform this duty. Foremen shall be held responsible if there is any excess time devoted to cooking. Employees performing this service shall not be paid for time in excess of that period on any day to other labourers in the gang. Notwithstanding the provisions of Article 12.2, the Railway may elect to employ a suitable cook.
- 12.5** When it can be done without in any way interfering with the work, employees shall be permitted to take meals at their homes. When meals are to be so taken, employees must give one (1) day's notice to the person in charge of the boarding car.
- 12.6** Bridge and Structures road gang cars, welding gang and Extra Gang Foreman's cars or other cars generally used throughout the years, will be equipped with

clean mattresses, and with end doors if required, and as conditions permit such cars as are not fitted with sleeping car type berths will be equipped with steel bunks with springs, and the number of bunks per car will be so regulated that there will not be less than two hundred (200) cubic feet of space per employee sleeping in the car.

12.7 Employees taken off their assigned territory or regular boarding outfits, to work temporarily on snow or tie trains, or other work, shall be compensated for boarding and lodging expenses they necessarily incur. This shall also apply under similar conditions to Pump Repairers when taken away from their headquarters and to Pumpmen when away from their regularly assigned territory.

12.8 Except as otherwise provided in Article 14.4, an employee required to relieve a Foreman temporarily will receive the Foreman's rate of pay as specified in Article 2.1. When such employee is required to be absent from their place of residence to fill other than a bulletined vacancy, they shall be paid expenses incurred up to \$10.00 per day. If such a position is not filled under the provisions of Article 10.13 (a) and (b) then the Railway shall have the right to fill a Foreman's vacancy, which is not bulletined, by an employee living at the location where the vacancy occurs. Such employee may be displaced by a senior qualified employee. In such instance, the latter shall not be entitled to the daily expense allowance referred to in this Article.

12.9 Expense Claims (See Appendix D)

a) System Rest Day Travel Policy

Rest day travel arrangements must be fair and practical and must not be permitted to interfere with the performance of work. These arrangements must also contain suitable restrictions on the frequency of trips and must not place an unreasonable economic burden on the Company.

A variety of means can be utilized to assist the employees with rest day travel. The determination of the means to be applied in any given situation must rest with the appropriate Company Officers.

Qualification:

In order to qualify for rest day travel assistance, an employee must be required to work away from their home location on a regular basis (a minimum of five (5) consecutive days prior to the start of rest days, or a minimum of four (4) days on a 4&3 work cycle). It is not the intention to provide rest day travel assistance to an employee holding a permanent position in one location who elects to live in another; however, there may be exceptional situations, such as lack of housing, etc., which may require that consideration be given to a rest day travel allowance in such situations. These situations must be authorized by the appropriate Company Officer in advance.

Travel Assistance:

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

- Train Service
- Company vehicles
- Actual bus fares by way of tickets or passes provided by the Company
- A mileage allowance calculated using bus fares prevailing on August 1st each year. The rates as of August 1, 2007 are:

District	Bus Rate August 2007	4/3 and 5/2 Schedule Plus 4 cents Date of Ratification	8/6 Schedule Plus 9 cents Date of Ratification
Atlantic D-1	17.09 cents/km	21.09 cents/km	26.09 cents/km
Eastern D-2	17.91 cents/km	21.91 cents/km	26.91 cents/km
Prairie D-3	14.85 cents/km	18.85 cents/km	23.85 cents/km
Pacific D-4	15.27 cents/km	19.27 cents/km	24.27 cents/km

Restrictions:

The Company's commitment under this rest day travel policy shall not extend beyond the limits of the Region* on which the employee is working at the time of submission. The only exception to the foregoing is when an employee is employed on a gang which is temporarily transferred from one Region to another. In such circumstances, the employee shall be entitled to rest day travel assistance on a pro-rata basis, from his/her work location on one Region to their home location on the other.

* (The former Atlantic, Eastern, Prairie and Pacific Regions will remain separate for the purpose of establishing travel limits for this policy)

Note: These restrictions may only be modified by mutual agreement between the Parties.

Administration:

Claims for payment under the terms of this arrangement must be made in accordance with Company instructions. Mileage allowance adjustment for bus fares will be made on August 1st of each year.

- Applies to production gang employees who are provided with boarding car or direct billed accommodation. Also applies when a per diem is provided in lieu of boarding cars or direct billed accommodation.

- Applies when traveling to/from principal place of residence (PPR) to/from special work site on scheduled days off .
- For the purpose of this claim, employees are allowed to register a second PPR on the Region in the event that their primary PPR is not located on the Region.
- Secondary PPR's must be within a reasonable distance of the Canadian Pacific track network. Payment will not exceed one hundred (100) kilometres past the Canadian Pacific track network.
- Employees who do not have a Primary Place of Residence (PPR) on the Region and do not declare a secondary PPR on the Region will be provided with a rest day Travel Allowance; the maximum claim will be the distance from the assembly point to the regional boundary. If the employees travel to a location other than their PPR, they will be provided with an allowance based upon the lesser of the distance actually traveled or the distance to the regional boundary.
- Employees must provide the Company with the address of their primary PPR and their secondary PPR, if one exists, at the outset of production gang season. The location of secondary PPR's will not be adjusted during the production gang season.
- The relocation of primary PPR's must be supported by a change of address, change of telephone number when applicable, and a photo copy of their drivers license depicting their new address, where applicable.

- This allowance will cover all expenses incurred while traveling on scheduled days off.

Note: As required by Revenue Canada, all employees reporting to work at “Special Work Sites” are required to file with the employer, form TD4, which identifies the employee’s principal place of residence (“PPR”). As described under Revenue Canada’s requirements found under their Interpretation Bulletin – IT 91R4 “Employment at Special Work Sites or Remote Locations”, a post office box will not qualify as a PPR but requires the place to be a self-contained living accommodation.

(b) Direct Billed accommodation or a Per Diem in lieu:

- applies to Production Gang employees.
- will be used at the Company’s discretion and when used, will apply to the entire production gang.
- employees will be advised on the status of per diems, when their crew is initially bulletined.
- when per diems are provided in lieu of direct billed accommodation and meal allowance, they shall be as follows.

Per Diem: \$95.00

- employees on a per diem must secure suitable accommodation to ensure proper rest.
- employees will be responsible for their own travel to and from their place of accommodation and the designated assembly location.

- Assembly locations will be established by mutual agreement between the appropriate Representative of the Union and the Company.
- time will be paid for travel to and from the work site and the designated assembly location, if applicable, regardless of where employees elect to take lodging.
- when direct billed accommodation is supplied, the meal allowance shall be \$38.00.

(c) Scheduled days off allowance when remaining on Boarding Cars or in Direct Billed accommodation:

- applies to employees who are entitled to a travel allowance on their scheduled days off but elect to remain on their boarding cars or in Company provided direct billed accommodation (Review note below).
- a daily meal allowance of \$25.00 will be provided if weekend meals are not available on boarding cars, or when employees are provided with direct billed hotel/motel rooms.

Note: Revenue Canada rules require that travel between the “Special Work Site” and the principal place of residence normally must exceed eighty (80) kilometers in order to obtain this allowance as a non-taxable payment.

(d) Ad hoc Allowance:

- applies when employees are required to stay away from their headquarters or boarding cars overnight.
- employees will receive a meal allowance when accommodation is direct billed or claimed against the Company of \$38.00.

- in lieu of the above and at the employee's discretion, employees will be provided with a meal and lodging per diem allowance as follows:

Per Diem: \$95.00

- employees on a per diem must secure suitable accommodation to ensure proper rest.

e) Forced to temporary vacancies/positions: (must be a minimum of eighty (80) kilometers from their residence)

For the sole purpose of this provision, home location will be considered to be within eighty (80) kms of an employee's place of residence.

Expenses will be provided to employees who are forced to fill temporary vacancies/positions away from their home location.

An employee will be considered as "forced", if they fill a temporary vacancy/position to:

- Protect their seniority or,
- To protect their ES or JS or,
- To remain working (if there is no work available at home location).

The first month's expense allowance will be as follows:

- The Company's option of Company supplied accommodation and meals or; direct billed accommodation and meal allowance or; a per diem in lieu of same, as provided for in Section 12 of Wage Agreement 41. In instances where the expenses provided are direct billed accommodation and meal allowance or a per diem in lieu of same, the employee can instead elect a flat rate expense claim of \$1,200 without receipts.

For all subsequent months, the employee will receive a flat rate of \$700 a month without receipts.

- Monthly flat rate expense claims will be subject to prorating and rounded up to the nearest week when an employee is released or displaced during the course of a month.
- Rest Day travel in accordance with Article 12.9(a) will apply. However, in the application of this provision it is understood that any employee who voluntarily changes their place of residence to more than one hundred (100) kms from the Canadian Pacific track network, will not be entitled to rest day travel allowance for those kilometers beyond one hundred (100) kms from the Canadian Pacific track network.

In order to lessen the need for employees to be forced to work away from their home location, the following exceptions will be made to the forcing provisions of the Collective Agreement and Job Security Agreement:

- A senior employee collecting ES benefits will not be forced to fill a temporary vacancy/ position away from their home location if there is a qualified junior ES employee residing within eighty (80) kms of the temporary vacancy/ position.
- A senior laid off employee entitled to JS-SUB benefits will not be forced to fill a temporary vacancy/position away from their home location if there is a qualified junior employee residing within eighty (80) kms of the temporary vacancy/ position. It is understood that if their JS-SUB ceases, the senior employee will have the option of filling a temporary vacancy/position away from their home location. If the employee chooses to fill the temporary vacancy/position

in this instance they will be entitled to expenses under this provision providing there is no work available at their home location.

- A senior laid off employee who is not entitled to JS-SUB benefits will not be required to fill a temporary vacancy/position away from their home location if there is a qualified junior employee residing within eighty (80) kms of the temporary vacancy/position. It is understood that if the senior employee chooses to remain working by filling a temporary vacancy/position in this instance they will be entitled to expenses under this provision providing that there is no work available at their home location.
- It is also understood that when an employee has been forced to work away from their home location and a temporary vacancy/position that their seniority entitles them to later becomes available at their home location, the employee will have the option of returning to their home location to fill that temporary vacancy/position or stay on the temporary position away from their home location. However, if in this instance the employee opts to stay on the temporary position away from their home location, they will not be eligible for expenses, as this will no longer be considered as a “force”.

f) Forced to temporary vacancies: (Regional/ District Seniority) (Must be a minimum of eighty (80) kilometers from their residence)

- occurs when a junior employee is forced to a position through the application of senior may/ junior must rules.
- employees will receive a meal allowance when direct billed accommodation is provided by the Company of \$38.00.

- in lieu of the above and at the Company's discretion, employees will be provided with a meal and lodging per diem as follows:

Per Diem: \$95.00

- employees on a per diem must secure suitable accommodation to ensure proper rest

Note: The Company's current practice of providing expenses to employees occupying temporary positions at certain locations, whether by bid or force, will not be changed.

- g) Employees required to report to other than normal reporting location, within an 80 kilometer radius of their PPR and they agree to commute, using own vehicle shall be provided with the following allowances:**

Daily Meal Allowance - \$20.00

Commuting Allowance - \$0.33/km

Note 1: Does not apply when forced to temporary vacancies.

Note 2: In addition to the expense provisions outlined above, the expense entitlements contained in JSA Article 7.3(c) will also apply.

- h) These expense entitlements will apply to production crew employees in the following four (4) situations:**

- 1. Production crew is staying in Company direct billed accommodation less than fifty-six (56) km's from the employee's PPR.**

- a)** Employee will not be allowed to stay in the Company direct billed accommodation. The Company will make exceptions for hardship

cases e.g. employee does not have a vehicle, where accommodation and meal allowance will be provided.

- b) An employee, who drives their vehicle home, will be provided with thirty three (33) cents per kilometer for actual mileage traveled to and from assembly point; and
- c) Employees will be provided with \$20 per day for meals

2. Production crew is staying in Company direct billed accommodation at least fifty-six (56) km's but less than eighty (80) km's from the employee's PPR.

- a) The employee will be given the option of whether to stay in hotel or go home. If the employee elects to go home then that employee will receive \$20 per day for meals. An employee, who drives their vehicle home, will be provided with thirty three (33) cents per kilometer for actual mileage traveled to and from assembly point.
- b) An employee must notify the Company on the last day of a run of his/her intention for the following run. The employee must either remain in the direct billed accommodation for the whole run or return home every day. The employee will not be permitted to do a combination of both, unless there is a physical relocation of the assembly point.

3. Production crew is staying in Company boarding cars less than fifty-six (56) km's from The employee's PPR.

- a) An employee may return home at their

discretion. An employee, who drives their vehicle home, will be provided with thirty three (33) cents per kilometer for actual mileage traveled to and from assembly point; and

- b) Employee will be given \$20 per day for meals provided that the Company can avoid the cost of providing the employee with meals on the boarding car. Otherwise, the employee will be allowed to take meals on the boarding cars.

4. Production crew is staying in Company boarding cars at least fifty-six (56) km's and less than eighty (80) km's from the employee's PPR.

- a) Employee will remain on the boarding cars unless mutual agreement is reached between the employee and the Company that the employee will return home. An employee, who drives their vehicle home, will be provided with thirty three (33) cents per kilometer for actual mileage traveled to and from assembly point; and
- b) An employee will receive a \$20 per day meal allowance provided that the Company can avoid the cost of providing the employee with meals on the boarding car. Otherwise, the employee will be allowed to take meals on the boarding cars.

Note: These expense entitlements have application to employees on production crews only. They do not resolve the issues involving employees accommodated in boarding cars or direct billed accommodation, on other than production crews, nor do they set precedent in those cases.

Auto Allowance

- 12.10** When directed by the Company to use a personal automobile, an automobile mileage allowance is paid in the amount of thirty-three (33) cents per kilometer.
- 12.11** Opportunity and free transportation shall be given to employees for getting to their place of residence on their rest days, when such leave will not interfere with the performance of the work.

Traveling or Detained On Orders Of Railway

- 12.12** Employees when detained for conveyance and while traveling on passenger trains on orders of the Railway to and from work away from their regular sections or headquarters after regular hours will be paid at the straight time rate for all time involved, except that they will not be paid between the hours of 10:00 p.m. and 6:00 a.m. when passenger sleeping car accommodation is provided for them.

Unless an employee is voluntarily exercising their seniority rights, an employee who is instructed to travel to relieve a Foreman will be paid their regular rate while traveling to the assignment and will be paid at the Foreman rate while returning to their regular assignment.

- 12.13** Employees will be paid for time traveling in boarding and sleeping cars, on orders of the Railway, under the following conditions only:
- (a)** during regular working hours, or
 - (b)** between 12:01 a.m. and 6:00 a.m. provided the employees concerned have to work that day, or
 - (c)** between 6:00 a.m. and 10:00 p.m. on a regularly assigned rest day or on a general holiday.

Payment under the foregoing conditions shall be at straight time.

- 12.14** Employees not traveling in boarding and sleeping cars when such cars are moved on orders of the Railway will, provided they were available for duty at the old work location at the completion of work and are available for duty at the new location at the commencement of work, be paid straight time for the time taken for such movements during regular working hours.
- 12.15** When required the Foreman, or another employee designated by the Company, will accompany boarding and sleeping cars being moved from one location to another. In such circumstances, payment will be in accordance with Article 12.13.
- 12.16** When practical to do so, boarding and sleeping cars shall be moved at times other than between 11:00 p.m. and 6:00 a.m.
- 12.17** Employees' time spent traveling to and from the designated assembly point during assigned hours will be included in a day's pay.
- 12.18** Employees' time spent traveling on track motor cars or Company-operated vehicles outside of assigned hours shall be paid at the time and one-half rate except while traveling as passengers in a bus, truck cab, crew compartment of a highway vehicle, or in other similar suitable equipment provided for the carrying of passengers, when payment will be made at the straight time rate.
- 12.19** Notwithstanding the provisions of Article 12.18, employees' time spent traveling prior to regular starting time shall be paid at time and one-half rate.
- 12.20** The traveling time referred to in Articles 12.18 and 12.19 will not be used in computing daily or weekly overtime.
- 12.21** When boarding cars are moved during the regular work

cycle, employees moving their private vehicles outside of regular working hours will be paid the mileage allowance in accordance with Article 12.9(a).

12.22 Assembly Points

- (a)** Time for employees not living in hotels, motels, boarding cars, or other mobile units, will start and end at designated tool houses or shops.
- (b)** Assembly points for employees living in Company provided hotels, motels, boarding cars or other mobile units, will be the living accommodation provided. Time for these employees will start and end at the assembly point.
- (c)** Assembly points for employees who arrange their own accommodation in accordance with Article 12.9 (b), will be determined by the Company and the Union. Time for these employees will start and end at the assembly point.
- (d)** For production gang employees, in calculating penalty overtime, regular time will commence upon arrival at the work site or, one (1) hour after starting time, whichever occurs first.

Note: This application does not apply to Crew Bus Operators & other employees who engage in transporting employees to and from work sites, or employees operating Company vehicles.

- (e)** Employees who voluntarily elect to travel between the assembly point and worksite in their own vehicles will be governed the same as (d) above, provided they reach the worksite on time.
- (f)** Where local conditions necessitate it temporarily, other designated assembly points may be established by mutual agreement between the appropriate Representative of the TCRC MWED and the Company.

Transportation Provisions

12.23 Employees laid off through reduction when re-engaged within one (1) year, shall be granted free transportation to and from a place of work over the seniority territory on which formerly employed pursuant to the letter dated May 17, 1985 concerning rest day travel assistance forming a part of the Article III Settlement dated May 20, 1985. This provision will also apply to employees holding permanent positions who are appointed to fill positions on seasonal work gangs.

12.24 An employee exercising their seniority to a permanent position in a higher classification will have the cost of transporting their household effects paid for by the Company. It is understood that such expenses will only be considered necessary if the employee is required to commute an additional forty (40) miles from residence to headquarters.

12.25 Meals on Boarding Car Outfits

Prior to January 30th of each year, the Company will review the catering menu for boarding car outfits with the Union.

Should problems with meal quality or frequency arise, the concern will be immediately brought to the attention of the respective Work Crew Supervisor. If not resolved within two (2) business days, the respective Director of the Union shall bring such concern(s) to the attention of the Manager of Track Programs and Equipment, within five (5) days of the notice of the unresolved concern, so that the appropriate remedies can be identified and implemented.

12.26 Laundry Allowance

When an employee working on a Seasonal Work Crew is away from their place of residence for a period of three (3) nights (4&3 work schedule), or four (4) nights (5&2 work schedule), or more, and where laundry facilities

are not provided by the Company, a laundry expense of \$5.00 per work cycle may be claimed. Dry cleaning charges do not qualify for the laundry expense claim.

12.27 Meal Allowance

Employees that are not being provided with meal expenses or per diem expenses and are on duty in excess of three (3) hours beyond their regular quit time will be supplied with a meal or a \$13.00 meal allowance in lieu thereof.

The practice of continuing to provide meals to employees who return to Boarding Car Outfits under the aforementioned circumstances shall remain in effect.

SECTION 13

PERFORMANCE OF MAINTENANCE OF WAY WORK BY EMPLOYEES OUTSIDE OF DEPARTMENT

13.1 Except in cases of emergency or temporary urgency, employees outside of the maintenance of way service shall not be assigned to do work which properly belongs to the Maintenance of Way department, nor will Maintenance of Way employees be required to do any work except such as pertains to their division or department of Maintenance of Way service.

Note: The Company is prepared to investigate any complaints of supervisors performing bargaining unit work if 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 Collective Agreement.

Contracting Out

13.2 Work presently and normally performed by employees who are subject to the provisions of this wage 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, and such work cannot be delayed until such employees are available; or
- (c)** When essential equipment or facilities are not available and cannot be made available at the time and place required (i) from Railway-owned property, or (ii) 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.

13.3 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.

13.4 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.

The Company will cover the expenses and wages for one (1) Local Representative from each affected Basic Seniority Territory to attend the annual Service Area contracting out review meeting.

13.5 The Company will advise the Union Representatives involved in writing, as far in advance as is practicable, of its intention to contract out work which would have a material and adverse effect on employees. Except in case of emergency, such notice will not be less than thirty (30) days.

13.6 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 TCRC MWED Director, or equivalent, 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 the employee for that purpose.

- 13.7** Should a TCRC MWED Director, or equivalent, request information respecting contracting out which has not been covered by a notice of intent, it will be supplied to the employee promptly. If they request a meeting to discuss such contracting out, it will be arranged at a mutually acceptable time and place.
- 13.8** On a quarterly basis, the Company will provide the designated Union Representative with itemized lists of all contracts.
- 13.9** Where the Union contends that the Company has contracted out work contrary to the provisions of this Article, the Union may progress a grievance commencing at the last step 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 thirty (30) days from the alleged non-compliance.

Leave of Absence

- 13.10** Employees shall be granted leave of absence in accordance with the current general regulations or practice of the Railway. The TCRC MWED Director will be notified when such leave is granted.
- 13.11** Employees elected to a full time Union position, shall be granted leave for the term of office or until completing the activity as the case may be, for which leave of absence was granted. Any elected Union official on leave of absence from their regular position will be credited with compensated service for all time served in their elected Union position.
- 13.12** Leave of absence shall be granted to members of duly

appointed committees for the adjustment of matters in dispute between the Railway and the employees within ten days after request in writing has been made to the proper officer.

- 13.13** Employees shall, if desired, be granted leave of absence at least six (6) times each year to attend their meetings. Such leave will only be granted when consistent with good service and provided the railway is not put to any additional expense.

Special Maintenance and Extra Gangs

- 13.14** Track Maintainers and Trackman "B" employed in temporary extra gangs to be known as special maintenance gangs, doing section maintenance work, shall be paid the applicable Trackman or Track Maintainer rate.

Service performed in a special maintenance gang by a probationer who has had service on a regular section will be counted towards completing the probationary period as specified in Article 9.1 of Wage Agreement No. 41.

- 13.15** Section rates of pay shall not apply on large temporary extra gangs employed in ballasting and lifting track where new material has been distributed continuously along the line, relaying rail out of face, lining and other work incidental to such ballasting and relaying rail, or in other work too heavy for regular section gangs to perform.
- 13.16** Extra gangs shall not be used to take the place of regular section gangs.

Composition of B & S (Bridges & Structures) Crew

- 13.17 (a)** A Bridge and Structures gang will be composed of a B&S Foreman and any of the classifications listed in 9.15 (c).

Definitions:

1st Foreman

2nd Carpenters, who shall be skilled mechanics in house or bench work, and have a proper kit of carpenter's tools.

3rd Bridgemen, who shall be rough carpenters, experts in saw, axe and hammer work, and have a general experience in bridge work.

4th Bridge and Structures Gang Labourers who shall be capable of performing such work as may be assigned to them.

(b) The following line of promotion shall be used exclusively for consolidation purposes and the current practices with respect to the composition of B&S gangs will remain intact.

(1) Bridge and Structures Foreman

(2) Bench Carpenter, Plumber, Pipefitter, Welder, Pump Repairer, Plasterer, Electrician

(3) Carpenter

(4) Bridgeman, Rough Carpenter or Painter

(5) Helper

(6) B&S Gang Labourer (including Bridgetender -- mechanical operation).

Snow Service

13.18 Foremen and operators in charge of snow plows or spreaders in snow service will be paid the rate of Extra Gang Foreman thirty (30) or more employees.

- 13.19** A Track Maintenance Foreman bidding in a Section on which a Snow Plow Foreman is required must qualify as a Snow Plow Foreman unless there are, at the location, sufficient Snow Plow Foremen or Track Department employees willing to qualify as such to meet requirements.
- 13.20** On a section from which a snow plow is operated, the Trackmen, Track Maintainers and Leading Track Maintainers bidding on positions bulletined for this section, need not be qualified or have to qualify for the operation of snow plows. However, the Union and the Company will cooperate in endeavoring to have sufficient qualified employees available to operate snow fighting equipment.
- 13.21** A senior Snow Plow Foreman desiring to exercise seniority rights at any location must be available when required.
- 13.22** Snow Plow Foreman have rights to position of Flanger Foreman when a snow plow is not required.
- 13.23** Regular Trackmen, Track Maintainers and Leading Track Maintainers in order of Track Maintainer seniority, if qualified, have preference for the purpose of assisting Snow Plow Foreman in the operation of a snow plow.
- 13.24** When a Trackman, Track Maintainer or Leading Track Maintainer, who is not required at that time to relieve the Foreman on the section, assists a Foreman in the operation of snow plow or flanger or when required to operate a spreader in snow service in conjunction with a snow plow, will be paid the rate of Work Equipment Machine Operator Group 2. Their Track Maintainer seniority will apply.
- 13.25** The rate applicable will be paid the employee for the hours they are entitled to pay, from the time they are required to report for duty at the home station until released from duty on return to home station. They will be paid at the straight time rate within regularly assigned

hours and at the rate of time and one-half outside the limits of such regularly assigned hours. Twenty (20) minutes will be allowed for meals en route (see Article 12.22). The employee's regularly assigned hours will be the same as the section assignment. For detention time they will be paid at the straight time rate exclusive of eight (8) hours rest (i.e. in a twenty four (24) hour day, sixteen (16) hours will be paid at straight time and eight (8) hours will be rest). The employee will be provided with suitable sleeping accommodation at Away Station. Time spent deadheading will be paid at the straight time rate.

Wet and Stormy Days

13.26 Regular assigned employees shall be allowed straight time for wet or stormy days, provided they remain on duty.

All employees are expected to make every effort to report for work on time, notwithstanding severe snow or storm conditions. However, employees, who arrive late for their assignments, but report prior to the mid-point of their tour of duty, will be paid for the day provided such late arrival is directly attributable to the aforementioned severe snow conditions. Employees who report after the mid-point of their tour of duty will be paid one-half day. If an employee is unable to report for work due to the aforementioned severe snow conditions, or who reports after the mid-point of their tour of duty, such employee, notwithstanding the provisions of the Collective Agreement, 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.

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

Transfer of Work

- 13.27** When through an unusual development it becomes necessary to transfer work from a seniority terminal, Division or Region, to another seniority terminal, 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 TCRC MWED Director shall co-operate to determine the number of employees who shall transfer.
- 13.28** Employees who transfer under this provision shall after ninety (90) calendar days lose their seniority at the seniority terminal they left.

Manning New Lines or Extensions

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

Section Houses and Dwellings

- 13.30** The Railway shall keep section houses in good repair, the cost of repairs other than those due to ordinary wear and tear shall be charged to the occupants, their surroundings must be kept clean by the occupants. The Railway shall also furnish, when required, storm doors, storm windows (for cold sections of the country), and shall also furnish window and door screens when necessary.
- 13.31** Regular section houses shall be for the use of Track Maintenance Foreman and their families only, unless with the consent of the occupants.
- 13.32** Where necessary at outlying points where other living accommodation is not available, suitable quarters for sleeping and eating shall be provided for Pumpmen, Trackmen/Track Maintainers, Signalmen and Watchmen, which shall be kept in good repair.

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

SECTION 14 TRAINING

- 14.1** Employees taking training under this Training Program shall, for the purpose of this agreement, be designated as follows:
- (a)** Regular Employee: An employee holding a position as an Extra Gang Foreman, an Assistant Extra Gang Foreman, a Track Maintenance Foreman, an Assistant Track Maintenance Foreman, a Track Maintainer, or a Trackman "A", prior to January 1, 1978, or an employee becoming qualified as a Track Maintainer pursuant to paragraph (b) below.
 - (b)** Trainee: An employee establishing seniority as a trackman "A" on or after January 1, 1978. Such employee shall be regarded as a Trainee until he becomes fully qualified as a Track Maintainer, after which he will be regarded as a Regular Employee.
- 14.2** A Regular Employee will be required to take training and attempt the qualifying tests in all classifications in which he holds seniority. In instances where an employee requests that he not be required to take training because of particular circumstances, this case will be reviewed by the TCRC MWED President or the authorized Representative, and proper officer of the Company. In the event such employee does not take training, he will not be entitled to the higher rate.
- A Regular Employee holding seniority in a higher classification who fails to qualify in such higher classification, shall retain seniority in such classification until he relinquishes it in accordance with the provisions of this agreement.
- 14.3** A Regular Employee will not be permitted to apply for or take training for promotion until he has successfully completed the qualifying tests in the present classification.

- 14.4** The Company shall determine the order in which employees will receive their training. The selection will be based on seniority order to the extent practicable. However, a senior employee shall not lose seniority in a higher classification to a junior employee when, through no fault of their own, such senior employee has not had the opportunity to take training and qualify. Until he takes training, such senior employee shall, while occupying a position in a higher position, be paid the rate applicable to qualified employees.
- 14.5** An employee selected for training must attend and actively participate in all training sessions.
- 14.6** While in training, an employee will be paid at the rate of pay he would have received had he not been in training and will be allowed actual reasonable away-from-home expenses necessarily incurred. Travel time will be paid for travel during regular working hours on regular working days.
- 14.7** When regular rest days coincide with the classroom training session, other rest days off will be given without loss of pay.
- 14.8** If, through mutual agreement in writing between the employee and the appropriate Railway officer an employee's annual vacation is rescheduled to enable the employee to attend the Training Program, the provisions of Article 6.12 shall not apply and the employee affected shall be granted their vacation at a mutually convenient later date.
- 14.9** The Railway shall provide each employee taking training with text books and/or other written material required for training which will remain the property of the Railway and must be returned on request or on leaving Maintenance of Way service.
- 14.10** Employees will, when required, assist other employees to learn and understand the various aspects of their jobs.
- 14.11** The requirements for qualification in each classification,

the training and corresponding tests to be given will be established by the Railway. Training and tests not applicable to a particular seniority territory may be waived from the requirements. The TCRC MWED President will be given an opportunity to review written course material to be used in the training program.

14.12 An employee taking training will be required to take the corresponding oral, practical and/or written tests. A Trainee who fails a test on the first attempt will be given a second opportunity to pass such test prior to the expiration of two (2) years' cumulative compensated service. A Regular Employee who fails a test on the first attempt will be given a second opportunity to pass such test within a reasonable period of time.

14.13 A Trainee must qualify as a Track Maintainer prior to accumulating two (2) years of cumulative compensated service. A Trainee who fails twice on the Track Maintainer's test during such two year period will be released from service or in the case of Trackman "B" having seniority as such prior to January 1, 1978, or an employee who transferred from another sub-department in Maintenance of Way service, such employee may, seniority permitting, return to their former position.

A Trackman who fails to successfully complete a Leading Track Maintainer's course but does, during the same course, qualify as a Track Maintainer will, subject to such employee occupying a position of Track Maintainer, be so classified and allowed the applicable rate of pay.

This does not alter the current practice of allowing Track Maintainer rates of pay to Trackmen who qualify, through training, as Leading Track Maintainers or Track Maintenance Foremen while such employees are occupying positions of Track Maintainer.

It is further understood that the application of Track Maintainers' rates of pay in accordance with the contents of this letter will not result in claims for Track Maintainers'

rates of pay for any employees who have not been so qualified.

- 14.14** A Regular Employee who fails twice on any test will be considered for further testing on their own time, and providing that the Company is not put to any expense or undue inconvenience. Such employee desiring further testing must apply in writing to the supervisor requesting an appointment.
- 14.15** An employee who fails any test and claims he did not have a proper test may appeal the decision under the provisions of Article 15.7, starting at Step 2.
- 14.16** Notwithstanding the provisions of Article 9.14, an employee may accept promotion to a higher classification in order of seniority prior to taking training in such classification. An employee so promoted must complete the training and become qualified within twelve (12) months from the date he is promoted to such higher classification or be returned to their former position and forfeit any seniority acquired through such promotion.
- 14.17** An employee will not be required to attempt a particular qualifying test without having had an opportunity to receive the appropriate training or be exposed to that aspect of the job.
- 14.18** An employee who has successfully passed all tests in a classification will receive a card certified by the appropriate Manager in Engineering Services. An employee becoming qualified in the classification of Extra Gang Foreman or Track Maintenance Foreman will also receive a diploma certified by the General Manager.

Note: All Section employees will be properly trained in the use of cutting torches that will be supplied to each Section. These cutting torches shall be used for the performance of incidental duties related to Section work and shall not be used by the Section on a continuous basis throughout the workday. While it is the intention of the Company that all members of the Section be able

to use the cutting torch, failure to successfully complete training will not disqualify the employee from a position on a Section.

Training for B & S Foremen

- 14.19** Employees taking training under the Bridge and Structures Foreman Training Program shall, for the purpose of this Agreement, be designated as follows:
- (a)** Regular Employee: an employee holding seniority as a Bridge and Structures Foreman (B&S Foreman), on or prior to January 15, 1983.
 - (b)** Trainee: an employee establishing seniority as a B&S Foreman, after January 15, 1983. Such employee shall be regarded as a trainee until he has taken training and successfully completed the qualifying tests.
- 14.20** All Regular Employees and Trainees will be required to take training and attempt the qualifying tests. In instances where a Regular Employee requests that he be exempted from taking training because of particular circumstances, the request will be reviewed by the TCRC MWED President and the General Manager or their authorized Representatives.
- 14.21** The requirements for qualification, the training and corresponding tests to be given will be established by the Railway. Training and tests not applicable to a particular seniority territory may be waived from the requirements. TCRC MWED President will be given an opportunity to review written course material to be used in the training program.
- 14.22** Employees who fail a test on the first attempt will be given a second opportunity to pass such test. A Regular Employee who fails a second opportunity may be given a further opportunity at the discretion of the Company and will retain seniority in the B&S Foreman's classification until he relinquishes it in accordance with the provisions of this Agreement.

- 14.23** A Trainee must qualify as a B&S Foreman no later than two (2) years after failing to qualify on the first attempt. A Trainee who fails on the second attempt will return to their former position and forfeit any seniority as a B&S Foreman.
- 14.24** Employees who fail any test and claim they did not have a proper test may appeal the decision under the provisions of Article 15.7, starting at Step 2.
- 14.25** Notwithstanding the provisions of Article 9.14, employees may accept promotion to a position of B&S Foreman in order of seniority prior to taking training in such classification.
- 14.26** Employees will not be required to attempt a particular qualifying test without having had an opportunity to receive the appropriate training or be exposed to that aspect of the job.
- 14.27** The Company shall determine the order in which employees will receive their training. The selection will be based on seniority order to the extent practicable. However, a senior employee shall not lose seniority as a B&S Foreman to a junior employee when, through no fault of their own, such senior employee has not had the opportunity to take training and qualify.
- 14.28** Employees selected for training must attend and actively participate in all training sessions.
- 14.29** Employees will, when required, assist other employees to learn and understand the various aspects of their jobs.
- 14.30** While in training, an employee will be paid at the rate of pay he would have received had he not been in training and will be allowed actual reasonable away-from-home expenses necessarily incurred. When authorized in advance, an employee using their automobile will be reimbursed pursuant to Article 12.10. Travel time will be paid for travel during regular working hours on regular working days. If an employee travels in excess of four (4) hours on a rest day prior to and/or at the conclusion of a

training program, they will be allowed time off in lieu at straight time rates equaling such excess time (i.e. time in excess of four (4) hours on each rest day). Employees traveling by train and who are supplied with passenger sleeping accommodation will not accumulate time between the hours of 10:00 pm and 6:00 a.m. Any time off in lieu to which an employee becomes entitled will be taken at a time mutually agreeable to the employee and their Supervisor.

- 14.31** When regular rest days coincide with the classroom training session, other rest days off will be given without loss of pay.
- 14.32** If, through mutual agreement in writing between the employee and the appropriate Railway officer, an employee's annual vacation is rescheduled to enable the employee to attend the Training Program, the provisions of Article 6.12 shall not apply and the employee affected shall be granted vacation at a mutually convenient later date.
- 14.33** The Railway shall provide each employee taking training with written material required for training which will remain the property of the Railway and must be returned on request or on leaving Maintenance of Way service.
- 14.34** Employees who pass the qualifying tests will receive a diploma certified by the General Manager.

SECTION 15 INVESTIGATIONS, GRIEVANCES AND FINAL DISPUTE RESOLUTION

Note 1: See Appendix A-10 Informal handling, Admission of Responsibility and Deferred Discipline

Note 2: See Section 17 for Human Rights Formal Investigations

15.1 No employee shall be disciplined or discharged until a fair and impartial investigation has been conducted and responsibility established.

An employee is not to be held out of service unnecessarily in connection with an investigation. An employee may be held out of service for an investigation for the following reasons:

- The nature of the offence is dismissible in and of itself, or,
- The continued employment of the individual is in jeopardy, or,
- There are concerns regarding the safety of the employee.

In such cases, an employee held out of service more than five (5) work days, or as mutually extended, will be paid a regular days pay, at the basic rate of pay, exclusive of overtime, for each day held out of service in excess of five (5) work days, or such other agreed upon period, whatever the decision rendered by the Company.

If an employee is unavailable for investigation, the five (5) day period shall be extended by a period equal to the period the employee was unavailable.

In the event that an employee is held out of service, the investigation is to be conducted as soon as possible.

Note: the Company will advise the Union when an

employee is held out of service. The appropriate Service Area Manager or Track Program & Equipment Manager, if requested, will have a meeting with the Union, to discuss alternatives, with the purpose of lessening undue hardship on the employee and their family. Such meeting can be in person or by telephone. This will not apply to violations of the Lifesaving Rules.

15.2 When an investigation is to be held, the employee will be notified, in writing, of the time, place and subject matter of such hearing. He may, if he so desires, have a fellow employee and/or an accredited Representative of the TCRC MWED present at the hearing. No employee, fellow employee or accredited Representative involved in the investigation will suffer a loss of regular earnings, except the employee, if held out of service. Reasonable expenses will be provided when an investigation cannot be held within a reasonable commute. The employee will have the opportunity to review all evidence taken, immediately prior to the commencement of the hearing, and he shall be furnished with a copy of the statement, and, on request, copies of all evidence taken. Investigations will be held during regular hours to the extent practicable. Where it can be demonstrated that an investigation could have been held within regular hours, the employee will be compensated for a maximum of three (3) hours pay at straight time rates.

15.3 The investigation will be completed within twenty eight (28) calendar days from the date it is commenced. If the investigation is not completed within twenty eight (28) calendar days it will be deemed to have found no cause for the assessment of discipline or for further investigation.

A decision will be rendered as soon as possible but not later than twenty-eight (28) calendar days from the date the investigation is completed.

Time limits stated above may be extended upon mutual agreement which will not be unreasonably withheld.

- 15.4** An employee who has been suspended, disciplined or dismissed and who is subsequently found blameless shall be reinstated to the former position held, unless that position has in the meantime been abolished, or occupied by a senior employee through displacement, and paid at schedule wages for each day lost, and also reimbursed for any reasonable expenses incurred if required to be away from home in connection with the investigation.
- 15.5** When discipline is recorded against an employee, he will be advised in writing. In the event a decision is considered unjust, an appeal may be made commencing at Step 1 of the grievance procedure.
- 15.6** Grievances concerning dismissals will be initiated at Step 2 of the grievance procedure. Vacancies created by dismissals will not be bulletined as permanent during the appeal period (maximum of two (2) years). This practice will not be used by the Union during the grievance process or at arbitration to argue that dismissals are other than permanent.

Note: Generally speaking, the parties agree to be guided by the principle that the return of an employee to the service of the Company, who has been dismissed or demoted for cause, should not be permitted to displace other employees.

(See Appendix F-17)

Grievances

Note 1: See Appendix E Informal Resolution and Fact Finding Form

Note 2: See Appendix E - Release of Information Joint Waiver form that may be used, when practicable, by either party to assist in the Grievance Procedure.

- 15.7** A grievance concerning the interpretation, or alleged

violation of this agreement, or an appeal by an employee who believes he has been unjustly dealt with shall be handled in the following manner.

STEP 1

The aggrieved employee, the Local Representative or the duly authorized Representative shall present the grievance in writing to the designated Manager within twenty-eight (28) calendar days from the date of the cause of the grievance.

A decision at Step 1 of the grievance procedure shall be rendered in writing within twenty-eight (28) calendar days of the receipt of appeal.

STEP 2

Within thirty-five (35) calendar days of receiving the decision under Step 1, the Appropriate Union officer or the authorized Representative may appeal the decision in writing to the designated Manager or Director and copied to Labour Relations.

A decision at Step 2 of the grievance procedure shall be rendered in writing within thirty-five (35) calendar days of the receipt of appeal.

- 15.8** The Company will supply the Union with a list, on an annual basis or sooner if changes occur, of appropriate Managers and their addresses to whom grievances will be submitted. The Company will ensure prompt notice of change to Officers within the grievance procedure and grievances will not be lost or forfeited by the Union if sent to the wrong Officer in the event the Company has not provided such notice of change where required.

Note: See letter dated April 26, 1982, Appendix A-1.

- 15.9** A grievance under Article 15.7 shall include a written statement of the grievance and where it concerns the interpretation or alleged violation of the Collective Agreement, the statement shall identify the section and

paragraph of the section involved.

- 15.10** A grievance not progressed within the time limits specified shall be considered settled on the basis of the last decision and shall not be subject to further appeal. Where a decision is not rendered by the appropriate officer of the Company within the time limits specified, the grievance may be progressed to the next step in the grievance procedure, except as otherwise provided in Article 15.11.
- 15.11** Where, in the case of a grievance based on a claim for unpaid wages, a decision is not rendered by the designated officer of the Company as outlined in Article 15.7 within the prescribed time limits specified, the claim will be paid. The application of this Article shall not constitute an interpretation of the Collective Agreement.
- 15.12** Time limits referred to in Article 15.7 may be extended by mutual agreement between the parties referred to in each such step.
- 15.13** Regular grievance meetings will be held with each Regional TCRC MWED Director, at appropriate intervals not to exceed every six (6) months.
- 15.14** The Company will provide the Directors of the Union with a quarterly report summarizing discipline issued on their respective territories.

Final Disposition of Grievances

- 15.15** A grievance which is not settled at the last step of the grievance procedure may be referred by either party to the Canadian Railway Office of Arbitration & Dispute Resolution for final and binding settlement without stoppage of work.
- 15.16** A request for arbitration shall be made within ninety (90) calendar days following the date decision is rendered in writing by the officer designated in the last step of the grievance procedure. The request shall be made by filing

written notice thereof with the Canadian Railway Office of Arbitration & Dispute Resolution in accordance with the procedure established by the Canadian Railway Office of Arbitration & Dispute Resolution.

- 15.17** The time limits specified in Article 15.16 may be extended, by mutual agreement between the TCRC MWED President and the officer designated for this purpose by the Railway involved in the dispute.
- 15.18** The settlement of a grievance shall not under any circumstances involve retroactive pay beyond a period of sixty (60) calendar days prior to the date such grievance was submitted to the immediate supervisory officer in accordance with Article 15.7.
- 15.19** When the Company has made an error in the remuneration of an employee, representatives of the Company will work with the Union to develop a reasonable reimbursement period.

SECTION 16 HEALTH AND SAFETY

Company Duties

- 16.1** The Company shall institute and maintain all precautions to guarantee every employee a safe and healthy workplace and to protect the environment. The Company shall comply with the Canada Labour Code, Part II, its regulations, codes of practice, and guidelines and all relevant environmental laws, regulations, code of practice and guidelines. All standards established under these laws shall constitute minimum acceptable practice to be improved upon by agreement of the ES Health & Safety Policy Committee

ES Health & Safety Policy Committee

- 16.2** The Company and the Union agree to maintain the established ES Health & Safety Policy Committee in accordance with the Canada Labour Code Part II, its regulations, codes of practice and guidelines and environmental laws, regulations, codes of practice, and guidelines. This committee will serve as the policy committee under the applicable section of the Canadian Labour Code.
- 16.3** Two (2) co-chairpersons shall be selected from the members of the Committee. One (1) of the co-chairpersons shall be a Union member chosen by the Union's members. The other co-chairperson shall be a Company member.
- 16.4** The Committee shall assist in creating a safe and healthy place to work and one which does not harm the environment, shall recommend actions which will improve the effectiveness of the Health and Safety program, and shall promote compliance with appropriate laws, regulations, codes of practice and guidelines.
- 16.5** The Committee will hold regular meetings at least four (4) times each year or more frequently if mutually agreed upon by the Union and the Company co-chairpersons.

Education and Training

- 16.6** Workplace Health & Safety Committee members shall be provided a minimum twenty-four (24) hours training a year during the life of the Collective Agreement. Further training will be needs based.

Compensation

- 16.7** Effective August 1, 2007, the hourly rate of pay for Workplace Health & Safety Committee Members will be increased by 1%. This increase will be processed as a lump sum payment and will be prorated and paid on a monthly basis for each month's service as a Health & Safety Member.

TCRC MWED Health and Safety Representative

- 16.8** The Company will maintain the existing four (4) TCRC MWED Health and Safety Representatives to assist the Workplace Health & Safety Committees in addressing health and safety issues and promoting safety in the workplace. The Company will provide funding for wages, expenses, office space and equipment as required.

Management of this matter will be referred to the System Health and Safety Policy Committee to determine details on the number of additional positions to be established, if any. The System Health and Safety Policy Committee will continue to determine the roles, responsibilities and duties of the positions, criteria for selection of individuals, assessment and evaluations, and any other appropriate requirements, as they may mutually agree.

SECTION 17

HUMAN RIGHTS

- 17.1** The Company and the Union agree that there shall be no discrimination, interference, restriction or coercion permitted in the workplace with respect to race, national or ethnic origin, color, religion, age, sex, marital status, family status, disability or conviction for which a pardon has been granted.
- 17.2** Harassment is any conduct based on any of the grounds listed above that offends or humiliates and is a type of discrimination. 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. Harassment may take many forms, including but not limited to:
- threats
 - intimidation
 - verbal abuse
 - unwelcome remarks
 - innuendo
 - offensive and inappropriate material
 - hate literature
 - offensive jokes
- 17.3** Sexual Harassment is any unsolicited and unwelcome conduct, comment, gesture or contact of a sexual nature that:
- (a) is likely to cause offence or humiliation, or
 - (b) might, on reasonable grounds, be perceived as placing a condition of a sexual nature on conditions of employment, including any opportunity for training or promotion.

Sexual harassment may include, but is not limited to:

- suggestive remarks, jokes, innuendoes or taunting in a sexual context
- unwarranted touching

- leering
- compromising invitations
- displaying of pornographic or other offensive or derogatory pictures, objects, or written 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

17.4 The Company and the Union recognize that harassment or sexual harassment is unacceptable behavior and will not be tolerated in the workplace.

17.5 The Union shall advise the Company of the four (4) duly authorized Human Rights Representative(s) to handle territories that parallel the TCRC MWED Directors. Each duly authorized Human Rights Representative shall be afforded training on Human Rights.

Union Handling of a Complaint

Note: This process does not detract from any rights which the complainant may have pursuant to the Canadian Human Rights Act.

17.6 When agreed to by the complainant, the Union will be afforded the opportunity to resolve a harassment or discrimination complaint without an investigation as outlined in Section 15. In such cases, the procedures set out below will be followed:

- The Union Human Rights Representative shall establish a confidential file on the complaint;
- All files and facts gathered relating to the harassment and/or human rights complaint shall be considered strictly confidential and will be protected in a safe and private place;

- If the complainant is satisfied with the resolution, the case will be closed and no further action will be taken, and if the complaint was initially brought forward to the Company, the appropriate Company officer will be advised;
- If the complainant is not satisfied with the resolution, the appropriate Company Officer may require that other recourse be taken. Such recourse may include, but is not limited to, an investigation of the complaint in accordance with Section 15 of the Collective Agreement. Rather than an investigation, where appropriate, other recourse such as counseling, training or mediation may be considered.

17.7 The complainant may at any time decide to withdraw from the Union handling process and file a complaint under the Company's Discrimination and Harassment (Including Sexual Harassment) Policy and Procedure.

Formal Investigation

17.8 Should a formal investigation proceed under Section 15 of the Collective Agreement, the duly authorized Representative shall be advised of the Company's intent to conduct a confidential investigation with respect to an alleged violation of this Section. In addition, the duly authorized Representative shall be advised of the final outcome of said investigation.

17.9 In investigations involving alleged Human Rights violations, Section 15 is modified as follows:

- (a) In the case of an investigation being conducted as a result of an alleged violation of this Section - Human Rights, the Union Human Rights Representative and/or the TCRC MWED Director shall be the only Representative(s) present at any and/or all statements taken in the course of such investigation.
- (b) All known existing evidence to be used in the

investigation including but not limited to: copies of statements, stenographic reports, and all other evidence taken shall be furnished to the employee and his/her Representatives at the commencement of the statement.

- (c)** In order to maintain the strictest of confidentiality in the case of an investigation conducted as a result of an alleged violation of this Section, all known evidence used in the investigation including but not limited to copies of statements, stenographic reports and all other evidence shall be returned to the Investigator upon completion of the taking of the statement until such time, if any, that discipline is issued against the employee(s) being investigated in regard to this Section.
- (d)** At such time all evidence used in the investigation including but not limited to: copies of statements, stenographic reports, and all other evidence taken shall be furnished to the respective TCRC MWED Director for the express purpose of the Union's required consideration in regard to the possible processing of a grievance on behalf of the employee(s) so disciplined at Step 2 of the grievance procedure.

SECTION 18

RETURN TO WORK

- 18.1** The Company and the TCRC-MWED recognize their legal and moral responsibility to accommodate disabled employees.
- 18.2** In addition to ensuring that both parties remain in compliance with applicable legislation, participation in the Return to Work Program enhances the opportunity to accommodate disabled employees.
- 18.3** Should an employee become physically disabled during the course of their employment and is unable to perform the regular duties of their assigned position and is unable to exercise their seniority on a position which they are capable of performing, the following shall apply:
- a)** The proper officer of the Company and the Director of the Union will meet to see if arrangements can be made to provide employment to the employee concerned within the bargaining unit.
 - b)** A disabled employee may, by mutual agreement between the Company and the TCRC MWED, be placed on a position that their qualifications and ability allow the employee 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 they are qualified for and have the ability to perform.
 - c)** A disabled employee placed on a position shall not be displaced by an able-bodied employee so long as they remain on that position except when a senior employee is otherwise unable to hold a position within their seniority group.

- d) Should the disabled employee subsequently recuperate, they shall be subject to displacement, in which case such employee will exercise seniority rights.
- e) When a senior able-bodied employee believes that the provisions of this Article will result in undue hardship, the Director of the Union may discuss the circumstances with the Company.

Note: 1: The above Article is to provide guidelines for assisting disabled employees to continue to be employed. It is not intended to preclude the use of the Return to Work Program to assist disabled employees.

Note 2: It is understood that in the case of any conflict between the provisions of this Article and the requirements of the Canadian Human Rights Act, the latter will take precedence.

SECTION 19

ACCESS TO INFORMATION

- 19.1** Employees may inspect and/or receive copies of their personal files in accordance with the terms and conditions as outlined in Canadian Pacific's Policy concerning Privacy of Information - Policy 1804. A copy of this policy is available upon request from their immediate Supervisor.
- 19.2** 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 for the purpose of conducting Union business.
- 19.3** Within fourteen (14) days of their employment, the Company will provide the Union with the name and address of any employee entering into the Maintenance of Way service.

Certificate of Service

- 19.4** Employees leaving the service of the Railway shall be furnished with a certificate of service, if requested.

SECTION 20 BENEFITS

Medical Reports

20.1 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.

Dental Plan

20.2 The Dental Plan shall be that plan established by the Dental Plan Agreement dated June 30, 1989, as revised, amended or superseded by any agreement to which the parties to this Collective Agreement are signatories.

Employee Benefit Plan

20.3 The Employee Benefit Plan shall be that Plan established by the Supplemental Agreement dated April 21, 1989, 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.

Extended Health and Vision Care Plan

20.4 The Extended Health and Vision Care Plan shall be that plan established by the Extended Health and Vision Care Plan Agreement dated June 30, 1989, as revised, amended or superseded by any Agreement to which the parties to this Collective Agreement are signatories.

Life Insurance Upon Retirement

20.5 An employee who retires from the service of the Company will, provided he is fifty-five (55) years of age or over and has not less than ten (10) years' cumulative compensated service, be entitled, upon retirement, to a \$7,000 life insurance policy, fully paid up by the Company.

Job Security -- Technological, Operational, Organizational Changes Agreement

- 20.6** The provisions of the Job Security Agreement dated April 29, 1992, as revised by the May 5, 1995 Memorandum of Agreement and as may be subsequently amended, revised or superseded between Canadian Pacific and the Teamsters Canada Rail Conference Maintenance of Way Employees Division shall apply to employees in positions covered by this Agreement.

SECTION 21 GENERAL

- 21.1** Employees shall not be required to clean out public station latrines or septic tanks.
- 21.2** The use of Stoves will be permitted in tool houses.
- 21.3** Except where shop hands are not available, employees in charge of snow plows shall not be required to put on or take off tarpaulins of engines.
- 21.4** Assigning of Trackmen, Track Maintainers or Leading Track Maintainers to paint switch targets when regular painters are unavailable for such work.
- Note:** When the volume of work at any one point is sufficient to warrant it, a painter if available, will be assigned.
- 21.5** The Company agrees to develop and distribute to employees a list of preferred vendors that would offer employee discounts for safety clothing & footwear purchases.

The preferred list will be distributed once per year and will be updated as applicable.

SECTION 22

INTERPRETATION

22.1 It is agreed that the Parties signatory hereto shall confer promptly upon notice from either party to the other with respect to any question which may arise regarding the interpretation of this Agreement.

Local Rules

22.2 All new local rules will need to be approved by the Director of Labour Relations (or designate) and the President (or designate) of the TCRC MWED.

Jurisdiction

22.3 For the carrying out of this Agreement, the Railways concerned shall, except as otherwise provided, deal only with duly authorized Representative(s) of their maintenance of way employees. At the beginning of each year the TCRC MWED President will furnish the regional or other officer in charge with the names of the Representative(s) authorized to deal with such matters in their respective territories.

Printing of Agreements

22.4 The Company will undertake the responsibility for the printing of this agreement as may be required from time to time and will absorb the cost of such printing. The agreement will be produced in pocket size format within six (6) months of the ratification of settlement. Copies of the agreement will be made available to the TCRC MWED on disk. The Company will also absorb the cost of distributing the Wage Agreement, however the actual distribution will remain the responsibility of the Union.

Duration of Agreement & Signatory page

22.5 This Agreement, effective January 1, 2007 as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six (6) months notice in writing from either party to this Agreement of its' desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

SIGNED AT Gatineau, Quebec this 6th day of June, 2007.

For Canadian Pacific:

For the Teamsters Canada Rail Conference
Maintenance of Way Employees Division

Manager, Labour Relations
Canadian Pacific

President,
TCRC MWED

22.6 This Agreement contains changes negotiated within by the following Company and Union Officers and signed on June 6, 2007.

(Sgd.) Rick Wilson
Asst. Vice President,
Industrial Relations

(Sgd.) W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

(Sgd.) Paul Wajda
Director Labour Relations

(Sgd.) J.J. Spikula
Director, Eastern Region
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

(Sgd.) Gord Pozzobon
General Manager

(Sgd.) Bill Brake
Staff Representative
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

(Sgd.) Scott Seeney
Manager, Labour Relations

(Sgd.) David Scott
Staff Representative
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

(Sgd.) Mark Baserman
Manager, Labour Research
& Strategy

(Sgd.) Don Lesuk
Staff Representative
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

(Sgd.) Jim Daniel
Staff Representative
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

(Sgd.) David Brown
Legal Counsel

APPENDIX A-1

April 26, 1982 File: N/O 82-5

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 the employee 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 the 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
Industrial Relations

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

APPENDIX A-2

November 8, 1985 File No. 140.32

Mr. H.J. Thiessen
System Federation General Chairman
Brotherhood of Maintenance of Way Employees
1706 Bank Street
Ottawa, Ontario K1V 7Y6

Dear Mr. Thiessen:

This has reference to the Article III Settlement dated May 20, 1985, which includes revisions to Article 8.14 of Wage Agreement 41 and Article 3.4 of Wage Agreement No. 42.

As a result of these revisions, the contents of the letter dated February 1, 1979 from Mr. W.W. Stinson to the General Managers, Appendix B-13 of the Wage Agreement, are no longer fully applicable. It was agreed therefore, that those portions that continued to have application would be drawn to the attention of the General Managers.

The portion to be recirculated is the Union's allegation made in 1979 that, in some instances employees required to work for long periods of time, are not afforded adequate opportunities to eat and rest. In this regard, particular emphasis was directed to situations such as snow shoveling and other emergency work requiring long periods of sustained physical activity.

With respect to the foregoing, you were advised that the line officers concerned, would be requested to ensure that men are not worked unreasonably or excessively, and that a reasonable opportunity for meals and rest is to be provided for employees called upon to work for prolonged periods of time.

By copy of this letter the General Managers are being made aware of our understanding. This letter will be contained as an Appendix in the revised Wage Agreement.

Yours truly,

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

c.c.: Messrs. G.A. Swanson
E.S. Cavanaugh
L.A. Hill
R.R. Morrish

Note: The intent of the above referenced letter has not been altered, however changes have been made to the applicable Section and Appendix numbers that are referenced herein.

APPENDIX A-3

March 4, 1989

File: 140.32

Messrs. J.M. White
E.S. Cavanaugh
E.J. Rewucki

This has reference to one of the Article III demands submitted by the Brotherhood of Maintenance of Way Employees concerning the appointment of an employee to a position he/she "can be qualified in a reasonable period of time".

During negotiations the Union expressed concerns that, in instances, the Company is not choosing senior employees who already possess some of the qualifications required for a particular position or could in a reasonable period of time be qualified.

In resolving this issue we undertook to remind you to appoint, where practicable, the senior employee in the manner outlined above.

Would you, therefore, please see that this matter is brought to the attention of all supervisors and that every effort is made to consider senior employees when filling such vacancies.

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

cc: Mr. M.L. McInnes

APPENDIX A-4

February 13, 1998

To: Messrs. G.A. Pozzobon
 B.M. O'Rourke
 J.A. Inshaw
 A.L. Voisine
 R.G. Tumak

During the recent round of negotiations with the Brotherhood of Maintenance of Way Employees, the BMWWE representatives expressed concern that there are situations where employees believe that individual supervisors act inappropriately in their dealings with employees under their jurisdiction.

While the Union recognized that the Company has a harassment and discrimination policy, they indicated concern that there are certain actions that might not be considered as harassment under current Canadian Human Rights Legislation. In those instances the BMWWE would like to ensure that such issues are promptly dealt with by the Company.

The Company representatives assured the BMWWE that it is our policy to ensure a harassment free and discrimination free workplace. Harassment and discrimination will not be tolerated at any level of the Company. The BMWWE was advised that incidents of concern, including those not strictly covered by our existing CPR harassment policy, may be referred directly to the appropriate Engineering Services District Manager. Please ensure that any such incidents are promptly and thoroughly investigated, and the employee involved, and the BMWWE if involved, is advised of the outcome of the investigation in writing.

The BMWWE was advised that concerns could also be brought to the attention of the Director, Employee Relations.

Yours truly,

(signed)

Ernie Rewucki
Vice President
Engineering Services & Chief Engineer

APPENDIX A-5

February 14, 1998

Mr. J.J. Kruk
System Federation General Chairman
Brotherhood of Maintenance of Way Employees
Suite 2, 2775 Lancaster Road
Ottawa, ON K1B 4V8

Dear Sir:

This is in connection with the B.M.W.E. Training demand served on the Company during the current negotiations.

One of the Company's key strategies in the 1998 Engineering Services safety plan is to ensure that everyone working in Engineering Services has the information and skills to work safely. We would like to obtain commitment from the B.M.W.E. for our proposed training plans.

The Company is committed to obtaining input and involvement from the Union to assist us in developing the training requirements of each job classification to ensure the safe and skilled performance of the work. B.M.W.E. involvement during the development of training programs for employees is needed to develop the best programs that we can for the employees.

Yours truly,

(signed)

Ernie Rewucki
Vice President
Engineering Services & Chief Engineer

APPENDIX A-6

January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
2775 Lancaster Road, Suite 2
Ottawa, ON K1B 4V8

Dear Mr. Brehl:

This has reference to our discussions concerning the undertaking of future Joint Initiatives.

Acknowledging that both parties see value in addressing issues like safety and training on a joint basis, the following will serve as a protocol for selecting employee representatives. This includes the establishment of focus groups:

- The TCRC MWED President and/or Director from the territory concerned will be provided with advance notice of the need for employee representatives
- The Union will advance names of employees that they deem to be suitable for the task at hand.

Yours truly,

M.G. DeGirolamo
Assistant Vice-President
Industrial Relations

APPENDIX A-7

Letter dated January 14, 2005, concerning the re-instatement of the Pension Plan consent provision.

CALGARY, January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Sir:

This concerns the Company's desire to re-instate the consent provision for Teamster Canada Rail Conference – Maintenance of Way Employees Division 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 TCRC-MWED 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 \$55,000 (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.

It is also understood that this "consent letter" will have no affect on employees, if they are eligible, in choosing Option One or Option Two of Article 7.14 of the Job Security Agreement.

Yours truly,

S.J. Samosinski
Director, Labour Relations

APPENDIX A-8

Letter dated January 14, 2005 concerning temporary positions becoming permanent.

CALGARY, January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Sir:

During our discussion the TCRC-MWED raised concerns that certain existing temporary positions have been in existence for well in excess of one year. It was the view of the Union that a temporary position that has been in existence for over one year (12 consecutive months) should now be viewed to be permanent.

While the Company could not agree with the Union's view in each and every instance it nevertheless is prepared to recognize the principle that a temporary position will become permanent effective 12 months from the first of the month following ratification if each of the following conditions apply:

1. Temporary bulletined vacancy must be filled on an ongoing basis for a minimum of twelve consecutive months.
2. Temporary bulletined vacancies created to cover the absence of a permanent incumbent are excluded from the terms of this letter of understanding.
3. Project work and Track Programs and Equipment seasonal temporary positions are excluded from the

terms of this letter of understanding. The Company commits to advising the Union promptly when any such positions are expected to last more than 12 months.

4. The Union will apply in writing to the Service Area Manager or Manager Track Programs and Equipment to convert positions from temporary to permanent. Following a review by the Company which will be completed within 28 calendar days, if it is determined that the circumstances warrant, the position will be deemed permanent and will then be re-bulletined as such to employees on the respective Basic Seniority Territory.

Yours truly,

I concur,

S.J. Samosinski
Director, Labour Relations

W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees
Division

APPENDIX A-9

June 6, 2007

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 - 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Mr. Brehl,

This is to confirm that an annual goalshare or incentive program with a maximum payout of 5% of employees earnings will be implemented by the Company for the term of this contract. Such program may be either global in nature or targeted to specific areas e.g. Service Area, Track Programs & Equipment, Structures, Rail Butt Welding Plant or individual employees. These specific areas will be agreed upon between the parties.

Each year's program will include 4%, based on business objectives. Each objective will have a target that is consistent with Engineering Services business plan, as well as a "stretch target". The purpose of the stretch target is to recognize results better than those anticipated, and provide employees with an opportunity to offset a shortfall elsewhere. Achieving a stretch target would increase potential payout by 25% on a business objective. In other words, a business objective that contributes 1% for achieving the target, would contribute 1.25% for achieving the stretch target. The maximum payout for business objectives is 4%.

Prior to the start of each year, but no later than January 31st, there will be a four member committee, financed by the company, consisting of two Union members and two Company officers, who will meet to agree upon the weighting of objectives which will be in place for the Goalshare Program year. As discussed, personal injuries will not form part of the program. The final plan payout will also be reviewed with the union prior to the actual payout, but not later than February 28.

In addition to the 4% for business objectives, an additional 1% is being made available based upon the Company achieving the operating income performance level established annually by the Board of Directors. There is no stretch target for the operating income objective.

While the maximum goalshare payout is 5%, the use of stretch targets allows employees additional flexibility and better recognizes their contribution.

Goalshare payments are considered as pensionable earnings.

Yours truly,

Rick Wilson
AVP, Labour Relations

APPENDIX A-10

See Appendix “E” for Forms

April 2, 2008

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 - 2775 Lancaster Rd.
Ottawa, Ontario K1B 4V8

Dear Mr. Brehl:

This concerns the continuation of informal discipline handling, admission of responsibility and deferred discipline.

In this regard, it was agreed that coincident with the ratification of the January 14, 2005 Memorandum of Settlement, the parties would extend the application of informal discipline handling, admission of responsibility and deferred discipline for the duration of the current contract period covering the years 2007, 2008 and 2009, as follows:

INFORMAL HANDLING

- 1) The service record of the individual warranting, for the first offence of a minor nature the case may be handled in the following manner.
- 2) 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.
- 3) A record of the incident, along with any rebuttal provided by the employee, will be placed on the employee's file and a copy of same given to the employee.
- 4) 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.

- 5) 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.

ADMISSION OF RESPONSIBILITY

- 1) Where an individual admits responsibility for an incident where the penalty to be assessed is 10 demerit marks or less, 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.
- 2) 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 and/or a fellow employee present. Discipline will be issued within 10 calendar days of the interview.
- 3) 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.
- 4) By accepting the admission of responsibility procedure, the employee waives the right to grieve the discipline assessed under the provisions of his/her Collective Agreement.

DEFERRED DISCIPLINE

- 1) The deferred discipline handling 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.
- 2) Where it is felt that the service record of the individual warrants their retention in employment, he/she may be assessed "deferred discipline".

- 3) Deferred discipline is a procedure whereby the discipline assessed will be annotated on the employee's file, but not added to their 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.
- 4) 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.
- 5) 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. The individual will have 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. It is understood between the Union and the Company that discipline assessed under this option is grievable under the terms and conditions of the Collective Agreement.

If you are agreeable to the above terms and conditions, I would appreciate your concurrence in the space provided below.

Yours truly,

I concur:

Scott Seeney
Director, Labour Relations
Canadian Pacific
Conference

W. Brehl
President
Teamsters Canada Rail

Maintenance of Way Employees
Division

Alternate Grievance Resolution Meetings

June 6, 2007

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of way Employees Division
2775 Lancaster Road
Ottawa, Ontario
K1B 4V8

Dear Sir:

This is in regard to our discussions during the 2007 round of negotiations to explore alternate grievance resolution methods during the closed period. It is understood that this will not prevent the further handling of unresolved grievances in accordance with Section 15 of the Collective Agreement.

Yours truly,

Rick Wilson
AVP, Labour Relations

APPENDIX A-12

Seasonal Work Crews staying in direct billed Accommodation obtaining proper meals

June 6, 2007

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 - 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Mr. Brehl,

This is in regard to our discussions during negotiations pertaining to the Union's concern that employees on Seasonal Work Crews, which were staying in direct billed accommodation, were not being provided with a reasonable opportunity to obtain proper meals.

The company will commit that all reasonable attempts will be made to insure that direct billed accommodation is located near amenities and/or restaurants that will be open in conjunction with the shifts worked by the employees staying there, recognizing that this will not always be possible.

The company will also commit to attempting to supply accommodations with kitchen facilities, microwaves and/ or refrigerators when cost effective and available.

The company agreed that when direct billed accommodation is located such that access to meal facilities is neither convenient nor feasible, then the Company will make transportation arrangements for employees to obtain meals and/or meal supplies.

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

Yours truly,

I Concur:

Rick Wilson
AVP, Labour Relations

W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees
Division

Bid/Award System

June 6, 2007

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 - 2775 Lancaster Rd.
Ottawa, Ontario K1B 4V8

Dear Mr. Brehl,

This is in regard to our discussions during negotiations pertaining to the Company's desire to increase workplace stability by streamlining the process associated with the Bid/Award System.

While the Union was unable to agree with the Company's demand, the parties did agree to meet during the closed period of the contract to explore possible changes that could be made. Further, it was agreed that any savings that might be generated through a modification of work rules that lead to a streamlining of the Bid/Award System would be equally shared between the parties.

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

Yours truly,

Rick Wilson
AVP, Labour Relations

I Concur:

W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

SENIORITY TERRITORIES

1. Atlantic Region

(Former as of August 31, 1984.) (Company Lines in Canada)

Saint John Division

McAdam Sd., Fredericton Sd., West Saint John Sd., Shogomoc Sd., Shore Line Sd., St. Andrews Sd. St. Stephen Sd., Tobique Sd., Edmundston Sd. (Mi. 0.0 to 28.2 and 55.6 to 56.1), Gibson Sd., Southampton Sd., Minto Sd., Aroostook Sd. (Mi. 0.0 to 4.82), Mattawamkeag Sd. (Mi. 0.0 to 5.6), Houlton Sd., (Mi. 0.0 to 5.0).

Farnham Seniority District

Standstead Sd., Adirondack Sd. (Mi. 0.0 to 34.0), Beebe Sd. (Mi. 2.9 to 40.2). Drummondville Sd., Newport Sd., Sherbrooke Sd., Stanbridge Sd., St-Guillaume Sd. E

Laurentian Division

Berthierville Sd., Buckingham Sd., Lachute Sd., Maniwaki Sd., M&O Sd. Ste-Agathe Sd., St-Gabriel Sd., St-Maurice Valley Sd., Trois-Rivieres Sd., Waltham Sd., Winchester Sd. (Mi. 18.9 to 20.0), Park Ave. Sd. (Mi. 9.0 to 19.9), Vaudreuil Sd. (Mi. 3.2 to 18.9).

Montreal Terminal Seniority District

Farnham Connection Sd., Park Avenue Sd. (Mi. 5.9 to 9.0), St-Luc Branch Sd., Vaudreuil Sd. (Mi. 0.0 to 3.2), Westmount Sd., Adirondack Sd. (Mi. 34.0 to 50.3), Lacolle Sd.

NOTE 1: NJR - Lacolle Sd:

Employees who held seniority on a former NJR seniority list, as of 93-11-01, retain "prior rights" on this subdivision. (See Letter of Agreement dated 93-10-08)

NOTE 2: Montreal Terminal:

Employees who held seniority on a former NJR Terminal list, as of 93-11-01, retain "Prior rights" on that portion of the Montreal seniority territory. (See Letter of Agreement dated 93-10-08)

Quebec Central Seniority District

Chaudiere Sd., Vallee Sd., Levis Sd., Tring Sd.

Dominion Atlantic Railway Seniority Territory

Halifax Sd., Kentville Sd., Yarmouth Sd., Truro Sd.

2. Eastern Region

Smith Falls Division Seniority Territory

Winchester Sd. (Mi. 20.0 to 123.8), Cornwall Sd., Prescott Sd., Ellwood Sd., Brockville Sd., Belleville Sd. (Mi. 0.0 to 172.8), Chalk River Sd. (Mi. 0.0 to 114.5), Carleton Place Sd., Kingston Sd.

London Division

Teeswater Sd., Galt Sd. (Mi. 15.0 to 114.6), Elora Sd., Owen Sound Sd., Goderich Sd., St. Thomas Sd., Port Burwell Sd., St. Marys Sd., Hamilton Sd., Windsor Sd., Simcoe Sd. (Mi. 0 to 59.8), Waterloo Sd. (Mi. 0 to 15.8), Fort Erie Sd., Dunville Sd.

NOTE 1: Employees who were employed on the London Division seniority territory on or before January 19, 1987 retain "Prior rights" to positions on this territory as it existed prior to the integration of the territories outlined in NOTES 2, 3 and 4 below.

NOTE 2: CASO - Hamilton Sd. (Mi. 0.0 to 22.2) & Fort Erie Sd: Former CASO employees who were placed on a TH&B seniority list at the time of integration of CASO and TH&B, retain "prior rights" on this portion of the London seniority territory until and unless they voluntarily vacate such positions by accepting a permanent position elsewhere on the Eastern Region. (See Special Agreement dated 85-06-13 covering Conditions and Benefits for Employees

upon purchase of CASO and Note 4 below)

NOTE 3: TH&B - Hamilton Sd. (Mi. 22.2 to 60.4) & Dunville Sd: Employees who were employed on the former TH&B seniority territory, as of 87-01-19, retain “Prior rights” on this portion of the London seniority territory, until and unless they voluntarily vacate such positions by accepting a permanent position elsewhere on the Eastern Region.

(See Memorandum of Agreement dated 87-01-20 covering integration of TH&B employees into CP Rail)

NOTE 4: GR&LE&N - Waterloo Sd. (Mi. 0.8 to 11.3): Employees who were employed on the former GR&LE&N seniority territory, as of 87-05-31, retain “Prior rights” on this portion of the London seniority territory, until and unless they voluntarily vacate such positions by accepting a permanent position elsewhere on the Eastern Region. (See Memorandum of Agreement dated 87-06-05 covering integration of GR&LE&N employees into CP Rail)

Toronto Division

Belleville Sd. (Mi. 172.8 to 210.0), Mactier Sd. (Mi. 0.0 to 126.9), Canpa Sd., North Toronto Sd., Galt Sd. (Mi. 0.0 to 15.0), Havelock Sd., Port McNicoll Sd., Bobcaygeon Sd., Nephton Sd., Parry Sound Sd. (Mi. 0.0 to 0.4).

Sudbury Seniority Territory

Chalk River Sd. (Mi. 114.5 to 115.3), North Bay Sd., Cartier Sd. (Mi. 0.0 to 111.0), Parry Sound Sd. (Mi. 0.4 to 121.7), Temiscaming Sd., Ville Marie Sd., Nickel Sd., Webbwood Sd., Little Current Sd.

Schreiber Division

Cartier Sd. (Mi. 111.0 to 113.0), Nemegos Sd., White River Sd., Heron Bay Sd., Nipigon Sd. (Mi. 0.0 to 126.5), Manitouwadge Sd.

3. Prairie Region

Lakehead Division

Nipigon Sd. (Mi. 132.9 to 126.5), Kaministiquia Sd., Ignace Sd., Keewatin Sd., Lac du Bonnet Sd. (Mi. 7.7 to 56.8).

Winnipeg Division

Winnipeg Terminal, Winnipeg Beach Sd., La Riviere Sd. (Mi. 0.0 to 11.5), Lac du Bonnet Sd. (Mi. 0.0 to 7.7), Keewatin Sd. (Mi. 118.5 to 125.7), Glenboro Sd. (Mi. 0.0 to 0.4), Emerson Sd., Arborg Sd., Carberry Sd. (Mi. 0.0 to 9.2).

Brandon Division

Arcola Sd., Bredenbury Sd., Broadview Sd. (Mi. 0.0 to 129.0), Carberry Sd. (Mi. 9.2 to 133.1), Estevan Sd., Glenboro Sd. (Mi. 4.0 to 146.7), Gretna Sd., La Riviere Sd. (Mi. 11.5 to 111.0), Lyleton Sd., Minnedosa Sd., Napinka Sd., Neudorf Sd.,(Mi. 0 to 82.0),Russell Sd., Carman Sd., Kisbey Sd. (Mi. 0.0 to 1.1).

Saskatoon Division

Bulyea Sd., Dodsland Sd., Furness Sd., Hardisty Sd., Kerrobert Sd. (Mi. 1.2 to 102.5), Lanigan Sd. (Mi. 6.1 to 104.6), Lloydminster Sd., Macklin Sd., Meadow Lake Sd., Melfort Sd., Prince Albert Sd., Reford Sd., Sutherland Sd., Tisdale Sd., White Fox Sd., Wilkie Sd., Wynyard Sd., Neudorf Sd. (Mi. 82.0 to 126.2).

Moose Jaw Division

Altawan Sd., Amulet Sd., Assiniboia Sd., Bromhead Sd., Colony Sd., Dunelm Sd., Expanse Sd., Fife Lake Sd., Gravelbourg Sd., Indian Head Sd., Kisbey Sd. (Mi. 1.1 to 61.8), Lanigan Sd. (Mi. 0.0 to 6.1), Maple Creek Sd. (Mi. 0.0 to 2.3), Notukeu Sd., Outlook Sd., Portal Sd., Shamrock Sd., Shaunavon Sd., Swift Current Sd., Tyvan Sd., Vanguard Sd., Wood Mountain Sd., Broadview Sd. (Mi. 129.0 to 130.9), Kerrobert Sd. (Mi. 0.0 to 1.2).

4. Pacific Region

Esquimalt and Nanaimo Seniority Territory

Victoria Sd., Port Alberni Sd.

Vancouver Division Seniority Territory

Cascade Sd. (Mi. 109.7 to 129.0), Westminster Sd. (Mi. 0.0 to 8.4)

Canyon Division Seniority Territory

Cascade Sd. (Mi. 0.0 to 109.7), Thompson Sd., Mission Sd., Princeton Sd.

Revelstoke Division

Shuswap Sd., Mountain Sd., Laggan Sd. (Mi. 136.3 to 136.6), Windermere Sd. (Mi. 139.9 to 142.5), Okanagan Sd.

Kootenay Division Seniority Territory

Windermere Sd. (Mi. 0.0 to 139.9), Cranbrook Sd., Fording River Sd., Kimberly Sd., Kingsgate Sd., Nelson Sd., Boundry Sd., Rossland Sd., Kaslo Sd. (Mi. 4.3 to 31.2), Slocan Sd., Crowsnest Sd. (Mi. 100.9 to 101.1)

Edmonton Division Seniority Territory

Breton Sd., Hoadley Sd., Wetaskiwin Sd., Willingdon Sd., Coronation Sd., Lacombe Sd., Leduc Sd., .

Calgary Division Seniority Territory

Red Deer Sd., Laggan Sd., MacLeod Sd. (Mi. 0.0 to 10.5), Brooks Sd. (Mi. 165 to 175.8)

Medicine Hat Seniority Territory

Brooks Sd. (Mi. 0.0 to 165.0), Maple Creek Sd. (Mi 2.3 to 147.4), Empress Sd., Bassano Sd., Acme Sd., Burstall Sd., Hatton Sd., Irricana Sd., Langdon Sd., Pennant Sd., Strathmore Sd.

Lethbridge Seniority Territory

MacLeod Sd. (Mi. 10.5 to 107.0), Aldersyde Sd., Cardston Sd., Coutts Sd., Crowsnest Sd. (Mi. 0.0 to 100.9), Lomond Sd., Pecten Sd., Stirling Sd., Taber Sd., Turin Sd., Altawan Sd. (Mi. 121.0 to 122.1).

FLAGGING AGREEMENT

1. This agreement does not apply to basic track protection applications, incidental to normal duties.
2. This agreement supersedes the Pacific Region Flagging Agreement, dated July 17, 1980.
3. Any employee filling a flagman position, under the terms of this agreement, will receive the TMF rate of pay, except when B&S employees are filling flagman positions in connection with work being performed on track bridges and/or structures, in which case the B&S Foreman rates will apply.
4. Vacancies of less than forty five (45) days will be filled in accordance with Article 10.12(a) of Wage Agreement No. 41.
5. Vacancies greater than forty five (45) days will be advertised in accordance with Article 10.1. Such positions will be awarded to the senior applicant, based on TMF seniority or B&S Foreman seniority, as the case may be. Then in accordance with the line of promotion.

SPECIAL PROJECT FLAGGING:

(Special Project Flagging may be implemented subject to the following criteria)

1. Special Projects Flagging will be triggered when manpower requirements, after recalling laid off and ES status employees, cannot be accommodated within the Basic Seniority Territory without adversely impacting operational requirements. The Company will not utilize Special Projects Flagging on any particular BST, unless the number of flagging positions exceeds 30% of the number of permanent basic track positions.

Employees on the BST will have first right to the number of flagging positions equivalent to the number of laid off and

ES status employees. Additional manpower requirements will be drawn from the Region.

2. The flagman positions will be considered positions outside the line of promotion. No seniority shall be established nor forfeited by exercising any right under this portion of the agreement.
3. Flagman positions will be advertised by bulletin on the Region, for the Basic Seniority Territory (BST) on which the work is to be carried out. After fulfilling item 1 above, positions shall be awarded to the senior applicants based on their first date of entry into the bargaining unit, first to the employees on the District and if there are any vacancies thereafter, to employees on the Region. If any of the flagman positions move from one Seniority District to another they shall be advertised on a new bulletin.
4. Flagman positions will be established in accordance with Articles 8.1 to 8.3 & 8.17 of the wage agreement. Any departure from this shall require mutual agreement between the proper Officer of the Company and the TCRC MWED Director, from the territory which the work is to be performed.
5. All expenses including travel, accommodation and meals will be governed by the Expense Guidelines contained within the Collective Agreement.
6. Employees filling flagman positions which are more than one thousand (1,000) km from their principal place of residence, will be entitled to Company provided airfare to and from the nearest airport to their residence, for their days off. This shall also apply where the employee can demonstrate that it is a reasonable cost alternative to provide such airfare.
7. Wage Agreement 41 will apply in all other applications not covered or referred to in this agreement.

Note: The intent of the above referenced letter has not been altered, however changes have been made to the applicable Section numbers that are referenced herein.

APPENDIX D

EXPENSE CLAIMS – Q & A's

A) Rest Day Travel

- Q1.** If there is more than one person in the car traveling back and forth who is eligible for the weekend travel?
- A1.** Each of the occupants of the vehicle is entitled to claim the allowance.
- Q2.** If I am from off the region and I do not claim a secondary “principle place of residence” what am I entitled to?
- A2.** In this case, an employee would be entitled to claim travel allowance not to exceed beyond the limits of the Region on which employed. (See Article 12.9a)
- Q3.** If I travel to another location on the weekend rather than my primary or secondary place of residence what am I entitled to in regards to Rest Day Travel?
- A3.** In this case you are entitled to the lesser of the distance to your PPR or Secondary PPR or the actual distance to the other location to which you traveled. It must be understood that employees in this circumstance will not be allowed to occupy Company provided accommodation during their rest days.
- Q4.** I live off of the region and have relatives where I spend the weekend but they live more than one hundred (100) km. from the Canadian Pacific network. What am I entitled to in regards to Rest Day Travel?
- A4.** Employees will not be restricted from choosing a secondary PPR in excess of one hundred (100) km

from the nearest point on the Canadian Pacific network, however, for the purpose of calculating rest day travel, kilometers will be limited to one hundred (100) km from the Canadian Pacific network. Travel calculations will be based on the most direct route traveled between the two points.

- Q5.** Are only production gang employees eligible to this allowance?
- A5.** No, other employees entitled to rest day travel will continue to be so entitled.
- Q6.** It states that I cannot move my secondary PPR after I have advised the Company of that location. What am I entitled to if I do actually change my secondary PPR either closer or further away from the location I had advised the Company of?
- A6.** The registration of secondary PPR's will not be adjusted during a production gang season. Travel allowance will be based on the original secondary PPR, regardless of circumstance.
- Q7.** This allowance states that it covers all expenses incurred while traveling. Does this mean that I cannot claim a meal?
- A7.** No you cannot claim a meal under this provision.
- Q8.** What is a "Special Work Site"?
- A8.** In general, a Special Work Site is that defined by Revenue Canada to be: a location at which the duties performed by the employee are of a temporary nature.

B) Per Diem in Lieu of a Direct Billed Accommodations and Meal Allowance

- Q1.** Who is entitled to a per diem?
- A1.** Production Gang Employees may be required to take this per diem. Other employees can opt for this per diem when entitled to an adhoc allowance.
- Q2.** What if there is not enough accommodation available within a reasonable distance to the assembly point?
- A2.** Both the Company and the Union have to agree to assembly points and both parties will ensure that such points are suitable for the number of people on the gang.
- Q3.** What if the area is a high cost area?
- A3.** Again, the mutual agreement for assembly points will ensure that tie up locations are reasonable for a per diem.
- Q4.** Will employees on any particular production gang be allowed to opt out of the per diem and receive direct billed accommodation?
- A4.** Not unless faced with unique circumstances in which case “assembly points” for such employees will be the same as employees on the per diem arrangement.
- Q5.** How will I know the assembly points for gangs when I bid and during the year?
- A5.** Assembly points will be noted by location(ie. municipality, railway station, etc.), in the initial gang bulletin. The specific assembly point will be specified prior to arrival at each location. However, assembly points may be adjusted during the production gang season, subject to Union concurrence.

- Q6.** How will I know if a per diem will be provided on the gang for which I apply?
- A6.** The initial bulletin will state whether a per diem is in place or not.
- Q7.** Does this mean that a per diem gang can have the type of accommodation changed during the work season?
- A7.** Only if the Company and the Union mutually agree or if such change is stipulated in the initial bulletin.
- Q8.** I am an employee on a gang that is provided direct billed accommodation and meals. Where is the assembly point?
- A8.** At your Company supplied hotel/motel.
- Q9.** If I am staying closer to the work site than the assembly point, can I travel on my own to the work site, rather than the assembly point? What am I entitled to?
- A9.** Yes, time will be paid the same as for those traveling from the assembly point to the work site.
- Q10.** If I am receiving a per diem, am I entitled to travel time from my lodging to the assembly point?
- A10.** No, time starts at the assembly point.

C) Scheduled days off Allowance:

Q1. Who is entitled to this allowance?

A1. Any employee that is entitled to travel home on their scheduled days off but elect to remain on boarding cars or Company provided direct billed accommodation.

Q2. I am a production gang employee who is currently provided with direct billed accommodation or boarding car accommodation. I elect not to travel on my weekend and receive a \$25/day meal allowance. Now that the Company can provide a per diem in lieu, how does this affect me?

A2. You will receive 50% of your per diem for each scheduled day off.

D) Ad Hoc Allowance

Q1. Who is entitled to this allowance?

A1. This applies to an employee who as a result of it being too far to return to their Principle Place of Residence stays out overnight.

Q2. Normally, I received Company direct billed accommodations and a meal allowance. Can I take the per Diem instead or can I be instructed to?

A2. Yes, you can take the Per Diem but you cannot be instructed to.

Q3. I am usually entitled to this type of expense for two or three days a week. Am I able to choose either option (Per Diem or Direct Billed Accommodation and Meal Allowance) of the Ad Hoc Allowance on a daily basis?

A3. Yes.

Q4. If I go over the daily meal allowance can I claim more?

- A4.** Yes, Article 12.7 allows actual expenses but receipts would be required in such circumstances.

E) Forced to Temporary Vacancies- Regional/District Seniority

- Q1.** Who is entitled to this allowance?

- A1.** Any employee holding Regional or District seniority forced to a Temporary Regional or District position through the application of senior may/junior must rules.

- Q2.** If I am working less than eighty (80) km from my residence, am I entitled to expenses?

- A2.** Yes, in accordance with “F”.

- Q3.** If I am working more than eighty (80) km from my residence but I want to commute, would I be eligible for any expenses?

- A3.** In this circumstance an employee would not be allowed to commute, except by special arrangement.

- Q4.** Do I have a choice of Per Diem or meal and direct billed accommodation?

- A4.** No, this is at the Company’s discretion.

- Q5.** Can I change between Per Diem and direct billed accommodation and meals, and if I can, how often?

- A5.** Only with Company approval.

F) Employees Required to Report to Other Than Their Normal Reporting Location, Within an eighty (80) km Radius of Their PPR and They Agree to Commute, Using Their Own Vehicle

- Q1.** Who is eligible for this expense?

- A1.** Employees required to report to other than their normal

reporting location, within an eighty (80) km radius of their PPR and they agree to commute, using their own vehicle, will receive this expense.

- Q2.** Can I be eligible for this expense if it is over eighty (80) km?
- A2.** No, unless by mutual agreement of the employee and the Company.
- Q3.** My current position provides boarding car or Company direct billed accommodation and meal allowance. Can I opt for this expense?
- A3.** If agreed to by the Company.
- Q4.** Is this benefit optional?
- A4.** Yes, refer to question 1.
- Q5.** Although non-related, can this expense option be used by employees in lieu of direct billed/meal allowance?
- A5.** Yes, if distances are consistent and approved by management.

APPENDIX E

Forms

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Pre-Step to Grievance: Informal Resolution and Fact-finding

Grievance Informal Resolution and Fact-finding Pre-Step

At the employee's request, the aggrieved employee, their Union Representative, if requested and available, and the Front Line Manager shall meet prior to advancing a written grievance at Step 1. This meeting shall be during the employee's regular hours at an agreed upon time without any loss of wages to the employee while attending the meeting. If the Union Representative is not available to be there in person he can participate by conference call.

The meeting will be for the purpose of attempting to reach resolution and shall be applicable in all cases of alleged violations, which would normally be progressed through the grievance procedure except cases involving discipline or dismissal.

For the purpose of both parties having a record of the meeting, the fact-finding form will be used.

The aggrieved employee, the Union Representative (if present) and the Front Line Manager will complete the fact-finding form and will affix their signatures to it once completed. All parties involved will be given copies of the completed form including any supporting documentation used at the meeting.

The fact-finding form will contain as much information about the grievance as possible, but will not prohibit the introduction of other pertinent facts at a later time, should those facts have a bearing on the grievance.

The current wage agreement time limits for progression of a grievance concerning the alleged violation of the agreement or an appeal by an employee who believes he has been unjustly dealt with shall not be changed as a result of this fact-finding pre-step.

If either the Union or the Company feel this provision is not working as intended it shall provide 30 days written notice to the other party to cancel this Grievance Informal Resolution and Fact-finding Pre-step.

Yours truly,

Ed MacIsaac

Manager, Labour Relations

**TEAMSTERS CANADA RAIL CONFERENCE - MAINTENANCE OF WAY
EMPLOYEES DIVISION and CANADIAN PACIFIC**

INFORMAL RESOLUTION AND FACT-FINDING FORM

This form and accompanying documentation will be used when submitting a grievance in accordance with Step 1 of the grievance procedure.

1. Who is the person making the grievance?
Name: _____ Telephone: _____
Address: _____
City & Province: _____ Postal Code: _____
Employee number: _____ Seniority number: _____ Date of entry into Svc.: _____
Position held at time of grievance: _____

2. When did the grievance occur?
Date: _____ Time: _____

3. Where did the grievance occur?
Place: _____

4. What are the facts of the grievance?

5. Why is this considered to be a grievance? (Include the Article of the Collective Agreement(s), or any supplement to the Collective Agreement)

6. What is the action requested that will correct and/or resolve the grievance?

7. What is the position or contention of the employer?

8. What was the outcome of the meeting?

Signature of Employee: _____ Date: _____

Signature of Union Representative (if present) _____ Date: _____

Signature of Front Line 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 forwarded to the Local Union Representative and the Service Area Manager or the Manager TP&E for progression of any Step 1 grievance. A copy of this form and attachments should be retained by the Local Union Representative and the Service Area Manager or Manager TP&E.

Release of Information

Joint Waiver Form

Date:

To: Whom it may concern

I, (name of employee) authorize the President of the Teamsters Canada Rail Conference – Maintenance of Way Employees Division or any other person authorized by the Teamsters Canada Rail Conference – Maintenance of Way Employees Division to receive or exchange relevant personal information needed about me which may include, but is not limited to, medical practitioner reports, therapist reports, or treatment institutions, required for the Grievance Procedure.

I understand that the information obtained may be used in the Grievance Procedure and may be shared with the Company.

A photocopy of this authorization is as valid as the original.

(signature of employee)

(date)

This letter may also include the provision of information previously provided to the Union.

ADMISSION OF RESPONSIBILITY

Canadian Pacific

Location, Province

Date:

Dear Sir/Madam;

This will acknowledge that I, (Name and Occupation), have opted to admit responsibility in connection with (incident (s)) dated _____ and in accordance with the terms agreed upon between the Company and the TCRC MWED respecting Admission of Responsibility outlined in Appendix A-10 of Wage Agreement 41, I have chosen to forego a formal investigation with the understanding that any discipline that may be assessed in consequence thereof will be 10 demerit marks or less.

This will acknowledge that I fully understand the terms and conditions associated with “Admission of Responsibility” and by opting to choose this course of action, I am waiving any and all rights to appeal discipline that may be accordingly assessed.

(Signature)

Witnessed:

Accredited Representative

ARCHIVED APPENDICES

The parties have agreed that the following Appendices to the Collective Agreement shall be placed into a separate grouping under the Collective Agreement called Archived Appendices.

Archived Appendices are appendices of the Collective Agreement that, in general terms, are (1) seldom used, (2) very narrow in application, or (3) of defined duration.

The parties agree that the sole purpose for the creation of a separate grouping for Archived Appendices is to facilitate, ease and expedite the use of, and reference to, the Collective Agreement.

It is agreed that it is not the intention of the parties to create a separate category of appendices in terms of range or force of application. The parties agree that each and every Archived Appendix shall continue and remain in full force and effect and shall apply in equal measure to any and all other provisions of the Collective Agreement.

No Appendix of the Collective Agreement shall be included in or removed from the list of Archived Appendices without the written agreement of both parties.

APPENDIX F- 1

The Railway Association of Canada

Montreal, Quebec March 13, 1970

Mr. C. Smith
Vice-President
Brotherhood of Maintenance of Way Employees
115 Donald Street
Winnipeg 1, Manitoba

Dear Mr. Smith:

Referring to your discussion today with Mr. J.C. Anderson, Vice-President, Industrial Relations, CP Rail, in which you expressed the concern on the part of some members of your General Committee as to the manner in which the Railways intend to apply the new starting time rules agreed to in the Memorandum of Settlement signed on February 18, 1970.

We are prepared to advise the line officers that the purpose of the flexibility in starting times is to permit them to establish or adjust starting times which will enable a particular work force to function in the manner that will achieve higher productivity. It was realized by all concerned at the negotiations that maintenance and construction work on the Railways' facilities must, to the extent possible, be performed at times when conditions permit the undertaking to be progressed in the most efficient and productive manner and the purpose of the rule is to meet these conditions. There is no intention whatever that starting times be changed as you put it to suit the personal desire or convenience of any Company officer. Starting times will not be changed except where it is necessary to do so to obtain proper productivity and efficiency in the work force.

The foregoing is consistent with the application of starting time flexibility in the other Collective Agreements in the railway industry.

Yours truly,

(Original signed D.M. Dunlop)
Chairman, Operating Committee

(Original signed K.L. Crump)
Executive Secretary

APPENDIX F- 2

Montreal, February 1, 1979 File No. 140.32

Messrs. R.A. Swanson
L.A. Hill
R.J. Shepp
J.M. Patterson

During our recent Article III Negotiations for revision of Wage Agreement No.17, the B.M.W.E. Representatives complained of situations where the Railways placed Trackmen "B" on vacant positions which they considered should be bulletined to Trackmen "A"/Track Maintainers. They claimed that for Trackmen "A"/Track Maintainers who were working away from home this practice removed any opportunity of working at home.

Under the terms of Article 14.1 of Wage Agreement No. 17, a vacancy of 45 days or more in a Trackman "A"/Track Maintainer position, required by the Company to be filled, is to be covered by bulletin to the employees. We would appreciate it if you would ask your officers to ensure that this provision is followed.

J.A. McGuire
Manager
Labour Relations

c.c.: Mr. T.V. Greig
Chairman
For the Central Committee for Canada
Brotherhood of Maintenance of
Way Employees

c.c.: Mr. A. Passaretti
Secretary
For the Central Committee for Canada
Brotherhood of Maintenance of
Way Employees

APPENDIX F- 3

January 20, 1982

Messrs. J.B. Chabot
J.P. Kelsall
R.J. Shepp
L.A. Hill

One of the Article III demands submitted by the Brotherhood of Maintenance of Way Employees was to reduce the period of time employees may be required to work before being allowed an opportunity to eat. The provisions of the Collective Agreement to which the Brotherhood referred were Article 8.4 of Section 8 and Article 12.1 of Section 12.

The concern expressed by the Union in relation to the application of Article 8.4 of Section 8 related to situations where employees who are allowed a twenty minute meal period are required to work without being permitted their meal period in the fifth or sixth hour of service. Their concern in relation to Article 12.1 of Section 12 related to situations where employees who are called to work outside of their regular working limits are required to work longer than 6 hours without food in circumstances where overtime is required.

While they recognized that in emergency situations, circumstances may necessitate some minor delays in obtaining meals, they indicated concern in those situations when the delays were such that the result was protracted periods without food.

After discussing this demand, the Union agreed to the retention of these rules in their present form on the understanding that their concerns would be brought to the attention of those responsible for the organization of work in the above situations. The Union was told that you would be requested to ensure that an opportunity for meals would be provided as indicated.

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

c.c.: Mr. J. Fox

Note: The intent of the above referenced letter has not been altered, however changes have been made to the applicable Articles and Sections that are referenced herein.

APPENDIX F- 4

April 19, 1982

Mr. A. Passaretti
Vice-President
Brotherhood of Maintenance of Way Employees
1708 Bank Street, Suite 1
Ottawa, Ontario
K1V 7Y6

Dear Mr. Passaretti:

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 their employment and is unable to perform the regular duties of their assigned position and is unable to exercise their 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 the qualifications and ability allow the employee 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 their 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.) A. Passaretti
Vice-President
Brotherhood of Maintenance of Way Employees

APPENDIX F-5

POLICY COVERING DOORS ON TRACK MOTOR CARS

1. Track motor cars which are, or have been equipped with doors may continue to be so equipped provided that:
 - (1) The cab is structurally sound and adequate to carry the weight of the doors.
 - (2) The door shall have a window made of clear glass only, with a minimum size of 12" high by 18" wide to provide an adequate view out of both sides of the car. Windows must be located so that this view is available from the operator's and, where applicable, the passenger's position in the car. Windows made of plastic, plexiglass or other semi-transparent materials are not permitted.
 - (3) Doors shall be of solid construction with a fail-safe, easily-opened latch which may be operated from inside the car.
 - (4) The presence of doors on motor cars must not act to cause condensation on windshields or windows to reduce visibility.
2. Doors are permitted during winter months only and shall be removed from the car during period May 1 to September 30 inclusive.
3. For existing motor cars which are, or have been equipped with doors, the suitability for their use under this policy will be determined by the Division Engineer.
4. Motor cars purchased after this date may be equipped only with doors approved by the Chief Engineer. Existing cars may be retrofitted with doors meeting the above criteria.

Montreal, Quebec
October 1, 1984

APPENDIX F- 6

November 30, 2000

Mr. J.J. Kruk
System Federation General Chairman
BMW
Suite 2, 2775 Lancaster Road
Ottawa, Ont.
K1B 4V8

Dear Sir,

This has reference to the Brotherhood's demand for a tool and clothing allowance during the current round of negotiations.

This will confirm the Company's commitment to continue the practice of replacing lost, stolen or altered tools (in order to carry out a certain task related to their job), with tools which are at least of equal value. This applies to any employee supplying their own tools.

Yours truly,

M.G. DeGirolamo
Assistant Vice-President
Industrial Relations

APPENDIX F-7

November 30, 2000

Mr. J.J. Kruk
System Federation General Chairman
BMW
Suite 2, 2775 Lancaster Rd.
Ottawa, Ont.
K1B 4V8

Dear Sir,

This letter has reference to concerns raised by the BMW regarding Track Programs Crews being utilized outside established seniority territory boundaries.

The Company acknowledges these concerns and commits to the strict adherence to Article 3.1 of the Machine Operators Supplemental Agreement, which refers to Seniority Territory boundaries of production crews.

The Company also acknowledges that any deviation from this standard can only be accomplished by mutual agreement between appropriate General Chairman/Chairmen of the Region(s) involved and the proper Officer of the Company.

Sincerely,

M.G. DeGirolamo
Assistant Vice-President
Industrial Relations

Note: The intent of the above referenced letter has not been altered, however a change has been made to the applicable Section number that is referenced herein.

APPENDIX F-8

November 30, 2000

Mr. G. Beauregard
Atlantic Region General Chairman
BMW
Mirabel, Que.

Dear Sir,

This refers to our discussion regarding ES status employees who were employed on the Canadian Atlantic Railway and who are currently residing in New Brunswick or Nova Scotia.

This confirms our understanding that when the above mentioned employees are required to report for work in the Montreal area, under the terms of the JSA, they will be provided with 5 calendar days notice.

Sincerely,

E.J. MacIsaac
Manager, Labour Relations

**Letter dated January 14, 2005 concerning
“Minimal Staffing”**

CALGARY, January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Sir:

During negotiations the TCRC-MWED submitted demands on “Minimal Staffing”. The Company explained that they could not agree to such a concept given the many market driven uncontrollable variables it faces on a regular basis.

The Company is however prepared to meet during the closed period to discuss opportunities in creating permanent positions by consolidating two or more temporary positions.

As a final point the Company is unable to commit to there being no layoffs, either permanent or temporary, in the future. We are however prepared to make a commitment to meet with the Union to discuss any planned permanent reductions with a view to determine if the needs of the Company could be achieved without putting into effect the planned layoffs.

Yours truly,

S.J. Samosinski
Director, Labour Relations

APPENDIX F-10

**Letter dated January 14 2005 concerning
“Minimal Staffing”**

CALGARY, January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Sir:

During negotiations the TCRC-MWED submitted demands on “Minimal Staffing”. The Company, given the uncertainties of the business world could not agree to such conditions.

The Company indicated however, that it would be prepared to conduct a study in the closed period regarding the level of staffing and potential efficiencies within the Maintenance of Way Departments.

The parties agree to meet within 60 days of the ratification of the settlement to determine the specifics of such study.

Yours truly,

I concur,

S.J. Samosinski
Director, Labour Relations

W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees
Division

APPENDIX F-11

Letter dated January 14, 2005 concerning vacating positions in extenuating circumstances

CALGARY, January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario K1B 4V8

Dear Sir:

During our discussion the TCRC-MWED raised concerns that there may be situations where an employee due to extenuating circumstances wishes to vacate their temporary position and revert to their permanent bulletined position. Examples raised by the Union included an employee who purchased a home at the location where he holds a permanent bulletined position and has now moved their family into the new home or another example was an employee who has encountered a family emergency which requires their presence back at the location of where he holds permanent bulletined position.

In this regard, the Company is prepared to act on each request, on a case-by-case basis to a maximum of one request per employee, per year, upon receiving 30 days written notice to a Company Officer up to the level of Service Area Manager or Track Programs and Equipment Manager, outlining the employee's intention to revert and providing the extenuating reasons for the request.

Yours truly,

S.J. Samosinski
Director, Labour Relations

APPENDIX F-12

Letter dated January 14, 2005 concerning legal defense in the event of charges under the Canada Labour Code.

CALGARY, January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Sir:

During our negotiation discussions the TCRC-MWED raised the issue of the Company providing liability insurance for all employees to cover the cost of legal defense and fines in the event of charges under the Canada Labour Code.

Although the Company does not carry liability insurance for such purpose, the Company confirms that if an employee is working within the scope of their employment and the interests of the individual and the Company do not diverge, then on a case-by-case basis the Company will provide legal representation for an employee. Further, this will confirm that we will not change this practice for the term of the Collective Agreement.

Yours truly,

S.J. Samosinski
Director, Labour Relations

APPENDIX F-13

Letter dated January 14, 2005 concerning clarification of Group 1 & 2 and Special Group Machine Operator's tool requirements.

CALGARY, January 14, 2005

Mr. W. Brehl
President,
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Sir:

During our negotiation discussions the TCRC-MWED raised the issue of the Company providing tools to all Group 1 & 2 and Special Group Machine Operator's.

Although the Company would not agree to such a blanket commitment, the Company is prepared to meet with the Union during the closed period to review the tool requirements for all Group 1 & 2 and Special Group Machine Operator's and make amendments where agreed.

Yours truly,

S.J. Samosinski
Director, Labour Relations

I concur,

W. Brehl
President
Teamsters Canada Rail
Conference
Maintenance of Way Employees
Division

APPENDIX F-14

Industrial Relations

January 14, 2005

Mr. W. Brehl
President,
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2, 2775 Lancaster Rd.
Ottawa, Ontario K1B 4V8

Dear Sir,

This letter is with regard to our discussions concerning the former Appendix B-35 of Wage Agreement No. 41.

In this regard, the Company commits to the following during the course of this agreement:

- 1) The parties may engage the services of HRDC to address the backlog of grievance within 90 days of final grievance meetings between the parties.

It is understood that this course of action will only occur after consultation between the parties as to an appropriate resolve of the issues takes place and the matter remains unresolved.

- 2) The parties will meet during the current contract period to discuss the implementation of a joint Union/Management committee to review alternate investigation procedures.
- 3) The parties will meet during the current contract period to discuss the implementation of a joint dispute resolution training program.

If the above accurately addresses your concerns, please signify your concurrence in the space provided below.

Sincerely,

Manager,
Labour Relations

I concur:

President
TCRC MWED

**Starting Rates (Article 2.1)
New Hire Employees**

June 6, 2007

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 - 2775 Lancaster Rd.
Ottawa, Ontario K1B 4V8

Dear Mr. Brehl,

This refers to the Union's desire to revise the Starting Rate provisions contained in Section 2 of Wage Agreements 41 & 42 and all applicable supplements to reflect that they begin at 90% of the job rate and increase by 5% every six (6) months.

While the Company could not agree with the Union's demand, starting rates can be reviewed as part of the closed period retention study.

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

Yours truly,

Rick Wilson
AVP, Labour Relations

I Concur:

W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division

Retention Study

June 6, 2007

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 - 2775 Lancaster Rd.
Ottawa, Ontario K1B 4V8

Dear Mr. Brehl,

This refers to recent discussions during negotiations concerning the Union's desire for a pay equity study or mutually agreed upon alternative, taking into consideration the Company's concern with employee retention.

Both parties recognize the value of well trained employees, and the fact that they are in demand by other employers. Accordingly, the Company will fund a joint study so that the parties may review attraction and retention data and identify specific positions or locations where there are problems attracting and retaining employees. The parties will discuss the root cause issues, including the competitiveness of job and starting rates, pay scales and working conditions. The focus will also be to find solutions, possibly containing but not limited to, compensation pertaining to various classifications based upon education, training and experience, starting rate revisions and other incentives.

The first session will commence within 90 days of ratification.

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

Yours truly,

Rick Wilson
AVP, Labour Relations

I Concur:

W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees
Division

APPENDIX F-17

Question: When an employee is dismissed from the service of the railway and later reinstated in a lower classification, can he displace any junior employee or only fill a vacancy?

Answer: It was considered that, generally speaking, this question should be automatically decided by the terms under which the man returns to the service of the railway. This is a question which would best be determined by the Representatives of the Union and the Local Officers of the railway who would have full particulars with respect to the case.

Generally speaking, they should be guided by the principle that the return of an employee to the service of the Company, who has been dismissed or demoted for cause, should not be permitted to displace other employees.

Return to Work Program

Acknowledging that a number of policy and personnel changes have taken place over the last few years, this will confirm the need for a renewed commitment to the Return to Work Program. This renewal will include but not be limited to an audit of TCRC-MWED local committee members to be completed prior to the end of February 2005, the appointment of local committee members as required, and Return to Work Program training prior to the end of July 2005.

**MEMORANDUM OF AGREEMENT BETWEEN CANADIAN
PACIFIC AND THE TEAMSTERS CANADA RAIL
CONFERENCE MAINTENANCE OF WAY EMPLOYEES
DIVISION SUPPLEMENTING WAGE AGREEMENT NO.
41 COVERING RATES OF PAY AND RULES GOVERNING
WORKING CONDITIONS OF OPERATORS, ASSISTANT
OPERATORS AND HELPERS OF POWER MACHINES IN
MAINTENANCE OF WAY SERVICE.**

**Section 1
General**

1.1 Except as otherwise provided herein, Wage Agreement No. 41 will apply.

**Section 2
Rates of Pay**

2.1 The hourly rates applicable to this Agreement are:

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Machine Operator Special Group			
Job Rate	\$25.256	\$26.266	\$27.054
95%	\$23.993	\$24.953	\$25.701
90%	\$22.730	\$23.639	\$24.349
85%	\$21.468	\$22.326	\$22.996
Machine Operator Group 1			
Job Rate	\$24.124	\$25.089	\$25.842
95%	\$22.918	\$23.835	\$24.550
90%	\$21.712	\$22.580	\$23.258
85%	\$20.505	\$21.326	\$21.966

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Machine Operator Group 2			
Job Rate	\$22.806	\$23.718	\$24.430
95%	\$21.666	\$22.532	\$23.209
90%	\$20.525	\$21.346	\$21.987
85%	\$19.385	\$20.160	\$20.766
Assistant Machine Operator			
Job Rate	\$21.274	\$22.125	\$22.789
95%	\$20.210	\$21.019	\$21.650
90%	\$19.147	\$19.913	\$20.510
85%	\$18.083	\$18.806	\$19.371
Machine Operator Group 3			
Job Rate	\$21.154	\$22.000	\$22.660
95%	\$20.096	\$20.900	\$21.527
90%	\$19.039	\$19.800	\$20.394
85%	\$17.981	\$18.700	\$19.261
Machine Operator Group 4 (Subject to Article 4.2)			
Job Rate	\$20.536	\$21.357	\$21.998
95%	\$19.509	\$20.289	\$20.898
90%	\$18.482	\$19.221	\$19.798
85%	\$17.456	\$18.153	\$18.698
Machine Operator Helper			
Job Rate	\$20.302	\$21.114	\$21.747
95%	\$19.287	\$20.058	\$20.660
90%	\$18.272	\$19.003	\$19.572
85%	\$17.257	\$17.947	\$18.485

Section 3

Seniority

3.1 Seniority territories for employees governed by this Agreement shall be as follows:

Atlantic Region (former, as of August 31, 1984)

Special Group	1. Saint John Division
Group 1 & 2 Machine Operators, Assistant Machine Operators & Helpers;	2. Quebec Division and Montreal Division (Former Farnham Laurentian and Montreal Terminals Divisions)
Group 3 & 4 Machine Operators on Gangs	3. Quebec Central Railway
	4. Dominion Atlantic Railway
Group 3 Machine Operators	1. Dominion Atlantic Railway
	2. St. John Division
	3. Quebec Central Railway
	4. Part of Quebec Division, formerly Farnham Division
	5. Part of Quebec and Montreal Divisions, formerly Laurentian Division
	6. Part of Montreal Division, formerly Montreal Terminals Division.

Eastern Region

Special Group,
Group 1 & 2 Machine
Operators, Assistant
Machine Operators &
Helpers;
Group 3 & 4 Machine Operators
on Gangs

1. Smiths Falls, London, and Toronto Terminals.
2. Sudbury and Schreiber Divisions

Group 3 Machine Operators

1. Smiths Falls Division
2. London Division
3. Toronto Division
4. Sudbury Division
5. Schreiber Division
6. Grand River Railway Company and Lake Erie and Northern Railway Company.

Prairie Region

Special Group,
Group 1 & 2 Machine
Operators,
Assistant Machine
Operators & Helpers;
Group 3 & 4 Machine Operators
on Gangs

1. Brandon, Winnipeg and Lakehead Divisions
2. Moose Jaw and Saskatoon Divisions

Group 3 Machine Operators

1. Lakehead Division
2. Winnipeg Division
3. Brandon Division
4. Moose Jaw Division
5. Saskatoon Division

Pacific Region

Special Group,
Group 1 & 2 Machine
Operators,
Assistant Machine
Operators & Helpers;
Group 3 & 4 Machine
Operators
on Gangs

1. Calgary, Alberta North and Alberta South Divisions
2. Kootenay, Revelstoke, Canyon and Vancouver Divisions

Group 3 Machine Operators

1. Part of Alberta North Division
Former Edmonton Division
2. Part of Alberta South Division
Former Medicine Hat Division
3. Part of Alberta South Division
Former Lethbridge Division
4. Calgary Division and Part of Alberta North Division
Former Calgary Division
5. Revelstoke Division
6. Kootenay Division
7. Canyon Division
8. Vancouver Division
9. E & N

3.2 An employee appointed by bulletin to a classification covered by this Agreement will be accorded a seniority date from the date of appointment on the bulletin in such classification and in all lower-rated classifications covered by this Agreement in which they are qualified to work and in which they have not previously established seniority.

Note 1: See Articles 9.15b, 10.4 and 10.14c)

Note 2: See line of promotion for Extra Gang Foreman Article 9.15 (b) of Wage Agreement No. 41

3.3 The order of preference in filling bulletined positions within the Machine Operators' classifications shall be as follows:

1. Special Group Machine Operator
2. Group 1 Machine Operator
3. Group 2 Machine Operator
4. Assistant Machine Operator
5. Group 3 Machine Operator
6. Machine Operator Helper, Group 4 Machine Operator covered by Article 4.2.

Note: See Appendix A-3.

3.4 If qualified employees are not available in the Machine Operators' group, other Maintenance of Way employees from within the seniority territory, qualified to perform the work, will be given preference in filling vacancies or new positions before new employees are hired. In the application of this Article 3.4, successful applicants will be selected in the order of their first date of entry into the Maintenance of Way service.

Note: See Appendix A-3.

3.5 In the event that within three (3) months of exercising seniority to a position governed by this Agreement, an employee is found to be unsuitable, such employee will be advised in writing as to their unsuitability and may

be returned to their former employment. An employee who wishes to return to their former employment may do so provided they express their desire to do so in writing within twelve (12) months following the date of their appointment to a position covered by this Agreement.

3.6 The following is the ranking in descending order of the classifications referred to in this section.

Column A Classifications Covered by this Agreement	Column B Classifications Covered in Wage Agreement Nos. 41 and 42
Machine Operator Special Group	Extra Gang Foreman, B&S Foreman, Welder Foreman, Various Tradesmen, Welders, Assistant Extra Gang Foreman
Machine Operator Group 1	Track Maintenance Foreman Carpenter
Machine Operator Group 2	Assistant Tack Maintenance Foreman, Leading Track Maintainer, Bridgeman
Assistant Machine Operator	
Machine Operator Group 3	Track Maintainer, Trackman, Mechanics' Helper
Machine Operator Group 4	
Machine Operator's Helper	B&S Labourer, Extra Gang Labourer

- 3.7** An employee working in a position in Column A may establish seniority by bid in a classification in which they are qualified to work in Column B and in which they did not previously hold seniority and will thereafter accumulate seniority in that classification as provided in Article 10.14 (a) of Wage Agreement No. 41.
- 3.8** Employees required to exercise their seniority must do so within fifteen (15) calendar days of call or recall, exclusive of any scheduled annual vacation or approved banked time.
- 3.9** Employees need not exercise seniority to vacancies or positions expected to be in existence for less than forty-five (45) calendar days.
- 3.10** Employees holding seniority in column A, working temporary winter snow fighter positions in the Machine Operator supplement, unless holding an equal or higher permanent position to which they may return, will be required to bid to the initial gang start up bulletin. Failing which, they will be assigned to a vacancy on that bulletin, based on their seniority.
- 3.11** An employee holding an equal or higher permanent position in column A or B, that does not bid on the initial gang start up bulletin, shall not be permitted to displace onto any of the positions on that bulletin, at the conclusion of that winter snow fighter assignment. Such employees may return to their permanent position or displace to a position other than those named on the initial start up bulletin.
- 3.12** Those employees awarded a position on the initial start up bulletin which commences prior to the conclusion of their temporary snow fighter assignment, will be allowed to fill the position awarded or remain on the snow fighter assignment until its conclusion, provided they so indicate on their application. Failure to so indicate, it will be assumed that the employee will report to the awarded position immediately.

- 3.13** Employees awarded positions on the initial bulletin commencing after the conclusion of their snow fighter assignment will be allowed to either exercise seniority in accordance with senior may/junior must rules to positions other than those named in the initial start up bulletin, fill a vacancy, or elect to take lay-off until the start up of the awarded position.

Section 4

Machine Classifications

4.1 The grouping for the various classes of Machines covered by this Agreement are as follows:

Type of Machine:

Special Group

Automatic Tampers

Examples: Tampers equipped with automatic jacking levelling AND automatic lining devices such as Canron, Plasser, Jackson, etc.

Locomotive Cranes -- 30 ton capacity and over

Examples: Diesel Electric, Diesel Hydraulic or Mechanical Cranes when used with or without attachment such as pile drivers, snowblowers, buckets, etc. Ohio, American or Wellman Cranes 30 ton capacity or over with standard AAR draw bar.

Group 1

Atthey loader

Autosled (LORAM)

Ballast maintenance machine

Ballast compactor

Ballast regulator

** Brandt roadrailer

Brush cutter -- on track

* Buses capable of carrying 15 or more passengers

Conveyor -- crawler or truck mounted

Crane, Burro

Crane, crawler, Railaid, Speedswing, or mobile crane

Cribber / Adzer

Graders

Locomotive Cranes -- less than 30 ton capacity

Examples: Diesel Electric, hydraulic or mechanical cranes of less than 30 ton capacity with standard AAR draw bar when used with or without attachments.

Pile driver and hoist
Plasser PAL 204 Automatic Track Lining and Consolidating Machine
Rail Changeout Unit Operators
Rail Threader
Switch Undercutter Super GO4
Shuttle Wagon/Unimog including attachments
Sno Jet (truck or track mounted)
Snowblower -- self-propelled, non-detachable
Spike Driver -- multiple head
Spiker-gauger, Hydra spiker
Spreader-ditcher -- except snow service
Tampers -- heavy and medium duty, electromatic, electromatic junior, switch tamper or equal (with the exception of those Automatic Tampers listed in the Special Group)
Tie axe or saw
Tie bed scarifier
Tie inserter, Tie injector
Tie handling crane
Tie unloading machine (Lucky/Marmon)
Track liner -- self-propelled
Tractor or bulldozer -- 8000 lbs. and over including attachments
Track-gopher
*Trucks -- over 28,000 lbs. GVW
*Trucks -- over 16,000 lbs. GVW equipped with hi-rail equipment

***Note:** When expected to operate over more than one Division.

****Note:** When expected to operate over more than one Division the Machine Operator will receive the basic

hourly rate of pay applicable to Special Group.

*****Note:** Effective July 18, 2007, Operators of Mobile Cranes with a capacity of 15 tons or over will receive the basic hourly rate of pay applicable to Special Group Machine Operators, however, no Special Group seniority will be awarded.

Group 2

Adzer/Cribber

Anchor/Cribber (Plasser)

*Buses capable of carrying more than 6 but fewer than 15 passengers

Geismar Tie renewer Model MRT

Hydratool, (combination rail expander, saw and multiple drill)

Chemical Tie Plugger (Harsco Toronado)

Chemical Tie Plugger (Nordco NETP-1)

Plate Setter (Ride On)

Jack – tamping

Lag Screw Applicator – multiple head

Lidgerwood

Rail anchor applicator

Rail flaw detector -- Audigauge

Rail saw and drill -- Automatic

Roller, road

Rail End Hardening Machine

Rail Heater for CWR

Spike puller -- self-propelled

Tie spacer

Tractor or bulldozer -- under 8000 lbs. with attachments

Track wrench -- multiple head

Truck -- 5 ton with 12 ft. snow plow blade

* Trucks over 16,000 lbs. GVW up to and including 28,000 lbs. GVW

Weed mowers and discers

Winch cart and hoist

*** Note:** When expected to work over more than one Division.

Group 3

Adzer, tie
Boltmaster
Cribber -- chain or wheel type
Geismar lifting and slewing machines
Rail anchor adjuster
Tie renewer -- Tamper Ltd. Section Gang Machine or equal
Tie router (Geismar type)
Torches (on non BTMF Crews for rail cutting operations)
Vehicles and trucks -- See Note
Chemical Tie Plugger (Harsco TPSM)
Track Broom (self propelled)

Note -- Drivers of vehicles up to and including 16,000 lbs. GVW will receive the basic hourly rate of pay applicable to Group 3 Machine Operators.

-- Drivers of buses capable of carrying more than 6 but fewer than 15 passengers and of trucks over 16,000 lbs. GVW up to and including 28,000 lbs. GVW operated within a Division will receive the basic hourly rate of pay applicable to Group 2 Machine Operators.

-- Drivers of buses capable of carrying 15 or more passengers, trucks over 28,000 lbs. GVW and trucks over 16,000 lbs. GVW equipped with hi-rail equipment, operated within a Division, will receive the basic hourly rate of pay applicable to Group 1 Machine Operators.

GVW -- Gross Vehicle Weight according to suppliers specifications.

Group 4

Article 4.2 applies to all the following machines:

Air compressor
Centre Line Marker Operator -- Rail Changeout Unit

Concrete mixer
Conveyor
Gauger, tie plate -- Dunrite
Pre-gauger (Self propelled)
*Rail drill
*Rail expander or puller
*Rail grinders and slotters
Rail jack -- for inserting tie plates
Rail layer
Rail loader
*Rail saw
Snowmobile -- Ski-doo type
Snowblower -- Graveley or lawnmower type
*Spike driver
*Spike puller
Spike puller -- not self-propelled
Sprayer, creosote
*Tie drill
Tie renewer – non self-propelled
Tools, power, hand held - Kango, Gandy, or equal
Track jack -- not self-propelled
*Track liner
Track motor car
Track Wrench
Tractor, towing -- without attachments
*Weed burners and Sprayers
*Winch

***Note:** Portable or single head

4.2 Machines listed under Group 4 for which this Article 4.2 is shown to apply are considered as being in that group only when:

- (a)** in service on gangs described in Wage Agreement No. 41, Articles 13.14 and 13.15 or
- (b)** operated continuously by a section employee off their assigned section or territory; otherwise, Operators of these Group 4 machines will receive their normal pay rate. In the application of this

Article 4.2 if, for example, an employee is regularly assigned as a Trackman they would receive their regular Trackman's rate when operating Group 4 Machines.

- 4.3** Negotiations between the General Manager and the President TCRC MWED shall be held in January of each year to establish into which group of machines any machine not included above shall fall. This, if at all possible, to take place prior to the operation of such machines. The parties may also meet prior to January of each year if possible. Should the parties be unable to agree upon the appropriate machine classification, an appeal may be made commencing at Step 2 of the grievance procedure. In the case of an agreement or an arbitration award the compensation due, if any, will be paid retroactively to the date of the employee's first day of work on the machine.
- 4.4** Machine Operators for vehicles listed in groups 1, 2 and 3 shall qualify by obtaining necessary licensing issued by the licensing authority of the province concerned.

Section 5

Training Program for Machine Operators

Purpose

- 5.1** The purpose of the Machine Operator Training Program is to train Machine Operators on machines contained in the Special Group, and Groups 1 and 2.

Definitions

- 5.2** For the purposes of this Memorandum of Agreement, the following definitions apply:

Trainee: An employee awarded a Trainee position as a result of a bulletin soliciting applicants for training or an employee assigned to such a position.

Machine Type: A machine, or sub-group of machines, within each applicable machine grouping.

The Training Program

- 5.3** The Training Program consists of the following types of training:

A) Basic Course

- (i)** This course features machine servicing and basic machine systems. It will be attended by all employees who obtained a seniority date in Group 2 or higher after December 31, 1983.
- (ii)** Employees holding a seniority date in Group 2 or higher before January 1, 1984, and who are determined by the Company to need further training on machine servicing and basic machine systems, will attend as assigned.

- (iii) An employee who is qualified on a particular machine, prior to January 1, 1984, and who fails to pass the Basic Course, will not lose seniority or qualifications for machines in the Machine Operators classifications on which they were previously qualified.
- (iv) An employee who fails the Basic Course will not be eligible for further training of any kind for a period of at least 1 (one) year. At the expiration of one (1) year the employee may request one (1) final opportunity to pass the Basic Course. If the employee fails on this second attempt, they will not be eligible for further training of any kind.

B) Field Training

Consists of on-the-job training for machine operation and field servicing techniques. It is a requirement for all Trainees.

C) Advanced Course

This course features advanced training on machine systems. This will be attended by Operators of certain machines which will be designated by the Company. This will be in addition to Basic and Field Courses.

Basic Training Rules

- 5.4** In instances where a machine operator who obtained a seniority date prior to January 1, 1984, requests that they be exempted from taking Basic Training because of particular circumstances, their request will be reviewed by the TCRC MWED President and the General Manager, or their authorized Representatives. An Operator who is exempted from Basic Training will not be eligible for other training unless they subsequently agree to complete Basic Training.

Field Training Rules

- 5.5** Each Trainee will be allowed a specific period of time to qualify in the operation of the machine on which they are being trained. This time period will be determined by the Company and will be indicated for each machine in the Company's training instruction.
- 5.6** A Trainee who fails a field examination once will be allowed additional time to improve their performance prior to making a second attempt. A Trainee who fails a second attempt will be considered for further training by mutual agreement between the TCRC MWED President and the appropriate Company Officer.
- 5.7** A Trainee who fails to qualify on one (1) machine in a particular group will not be given any further training opportunities on that machine for a period of one (1) year. Following this period, a Trainee will be given a further opportunity by mutual agreement between the TCRC MWED President and the appropriate Company Officer.
- 5.8** During Field Training, a Trainee may be assigned as an Assistant Operator or as a Helper. When so assigned either in an additional temporary position, or to an existing vacancy, the assignment need not be bulletined. A Trainee may also be assigned to fill a vacancy of temporary Machine Operator. On completion of training, they may continue to occupy that position. Such assignments will be subject to availability, and to the extent possible, Trainees will be assigned in seniority order. Such assignments, when established, will not extend from one (1) calendar year to the next.
- 5.9** The Company may assign a qualified Machine Operator to provide field training on a specific machine. A Machine Operator so assigned will not be required to leave their regular position to provide field training. The Operator so assigned will follow the Company training instructions in actively assisting the Trainee to learn to operate the machine.

Advanced Course Rules

- 5.10** An Operator who fails an advanced course examination on their first attempt will be given a second examination. An Operator who fails the second examination will not be given any further training for that machine. Notwithstanding the foregoing, if mutually agreeable between the TCRC MWED President and the appropriate Company Officer, an Operator who fails the second examination, will be given a special field examination during which the Operator must demonstrate ability to set up and operate the machine in a safe manner.
- 5.11** An Operator who fails the second examination and if eligible, the special field examination, shall be considered as an employee displaced from a position and will exercise their seniority in accordance with Wage Agreement No. 41

General Rules

- 5.12** Except as provided in Article 5.13 below, an employee may apply for as many Trainee positions as they wish. Once they are the successful applicant for a Trainee position and have commenced field training, they will not be eligible for appointment as a Trainee for any other machine in the same or lower group during that calendar year. If an employee should not complete field training because of circumstances within the Company's control, i.e. gang reductions, the employee will be allowed one (1) further opportunity in that calendar year, to bid on a Trainee position.
- 5.13** If no bids for a Trainee position are received from applicants meeting the criteria specified in the applicable bulletin, the Company may assign an employee to that position.
- 5.14** The names of employees awarded or assigned to positions pursuant to this Memorandum of Agreement, will be listed on a subsequent bulletin.

5.15 A Trainee who has not established seniority in the machine group in which they are designated to receive training, will be placed on the seniority list for that machine group with the same date as their appointment by bulletin to the training program. If they fail to qualify as an Operator within the time period specified for that machine, their name will be removed from the applicable seniority list.

5.16 When filling Machine Operator's vacancies on seasonal work gangs pursuant to Article 10.4 of Wage Agreement No. 41, vacancies advertised in the initial bulletin will be filled in the following manner:

- (i)** By qualified Operators who bid for the vacancies following which;
- (ii)** Any positions remaining vacant after the application of (i) above will be filled by assigning unsuccessful applicants to vacancies for which they are qualified.
- (iii)** Any positions remaining vacant after the application of (i) and (ii) above, will be filled as follows:
 - a)** By Trainees, in order of seniority, except that a Trainee who is awarded a position under (i) or (ii) above, in the same group, may at the discretion of the Company be considered ineligible for this training opportunity.
 - b)** By employees who bid for that position but have not been qualified. Such employees will become Trainees.

5.17 In selecting Trainees for Operators of Special Group Locomotive cranes, preference will be given first to Special Group Operators, then qualified Operators of Burro Cranes, Rail-Aids, Bert Pyke Cranes or other similar cable operated on-track cranes, and, finally, to other Group 1 Operators.

- 5.18** The Company shall determine the order in which Trainees will be trained. Training will be subject to availability but to the extent possible, trainees will be trained in order of seniority.
- 5.19** When regular rest days coincide with the training, other rest days off will be given in lieu.
- 5.20** By mutual agreement in writing, between the employee and the appropriate Railway Officer, an employee's annual vacation may be rescheduled to enable the employee to attend the Machine Operator Training Program. The provisions of Article 6.12 of Wage Agreement No. 41 shall not apply and the employee affected shall be granted their vacation at a mutually convenient later date.
- 5.21** Trainees will be required to take training at times and places designated by the Company. They must attend and actively participate in all training sessions.
- 5.22** Each Trainee taking training shall be provided with text books and/or other written material required. This material will remain the property of the Railway, and must be returned on request or on leaving Maintenance of Way service.
- 5.23** Trainees must take the corresponding oral, practical and/or written tests.
- 5.24** The requirements for training qualification and tests will be established by the Company. The TCRC MWED President will be given an opportunity to review written course material to be used in the training program.
- 5.25** A Trainee will not be required to attempt a particular qualifying test without having had an opportunity to receive the appropriate training or be exposed to that aspect of the job.
- 5.26** A Trainee who fails a qualifying test will be given the

reasons. A Trainee who fails the second attempt at a qualifying test will be given the reasons in writing if they so request.

- 5.27** A Trainee failing to maintain an appropriate level of performance may, at the discretion of the appropriate Company Officer, be removed from the course and/or machine for which they are receiving training. In such circumstances, the Trainee will revert to their former position and will not be given any further training for a period of three (3) years. Following this period, the employee may request one further opportunity to qualify pursuant to Articles 5.5 and 5.6 above. This opportunity will be in the machine group in which the employee last failed to qualify. A Trainee who fails during such further opportunity will not be given any further training opportunities in that or a higher group.
- 5.28** A Trainee who fails any test and claims they did not have a proper test or who is removed from training pursuant to Article 5.27 above, may appeal the decision under the provisions of Article 15.7 of Wage Agreement No. 41 starting at Step 2.
- 5.29** During training, a Trainee will be paid at the basic rate they would have been paid had they not been training. This will apply unless during their field training the Trainee is actually working as the regular Operator of the machine as provided in Articles 5.8 and 5.16 (iii) above. In this case, they will be paid the group rate for that machine. A Trainee in training who would otherwise be on layoff status, will be paid the rate for Group 4 machines.
- 5.30** Reasonable away from home expenses necessarily incurred will be allowed a Trainee during training. When authorized in advance, a Trainee using their automobile for basic training or advanced training will be reimbursed pursuant to Article 12.10 of Wage Agreement 41. The use of their automobile will be limited to one round trip to the training location. Travel time will be paid for travel during regular working hours on regular working days.

- 5.31** Trainees who successfully complete training for promotion must comply with all provisions of the Machine Operators Supplemental Agreement.
- 5.32** A Trainee who has successfully passed all tests will receive a card or certificate signed by the appropriate Training Officer.

Section 6
Duration Of Agreement

6.1 This agreement, effective, January 1, 2007 as amended and updated, shall remain in full force and effect until, December 31, 2009 and thereafter, subject to six (6) months' notice in writing from either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

Signed at Gatineau, Quebec on the 6th day of June, 2007.

For Canadian Pacific:

For Teamsters Canada Rail
Conference
Maintenance of Way Employees
Division:

(signed)
Director, Labour Relations
Canadian Pacific

(signed)
President
TCRC MWED

**MEMORANDUM OF AGREEMENT BETWEEN CANADIAN
PACIFIC AND TEAMSTERS CANADA RAIL CONFERENCE
- MAINTENANCE OF WAY EMPLOYEES DIVISION
SUPPLEMENTING WAGE AGREEMENT NO. 41 COVERING
RATES OF PAY AND RULES GOVERNING WORKING
CONDITIONS OF TIMEKEEPERS IN MAINTENANCE OF
WAY SERVICE.**

**Section 1
General**

- 1.1** Except as otherwise provided herein, Wage Agreement No. 41 will apply.

**Section 2
Rates of Pay**

- 2.1** The hourly rates applicable to this Agreement are:

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Time Keeper			
Job Rate	\$24.124	\$25.089	\$25.842
95%	\$22.918	\$23.835	\$24.550
90%	\$21.712	\$22.580	\$23.258
85%	\$20.505	\$21.326	\$21.966

Section 3

Seniority

- 3.1** Seniority territories for employees governed by this Agreement shall be as follows:

Prairie Region

Brandon, Winnipeg, Lakehead, Moose Jaw and Saskatoon seniority territories on District and Regional Work Crews.

Pacific Region

Calgary, Alberta North, Alberta South, Kootenay, Revelstoke, Canyon and Vancouver seniority territories on District and Regional Work Crews.

- 3.2** An employee appointed by bulletin to a classification covered by this Agreement will be accorded a seniority date from the date of appointment on the bulletin in such classification.

Note: See Articles 9.15(b), 10.4 and 10.14(c)

- 3.3** The senior qualified applicant on each respective seniority list where new positions or vacancies are bulletined shall be given preference in filling such vacancy or new position.
- 3.4** If qualified employees are not available in the Timekeepers' group, other Maintenance of Way employees from within the seniority territory, qualified to perform the work, will be given preference in filling vacancies or new positions before new employees are hired. In the application of this Article 3.4, successful applicants will be selected in the order of their first date of entry into the Maintenance of Way service.
- 3.5** Preference will be given to applicants who have experience or formal training in clerical duties required for timekeeping and staff records maintenance including

data management programs that generate computerized reports. Must also have legible handwriting and be able to qualify to fifty five (55) words per minute in computerized data input.

Note: See Appendix A-3.

3.6 In the event that within three (3) months of exercising seniority to a position governed by this Agreement, an employee is found to be unsuitable, such employee will be advised in writing as to their unsuitability and may be returned to their former employment. An employee who wishes to return to their former employment may do so provided they express their desire to do so in writing within twelve (12) months following the date of their appointment to a position covered by this agreement.

3.7 The seniority of a Timekeeper shall be confined to the District or Region as outlined in Article 3.1, and shall commence from the date of entry into the service as a Timekeeper covered by this Agreement.

Note: All existing Timekeepers will be grandfathered on each District or Region list that they currently hold seniority on.

3.8 Employees required to exercise their seniority must do so within fifteen (15) calendar days of call or recall, exclusive of any scheduled annual vacation or approved banked time.

3.9 Failure to fulfill the requirement of Article 3.8 will result in loss of seniority in the classification of Timekeeper unless satisfactory reasons are given.

3.10 Seniority lists of all Timekeepers covered by this Agreement on each of the seniority territories defined in Article 3.1, showing name, date of entry into service and seniority standings, shall be updated and posted at the headquarters locations of all employees concerned, on or before March 31 and September 30 of each year. Copies shall be furnished to the Union Representatives of the employees.

Section 4
Duration

- 4.1** This agreement, effective January 1, 2007 as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six (6) months' notice in writing from either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

Signed at Gatineau, Quebec on the 6th day of June, 2007.

For Canadian Pacific:

For Teamsters Canada
Rail Conference – Maintenance
of Way Employees Division:

(signed)
Director, Labour Relations
Canadian Pacific

(signed)
President
TCRC-MWED

**MEMORANDUM OF AGREEMENT BETWEEN CANADIAN
PACIFIC AND THE TEAMSTERS CANADA RAIL
CONFERENCE MAINTENANCE OF WAY EMPLOYEES
DIVISION SUPPLEMENTING WAGE AGREEMENT NO.
41, COVERING RATES OF PAY AND RULES GOVERNING
WORKING CONDITIONS OF EMPLOYEES IN THE
MAINTENANCE OF WAY DEPARTMENT, EMPLOYED IN THE
WORK EQUIPMENT REPAIR SHOPS ON THE SYSTEM IN
CONNECTION WITH THE REPAIR OF POWER OPERATED
ROADWAY MACHINES**

**Section 1
General**

1.1 Except as otherwise provided herein, Wage Agreement No. 41 will apply.

**Section 2
Rates of Pay**

2.1 Hourly rates of pay for the various occupational classifications in the Work Equipment Repair Shop shall be as follows:

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Maintainer – Grade 1			
Foreman			
Job Rate	\$25.453	\$26.471	\$27.265
95%	\$24.180	\$25.147	\$25.902
90%	\$22.908	\$23.824	\$24.539
85%	\$21.635	\$22.500	\$23.175
Welder			
Job Rate	\$24.738	\$25.728	\$26.500
95%	\$23.501	\$24.442	\$25.175
90%	\$22.264	\$23.155	\$23.850
85%	\$21.027	\$21.869	\$22.525

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Maintainer – Grade II			
Job Rate	\$23.806	\$24.758	\$25.501
95%	\$22.616	\$23.520	\$24.226
90%	\$21.425	\$22.282	\$22.951
85%	\$20.235	\$21.044	\$21.676
Assistant Maintainer			
Job Rate	\$21.034	\$21.875	\$22.531
95%	\$19.982	\$20.781	\$21.404
90%	\$18.931	\$19.688	\$20.278
85%	\$17.879	\$18.594	\$19.151
Truck Driver – Clerk			
	January 1, 2007		
Job Rate	\$21.714		
95%	\$20.628		
90%	\$19.543		
85%	\$18.457		
Truck Driver - Clerk			
	August 1, 2007		
Job Rate	\$24.124	\$25.089	\$25.842
95%	\$22.918	\$23.835	\$24.550
90%	\$21.712	\$22.580	\$23.258
85%	\$20.505	\$21.326	\$21.966
Helper			
Job Rate	\$20.302	\$21.114	\$21.747
95%	\$19.287	\$20.058	\$20.660
90%	\$18.272	\$19.003	\$19.572
85%	\$17.257	\$17.947	\$18.485
Rail Lubricator Maintainer			
Job Rate	\$21.565	\$22.428	\$23.101
95%	\$20.487	\$21.307	\$21.946
90%	\$19.409	\$20.185	\$20.791
85%	\$18.330	\$19.064	\$19.636
Labourer			
Job Rate	\$19.950	\$20.748	\$21.370
95%	\$18.953	\$19.711	\$20.302
90%	\$17.955	\$18.673	\$19.233
85%	\$16.958	\$17.636	\$18.165

Note 1 -- Any of the above positions established by the Company on the basis of 179.3 hours per four-week period shall be paid in accordance with the provisions of Articles 8.30 to 8.35 inclusive of Wage Agreement No. 41.

Note 2 -- Drivers of vehicles up to and including 16,000 lbs. GVW will receive the basic hourly rate of pay applicable to Group 3 Machine Operators as provided in Article 2.1 of the Supplemental Agreement covering Operators, Assistant Operators and Helpers of Power Machines in Maintenance of Way service.

-- Drivers of vehicles over 16,000 lbs. GVW up to and including 28,000 lbs. GVW will receive the basic hourly rate of pay applicable to Group 2 Machine Operators as provided in Article 2.1 of the Supplemental Agreement covering Operators, Assistant Operators and Helpers of Power Machines in Maintenance of Way service.

-- Drivers of vehicles over 28,000 lbs. GVW will receive the basic hourly rate of pay applicable to Group 1 Machine Operators as provided in Article 2.1 of the Supplemental Agreement covering Operators, Assistant Operators and Helpers of Power Machines in Maintenance of Way Service.

(GVW -- Gross Vehicle Weight according to suppliers' specifications)

- 2.2** Employees on a forty (40) hour week basis required to travel from their Shop or home station to outside points at the Company's request shall be paid from the time required to report for duty at the Shop or home station until released from duty on return to Shop or home station at straight time within their regularly assigned hours and at the rate of time and one-half outside the limits of their regularly assigned hours, except that for waiting time or traveling time they shall be paid at the pro rata rate.

Note: An employee when detained on line overnight is not entitled to pay from the time released from duty until they again report for duty.

- 2.3** Occupants of positions established by the Company on the basis of 179.3 hours per four-week period shall be paid in accordance with Note 1 of Article 2.1, except that the occupants of these positions will not be paid waiting or traveling time outside of their regularly assigned hours.
- 2.4** When driving a truck outside of regular assigned hours, time so occupied will go to make up the 179.3 hours.
- 2.5** Time traveling by truck or automobile (not driving) or on train outside of regular assigned hours will not be paid.
- 2.6** Employees under Article 2.1 will be paid out-of-pocket expenses for room and board when working away from headquarters, except when supplied with a boarding car.

Section 3

Seniority

- 3.1** A complete list of all Maintenance of Way employees covered by this Agreement, on the Region or District concerned, showing their seniority standing and dates of promotion to higher classifications therein, shall be updated and posted at the headquarters locations of all employees concerned, on or before March 31 and September 30 of each year. A copy of said list shall also be furnished to the Union Representatives of the employees.
- 3.2** New positions or vacancies of forty-five (45) days or more will be bulletined to employees on the Regional or District seniority list. The senior of the qualified applicants in the highest classification as enumerated in Section 2, Article 2.1 hereof, shall be given preference in filling such vacancies or new positions. Before an employee is considered qualified, they may be required to submit to and pass a test of qualification set up by the Company.
- 3.3** An employee appointed by bulletin to a classification covered by this Agreement will be accorded a seniority date from the date of appointment on the bulletin in

such classification, and in all lower rated classifications covered by this Agreement in which they are qualified to work and in which they have not previously established seniority.

- 3.4** If qualified employees are not available from within this Supplemental Agreement, or among the Maintenance of Way Work Equipment Operators and Helpers on the Regional or District seniority list, other qualified employees in the Maintenance of Way Service on the Region concerned shall have preference in filling vacancies or new positions before new employees are hired. Such vacancies or new positions shall be bulletined on the Region on which the Work Equipment Repair Shop is located. In the application of this Article 3.4, successful applicants shall be selected in the order of their first date of entry into the Maintenance of Way Service.
- 3.5** In the event that within three (3) months of exercising seniority to a position covered by this Agreement, an employee is found to be unsuitable, such employee will be advised in writing as to their unsuitability and may be returned to their former employment. An employee who wishes to return to their former employment may do so provided they express their desire to do so in writing within twelve (12) months following the date of their appointment to a position covered by this Agreement.
- 3.6** An employee who has held a position covered by this Agreement for a period of twelve (12) months or more shall have their former permanent position bulletined as permanent.
- 3.7** In the event of reduction of staff, employees must exercise their seniority in accordance with the provisions of Section 11 of Wage Agreement No. 41.
- 3.8** It is understood that the Company has the sole right to designate the location of the Shop to which personnel will be assigned.

3.9 Employees holding seniority in the Machine Operator Supplemental Agreement, working temporary winter overhaul positions in the Work Equipment Shop Supplement, unless holding a permanent position to which they may return, will be required to bid to the initial gang start up bulletin, failing which, they will be assigned to a vacancy on that bulletin, based on their seniority.

Section 4
Duration

4.1 This agreement, effective January 1, 2007, as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six (6) months' notice in writing from either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

Signed at Gatineau, Quebec on the 6th day of June, 2007.

For Canadian Pacific:

For Teamsters Canada Rail
Conference -
Maintenance of Way Employees
Division:

(signed)
Director, Labour Relations
Canadian Pacific

(signed)
President
TCRC MWED.

**MEMORANDUM OF AGREEMENT BETWEEN CANADIAN
PACIFIC AND THE TEAMSTERS CANADA RAIL
CONFERENCE MAINTENANCE OF WAY EMPLOYEES
DIVISION SUPPLEMENTING WAGE AGREEMENT NO.
41, COVERING RATES OF PAY AND RULES GOVERNING
WORKING CONDITIONS OF EMPLOYEES IN THE
MAINTENANCE OF WAY DEPARTMENT, EMPLOYED IN
RAIL YARDS, RAIL RECLAMATION PLANTS AND FROG
(TURNOUT) RECLAMATION PLANTS ON THE SYSTEM.**

**Section 1
General**

- 1.1** Except as otherwise provided herein, Wage Agreement No. 41 will apply.

**Section 2
Rates of Pay**

- 2.1** Hourly rates of pay for the various occupational classifications in Rail Yards, Rail Reclamation Plants and Frog (Turnout) Reclamation Plants shall be as follows:

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Welder Foreman			
Job Rate	\$25.540	\$26.562	\$27.359
95%	\$24.263	\$25.234	\$25.991
90%	\$22.986	\$23.906	\$24.623
85%	\$21.709	\$22.578	\$23.255
Welder			
Job Rate	\$24.738	\$25.728	\$26.500
95%	\$23.501	\$24.442	\$25.175
90%	\$22.264	\$23.155	\$23.850
85%	\$21.027	\$21.869	\$22.525

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Foreman			
Job Rate	\$25.540	\$26.562	\$27.359
95%	\$24.263	\$25.234	\$25.991
90%	\$22.986	\$23.906	\$24.623
85%	\$21.709	\$22.578	\$23.255
Frog Repairman			
Job Rate	\$24.363	\$25.338	\$26.098
95%	\$23.145	\$24.071	\$24.793
90%	\$21.927	\$22.804	\$23.488
85%	\$20.709	\$21.537	\$22.183
Assistant Foreman			
Job Rate	\$24.183	\$25.150	\$25.905
95%	\$22.974	\$23.893	\$24.610
90%	\$21.765	\$22.635	\$23.315
85%	\$20.556	\$21.378	\$22.019
Machine Operator Group 1			
Job Rate	\$24.124	\$25.089	\$25.842
95%	\$22.918	\$23.835	\$24.550
90%	\$21.712	\$22.580	\$23.258
85%	\$20.505	\$21.326	\$21.966
Machine Operator Group 2			
Job Rate	\$22.806	\$23.718	\$24.430
95%	\$21.666	\$22.532	\$23.209
90%	\$20.525	\$21.346	\$21.987
85%	\$19.385	\$20.160	\$20.766
Machine Operator Group 3			
Job Rate	\$21.154	\$22.000	\$22.660
95%	\$20.096	\$20.900	\$21.527
90%	\$19.039	\$19.800	\$20.394
85%	\$17.981	\$18.700	\$19.261

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Rail & Material			
Checker & Marker			
Job Rate	\$20.675	\$21.502	\$22.147
95%	\$19.641	\$20.427	\$21.040
90%	\$18.608	\$19.352	\$19.932
85%	\$17.574	\$18.277	\$18.825
Helper			
Job Rate	\$20.542	\$21.364	\$22.005
95%	\$19.515	\$20.296	\$20.905
90%	\$18.488	\$19.228	\$19.805
85%	\$17.461	\$18.159	\$18.704
Labourer			
Job Rate	\$19.950	\$20.748	\$21.370
95%	\$18.953	\$19.711	\$20.302
90%	\$17.955	\$18.673	\$19.233
85%	\$16.958	\$17.636	\$18.165

Note: Any of the above positions established by the Company on the basis of 179.3 hours per four-week period shall be paid on the hourly rate shown above and in accordance with the provisions of Articles 8.30 to 8.35 inclusive of Wage Agreement No. 41.

Section 3

Seniority

- 3.1** A complete list of all Maintenance of Way employees covered by this Agreement, on the Region concerned, showing their seniority standing and dates of promotion to higher classifications therein, shall be updated and posted at the headquarters locations of all employees concerned, on or before March 31 and September 30 of each year. A copy of said list shall also be furnished to the Union Representatives of the employees.
- 3.2** New positions or vacancies of forty-five (45) days or more will be bulletined to employees on the Regional seniority list. The senior of the qualified applicants in the highest classification as enumerated in Section 2, Article 2.1 hereof, shall be given preference in filling such vacancies or new positions. Before an employee is considered qualified, they may be required to submit to and pass a test of qualification set up by the Company.
- 3.3** An employee appointed by bulletin to a classification covered by this Agreement will be accorded a seniority date from the date of appointment on the bulletin in such classification, and in all lower rated classifications covered by this Agreement in which they are qualified to work and in which they have not previously established seniority.
- 3.4** If qualified employees are not available in the Yard and/or Plant, other qualified employees in the Maintenance of Way Service on the Region concerned shall have preference in filling vacancies or new positions before new employees are hired. Such vacancies or new positions shall be bulletined on the Region on which the Yard and/or Plant is located. In the application of this Article 3.4, successful applicants shall be selected in the order of their first date of entry into the Maintenance of Way Service.
- 3.5** In the event that within three (3) months of exercising

seniority to a position covered by this Agreement, an employee is found to be unsuitable, such employee will be advised in writing as to their unsuitability and may be returned to their former employment. An employee who wishes to return to their former employment may do so provided they express their desire to do so in writing within twelve (12) months following the date of their appointment to a position covered by this Agreement.

- 3.6** An employee who has held a position covered by this Agreement for a period of twelve (12) months or more shall have their former permanent position bulletined as permanent.
- 3.7** In the event of reduction of staff, employees must exercise their seniority in accordance with the provisions of Section 11 of Wage Agreement No. 41.
- 3.8** It is understood that the Company has the sole right to designate the location of the Yard and/or Plant to which personnel will be assigned.

Section 4

Classifications

- 4.1** The grouping for the various classes of machines covered by this Agreement are as follows:

Type of Machine

Group 1

Overhead Crane
Planer Grinder
400 ton Press

Group 2

Rail End Hardening Machine
Rail Saw
Rail Drill
Saw Sharpening Machine
Drill Sharpening Machine
Flexible Arm (Swing) Grinder

Group 3

Various machines as listed in the Machine Operators Supplementary Agreement.

- 4.2** Negotiations between the General Manager and the TCRC MWED President shall be held in January of each year, to establish into which group of machines any machine not included above shall fall. This, if at all possible, to take place prior to the operation of such machine. The parties may also meet prior to January of each year if possible. Should the parties be unable to agree upon the appropriate machine classification, an appeal may be made commencing at Step 2 of the grievance procedure. In the case of an agreement or an arbitration award the compensation due, if any, will be paid retroactively to the date of the employee's first day of work on the machine.

Section 5
Duration

5.1 This agreement, effective January 1, 2007, as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six (6) months' notice in writing from either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

Signed at Gatineau, Quebec on the 6th day of June, 2007.

For Canadian Pacific:

For the Teamsters Canada
Rail Conference
Maintenance of Way
Employees Division:

(signed)
Director, Labour Relations
Canadian Pacific

(signed)
President
TCRC MWED

APPENDIX 1

April 2, 1985 Our File: 54-69-1

Mr. H.J. Thiessen
Brotherhood of Maintenance of Way Employees
706 Bank St.
Ottawa, Ont.
K1V 7Y6

Re: Gloves for Rail Yard and Welding Plant employees.

Dear Sir:

During recent meetings between CP Rail and B.M.W.E. the issue of supplying gloves for Maintenance of Way Employees has been discussed.

This letter will confirm that, in line with current practice, CP Rail will continue to supply to all employees at the Transcona Rail Yard and the Transcona and Smiths Falls Welding Plants, work gloves appropriate for the duties of these employees.

Yours truly,

(Sgd.) R.R. Morrish
Chief Engineer

**MEMORANDUM OF AGREEMENT BETWEEN CANADIAN
PACIFIC AND THE TEAMSTERS CANADA RAIL
CONFERENCE MAINTENANCE OF WAY EMPLOYEES
DIVISION SUPPLEMENTING WAGE AGREEMENT NO.
41, COVERING RATES OF PAY AND RULES GOVERNING
WORKING CONDITIONS OF EMPLOYEES IN THE
MAINTENANCE OF WAY DEPARTMENT, EMPLOYED IN
RAIL BUTT WELDING PLANTS.**

**Section 1
General**

- 1.1** Except as otherwise provided herein, Wage Agreement No. 41 will apply.

**Section 2
Rates of Pay**

- 2.1** Hourly rates of pay for the various occupational classifications in the Butt Welding Plant shall be as follows:

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Production & Maintenance Foreman			
Job Rate	\$25.540	\$26.562	\$27.359
95%	\$24.263	\$25.234	\$25.991
90%	\$22.986	\$23.906	\$24.623
85%	\$21.709	\$22.578	\$23.255
Welding Inspector			
Job Rate	\$24.902	\$25.898	\$26.675
95%	\$23.657	\$24.603	\$25.341
90%	\$22.412	\$23.308	\$24.008
85%	\$21.167	\$22.013	\$22.674

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Butt Welding Plant Machine Operator			
Job Rate	\$24.646	\$25.632	\$26.401
95%	\$23.414	\$24.350	\$25.081
90%	\$22.181	\$23.069	\$23.761
85%	\$20.949	\$21.787	\$22.441
Plant Maintainer			
Job Rate	\$24.646	\$25.632	\$26.401
95%	\$23.414	\$24.350	\$25.081
90%	\$22.181	\$23.069	\$23.761
85%	\$20.949	\$21.787	\$22.441
Assistant Welding Inspector			
Job Rate	\$23.195	\$24.123	\$24.847
95%	\$22.035	\$22.917	\$23.605
90%	\$20.876	\$21.711	\$22.362
85%	\$19.716	\$20.505	\$21.120
Grinder Operator			
Job Rate	\$22.778	\$23.689	\$24.400
95%	\$21.639	\$22.505	\$23.180
90%	\$20.500	\$21.320	\$21.960
85%	\$19.361	\$20.136	\$20.740
Assistant Plant Maintainer			
Job Rate	\$22.899	\$23.815	\$24.529
95%	\$21.754	\$22.624	\$23.303
90%	\$20.609	\$21.434	\$22.076
85%	\$19.464	\$20.243	\$20.850
Truck Driver – Clerk			
Job Rate	January 1, 2007		
95%	\$21.714		
90%	\$20.628		
85%	\$19.543		
	\$18.457		
Truck Driver – Clerk			
Job Rate	August 1, 2007		
95%	\$24.124	\$25.089	\$25.842
90%	\$22.918	\$23.835	\$24.550
85%	\$21.712	\$22.580	\$23.258
	\$20.505	\$21.326	\$21.966

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Helper			
Job Rate	\$20.542	\$21.364	\$22.005
95%	\$19.515	\$20.296	\$20.905
90%	\$18.488	\$19.228	\$19.805
85%	\$17.461	\$18.159	\$18.704
Labourer			
Job Rate	\$19.950	\$20.748	\$21.370
95%	\$18.953	\$19.711	\$20.302
90%	\$17.955	\$18.673	\$19.233
85%	\$16.958	\$17.636	\$18.165

Section 3

Seniority

- 3.1** A complete list of all Maintenance of Way employees covered by this Agreement, on the Region concerned, showing their seniority standing and dates of promotion to higher classifications therein, shall be updated and posted at the headquarters locations of all employees concerned, on or before March 31 and September 30 of each year. A copy of said list shall also be furnished to the Union Representatives of the employees.
- 3.2** New positions or vacancies of forty-five (45) days or more will be bulletined to employees on the Regional seniority list. The senior of the qualified applicants in the highest classification as enumerated in Section 2, Article 2.1 hereof, shall be given preference in filling such vacancies or new positions. Before an employee is considered qualified, they may be required to submit to and pass a test of qualification set up by the Company.
- 3.3** An employee appointed by bulletin to a classification covered by this Agreement will be accorded a seniority date from the date of appointment on the bulletin in such classification, and in all lower rated classifications covered by this Agreement in which they are qualified to work and in which they have not previously established seniority.
- 3.4** If qualified employees are not available in the Butt Welding Plant, other qualified employees in the Maintenance of Way Service on the Region concerned shall have preference in filling vacancies or new positions before new employees are hired. Such vacancies or new positions shall be bulletined on the Region on which the Butt Welding Plant is located. In the application of this Article 3.4, successful applicants shall be selected in the order of their first date of entry into the Maintenance of Way Service.

- 3.5** In the event that within three (3) months of exercising seniority to a position covered by this Agreement, an employee is found to be unsuitable, such employee will be advised in writing as to their unsuitability and may be returned to their former employment. An employee who wishes to return to their former employment may do so provided they express their desire to do so in writing within twelve (12) months following the date of their appointment to a position covered by this Agreement.
- 3.6** An employee who has held a position covered by this Agreement for a period of twelve (12) months or more shall have their former permanent position bulletined as permanent.
- 3.7** In the event of reduction of staff, employees must, if qualified, displace in the position to which their seniority entitles them within the Plant. Employees who, on reduction of staff, cannot hold employment within the Plant or employees whose positions are abolished, will have the right to exercise their seniority in other Maintenance of Way groups in accordance with the provisions of Section 11 of Wage Agreement No. 41.
- 3.8** It is understood that the Company has the sole right to designate the location of the Plants to which personnel will be assigned.

Section 4

Classifications

- 4.1** Employees working in the Butt Welding Plant Machine Operator classification will be required to perform all the duties of a Welder and Stripper Operator. As well, when required, they shall, if qualified, operate any other machine operated by employees occupying positions contained in the classifications listed in Article 2.1 of this Agreement.
- 4.2** Negotiations between the General Manager and the TCRC MWED President shall be held in January of each year, to establish into which group of machines not included above shall fall. This, if at all possible, to take place prior to the operation of such machines. The parties may also meet prior to January of each year if possible. Should the parties be unable to agree upon the appropriate machine classification, an appeal may be made commencing at Step 2 of the grievance procedure. In the case of an agreement or an arbitration award the compensation due, if any, will be paid retroactively to the date of the employee's first day of work on the machine.

Section 5
Duration

5.1 This agreement effective January 1, 2007, as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six (6) months' notice in writing from either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

Signed at Gatineau, Quebec on the 6th day of June, 2007.

For Canadian Pacific:

For the Teamsters Canada
Rail Conference
Maintenance of Way
Employees Division:

(signed)
Director, Labour Relations
Canadian Pacific

(signed)
President,
TCRC MWED

**MEMORANDUM OF AGREEMENT BETWEEN CANADIAN
PACIFIC AND THE TEAMSTERS CANADA RAIL
CONFERENCE MAINTENANCE OF WAY EMPLOYEES
DIVISION SUPPLEMENTING WAGE AGREEMENT NO.
41 COVERING RATES OF PAY AND RULES COVERING
WORKING CONDITIONS OF EMPLOYEES ON THERMITE
WELDING GANGS**

**Section 1
General**

1.1 Except as otherwise provided herein, Wage Agreement No. 41 will apply.

**Section 2
Rates of Pay**

2.1 Hourly rates of pay for the various occupational classifications in the Thermite Welding Gangs will be as follows:

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Thermite Welder Foreman			
Job Rate	\$25.540	\$26.562	\$27.359
95%	\$24.263	\$25.234	\$25.991
90%	\$22.986	\$23.906	\$24.623
85%	\$21.709	\$22.578	\$23.255
 Thermite Welder			
Job Rate	\$24.738	\$25.728	\$26.500
95%	\$23.501	\$24.442	\$25.175
90%	\$22.264	\$23.155	\$23.850
85%	\$21.027	\$21.869	\$22.525

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Assistant Thermite Welder			
Job Rate	\$22.447	\$23.345	\$24.045
95%	\$21.325	\$22.178	\$22.843
90%	\$20.202	\$21.011	\$21.641
85%	\$19.080	\$19.843	\$20.438
Machine Operator (Thermite Gang)			
Job Rate	\$21.356	\$22.210	\$22.876
95%	\$20.288	\$21.100	\$21.732
90%	\$19.220	\$19.989	\$20.588
85%	\$18.153	\$18.879	\$19.445

Section 3

Seniority

- 3.1** A complete list of all Maintenance of Way employees covered by this Agreement, on the Region or District concerned, showing their seniority standing and dates of promotion to higher classifications therein, shall be updated and posted at the headquarters locations of all employees concerned, on or before March 31 and September 30 of each year. A copy of said list shall also be furnished to the Union Representatives of the employees.
- 3.2** New positions or vacancies of forty-five (45) days or more will be bulletined to employees on the Regional or District seniority list. The senior of the qualified applicants in the highest classification as enumerated in Section 2, Article 2.1 hereof, shall be given preference in filling such vacancies or new positions. Before an employee is considered qualified, they may be required to submit to and pass a test of qualifications set up by the Company.
- 3.3** An employee appointed by bulletin to a classification covered by this Agreement will be accorded a seniority date from the date of appointment on the bulletin in such classification, and in all lower rated classifications covered by the Agreement in which they are qualified to work and in which they have not previously established seniority.
- 3.4** If qualified employees are not available from within this Supplemental Agreement, it is understood that preference in filling bulletined vacancies for positions on the Thermite Gangs will be considered in the following order:
1. Welders from other groups
 2. Machine Operators
 3. Other Track or B&S employees - based on date of entry into M/W service

It is also understood that should a Welder from another group be the successful applicant on a position as a Thermite Welder, they will maintain the rate they are receiving at that time, providing they successfully complete the training required for a Thermite Welder. If at the time they are receiving a rate lower than the top Thermite Welder's rate, they will be slotted into the appropriate step position in accordance with the rate they are receiving at the time.

- 3.5** In the event that within three (3) months of exercising seniority to a position covered by the Agreement, an employee is found to be unsuitable, such employee will be advised in writing as to their unsuitability and may be returned to their former employment. An employee who wishes to return to their former employment may do so provided they express their desire to do so in writing within twelve (12) months following the date of their appointment to a position covered by this agreement.
- 3.6** An employee who has held a position covered by this Agreement for a period of twelve (12) months or more shall have their former permanent position bulletined as permanent.
- 3.7** In the event of reduction of staff, employees must exercise their seniority in accordance with the provisions of Section 11 of Wage Agreement No. 41.

Section 4

Classifications

- 4.1** Negotiations between the General Manager and the TCRC MWED President shall be held in January of each year, to establish into which group of machines any machine not included above shall fall. This, if at all possible, to take place prior to the operation of such machines. The parties may also meet prior to January of each year if possible. Should the parties be unable to agree upon the appropriate machine classification, an appeal may be made commencing at Step 2 of the grievance procedure. In the case of an agreement or an arbitration award the compensation due, if any, will be paid retroactively to the date of the employee's first day of work on the machine.

Section 5
Duration

5.1 This agreement, effective January 1, 2007, as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six (6) months' notice in writing from either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

Signed at Gatineau, Quebec on the 6th day of June, 2007.

For Canadian Pacific:

For the Teamsters Canada Rail
Conference -
Maintenance of Way Employees
Division:

(signed)
Director, Labour Relations
Canadian Pacific

(signed)
President
TCRC MWED.

Rates of Pay and Rules Governing Extra Gang Labourers Wage Agreement No. 42

Superseding Wage Agreement No.42
dated January 14, 2005

Agreement between

Canadian Pacific

in respect of employees employed on:

Canadian Pacific Lines in Canada

and the

Teamsters Canada Rail Conference Maintenance of Way
Employees Division

**Rewritten and updated to include changes contained within
Memorandum of Settlement
dated June 6, 2007**

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SECTION 1
DEFINITION OF EXTRA GANG LABOURERS

- 1.1** Except as otherwise provided herein, Wage Agreement No. 41 will apply.
- 1.2** By extra gang labourers is meant employees working in temporary extra gangs, for whom rates of pay are provided in this agreement.
- 1.3** The use of the masculine gender in this Collective Agreement includes the feminine and vice versa.

SECTION 2

RATES OF PAY

- 2.1** The rates of pay for employees covered by this agreement are as follows:

	Rates of Pay Effective Jan. 1, 2007 (Per Hour)	Rates of Pay Effective Jan. 1, 2008 (Per Hour)	Rates of Pay Effective Jan. 1, 2009 (Per Hour)
Extra Gang Labourers Job Rate	\$17.942	\$18.660	\$19.220
95%	\$17.045	\$17.727	\$18.259
90%	\$16.148	\$16.794	\$17.298
85%	\$15.251	\$15.861	\$16.337

- 2.2** Employees temporarily assigned to higher-rated positions shall receive the higher rates while occupying such positions.
- 2.3** Employees temporarily assigned to lower-rated positions shall not have their rates reduced.
- 2.4** The provisions of Article 13.26 of Wage Agreement 41 do not apply to employees covered by this Agreement.

SECTION 3 SENIORITY

- 3.1 (a)** The seniority of an extra gang labourer shall be confined to the System or District as outlined in Article 3.6 below, and shall commence from the date of entry into the service as an Extra Gang Labourer covered by this Agreement.
- (b)** When two (2) or more employees are employed in the bargaining unit on the same day, their seniority standing will be determined in the following order:
- i)** last date of entry into Company service; if the same,
 - ii)** the local time at which they started work in the bargaining unit; if the same,
 - iii)** date on which application for employment was made; if the same,
 - iv)** by a drawing of names as arranged by the appropriate Company Officer and the Local Representative.
- 3.2** A new employee shall not be regarded as permanently employed until after three (3) months' service which service must be accumulated within the preceding twenty four (24) months on the Railway on which employed. Within such three (3) month period they may, without investigation, be removed for cause which in the opinion of the Company renders the employee undesirable for its service. If removed for cause they shall be provided with a written notice.
- 3.3** It will not be necessary for the Trackman or Track Maintainer, having completed their probationary period under Wage Agreement No. 41 to complete a probationary period under Wage Agreement No. 42. They will be paid the maximum rate per hour applicable to a temporary Extra Gang Labourer who has the same

amount of cumulative compensated service.

It is also understood that when a temporary Extra Gang Labourer is employed on a regular section gang they will be required to comply with the provisions of Article 9.1 of Wage Agreement No. 41 if they have not previously done so.

- 3.4** Before completion of probationary period employees must undergo medical examination as required by the Railway.
- 3.5** Seniority lists of all Extra Gang Labourers covered by this Agreement on each of the seniority territories defined in Article 3.6 below, showing name, date of entry into service and seniority standings, shall be updated and posted at the headquarters locations of all employees concerned, on or before March 31 and September 30 of each year. Copies shall be furnished to the Union Representatives of the employees.
- 3.6** Seniority territories for employees governed by this Agreement shall be those Districts as specified in the Machine Operators' Supplemental Agreement for Special Group, Group 1 & 2 Machine Operators, Assistant Operators & Helpers Group 3 & 4 Machine Operators on Gangs.

SECTION 4 STAFF REDUCTION

- 4.1** In the event of reduction of staff in any gang, the senior qualified employees will be retained. Employees laid off in such gang or as the result of displacement will have the right to exercise their seniority in other extra gangs on the District.
- 4.2** Displacement rights must be exercised and work commenced on position of choice within fifteen (15) days of displacement, exclusive of any scheduled annual vacation or banked time, except that when employees who are on leave of absence at the time of displacement will be required to exercise such rights prior to resuming duty. An employee failing to exercise such rights shall have their employment relationship terminated, unless satisfactory reason is given.
- 4.3** Employees will be given not less than ten (10) working days' advance notice when regularly assigned positions are to be abolished, except in the event of a strike or a work stoppage by employees in the Railway industry in which case shorter notice may be given.
- 4.4** An employee who is laid off and who desires to return to the service when work is available, must keep the proper officers of the Company advised of their address in order that they may be readily located when their services are required. Recall to service shall be by registered mail. Failure to respond to such recall within fifteen (15) days of the date the registered letter was sent to the employee's last known address, shall result in severance of employment relationship, unless satisfactory reasons are given.
- 4.5** Extra Gang Labourer positions will be included in the initial seasonal work crew bulletin. Extra Gang Labourers will be required to bid on these positions and these positions will be awarded in seniority order. Extra Gang Labourers not securing a position on the initial bulletin will

be recalled to service in order of seniority when staff is increased or when vacancies occur. (See Articles 9.15b, 10.4 and 10.14c)

- 4.6** Articles 4.4 and 4.5 do not apply in cases of employment for under thirty (30) days' duration where the employee has steady work of thirty (30) days or more elsewhere.

SECTION 5 TRANSFERS

- 5.1** Extra Gang Labourers may be transferred temporarily from one District to another, or on the opening of new lines without loss of seniority standing on the District from which transferred and transfer will be given in writing if requested. Transfers if extended beyond one (1) year, shall be subject to agreement between the TCRC MWED President and the appropriate officer of the Railway.

SECTION 6

HOURS OF SERVICE AND MEAL PERIODS

- 6.1** In emergencies employees shall not be required to work more than sixteen (16) hours continuously without a rest of eight (8) hours; no employee shall be required to work more than six (6) hours without food.

Note: (See letter dated November 8, 1985, Appendix A-2)

SECTION 7

ACCUMULATION OF REST DAYS

- 7.1** Rest days may be accumulated over a period of up to thirteen (13) consecutive weeks, by decision of the Railway. The period of accumulation may be extended beyond thirteen (13) weeks by mutual consent between the TCRC MWED President and the appropriate officer of the Railway.
- 7.2** At the expiration of the accumulation period the employee concerned will be granted leave on the basis of one (1) regular working day off duty with pay for each rest day worked during the accumulation period.
- 7.3** During the accumulation period, the employee concerned will be paid currently for regular working days only. Payment for time worked on rest days being accumulated will not be paid currently but will be paid for at the straight time rate for the period of leave outlined in 7.2 above. However, punitive overtime earned on any day will be paid currently.

SECTION 8 DURATION OF AGREEMENT

- 8.1** This agreement, effective January 1, 2007 as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six (6) months' notice in writing from either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

Signed at Gatineau, Quebec on the 6th day of June, 2007.

For Canadian Pacific:

For the Teamsters Canada Rail
Conference - Maintenance of
Way Employees Division:

Manager, Labour Relations
Canadian Pacific

President,
TCRC MWED

JOB SECURITY AGREEMENT

between

CANADIAN PACIFIC

and the

TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES
DIVISION

Supplemental Unemployment Benefits;
Severance Payments; Training; Relocation Expenses;
Technological, Operational, Organizational Changes;
Employment Security; Separation Allowances.

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This Job Security Agreement made effective the 1st day of January, 2007, cancels and supersedes for the Union signatory hereto, the Job Security - Technological, Operational and Organizational Changes Agreement, effective January 1, 2005, covering employees represented by the TCRC MWED. Benefits or claims made prior to January 1, 2007 will be governed by the previous Job Security – Technological, Operational and Organizational Changes Agreement date January 1, 2005.

This Job Security - Technological, Operational and Organizational Changes Agreement incorporates the provisions included in the Memorandum of Settlement dated June 6, 2007.

DEFINITIONS

In this Agreement, the terms used herein will have the meanings as hereinafter provided and the words implying the masculine gender include the feminine:

- (a) “Admitted Group” means those groups which have been admitted to coverage under the Job Security Agreement as provided in Article 3.
- (b) “Basic Seniority Territory” means that Seniority Territory as defined in the Collective Agreement.

NOTE: “Basic Seniority Territory” as referred to in Article 4.1(d) and Article 4.1(iii)(c) in this Agreement shall be as defined in each of the relevant Collective Agreements, and shall be the seniority territories in effect for the various groups under the relevant Collective Agreements, except that these shall be no lesser than the Superintendent’s Division or the equivalent thereof. The Basic Seniority Territories as they existed at May 20, 1971 or subsequently, where changed by the mutual agreement of the parties, shall not be changed without the mutual consent of the parties.

- (c) “Claim Week” means a full week of seven consecutive calendar days of lay off.
- (d) “Collective Agreement” means a Collective Agreement between the Company and a Union representing employees of the Company.
- (e) “Committee” means the Administrative Committee established pursuant to Article 2.
- (f) “Company” means Canadian Pacific.
- (g) “Cumulative Compensated Service” (CCS) means:
 - (i) One month of cumulative compensated service shall consist of 21 days or major portion thereof.
 - (ii) Twelve months of cumulative compensated service shall constitute one year of cumulative compensated service. For partial year credit, six or more months of

cumulative compensated service shall be considered "as the major portion thereof" and shall be counted as a year of credit. Service of less than six months of cumulative compensated service shall not be included in the computation.

- (iii) Time off duty on account of bona fide illness, injury, authorized maternity 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 cumulative compensated service.
- (h) "Eligible Employee(s)" means an employee of the Company represented by the Union signatory hereto who is eligible for benefits pursuant to the eligibility requirements related thereto.
- (i) "Employment Security" means that an employee of the Company hired prior to May 1, 1992 who has completed eight years of cumulative compensated service with the Company will have employment security as provided in Article 7. For an employee hired on or after May 1, 1992, employment security means fourteen years of cumulative compensated service, as provided in Article 7.
- (j) "Master Agreement" means the Memorandum of Settlement entered into between the Company and the Union signatory to this Job Security Agreement on June 6, 2007.
- (k) "Railway" means Company.
- (l) "SUB or Supplemental Unemployment Benefits" means weekly layoff benefits.
- (m) "Technological, Operational and Organizational Changes" means as follows:

"Technological": the introduction by the employer into his work, undertaking or business of equipment or material of a different nature or kind than that previously utilized by him in the operation of the work, undertaking or business;
or

“Operational or Organizational”: a change in the manner, method, procedure or organizational structure by which the employer carries on the work, undertaking or business not directly related to the introduction of equipment or material provided that any such change is not brought about by:

- (i) a permanent decrease in the volume of traffic outside of the control of the company; or
- (ii) a normal reassignment of duties arising out of the nature of the work in which the employee is engaged; or
- (iii) a normal seasonal staff adjustment.

Note: Any permanent shutdown or permanent partial shutdown of an operation, facility or installation, shall be considered as a Technological, Operational or Organizational change. Any permanent Company- initiated changes (excluding changes which are brought about by general economic conditions) which result from the reduction or elimination of excess plant capacity shall also be considered as Technological, Operational or Organizational changes.

ARTICLE 1 - REGISTRATION OF SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

- 1.1** The parties agree that it is their intent that Supplemental Unemployment Benefits be paid only for temporary periods (the specific duration being set out in the provisions of this Agreement). Employees in receipt of SUB continue their employment relationship with the Company, retain their seniority rights, and are required to accept temporary or permanent assignments as provided in this Agreement or become disentitled to SUB. An Article 8 notice reflects a permanent change; the lay-off therefore is indefinite; however, it may be temporary since the employee retains his seniority and is subject to recall to work in accordance with the provisions of his collective agreement.

ARTICLE 2 - THE ADMINISTRATIVE COMMITTEE

- 2.1** There is hereby established an Administrative Committee consisting of four members, two of whom shall be appointed by the Company, and two of whom shall be appointed by the Union.
- 2.2** The members of the Committee shall be appointed yearly and shall hold office until the 31st day of December next following the date of their appointment. At the same time and in the same manner a like number of substitutes shall also be named. Should a vacancy occur on the Committee, whether temporary or otherwise, the vacancy shall be filled by one of the substitute members appointed by the same body which appointed the original member. Each party shall notify the other, in writing, of the members and substitutes appointed to the Committee within five days of the date of their appointment.
- 2.3** The Notice referred to in Article 2.2 shall be given in the manner following:
- (a)** Notice on behalf of the Union shall be given by the President of the Union signatory hereto (or a person authorized by him) addressed, and mailed by registered post, to the Assistant Vice-President, Industrial Relations, Canadian Pacific, Calgary.
 - (b)** Notice on behalf of the Company shall be given by the Assistant Vice-President, Industrial Relations, of the Company (or a person authorized by him), addressed, and mailed by registered post, to the President of the Union.
- 2.4** Three members of the Committee shall be a quorum.
- 2.5** The members of the Committee shall elect from their own number, two Co-Chairmen, one from the Union and one from the Company, who shall hold office until the 31st day of December of the year for which they are appointed or until such earlier day as may be fixed by the Committee.

2.6 Each member of the Committee present at a meeting shall have the right to cast one vote on each question provided there is an equal number of representatives present. Decisions of the Committee shall be carried by three or more votes. In situations where there is an unequal number of representatives, voting will be carried out on a block basis, except a member may vote against a fellow member. Decisions of the Committee shall be final and binding. Committee meetings shall be held as required. It is agreed that all issues forwarded to the Committee shall be handled without undue delay.

Grievance Procedure and Final Disposition of Disputes

2.7 Except as otherwise provided in this Agreement, should any dispute arise respecting the meaning, interpretation, application, administration or alleged violation of this Agreement, such dispute shall be progressed in accordance with the provisions of the applicable Collective Agreement commencing at the final step of the grievance procedure.

2.8 Failing settlement of such dispute at the final step of the grievance procedure, the matter may be progressed in accordance with Section 15 of the Collective Agreement. The Arbitrator shall have no power to add to, subtract from, or modify any of the terms of this or any other Collective Agreement. The decision of the Arbitrator shall be final and binding.

ARTICLE 3 - POWERS OF THE ADMINISTRATIVE COMMITTEE

- 3.1** Subject to the provisions of this Agreement, the Committee shall have full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters relative to this Agreement, which does not add to, subtract from, or modify any of the terms of this Agreement or any other Collective Agreement. The Committee shall not have any power to deal with and adjudicate upon any benefits not specifically provided for in this Agreement nor in any subsequent plan reached between the Company and the Union signatory hereto.
- 3.2** The Committee shall have the power to admit to coverage under the Job Security Agreement, any applicant bargaining unit that has a Collective Agreement with the Railway, subject to such conditions as may be determined from time-to-time by the Committee. Unless otherwise agreed between the employer and the Union making application for admission, any unit seeking Admitted Group status can only be admitted under the same terms and conditions as apply to other employees in the Agreement. A union and employer who wish to seek admission to the Agreement for an appropriate bargaining unit, must make a joint application addressed to the Co-Chairman of the Committee.
- 3.3 (a)** Notwithstanding the provisions of Article 3.1 the following types of cases not specifically covered by this Agreement may be submitted to the Committee for adjudication and payment of benefits, but such cases shall not be subject to arbitration:
- (i)** special case(s) involving extenuating circumstances.

Note: In the event of employee relocation, the President of the Union may meet with the Manager, Labour Relations, to discuss whether or not there are extenuating circumstances to warrant that a special relocation allowance is required. In the

event that such discussions do not result in mutual agreement, the President of the Union may, within 30 calendar days, refer the outstanding issue to the Committee.

- (ii) special case(s) of temporary layoffs of not more than 16 weeks lending themselves to an orderly implementation of layoff procedures based on the principle of inverse seniority. Where it is agreed that such special case(s) exists this principle is to be applied at the work location where the layoffs are occurring and on an optional basis after all employees with less than two years service have been laid off.
- (iii) special case(s) of permanent staff reductions lending themselves to special offers of optional early retirement separation allowances to employees eligible, or within one year of eligibility, to retire under Company pension rules so as to prevent the otherwise unavoidable relocation and permanent separation of employees with two or more years of service.

The separation allowance to apply in each such special case of optional early retirement is to be a lump sum payment calculated on the basis of the following formula:

Years of Cumulative Compensated Service	Number of Weeks Salary Credited for Each Year of Service Remaining to Normal Retirement
35 or more	4.5
34	4.4
33	4.3
32	4.2
31	4.1
30	4.0
29	3.9
28	3.8
27	3.7
26	3.6
25	3.5

- NOTE:** (a) A partial year of service remaining to normal retirement is to be expressed on a monthly basis, e.g. 4 years and 1 month (or major portion thereof) equals 4 1/12 (4.083) years.
- (b) One week's salary shall be the employee's Basic Weekly Rate at the time of the change.
- (b) The Committee may only approve such special case(s) and resultant payments required conditional upon the Committee's observance of the following governing principles:
- (i) approval of such special case(s) shall not involve increasing the existing benefit levels in the Job Security Agreement.
 - (ii) approval of such special case(s) shall not be incompatible with the terms of the Job Security Agreement.
 - (iii) approval of such special case(s) referred to in Article 3.3(a) (i) and (ii) above shall not involve costs higher than 90% of the costs that would otherwise have been incurred as a result of the standard application of the Job Security Agreement.
 - (iv) approval of any special case(s) under 3.3 (a) (ii) shall be contingent upon notification by the Canada Employment and Immigration Commission that employees who avail themselves of such an inverse seniority layoff procedure will not be disqualified nor disentitled from employment insurance benefits for so doing.
 - (v) approval of such special case(s) shall not involve the modification of any Company plans or agreements dealing with such matters as pensions, health and welfare, etc.
 - (vi) approval of special case(s) involving special offers of optional early retirement separation allowances

shall include the payment of money to the Pension Fund if it is demonstrated that such early retirements result in additional costs to the Pension Fund.

- (c)** The foregoing procedures shall not alter the effective date of staff reductions.

ARTICLE 4 - SUPPLEMENTAL UNEMPLOYMENT BENEFITS AND SEVERANCE PAYMENTS

Eligibility

- 4.1 (i)** An employee who is not disqualified under Clause (iii) hereof, shall be eligible for a benefit payment in respect of each Claim Week provided he meets all of the following requirements:
- (a)** He has two years or more of continuous employment relationship at the beginning of the calendar year in which the period of continuous layoff in which the Claim Week occurs began (calendar year shall be deemed to run from January 1st to December 31st);
 - (b)** For Supplemental Unemployment Benefit payment, a continuous waiting period of seven days in the period of layoff has expired. Each period of layoff will require a new seven-day waiting period in order to establish eligibility for Supplemental Unemployment Benefits, except that once an employee has been on layoff for more than seven days, and is recalled to work for a period of less than ninety calendar days, such employee will immediately become eligible for Supplemental Unemployment Benefits upon layoff within such ninety days;
 - (c)** He has made application for benefits in the prescribed form and in accordance with the procedures prescribed by the Committee;
 - (d)** He has exercised full seniority rights on his Basic Seniority Territory as provided for in the relevant Collective Agreement, except as otherwise expressly provided in Clause (iii), paragraph (b) of this Article 4.1.
- (ii)** An employee who, on being laid off, does not qualify under paragraph (a) of Article 4.1 (i) shall, if still laid off in the next calendar year, qualify under said

paragraph (a) if at the beginning of said next calendar year he has two years of continuous employment relationship. The seven-day waiting period provided for in Paragraph (b) of Article 4.1(i), shall commence from the 1st day of January of that year.

- (iii)** Notwithstanding anything to the contrary in this Article, an employee shall not be regarded as laid off:
 - (a)** during any day or period in which his employment is interrupted by leave of absence for any reason, sickness, injury, disciplinary action (including time held out of service pending investigation), failure to exercise seniority (except as otherwise expressly provided for in Clause (iii) (b) hereof, retirement, Act of God, including but not limited to fire, flood, tempest or earthquake or a reduction or cessation of work due to strikes by employees of the Railway;
 - (b)** during any interval between the time that he is recalled to the service of the Company after a period of layoff, and the time at which he actually resumes work during any waiting period provided for in the relevant Collective Agreement; 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 Article 4.8 of this Agreement, on the same basis as if he had returned to work on the date such work became available;
 - (c)** if he declines, for any reason, other than as expressly provided for in Clause (iii) (b) above, recall to work on his Basic Seniority Territory in accordance with the seniority provisions of the relevant Collective Agreement;
 - (d)** If, as provided in Article 4.12, he fails to accept either a temporary or permanent vacant position at his home location in other bargaining units represented by a union signatory hereto;

- (e) 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 Article 4.8;
- (f) during any recognized period of seasonal layoff as defined in Article 10;
- (g) after his dismissal from the service of the Company;

4.2 An employee who is on layoff on the effective date of this Agreement and not receiving Supplemental Unemployment Benefits but who now qualifies for benefit payments in accordance with the terms of this Agreement shall be entitled to claim Supplemental Unemployment Benefit payments for the period of layoff subsequent to the date such claim is received by the designated Company officer providing such claim is submitted within sixty calendar days of the effective date of this Agreement. The period of continuous layoff immediately prior to the date claim is received by the designated Company officer shall be applied to the waiting period defined in Article 4.1, (i)(b). Such employee who fails to file a claim within sixty calendar days of the effective date of this Agreement will forfeit his right to any benefit payments unless subsequently returned to work and again laid off.

SUB - Entitlement

- 4.3** (a) For each year of Cumulative Compensated Service (or major portion thereof) an employee will be allowed a gross layoff 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) Employees who have 8 or more years of CCS but less than 20 years CCS, will be allowed a gross layoff benefit credit of six weeks for each such year. This will be calculated from the last date of entry into the Company's service as a new employee.

NOTE: In arriving at net layoff benefits available for an employee, any previous layoff payments made by the Trustee under the provisions of previous Job Security Agreements and Article 4 of this Agreement must be taken into account on a 'weeks of benefits paid' basis.

For example, if an employee with 10 years Cumulative Compensated Service was laid off under the provisions of this Agreement, he would be treated as follows:

Gross weeks of layoff benefits entitlement -- 10 (yrs) x 6 wks.	60 weeks
Less weeks of layoff benefits paid under the provisions of previous Job Security Agreements and Article 4 of this Agreement	10 weeks
Net Layoff Benefits available	50 weeks

(c) The accumulation of gross layoff benefit credits pursuant to the above shall apply until such time as the employee has completed twenty (20) years of Cumulative Compensated Service, when the maximum layoff benefit will apply:

Years of Cumulative Compensated Service	Maximum Period for which Weekly Benefits payable for Each Period of Lay Off
20 years or more but less than 25 years	3 years
25 years or more but less than 30 years	4 years
30 years or more	5 years

4.4 Except as provided in Article 4.5 hereof, an eligible employee who is laid off, and whose layoff benefit credit is reduced due to Supplemental Unemployment Benefit payment being made during the period of layoff in accordance with Article 4 of this Agreement, will, on

recall, accumulate layoff benefit credits in accordance with the above provisions of this Article.

- 4.5** An employee who at the beginning of the calendar year has completed 12 years of Cumulative Compensated Service and subsequently receives Supplemental Unemployment Benefits due to layoff in accordance with the provisions of Article 4 of this Agreement shall, upon return to service after termination of layoff, be credited with the accumulated layoff benefit weeks he had to his credit at the time of layoff.
- 4.6** An Eligible Employee, as defined in Article 4.1 may, at the expiration of the seven-day waiting period specified in paragraph (b) of said Article 4.1(i), make application to a designated officer in the form and manner prescribed by the Committee, for Supplemental Unemployment Benefits as follows:
- (a)** Employees with TWO or more years of continuous employment relationship and LESS THAN TWENTY YEARS' Cumulative Compensated Service:
 - (i)** A Supplementary Unemployment Benefit for each complete week of seven calendar days laid off following the seven-day waiting period referred to in Article 4.1 of an amount that, when added to employment insurance benefits and/or outside earnings in excess of those allowable under employment insurance for such week, will result in the employee receiving 80 per cent of his basic weekly rate at time of layoff (hourly-rated employees 40 x the basic hourly rate; seasonal employees, 80 per cent of average weekly earnings over the eight weeks preceding layoff).
 - (ii)** During any week following the seven-day waiting period referred to in Article 4.1 that an Eligible Employee is not eligible for employment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for employment insurance benefits, or account employment insurance waiting period,

such employee may claim Supplementary Unemployment Benefits for each complete week of seven calendar days laid off of the maximum employment insurance weekly benefit currently in force (for 1995 the maximum payment is \$448.00) or such lesser amount that when added to the employee's outside earnings for such week will result in the employee receiving 80 per cent of his basic weekly rate (hourly-rated employees 40 x the basic hourly rate; seasonal employees, 80 per cent of average weekly earnings over the eight weeks preceding layoff).

- (iii) Supplemental Unemployment Benefits provided for under Article 4.6 shall cease when an Eligible Employee has exhausted the benefit accumulation as specified in Article 4.3 of this Agreement.
- (b) Employees with TWENTY OR MORE YEARS OF Cumulative Compensated Service:**

 - (i) A Supplemental Unemployment Benefit for each complete week of seven calendar days laid off following the seven-day waiting period referred to in Article 4.1 of an amount that, when added to employment insurance benefits and/or outside earnings in excess of those allowable under employment insurance for such week, will result in the employee receiving 80 per cent of his basic weekly rate at time of layoff (hourly-rated employees 40 the basic hourly rate; seasonal employees, 80 per cent of average weekly earnings over the eight weeks preceding layoff)
 - (ii) During any week following the seven-day waiting period referred to in Article 4.1 that an Eligible Employee is not eligible for employment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for employment insurance benefits, or account employment insurance waiting period, such employee may claim a Supplemental

Unemployment Benefit for each complete week of seven calendar days laid off of an amount that, when added to outside earnings, will result in the employee receiving 80 per cent of his basic weekly rate at time of layoff (hourly-rated employees 40 x the basic hourly rate; seasonal employees, 80 per cent of average weekly earnings over the eight weeks preceding layoff).

- 4.7** It shall be the responsibility of the employee to report for each week for which he is claiming a Supplemental Unemployment Benefit under this Agreement, any amounts received in employment insurance benefits 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.
- 4.8** No Supplemental Unemployment Benefits will be made for parts of a Claim Week except that:
- (a)** Recall not covered by Clause (b) below An employee who has qualified for Supplemental Unemployment Benefits in accordance with Clause (i) of Article 4.1 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 Supplemental Unemployment Benefit which, when added to the earnings received in that week and to employment insurance benefits and/or outside earnings in excess of those allowable under employment insurance for such week, will result in the employee receiving 80 per cent of his basic weekly rate at time of layoff (hourly-rated employees 40 x the basic hourly rate; seasonal employees, 80 per cent of average weekly earnings over the eight weeks preceding layoff).
 - (b)** Temporary recall for less than five working days. An employee who has qualified for Supplemental

Unemployment Benefits in accordance with Clause (i) of Article 4.1 will not have his Supplemental Unemployment Benefit payment reduced for any Claim Week during which he returned to the service temporarily for less than five working days.

EXAMPLE OF PAYMENT FOR PART WEEK ON RECALL

4.9 Assume that an employee with a rate of \$15.00 per hour (\$120.00 per day, \$600.00 per week) is laid off Friday, February 10/1995 (last day worked February 9th) and recalled to work Wednesday, March 22nd, 1995. This is 40 days, or 5 weeks and 5 days.

For the purpose of this illustration, the employee's Supplemental Unemployment Benefit Claim Week is Friday to Thursday, and the employment insurance claim week is Sunday to Saturday.

In these circumstances the employee's benefit entitlement would be as follows:

SUB Claim

Week 1 -- Nil (waiting period)

SUB Claim

Week 2 -- (i) employee with less than 20 years of service -- employment insurance maximum
- \$448 (from SUB)

-- (ii) employee with 20 or more years of service -- 80% of basic weekly salary at the time of lay-off (80% x \$600)
- \$480 (from SUB)

SUB Claim

Week 3, 4 & 5 -- 80% of basic weekly salary at the time of layoff (80% x \$600)
- \$480 (\$330* EI and \$150 from SUB)

* 55% of Average Employment Insurance earnings up to a maximum of \$448.

SUB Claim Week (March 17-March 23, 1995, inclusive)

- For employment insurance purposes, employee works 2 days, (March 22 and 23 -- both of which days fall in one EI claim week) - Earnings
\$240.00
- Deduct employment insurance allowable earnings (25% of employee's employment insurance entitlement of \$330)
\$ 83.00
- Net earnings for employment insurance purposes
\$157.00
- Employment insurance entitlement during last SUB Claim Week - \$330 - \$157
\$173.00

In order to make up the 80% of his basic weekly rate during the last SUB Claim Week, i.e \$480. the employee would receive:

- Two day's wages for Thursday, March 22 and 23/95
\$240.00
 - Employment Insurance entitlement
\$173.00
 - Supplemental Unemployment Benefit
\$ 67.00
- T O T A L \$480.00

NOTE: A partial week of SUB counts as 1 week to be deducted from SUB entitlement.

SPECIAL PROVISIONS FOR EMPLOYEES WITH TWENTY YEARS OR MORE OF CUMULATIVE COMPENSATED SERVICE

- 4.10 (i)** An employee with 20 years of Cumulative Compensated Service who, in any calendar year, is laid off and unable to hold work on his Basic Seniority Territory shall, upon return to work, count the period of layoff, up to a maximum of 100 days in any such calendar year from 1976 on, towards the qualifying period for vacation in the ensuing years; such period of layoff in one year shall, upon return to work, also count as service for determining the vacation entitlement in the following year. Layoff days credited for vacation purposes shall not be used in any other manner to obtain additional credit.
- (ii)** An employee with 20 years of Cumulative Compensated Service who is laid off and unable to hold work on his Basic Seniority Territory will have his group life insurance continued during the period of layoff, up to a maximum period of two years from date of layoff.
- 4.11** Any agreement reached between the parties shall not be valid in respect of benefits under this Agreement unless approved by the Canada Employment and Immigration Commission on the basis that no deductions shall be made from the Government employment insurance payments by reason of Supplemental Unemployment Benefits. Notwithstanding anything contained in this Agreement, no Eligible Employee shall receive for any week, a layoff payment under this Agreement in excess of that which can be allowed the employee without any reduction in his employment insurance payment.

Work at Home Location

- 4.12** Employees in receipt of Supplemental Unemployment Benefits must avail themselves of work at their home location in accordance with the following, or forfeit Supplemental Unemployment Benefits entitlement:

- a) An employee will be required to accept permanent and temporary vacancies, subject to qualifications, at his home location in other bargaining units listed below. These must be vacancies which occur after all bulletining and recall provisions of the relevant Collective Agreements have been exhausted. Failing to do so, his benefits will be forfeited for the duration of that vacancy, but all other rights will remain.

Group 1: TCRC MWED, TC/USWA, System Council No. 11 of the IBEW

Note: For the purposes of this provision, a temporary vacancy is defined as one of at least 7 and less than 90 calendar days duration. A permanent vacancy is defined as one of at least 90 calendar days in duration.

- b) An employee accepting a vacancy in another bargaining unit will continue to accumulate seniority in the classification from which laid off. Such employee must accept recall to the first permanent vacancy in his original classification at his home location. Failure to do so will result in his loss of seniority in his original classification.
- c) Should a permanent vacancy arise in a signatory union at a time when several members of other signatory unions are on laid-off status and receiving benefits, the vacancy will be offered to the laid-off employees in order of Cumulative Compensated Service. Only the most “junior” (i.e. in years of service) will be required to accept the vacancy pursuant to paragraph a) above. This provision comes into effect only after acknowledgement by the Canada Employment and Immigration Commission that it will not invalidate the SUB registration.
- d) An employee who accepts a vacancy pursuant to paragraph (c) above will be compensated while

so employed at 80 percent of his basic weekly rate at time of layoff (hourly-rated employees 40 x the basic hourly rate; seasonal employees, 80 per cent of average weekly earnings over the eight weeks preceding layoff), or the established rate for the vacancy, whichever is the higher. In the application of this provision if it is necessary to supplement the basic rate of the position concerned, each week so supplemented shall be deducted from the employee's Supplemental Unemployment Benefits entitlement. Provided the employee remains in a position to which a supplement applies, such supplement will be paid until such time as the amount expended for supplementary payments equals the amount of Supplemental Unemployment Benefits he would have received had he not been required to fill a vacancy or, until the employee vacates the position, whichever date comes first. In determining the Supplemental Unemployment Benefits he would have received if he had not been required to fill the vacancy, it will be assumed that the employee had no outside earnings. If an employee is laid off from a position occupied pursuant to paragraph (a) above and still eligible for benefits, his benefits will be calculated as if he had been laid off from his original classification.

- e) An employee who accepts a permanent vacancy in accordance with paragraph (a) above will, for purposes of bidding, establish a seniority date in his new classification based on the date of entry in the new bargaining unit. Ninety (90) days after an employee accepts a permanent vacancy in accordance with paragraph (a) above, he will, for the purposes of protection against layoff only, establish a seniority date in his new classification based on the seniority date in the classification from which laid off. In such circumstances, i.e. to protect against layoff only, the employee shall displace the junior employee at his location in the

classification to which transferred. An employee who accepts a temporary vacancy in accordance with paragraph (a) above will, for all purposes, including layoff, establish a seniority date in his new classification based on the date of entry into the new bargaining unit.

- f) An employee will be required to accept recall to vacancies of expected duration of at least 7 days and less than 90 days in his classification at his home location. Failing to do so, his benefits will be forfeited for the duration of that vacancy, but all other rights will remain. Notice of recall shall be provided as per the Collective Agreement, except when waived by employee.
- g) These provisions shall operate over any clause in any Collective Agreement to the contrary.

Severance Payment

- 4.13 (a)** In cases of permanent staff reductions, an employee with two years or more of continuous employment relationship at the beginning of the calendar year, may, upon submission of formal resignation from the Company's service, claim a severance payment as set forth below but such severance payment will not in any event exceed the value of one and one-half years' salary at the basic rate of the position held at the time of abolishment, displacement or layoff.
- (b)** For each year of Cumulative Compensated Service or major portion thereof calculated from the last date of entry into the Company's service as a new employee, an employee will be allowed credit weeks as follows:
- For each of the first seven years - one week's pay.
 - Eight or more years of service - 2.25 weeks of pay for each year of compensated service.

- (c) An employee choosing to sever within the first week following lay-off would be entitled to the full severance as provided by the above severance formula.
- (d) An employee choosing to sever between the eighth day and the thirtieth day following lay-off would be entitled to 80% of the above determined severance if such employee has less than eight years of service, or 95% if such employee has eight or more years of service.
- (e) An employee choosing to sever in the second or any subsequent month following lay-off will have his/her severance entitlement further reduced for each additional month by 15% if such employee has less than eight years of service, or 3% if such employee has eight or more years of service.
- (f) Notwithstanding any other provision in this Agreement, if upon the effective date of resignation from the Company's service an employee is eligible for an early retirement pension, he will not be eligible for a severance payment.
- (g) An employee eligible for a severance payment who resigns and who at a later date will become eligible for an early retirement pension under the Company pension rules shall be entitled to receive the lesser of:
 - (i) his severance payment entitlement under this Agreement;OR
 - (ii) a lump sum amount equal to the basic pay he would have earned had he worked until eligible for an early retirement pension. The basic pay is to be calculated at the employee's basic rate of pay in effect at the time of his resignation.

4.14 An employee laid off as a result of a non-permanent staff reduction will be entitled to claim a severance payment subject to meeting the applicable requirements of this Article, as well as the following:

- i) He has been laid off and a continuous waiting period of thirty calendar days in the period of layoff has expired except that if an employee, during such waiting period, is recalled to work for a total of less than five working days the said 30-day waiting period will not be interrupted as a consequence thereof. Each period of layoff will require a new 30-day waiting period in order to establish eligibility for a severance payment except that once an employee has been on layoff for more than thirty calendar days, and is recalled to work for a period of less than ninety calendar days, such employee will immediately become eligible for a severance payment upon layoff within such ninety days;

Note: An employee subject to item (i) above may claim weekly layoff benefits pursuant to Article 4.1(i)(b) of the Job Security Agreement concerned pending expiration of the 30-day waiting period provided in item (i) above.

- ii) He has exercised full seniority rights on his basic seniority territory as provided for in the relevant collective agreement, except as otherwise expressly provided in Article 4.1(iii)(a) and 4.1(iii)(c) of the Job Security Agreement.
- iii) Notwithstanding the provisions of Article 4.13 to the contrary, the severance formula for an individual claiming a severance payment under the provisions of this Article 4.14 is as follows:

For each year of Cumulative Compensated Service or major portion thereof calculated from the last date of entry into the Company's service as a new employee, an employee will be allowed credit weeks as follows:

- For each of the first ten years - one week's pay;
- For the eleventh and subsequent years of service - two weeks' pay.

- iv) An employee choosing to sever during the second full month following his lay-off will have his severance entitlement reduced by 35% if he has less than eight years of service and a further monthly reduction of 15% for the third and subsequent months. An employee with eight or more years of service will have his severance entitlement reduced by 8% if he chooses to sever during the second full month following his lay-off and a further monthly reduction of 3% for the third and subsequent months.

ARTICLE 5 – TRAINING

- 5.1** An employee who has Employment Security under the provisions of Article 7 of this Agreement, who has his position abolished and is unable to hold work due to a lack of qualifications, will be trained for another position within his seniority group and, failing that, will be trained (if necessary) in order to fill a position in keeping with the provisions of Article 7. Training (if necessary) will be provided for a position for which he has the suitability and adaptability to perform the duties of that position. Such employee will receive the 40 hour straight time pay associated with his last Railway classification during his period of training, (hourly rated employees, 40 times the basic hourly rate; seasonal employees, 100% of the average weekly earnings over the eight weeks preceding lay off).
- 5.2** An employee who does not have Employment Security under the provisions of Article 7 and has two or more years of Cumulative Compensated Service and:
- a)** has been laid off or who has been advised that he may be laid off and who is, or will be, unable to hold other work on the Railway because of lack of qualifications, or,
 - b)** will be adversely affected by a notice served pursuant to Article 8 of this Agreement requiring an employee to relocate or suffer a substantial reduction in his rate of pay, will be considered for training for another position within or without his seniority group, providing he has the suitability and adaptability to perform the duties of that position and provided he has indicated a willingness to work in the job for which he may be trained whenever vacancies exist.
- 5.3** At the option of the Company such training may be:
- a)** at training classes conducted by qualified Railway personnel;
 - b)** at classes conducted by an approved training agency.

The type of training for which an employee may apply must:

- i)** qualify the employee for a recognized Railway position;
- ii)** offer a likelihood of employment on the Railway on completion of the training period in a position for which the employee has been qualified; or
- iii)** in the case of employees with 20 or more years of Cumulative Compensated Service, include the possibility of qualifying the employee for employment within or without the Railway industry.

5.4 An employee covered by the provisions of Article 5.2 will receive 80 per cent of the 40 hour straight time pay associated with his last Railway job classification during his period of training (hourly rated employees, 40 x the basic hourly rate; seasonal employees 80 per cent of average weekly earnings over the eight weeks preceding layoff). In addition, he will be provided for the training period with books, equipment, tools and allowed other necessary supplementary expenses associated with the training program.

5.5 Should an employee covered by the provisions of Article 5.2 be recalled from layoff before the scheduled completion of training, the employee will be allowed to complete the program without forfeiture of pay or seniority rights.

5.6 Notwithstanding any agreement to the contrary, the Railway may require an employee who has completed a training program to take a position for which he has been trained.

5.7 In addition the Company, where necessary and after discussion with the Union signatory to this Agreement, will provide classes (after work or as arranged) to prepare presently employed Railway employees for upgrading, adaptation to technological change and anticipated new types of employment on the Railways.

The cost of such retraining will be borne by the Company.

- 5.8** Upon request, the subject of training of an employee or groups of employees under any of the above provisions shall be discussed by the Director of the Union or equivalent and the appropriate officer of the Railway either prior to or at the time of layoff or at the time of the serving of the notice pursuant to Article 8 or as retraining under Article 5.7 is considered. Any unresolved differences between the parties concerning the usefulness of training for future Railway service, the necessity for retraining or the suitability and adaptability of an employee for training, may be progressed to arbitration in the manner provided in Article 2.7 of the JSA.

ARTICLE 6 - RELOCATION EXPENSES

- 6.1** To be eligible for relocation expenses an employee:
- (a)** must have been laid off or displaced, under conditions where such layoff or displacement is likely to be of a permanent nature, with the result that no work is available at his home location and, in order to hold other work on the Railway, such employee is required to relocate; or
 - (b)** must be engaged in work which has been transferred to a new location and the employee moves at the instance of the Company; or
 - (c)** must be affected by a notice which has been issued under Article 8 of this Agreement and he chooses to relocate as a result of receiving an appointment on a bulletined permanent vacancy which at the time is not subject to notice of abolishment under Article 8 of this Agreement and such relocation takes place in advance of the date of the change, provided this will not result in additional moves being made; or
 - (d)** must have Employment Security and be required to relocate to have work under the provisions of Article 7 of this Agreement.

NOTE: It is understood that in the application of this Article 6.1, an employee may protect his seniority in the highest class and still receive relocation benefits, even if there is work in the lower classifications at the employee's home location.

- 6.2** **(a)** In addition to fulfilling at least one of the conditions set forth above, the employee:
- (i)** must have two years' Cumulative Compensated Service; and
 - (ii)** must be a householder, i.e, one who owns or occupies unfurnished living accommodation. This requirement does not apply to Articles 6.5, 6.6, 6.7 and 6.10; and

(iii) must establish that it is impractical for him to commute daily to the new location by means other than privately-owned automobile.

(iv) must be required to travel an additional 25 miles from his residence to his new location. (DOES NOT APPLY TO 6.10(b)).

(b) Effective August 1, 1995, an employee who qualifies for relocation benefits under this Article as per above and who is affected by an Article 8 Notice and has Employment Security, may elect in lieu of the relocation benefits provided elsewhere in this Article, a lump sum payment as follows:

	Within the Region	On the System
for a home owner	\$25,000	\$50,000
for a renter	\$14,000	\$29,000

Note: An employee who is eligible for benefits under Article 6.9 of this Agreement and who is affected by an Article 8 Notice and has ES, may elect in lieu to receive the lump sum payment for a renter as specified above.

Relocation Benefits

6.3 Payment of door-to-door moving expenses for the Eligible Employee's household goods and his automobile including packing and unpacking, insurance and up to one month's storage; the mode of transportation to be determined by the Company.

6.4 An allowance of up to \$975 for incidental expenses actually incurred as a result of relocation.

6.5 Reasonable transportation expenses from his former location to his new location by rail, or if authorized, by bus or employee-owned automobile, and up to \$250 for an employee without dependents, and that an additional amount of \$130 will be paid for each dependent for meals and temporary living accommodation. Receipts will be required for rail or bus transportation.

- 6.6** Upon authorization, an employee may drive his automobile to his new location at an allowance per kilometer (or per mile) as specified in the current Collective Agreement.
- 6.7** In order to seek accommodation in his new location and/or to move to his new location, an employee will be allowed a continuous period of leave up to one week (seven consecutive calendar days). Payment for such leave shall not exceed one week's pay at his regular weekly rate. For other than weekly rated employees, 5 basic days' or 40 hours' straight-time pay shall constitute one week's pay.
- 6.8** (a) Except as otherwise provided in Article 6.8 (c), reimbursement of up to \$16,000 for loss sustained on the sale of a relocating employee's private home which he occupied as a year-round residence. Loss sustained is determined as the difference between the value determined at the outset plus any real estate agent fees, legal fees, including those legal fees on purchase of a home at the new location, and any mortgage closure penalties, and the amount established as the selling price in the deed of sale.
- (b) The procedure to be followed in respect of determining the loss, if any, on the sale of a home shall be as described in Article 6.12 - Appraisal Procedure.
- (c) Notwithstanding the provisions of Article 6.8 (a):
- (i) should a change take place involving relocation of Railway employees whereby the number of homes being listed for sale by such Railway employees represent 15 per cent or more of the residential homes in the municipality, the employees required to relocate shall be reimbursed for the full loss on such homes, which loss shall be determined by the procedures described in Article 6.12 - Appraisal Procedure. The number of Railway employees' homes referred to above shall, for the purpose of establishing the 15 per cent, include the homes of all Railway employees that are being offered for

sale as a result of and at the time of the change; or

(ii) should a change occur involving relocation of Railway employees covered by this Agreement as well as Railway employees covered by other Collective Agreements, the maximum amount of \$16,000 specified in paragraph (a) of this Article 6.8 shall be adjusted upward to equal the maximum amount paid account loss on sale of home to any employee covered by such other Collective Agreement.

(d) An Eligible Employee who desires to sell his house and receive any benefit to which he may be entitled under Article 6.8 must advise the Company's officer concerned accordingly within twelve months of the date the initial change takes place. No employee shall be entitled to any claim under Article 6.8 if the house is not listed for sale within sixty days of the date of the final determination of value and thereafter the house continues to be listed for sale. Any claim for reimbursement under Article 6.8 must be made within twelve months of the final determination of value.

Note: Notwithstanding other provisions of Article 6.8, special cases of loss on sale of homes may be submitted to the Committee for adjudication, but such special cases shall not be subject to arbitration.

6.9 Payment of the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the cost of moving the mobile home shall require the prior approval of the Company and shall not, in any event, exceed a total cost of \$8,000. Receipts shall be required.

Note: An employee who is eligible for benefits under Article 6.9 of this Agreement and who is affected by an Article 8 Notice and has ES, may elect in lieu to receive the lump sum payment for a renter as specified in Article 6.2(b).

6.10 (a) If an employee who is eligible for moving expenses does not wish to move his household to his new location he may opt for a monthly allowance of \$260 which will be payable for a maximum of twelve months from the date of transfer to his new location. Should an employee elect to transfer to other locations during such twelve-month period following the date of transfer, he shall continue to receive the monthly allowance referred to above, but subject to the aforesaid 12-month limitation. An employee who elects to move his household effects to a new location during the twelve-month period following the date of his initial transfer will only be eligible for relocation expenses under this Article for one such move and payment of the monthly allowance referred to above shall terminate as of the date of his relocation.

(b) If an employee must travel more than an additional 15 miles but less than an additional 25 miles from his residence to the new work location, such employee will be entitled to a monthly allowance of \$260 which will be payable for a maximum of twelve months from the date of transfer to his new location. Should an employee elect to transfer to other locations during such twelve-month period following the date of transfer, he shall continue to receive the monthly allowance referred to above but subject to the aforesaid twelve-month limitation.

6.11 (a) Alternatively to Article 6.8, the cost of terminating an unexpired lease and legal costs connected therewith up to a value of three months' rent where the relocating employee was renting a dwelling, will be paid. Should the law require payment of more than three months' rent in order to terminate a lease, such additional amount will be paid providing the employee first secures the Company's approval to pay in excess of three months' rent.

(b) Where a lease was entered into following the notice of the change without prior approval of the Company, no

benefit will be provided. Such prior approval will not be unreasonably withheld.

APPRAISAL PROCEDURE

- 6.12** When an Eligible Employee desires to sell his home, under the provisions of Article 6.8 (b) of this Agreement, the following procedure will apply:
- (a)** In advising the Company officer concerned of his desire to sell his house, the employee shall include pertinent particulars as outlined in sample form attached, including his opinion as to the fair market value of his house.
 - (b)** This fair market price of the house shall be the price determined as of a date sufficiently prior to the date of the change in order that the fair market value will be unaffected thereby.
 - (c)** Within 15 working days from date of receipt of employee's advice of his desire to make a claim, the Company officer shall advise the employee concerned whether the suggested fair market value is satisfactory and, if so, such price shall be the fair market value as contemplated by Article 6.8 (a) of this Agreement.
 - (d)** If, however, the officer concerned is not satisfied that the price requested by the employee is the fair market value, then an effort shall be made to resolve the matter through joint conference of the officer and the employee concerned and the appropriate Union representative if so desired by the employee; such joint conference to be held within 5 working days from date of advice to employee concerned as referred to in Article 6.12(c).
 - (e)** If such joint conference does not resolve the matter, then within 5 days from the date of the final joint conference arrangements shall be made for an impartial appraisal to be undertaken as soon as possible by an independent real estate appraiser. The fair market price established by such appraiser shall

become the fair market value for the purpose of this Agreement, and such price shall be binding on both parties.

- (f) The employee and Company officer concerned shall endeavour to mutually agree upon the independent appraiser referred to in Article 6.12
- (g) If they are unable to agree, then the Minister of Labour shall be requested to appoint such an independent appraiser.
- (h) The residence shall not have been listed for sale with any appraiser appointed pursuant to the provisions of this Appraisal Procedure, nor with such appraiser's employee, fellow employee or partner.
- (i) The fees and expenses of any appraiser appointed in accordance with Articles 6.12 (e) or (f) shall be paid by the Company.

Note: In the event an employee desires to sell his home at a price which is less than the fair market value as determined by the provisions of this Appraisal Procedure, the Company will be given the right in priority to everyone else to purchase the home.

PARTICULARS OF HOUSE TO BE SOLD

Name of Owner: _____

Address: _____

No.

Street

City-Town

Province

Postal Code

Type of House: i.e. Cottage _____

Bungalow _____

Split Level _____

Year Built: _____

No. of Rooms: _____ Bathrooms: _____

Type of Construction _____

(i.e. brick, veneer, stucco, clapboard):

Finished Basement: Yes _____

No _____

Type of heating _____

(i.e., oil, coal, gas, electricity)

Garage: Yes _____

No _____

Size of Lot: _____

Fair Market Value: \$ _____

Other Comments: _____

Date: ___/___/___

Signature: _____

ARTICLE 7 - EMPLOYMENT SECURITY (ES)

- 7.1** Except as provided in Article 7A, subject to the provisions of this Article and in the application of Article 8.1 of this Agreement, an employee will have Employment Security (ES) when he has completed 8 years of Cumulative Compensated Service (CCS) with the Company. An employee on laid-off status on July 9, 1985 will not be entitled to ES under the provisions of this Agreement until recalled to service.
- 7.2 (a)** An employee who has ES under the provisions of this Article who is subjected to lay-off or continuing lay-off as the result of a change introduced through the application of Article 8.1 of the Job Security Agreement shall be eligible for ES payments from the Employment Security Fund (ESF) established pursuant to Appendix "E".
- (b)** ES payments shall be 90%, unless subsequently modified, of the employee's basic rate of pay minus all regular deductions including union dues, paid out of the ESF. If an employee is eligible for Employment Insurance (EI), the EI shall be topped up to represent 90%, unless subsequently modified, of the employee's basic rate of pay from the ESF, subject to SUB registration with Human Resources Development Canada. All benefits while an employee is on ES shall be maintained, paid out of the ESF, as if the employee were actively employed by the Company.
- (c)** Employees eligible for bridging or early retirement shall not be entitled to ES benefits other than those provided for in Article 7.14, Option One and Two.
- (d)** An employee who occupies a permanent position and who has Employment Security, as defined in Article 7.1 & 7.A.1 of the Job Security Agreement, may elect options 1, 2, 3 or 4 of Article 7.14 (JSA), if eligible, or employment security payments paid from the Employment Security Fund, when the Company abolishes his/her position for a period of more than

one year. Further, for the purpose of this application, employees who elect to receive employment security payments will not be included in the count that triggers payments to the Employment Security fund in accordance with Article 4.1(d) of Appendix E.

- 7.3 (a)** An employee who has Employment Security under the provisions of this Article and who is affected by a notice of change issued pursuant to Article 8.1 of the Job Security Agreement, shall be required to do the following, on an ongoing basis, provided the employee is qualified or can be qualified in a reasonable period of time, in order to protect his ES:
- (1)** exercise his seniority rights on his Basic Seniority Territory (BST) in accordance with the terms of the collective agreement;
 - (2)** fill an unfilled permanent vacancy at the headquarters of the employee in a position represented by the TCRC MWED in which the employee in question does not have previously
 - (3)** fill an unfilled permanent vacancy on the BST of the employee in a position represented by the TCRC MWED in which the employee in question does not have previously established seniority;
 - (4)** fill an unfilled permanent vacancy on the Region of the employee in a position represented by the TCRC MWED in which the employee in question does not have previously established seniority;
 - (5)** exercise seniority on the Region to displace the junior employee holding a permanent position in the classification from which affected at the time of the Article 8 notice. If unable to do so, then, he must displace the junior employee holding a permanent position in any other classification in which he holds previously established seniority. Such employee shall be required to accept recall on his former BST only when permanent work is available. Failure to do so shall result in forfeiture of

Employment Security and all seniority on his former BST. In the application of this article, the affected employee shall carry the seniority dates from his previous seniority territory in the classification into which he displaced and all lower classifications or groups;

- (6) exercise consolidated seniority on the Region in accordance with Appendix C.
- (b) An employee who has ES under the provisions of this Article and is unable to hold a position in accordance with Article 7.3 (a) shall be required to exercise the following options provided the employee is qualified or can be qualified in a reasonable period of time to fill the position involved. In filling vacancies, an employee who has ES must exhaust such available options, initially on a local basis, then on his basic seniority territory, then on the Region:
- (1) fill an unfilled permanent vacancy within the jurisdiction of another bargaining unit.
- (2) there being none, fill an unfilled permanent vacancy in a position which is not covered by a collective agreement.

Note 1: In the application of this Article 7.3 (b) and notwithstanding the provisions of the Collective Agreement to the contrary, an employee who has ES while employed outside the TCRC MWED bargaining unit shall continue to accumulate all seniority in the TCRC MWED. Employees who have taken permanent vacancies outside the TCRC MWED bargaining unit shall be required to accept recall only to a permanent position which his seniority permits him to hold within the TCRC MWED bargaining unit on his BST. If an employee refuses to accept such recall he will forfeit all entitlement to ES and will forfeit his seniority within the TCRC MWED.

Note 2: In the application of this Article 7.3(b), employees on ES shall be ranked for seniority purposes by cumulative compensated service (CCS) regardless of bargaining unit. Vacancies shall be offered to employees on ES status in all bargaining units, in order of CCS, but only the most “junior” (in terms of CCS) shall be required to take the position, first at the location, then on the BST, then on the Region.

- (c) An employee who has ES under the provisions of this Article and is unable to hold a position in accordance with Article 7.3(a) or (b), shall be required to fill unfilled temporary or seasonal vacancies, on the Region, in positions represented by the TCRC MWED. Reasonable expenses will be paid for vacancies off of the BST. Reasonable expenses will also apply to temporary assignments of under 45 days on the BST.
- (d) In the application of this Article 7.3 unfilled permanent, temporary or seasonal vacancies shall mean vacancies which occur after all bulletining and recall provisions of the relevant Collective Agreements have been exhausted.
- (e) An employee who accepts a permanent vacancy outside the TCRC MWED bargaining unit, but within the Company and is unable to hold work as a result of a Technological, Organizational or Operational or a Material running trades) change within five years will revert back to ES under this plan.

7.4 Temporary Work Outside the Bargaining Unit within the Company

- (a) In order to be entitled to ES, an employee shall be required to take temporary work, subject to qualifications, within 35 miles of his home location in any bargaining unit as well as positions which are not covered by a collective agreement. For purposes of application of this provision employees on ES at each location shall be ranked for seniority purposes by CCS.

- (b) These must be vacancies which occur after all bulletining and recall provisions of the relevant Collective Agreements have been exhausted.
- (c) An employee accepting a vacancy pursuant to this article 7.4 shall continue to accumulate seniority. An employee who has taken a vacancy outside the TCRC MWED bargaining unit will only be required to accept recall to a permanent position which his seniority permits him to hold within the TCRC MWED bargaining unit on his basic seniority territory. If an employee refuses to accept such recall he shall forfeit all entitlement to ES and shall forfeit his seniority in the TCRC MWED.
- (d) Should a vacancy arise at a time when several members are on ES status, the vacancy shall be offered to the employees on employment security in order of CCS. Only the most "junior" (i.e. in years of CCS) shall be required to accept the vacancy.
- (e) An employee who accepts a vacancy pursuant to this Article 7.4 shall be compensated at his ES rate or the established rate for the vacancy, whichever is higher. Any top-up required will be paid from the ESF.

7.5 Employment Outside the Company

- (a) An employee on ES status shall be required to take work outside Canadian Pacific, within 35 miles of his home location in accordance with the provisions set out in this Article. The ES Plan Administrator, as part of his mandate, shall identify and make such job opportunities available to employees on ES status.
- (b) When an employee accepts employment pursuant to ES payments shall be based on one hundred percent of the employee's basic rate of pay minus all regular deductions, including union dues paid out of the ES Fund. Employees shall report all salary and benefits received from such employment, and up to forty (40) regular hours per week will be deducted from ES payments, exclusive of overtime. Any outside earnings

an employee established prior to the date of notice will not be deducted from ES payments subsequently received under this Article.

- (c)** An employee accepting employment pursuant to this Article 7.5 shall not be subject to call for temporary vacancies by the Company on those days that he is employed by the outside Employer. When such employee is working for an outside employer on a less than 5 day per week basis, he shall not be called by the Company on a frequency that would result in his working a total of more than 5 consecutive days in a calendar week. Such employee shall, however, be subject to recall, pursuant to the provisions of this Agreement, for permanent vacancies on his former BST. An employee failing to answer recall shall forfeit all entitlement to ES and shall forfeit his seniority within the TCRC MWED.
- (d)** An employee locating outside employment independently of the Plan Administrator may accept such employment provided he reports all earnings.
- (e)** An employee whose outside employment is terminated shall forthwith advise the Plan Administrator and the Company and shall revert to his former status, and shall forthwith resume his obligations pursuant to this Article 7.
- (f)** Employees who do not accept employment opportunities or employees who do not declare outside earnings pursuant to this Article 7.5 shall forfeit ES.
- (g)** With the concurrence of the Administrative Committee, an employee may take work outside the Company which requires relocation. In that event relocation benefits will be available pursuant to the provisions of the Job Security Agreement.
- (h)** If an ES employee is working outside the Company and receives WCB through the outside employer, the ES fund will top up such employee's earnings to the ES rate.

- 7.6** An employee who has ES and who fails to comply with the provisions of this Article 7 will lose his ES. Such employee shall, however, be entitled to such other benefits under this Agreement for which he is eligible.
- 7.7** If an employee having eight years or more of CCS is laid off for any reason, then upon request from the Director of the Union or other designated officer, full information regarding the reason for layoff or continuing layoff shall be supplied to him promptly by the appropriate Company officer. If he requests a meeting to discuss this matter, it will be arranged at a mutual convenience without undue delay.
- 7.8** An employee shall not be required to relocate if he has within the preceding 5 years been required to relocate under the provisions of the ES plan or has voluntarily elected to transfer with his work. This protection will not apply if the employee is eligible, or becomes eligible, for bridging or early retirement benefits.
- 7.9** An employee with employment security who has exhausted maximum seniority at his/her home location may displace in keeping with his seniority elsewhere on his basic seniority territory or on the region pursuant to the provisions of this Article 7. However, such employee will not be required to displace beyond his home location if this would result in a junior employee being placed on ES status. An employee exercising this option shall not forfeit ES providing he otherwise maintains eligibility.
- 7.10** Should a lay-off occur which does not require a notice pursuant to Article 8.1 of the Job Security Agreement, the affected employee(s) shall be permitted to displace the junior employee(s) on ES status on the BST, if any, for the duration of such lay-off. The junior employee(s) displaced from ES status as a result of the application of this provision, will be laid off and entitled to the other benefits contained within the Job Security Agreement, subject to eligibility. When senior employees are recalled to work the junior employees previously reduced from ES to lay-off status, provided that they continue to be on lay

off, shall resume their ES status. For the purposes of this article, seniority will be based on CCS.

- 7.11** An employee on ES, called to work outside his bargaining unit will revert to ES status at the termination of such work, provided he has exercised his obligations to hold work pursuant to the ES rules. Additionally, when an employee is recalled to work within his own Bargaining Unit and where the nature of that work is that it is expected to be of a defined term or a special project of any kind then, at the termination of such work, provided he has exercised his obligations to work pursuant to the ES rules he shall revert to ES status.
- 7.12** Where an employee is recalled within his own bargaining unit on account of an apparently permanent increase in workload, and where such workload increase turns out to be temporary, and there is a consequent staff reduction within one year of the original recall, the employee will revert back to ES status. It is understood that in the application of this provision, the number of individuals going onto ES status following a staff reduction will be no greater than the numbers recalled initially from ES status as a result of the increase in workload.
- 7.13** Employees may fill unfilled vacancies beyond the Region. Where an employee fills a permanent vacancy outside the Region such employee will be entitled to system relocation benefits. The employee who fills a permanent vacancy outside the Region will carry seniority from his former BST in the classification being filled and all lower classes.
- 7.14** The following options shall be made available to employees entitled to ES protection who are affected by an Article 8 change and who are unable to hold a permanent position after having exercised the requirements set-out above in this Article 7. These options shall also be made available to employees who, as a result of choosing an option, would enable an employee with ES protection to hold a permanent position. The Company and the Union may agree to offer

options to employees in advance of the implementation of a change pursuant to an Article 8 notice when it is determined that such a change will result in employees with Employment Security protection being unable to hold a permanent position within Canadian Pacific. These options shall be provided at Company expense, that is, they shall not be charged against the ESF.

7.14

Note: See Appendix “J” concerning the 25 year requirement in Pension Rule 9.02(a).

OPTION ONE

- (a) An Eligible Employee who is also eligible for Early Retirement under the Company’s Pension Plan, shall be entitled to receive a monthly separation allowance until the age of 65 which, when added to his Company pension, shall 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:

Years of Pensionable Service at Time Employee Elects Retirement	Percentage Amount as Defined Above
35 & over	80
34	78
33	76
32	74
31	72
30	70
29	68
28	66
27	64
26	62
25	60

- (b) An employee who elects to be covered by the provisions of this Option One shall be entitled to have his Group Life Insurance and Extended Health and Vision Care benefits continued, with the premiums co-paid by the Company and the employee pursuant to Section 4.6 of the EH&VC Benefit Plan Agreement, until age of normal retirement, at which time he shall be provided a Paid-up Life Insurance Policy, fully paid by the Company in an amount equal to that in effect in existing Collective Agreement.
- (c) Upon the death of an employee who dies before reaching the age of sixty-five, the spouse/estate will be entitled to the present value (10% discount rate) of any remaining payments of the separation allowance that would have been paid had the employee not died.
- (d) An employee entitled to the separation allowance as hereinabove set out 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 ten (10) per centum per annum.
- (e) An employee who elects benefits under this Option One will not be entitled to any other benefits provided elsewhere in this Agreement.

7.14

OPTION TWO

- (a) An Eligible Employee with ES who is at least fifty years of age and who will be eligible for Early Retirement under the Company's Pension Plan within five (5) years will be entitled to a bridging benefit as defined herein. An employee who is within five years of normal retirement (age 65), but who is not eligible for early retirement without reduction, shall be entitled to benefits under this Option Two.
- (b) An employee who elects to be covered by the provisions of this Option Two shall be paid on the same bi-weekly basis as he was paid while on active service with the Company. Normal deductions covering pension, income

tax, union dues, etc., shall be made in the usual manner. In the application of this Option Two, it is understood that active employment is severed and the employee shall not be entitled to future wage adjustments.

- (c)** An employee covered by the provisions of this Option Two will be compensated on the basis of 65% of the Basic Weekly Rate of pay of the Permanent Position held at the time the employee elects the provisions of this Option Two.
- (d)** An employee covered by the provisions of this Option Two shall, at the time he qualifies for early retirement under the Company's Pension Plan, also be entitled to a separation allowance in accordance with the terms contained in Option One of this Agreement.
- (e)** An employee covered by the provisions of this Option Two, while on the bridging plan, shall accumulate credit for pension eligibility purposes and pension contributions will continue to be made.
- (f)** An employee who elects to be covered by the provisions of this Option Two shall be entitled to have his Group Life Insurance and Extended Health and Vision Care benefits continued, with the premiums co-paid by the Company and the employee pursuant to Section 4.6 of the EH&VC Benefit Plan Agreement, until he qualifies for normal retirement, at which time he shall be provided a Paid-up Life Insurance Policy, fully paid by the Company in an amount equal to that in effect in existing Collective Agreement. The employee will also be covered by the provisions of the Dental Plan, with the premiums co-paid by the Company and the employee pursuant to the Dental Plan Agreement. This Dental coverage, however, will only remain in effect until the date of the employee's early retirement.
- (g)** An employee who elects to be covered by the provisions of this Option Two shall at the time of so electing, make an irrevocable application for bridging and early retirement to the appropriate Company officer and, except as provided in this Option Two of this Agreement, he will not

be entitled to any other benefits provided elsewhere in this Agreement.

- (h) All payments under Option Two shall cease upon the death of the employee.

7.14

OPTION THREE

- (a) An Eligible Employee who is not eligible for a benefit payment pursuant to Options One or Two may, upon submission of formal resignation from the Company's service, claim a severance payment of \$65,000 plus annual CPI adjustment effective August 1, 1996 and August 1, 1997.
- (b) An employee who elects to be covered by the provisions of Option Three shall be entitled to have his Group Life Insurance and Extended Health and Vision Care benefits, with the premiums co-paid by the Company and the employee pursuant to Section 4.6 of the EH&VC Benefit Plan Agreement.
- (c) An employee who elects benefits under this Option Three will not be entitled to any other benefits provided elsewhere in this Agreement.
- (d) In no event shall the amount of benefit provided under this Option Three exceed the straight earnings that an employee would have earned on the position permanently held at the time the employee elects this benefit had such employee continued to work until age 65.

7.14

OPTION FOUR

- (a) Notwithstanding anything in the Collective Agreement to the contrary, an Eligible Employee choosing this option may be provided with a leave of absence for a period of up to three years while attending an educational-training program as mutually agreed to by the Company and the Union. During the duration of the program, such

employee shall receive 90% of his basic weekly rate of pay applicable to the position permanently held at the time of the change less all regular deductions including Union dues.

- (b)** Tuition and books for the program will be paid by the Company.
- (c)** Employees will be subject to be called to work while not attending courses.
- (d)** All outside earnings during this period of leave will be deducted from the employee's pay. Upon completion, the employee shall forfeit his seniority and entitlement to ES.
- (e)** An employee may resign within one year of commencement of the program and receive severance less any payments made by the Company, or the ESF, while in the program.

ARTICLE 7.A - EMPLOYMENT SECURITY FOR EMPLOYEES COMMENCING SERVICE ON OR AFTER MAY 1, 1992

- 7.A.1** Notwithstanding the provisions of Article 7, employees commencing service on or after May 1, 1992 will have employment security after completion of fourteen years of cumulative compensated service with the Company.
- 7.A.2** An employee covered by Article 7.A.1 above having attained at least eight years, but less than fourteen years, of cumulative compensated service, who is affected by a Technological, Operational or Organizational change resulting in lay-off, will be covered by the following provisions:
- A supplemental unemployment benefit in accordance with the provisions of Article 4 of this Agreement with an amount equal to 90% of the individual's basic weekly rate at the time of lay off.
 - Benefit duration will be equal to six years or the period from date of lay-off to date of recall to work, whichever is the lesser.
 - The benefit referred to above will be available if the employee is unable to hold work as provided for in Article 4 of this Agreement and is unable to hold work pursuant to the employment security provisions of this Agreement which do not require relocation.
- 7.A.3** The provisions of Article 7 not in conflict with this Article 7.A will apply to employees covered by this Article.

ARTICLE 8 - TECHNOLOGICAL, OPERATIONAL AND ORGANIZATIONAL CHANGES

- 8.1** The Company will not put into effect any Technological, Operational or Organizational change of a permanent nature which will have adverse effects on employees without giving as much advance notice as possible to the Director representing such employees or such other officer as may be named by the Union concerned to receive such notices. In any event, not less than 120 days' notice shall be given, with a full description thereof and with appropriate details as to the consequent changes in working conditions and the expected number of employees who would be adversely affected.
- 8.2** When a notice is issued under Article 8.1 and it becomes known to the Company that the change will be delayed for reasons over which the Company has no control, advice will be issued to the Director, or such other officer as may be named by the Union concerned, and employees involved explaining the situation and revising the implementation dates. If necessary, more than one such advice may be issued.
- 8.3** When the implementation of a Technological, Operational or Organizational change is delayed or is to be delayed at the instance of the Company in excess of sixty calendar days, a new notice as per Article 8.1 shall be given.
- 8.4** Upon request the parties shall negotiate on items, other than those specifically dealt with in this Agreement with a view to further minimizing the adverse effects on employees. Such measures, for example, may be related to exercise of seniority rights, or such other matters as may be appropriate in the circumstances, but shall not include any item already provided for in this Agreement.
- 8.5** If the above negotiations do not result in mutual agreement within thirty calendar days of the commencement of such negotiations, or such other period of time as may be agreed upon by the parties, the matters in dispute may be referred for mediation to a

Board of Review composed of an equal number of senior officers of the Company and the Union.

- 8.6** If the Board of Review is unable to resolve the differences within a fixed period of time to be determined at the commencement of its meetings, or some mutually agreed extension thereof, the matters in dispute may be referred for final and binding settlement to arbitration in the manner provided in Article 2.10 or 2.11, as the case may be. The matters to be decided by the arbitrator shall not include any question as to the right of the Company to make the change, which right the Unions acknowledge, and shall be confined to items not otherwise dealt with in this Agreement.
- 8.7** In addition to all other benefits contained in this Agreement which are applicable to all Eligible Employees, the additional benefits specified in Article 8.8 are available to employees who are materially and adversely affected by Technological, Operational or Organizational changes Instituted by the Company.

Maintenance of Basic Rates

- 8.8** An employee whose rate of pay is reduced by \$2.00 or more per week, by reason of being displaced due to a Technological, Operational or Organizational change, will continue to be paid at the basic weekly or hourly rate applicable to the position permanently held at the time of the change providing that, in the exercise of seniority, he
- (a)** first accepts the highest-rated position at his location to which his seniority and qualifications entitle him; or
 - (b)** if no position is available at his location, he accepts the highest-rated position on his Basic Seniority Territory to which his seniority and qualifications entitle him. The maintenance of basic rates, and four-week guarantees, if applicable, will continue until:
 - (i)** the dollar value of the incumbency above the prevailing job rate has been maintained for a period of three years, and thereafter until

subsequent general wage increases applied on the basic rate of the position he is holding erase the incumbency differential; or

- (ii) the employee fails to apply for a position, the basic rate of which is higher by an amount of \$2.00 per week or more than the basic rate of the position which he is presently holding and for which he is qualified at the location where he is employed; or
- (iii) the employee's services are terminated by discharge, resignation, death or retirement.

In the application of (ii) above, an employee who fails to apply for a higher-rated position, for which he is qualified, will be considered as occupying such position and his incumbency shall be reduced correspondingly. In the case of a temporary vacancy, his incumbency will be reduced only for the duration of that temporary vacancy.

An example of the application of Article 8.8 (b) (i) follows:

Date	Basic Rate	Incumbency
Oct. 1, 1995	\$500.00	\$550.00
Jan. 1, 1996 (2% inc.)	510.00	560.00
Jan. 1, 1997 (3% inc.)	525.30	575.30
Jan. 1, 1998 (3% inc.)	541.05	591.05
Jan. 1, 1999 (3% inc.)	557.28	591.05
Jan. 1, 2000 (3% inc.)	573.99	591.05
Jan. 1, 2001 (3% inc.)	591.20	Incumbency disappears

For the purpose of this Article 8.9, the basic rate of a position paid on a four-week guarantee basis shall be converted to a basic rate on a forty-hour week basis.

Example - Four-Week Guarantee:

The basic rate of an employee who is guaranteed 179.3 hours for each four-week period, comprised of 160 straight time hours and 19.3 hours at time and one-half which is the equivalent of 189 straight time hours, is \$10.00 per hour at the straight time rate. Inasmuch as his guarantee represents \$1,890.00 per

four-week period, his basic weekly rate shall be considered as \$472.50 and his basic hourly rate shall be considered as \$11.81.

ARTICLE 9 - GOVERNMENT ASSISTANCE PROGRAMS

- 9.1** All payments under this Agreement are to be reduced in whole or in part in each case by any amount payable for the same purpose under a Government Assistance Program.

ARTICLE 10 - SEASONAL EMPLOYEES

10.1 Seasonal employees are defined as those who are employed regularly by the Company but who normally only work for the Company during certain seasons of the year. Articles 4 and 8 of this Agreement shall apply to these employees except that payment may not be claimed by any seasonal employee during or in respect of any period or part of a period of layoff falling within the recognized seasonal layoff period for such group. In respect of seasonal employees laid off during the recognized seasonal working period, the seven-day waiting period provided for in Article 4.1(i)(b) will apply, except that in the case of a seasonal employee who is not recalled to work at the commencement of the recognized seasonal working period, the seven-day waiting period will begin on the commencement date of the recognized seasonal working period. Seasonal employees and recognized seasonal working periods shall be as defined in Memoranda of Agreement signed between the Company and the affected Unions signatory thereto.

Memorandum of Agreement between Canadian Pacific Limited and the Brotherhood of Maintenance of Way Employees on behalf of Extra Gang Labourers covered by Wage Agreement No. 18

It is agreed that effective April 15, 1978, the seasonal working periods for extra gang labourers covered by Wage Agreement No. 18, for the purposes of Article 10 of the Job Security – Technological, Operational, Organizational Changes Agreement dated March 1, 1976 are as follows:

<u>Region</u>	<u>Seasonal Working Period</u>
Atlantic	April 15 to November 15
Eastern	April 15 to November 15
Prairie	April 15 to November 15
Pacific - East of Kamloops)	
- East of Penticton)	April 15 to November 15
- West of Kamloops)	
- West of Penticton)	April 15 to November 30

This agreement supersedes the agreement dated December 4, 1969 and may be amended at any time by mutual agreement between the signatories to this agreement.

For the Company

For the Union

J.A. McGuire
Manager, Labour Relations

A. Passaretti
System Federation
General Chairman

ARTICLE 11 - CASUAL AND PART-TIME EMPLOYEES

- 11.1** Casual and part-time employees are those who work casually on an as-required basis from day to day; including those who work part days as distinguished from employees who work on regular or regular seasonal positions.
- 11.2** Casual and part-time employees are entirely excluded from the provisions of this Agreement.

**ARTICLE 12 - NON-APPLICABILITY OF SECTIONS 52, 54,
AND 55, PART I AND SECTIONS 214 TO 226 INCLUSIVE OF
PART III OF THE CANADA LABOUR CODE**

- 12.1** The provisions of this Agreement are intended to assist employees affected by any technological change to adjust to the effects of the technological change and Sections 52, 54 and 55, Part I, of the Canada Labour Code do not apply.
- 12.2** The provisions of this Agreement are intended to minimize the impact of termination of employment on the employees represented by those Unions party to this Agreement and are intended to assist those employees in obtaining other employment and Sections 214 to 226 of Part III of the Canada Labour Code do not apply.

ARTICLE 13 – AMENDMENT

13.1 The parties hereto may at any time during the continuance of this Agreement amend its provisions in any respect by mutual agreement.

ARTICLE 14 – COMMENCEMENT

- 14.1** Except as otherwise provided in this Agreement, increased benefits under this Agreement will come into effect on June 1, 1995.

The improvements to Article 6 benefit amounts, other than those contained in Article 6.2(b), will come into effect on June 1, 1995, in regard to employees adversely affected on or after that date.

The benefit contained in Article 6.2(b) will apply effective August 1, 1995.

ARTICLE 15 - DURATION

15.1 This Agreement shall remain in effect until revised in the manner and at the time provided for in respect of the revision of the Master Agreement which is current from time to time.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed this 6th day of June, 2007, at Gatineau, Quebec.

FOR CANADIAN PACIFIC:

FOR THE UNION:

(signed)
Manager, Labour Relations

(signed)
President, TCRC MWED

APPENDIX "A"

ORGANIZATION	AGR.#	CLASSIFICATION	LOCATION
Teamsters Canada Rail Conference Maintenance of Way Employees Division	41	Employees in Track & B&S Department	Lines in Canada
	42	Extra Gang Labourers	Lines in Canada
		Employees in Rail Yards Frog Reclamation Plants	Lines in Canada
		Operators, Assistant Operators and Helpers of Power Machines Employees, Work Equipment Repair Shops	Lines in Canada
		Employees in Rail Butt Welding Plants	Lines in Canada
		Employees in Thermite Welding Gangs	Lines in Canada
		Timekeepers	Lines in Canada

**APPENDIX “B”
CANADIAN NATIONAL RAILWAYS
CP RAIL**

March 31, 1971

Mr. R.C. Smith,
Chairman
Associated Non-Operating Unions
550 Sherbrooke Street West
Montreal, Quebec

Dear Mr. Smith

Implementation of Canadian Transport Commission Decisions

In the event the Company issues a notice under Article 8 of the Job Security Technological Change Agreement relating to a proposed change which requires the proposed implementation date of such change be delayed on account of the Canadian Transport Commission approval not having been received in sufficient time, the Union officers involved may review with the appropriate Company officers the new implementation date proposed if he is of the opinion that the the employees involved.

Should any dispute arise out of this review, it may be submitted to the Administrative Committee for adjudication. In such instances, however, the arbitration provisions of the Job Security, Technological Change Agreement will not apply.

Yours truly,

(Original Sgd.)
K.L. Crump
Assistant Vice-President
Labour Relations
Canadian National Railways

(Original Sgd.)
J.C. Anderson
Vice-President
Industrial Relations
Canadian Pacific Railway Co.

APPENDIX "C"
CANADIAN PACIFIC LIMITED

OTTAWA, July 29, 1988

Mr. M.L. McInnes
System Federation
General Chairman
Brotherhood of Maintenance
of Way Employees Union
1706 Bank Street
OTTAWA, Ontario
K1V 7Y6

Mr. A. Passaretti
Vice-President
Brotherhood of Maintenance
of Way Employees Union
1708 Bank Street
Suite 2
OTTAWA, Ontario
K1V 7Y6

Gentlemen:

This has reference to the award of Arbitrator Dalton L. Larson dated April 11, 1988 concerning the consolidation of seniority units for employment security purposes and Mr. Larson's subsequent clarification of this issue on June 8, 1988.

This letter will confirm our understanding that for employment security purposes only:

1. All Atlantic Region employees covered by Agreement 41 and the Supplemental Agreements thereto, will be deemed to have a consolidated seniority date in all classifications covered by these Agreements. This date will correspond with the employee's first seniority date in a Maintenance of Way Agreement as referred to above.
2. All Eastern Region employees covered by Agreement 41 and Supplemental Agreements thereto, will be deemed to have a consolidated seniority date in all classifications covered by these Agreements. This date will correspond with the employee's first seniority date in a Maintenance of Way Agreement, as referred to above.
3. All Prairie Region employees covered by Agreement 41 and the Supplemental Agreements thereto, will be deemed to have a consolidated seniority date in all classifications

covered by these Agreements. This date will correspond with the employee's first seniority date in a Maintenance of Way Agreement, as referred to above.

4. All Pacific Region employees covered by Agreement 41 and the Supplemental Agreements thereto, will be deemed to have a consolidated seniority date in all classifications covered by these Agreements. This date will correspond with the employee's first seniority date in a Maintenance of Way Agreement, as referred to above.
5. An employee identified in Items 1 through 4 above, may exercise his consolidated seniority rights for displacement purposes, including the filling of an unfilled permanent vacancy, if he has exhausted his seniority pursuant to Article XII (d) of the Master Agreement dated July 9, 1985 and is still unable to hold work. Failure to do so will result in forfeiture of Employment Security.

NOTE: The filling of an unfilled permanent vacancy will be permitted provided that the employee is qualified or can be qualified in a reasonable period of time.

6. An employee who has exercised his consolidated seniority rights into another seniority list contained in Agreement 41 or Supplemental Agreements thereto will be required to accept recall when permanent work is available in his former seniority list. Failure to do so will result in forfeiture of Employment Security.
7. An employee who has exercised his consolidated seniority rights into another seniority list contained in Agreement 41 or Supplemental Agreements thereto may accept recall for temporary work on his former seniority list. Such employee will have his permanent position advertised as a temporary vacancy. Upon the expiration of the temporary work he will be required to return to his permanent position. Failure to do so will result in forfeiture of Employment Security.

8. The provisions outlined in this Letter of Understanding shall operate over any Article in the Collective Agreement to the contrary.

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

Yours truly,

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

I CONCUR:

(Sgd.) M.L. McInnes
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees

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

NOTE: The reference to Article XII(d) in paragraph 5 of this Article 7.3(b) in this Agreement.

APPENDIX "D"

Montreal, April 29, 1992

Mr. A.G. Cunningham
System General Chairman
& Secretary
Signal & Communications
System Council No. 11
of the IBEW
Suite 912, 1255 University St.
Montreal, Quebec
H3B 3W4

Mr. D. J. Bujold
National Secretary-Treasurer
Transportation-Communications
International Union
Unit # 11
2285-D St. Laurent Blvd.
Ottawa, Ontario
K1G 4Z7

Mr. J. Kruk
System Federation General
Chairman
Brotherhood of Maintenance of
Way Employees
2775 Lancaster Road, Suite 2
Ottawa, Ontario
K1B 4V8

Mr. A. Rosner
Executive Secretary
Canadian Council of Railway
Shopcraft Unions
Suite 409
1000 St. Antoine St. W.
Montreal, Quebec
H3C 3R7

Dear Sirs:

Letter of Understanding Re: Timing of a Technological,
Operational or Organizational Change

When the Company has issued notice of a technological, operational or organizational change as provided for in Article 8, Clause 8.1, of the Job Security -- Technological, Operational and Organizational Change Agreement, the officer(s) of the Union(s) upon whom the notice has been served and whose members are likely to be affected by the change may meet with the appropriate officers of the Company with the object of discussing the proposed implementation date of the change. It is understood that any such change in the proposed

implementation date would be considered by the Company on the basis of the possible alleviation of any undue hardship on the employees if the implementation date were to be changed, plus any other factors which might be considered relevant. It is further understood that nothing in this letter restricts the right of the Company to implement the change at the time issued in the original notice or at any later time that the Company might consider appropriate.

Should any employee undergo any undue financial hardship as the result of the change, the union(s) involved may refer the situation to the Committee of the Job Security - Technological, Operational and Organizational Change Agreement for possible consideration as a special case as contemplated under Article 4 of the Agreement.

Yours truly,

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

(This letter replaces the letters on the same subject of July 9, 1985, March 14, 1986 and May 26, 1989).

**THIS ES SUPPLEMENTARY UNEMPLOYMENT
BENEFITS PLAN AGREEMENT
made the 6th day of June, 2007**

BETWEEN:

**CANADIAN PACIFIC
(the “Employer”)**

**PARTY OF THE FIRST PART
-and-**

**Teamsters Canada Rail Conference
Maintenance of Way Employees Division
(the “TCRC MWED”)**

PARTY OF THE SECOND PART

WITNESSETH:

1. WHEREAS effective January 1, 2007, the Employer and the TCRC MWED negotiated changes to the Job Security Agreement which contemplates the payment of certain employment security benefits and the establishment and maintenance of a trust fund for the purposes of funding the said benefits in accordance with the terms and provisions set forth in Appendix “E” thereto (a copy of which is attached as Appendix A to this Agreement);
2. AND WHEREAS the Employer and TCRC MWED wish to establish an ES supplementary unemployment benefits plan (the “ES SUB Plan”) and intend that the ES SUB Plan constitute a registered supplementary unemployment benefits plan as defined in the Income Tax Act (Canada) and the Employment Insurance Act (Canada);
3. AND WHEREAS the Parties wish to establish an ES SUB Trust Agreement with a designated trustee to manage the said trust monies;

4. AND WHEREAS the Parties have agreed that in order to comply with federal legislation, monies held pursuant to the ES SUB Trust Agreement shall only be made available to those ES Eligible Employees subject to layoff as a result of a technological, operational or organizational change;
5. AND WHEREAS the Parties wish to set out in this ES SUB Plan Agreement the rules and mechanisms by which the level of funding to the ES SUB Trust Fund shall be determined and the respective rights and responsibilities of the Parties in regard to the management of the ES SUB Trust Fund and the payout of ES SUB Benefits.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties covenant and agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

- 1.1** The provisions of the JSA to the extent referred to herein or otherwise required for the purposes of this Agreement, as such provisions may be amended by agreement between the Employer and the TCRC MWED hereafter, form an integral part of this Agreement as if recited at length.
- 1.2** Except as otherwise provided herein, any term or expression defined in the JSA when used in this Agreement, shall have the meaning ascribed thereto in the JSA.
- 1.3** In this Agreement, the following words and phrases shall have the following meanings respectively, unless the context clearly indicates otherwise:
- (a)** “Administrator” means the individual appointed pursuant to Article 7.5;
 - (b)** “Collective Agreement” means the Collective Bargaining Agreement entered into between the Employer and the TCRC MWED dated June 6, 2007, or any successor collective bargaining agreement in effect between the Employer and the TCRC MWED;
 - (c)** “ES” means Employment Security as described in Article 7 and 7.A.1 of the JSA;
 - (d)** “ES Benefits” means benefits paid to employees of the Employer represented by the TCRC MWED pursuant to Article 7 and 7.A.1 of the JSA;
 - (e)** “ES Eligible Employee” means an employee of the Employer represented by the TCRC MWED who meets the requirements to receive ES Benefits including those employees whose right to receive ES Benefits has been suspended while actively working in any position other than a permanent position with the Employer;
 - (f)** “ES Employee Benefits” means all benefits or benefit

plan costs (other than ES SUB Benefits) payable to or on behalf of ES Eligible Employees pursuant to the Collective Agreement, including without limitation, vacation, extended health and vision, dental, life insurance, weekly indemnity, bereavement leave, general holidays and jury duty benefits and all employer contributions to pension plans on behalf of ES Eligible Employees. ES Employee Benefits do not include any benefits which are payable or which accrue to an ES Eligible Employee during any period while such employee is actively working for the Employer.

- (g)** “ES SUB Benefits” means ES payments payable to ES Eligible Employees pursuant to Article 7.2 of the JSA;
- (h)** “ES SUB Plan” has the meaning ascribed thereto in the second recital (whereas) of this Agreement;
- (i)** “ES SUB Plan Agreement” or “Agreement” means this agreement;
- (j)** “ES SUB Trust Agreement” means the agreement between the Employer and the Trustee as referred to in Article 4.3;
- (k)** “ES SUB Trust Fund” means the trust fund established for the purposes of the ES SUB Plan and which is hereinafter administered in accordance with the terms of this ES SUB Plan Agreement and the ES SUB Trust Agreement;
- (l)** “ES EB Trust Fund” means the trust fund defined in Article 1.3(j) of the ES EB Plan Agreement;
- (m)** “ES EB Plan Agreement” means the ES Employee Benefits Plan Agreement dated June 6, 2007 between the Employer and the TCRC MWED;
- (n)** “JSA” means the Job Security Agreement entered into between the Employer and the TCRC MWED effective January 1, 2007, or any successor Job security

agreement in effect between the Employer and the TCRC MWED;

- (o)** “Management Committee” means the committee of Employer and TCRC MWED Representatives appointed pursuant to Article 6;
- (p)** “Parties” means the Employer and the TCRC MWED and “Party” means the Employer or the TCRC MWED;
- (q)** “Prime Rate” means the prime rate of interest established from time to time by the Bank of Montreal for Canadian dollar commercial loans in Canada.
- (r)** “Trustee” means The Trust Company of Bank of Montreal or another subsequent trust company chosen by the Management Committee.

ARTICLE 2
ESTABLISHMENT OF ES SUB PLAN

- 2.1** Pursuant to the terms and provisions set forth in this Agreement, the Employer and the TCRC MWED hereby establish an ES supplementary unemployment benefits plan.
- 2.2** The ES SUB Plan shall provide ES Eligible Employees certain benefits, all in accordance with the terms and provisions set forth herein, as amended from time to time or terminated by agreement between the Parties.
- 2.3** This ES SUB Plan Agreement together with the ES EB Plan Agreement supersede and replace the provisions of Appendix "E" to the January 1, 2001 JSA.

ARTICLE 3

TERM

- 3.1** The term of this Agreement shall commence on the date hereof and shall remain in effect until terminated pursuant to Article 3.2 or 3.3.
- 3.2** This Agreement may be terminated at any time by written agreement of the Employer and the TCRC MWED or by order of a court of competent jurisdiction.
- 3.3** Either the Employer or the TCRC MWED shall have the right to terminate this Agreement in the event of a strike by employees of the Employer represented by the TCRC MWED or in the event of a lockout of such employees by the Employer pursuant to the provisions of the Canada Labour Code or successor legislation.

ARTICLE 4

ESTABLISHMENT OF ES SUB TRUST FUND

- 4.1** The Employer will contribute and hold in trust certain funds which are to be utilized for the payment of ES Benefits. These contributions consist of and are subject to the following:
- (a)** A lump sum contribution in the amount of \$7,500,000;
 - (b)** On the first day of every month commencing January 1, 2006, a monthly contribution in an amount equal to 1% of the gross monthly payroll for all employees represented by the TCRC-MWED employed by the Employer in Canada; (Temporarily held in abeyance – See Appendix M)
 - (c)** On December 1, 1995 and on December 1 of each year thereafter during the term of this Agreement, an annual contribution in the amount of \$35,000;
 - (d)** Effective September 1, 1995, a monthly contribution in an amount equal to 0.016% of the gross monthly payroll for each ES Eligible Employee in excess of 220. This contribution will be made for the specific period of time such excess employees are ES Eligible Employees; and
 - (e)** All income derived from the investment of the above.
- 4.2** The Parties hereby agree that the payment of ES Benefits shall take the form of either ES SUB Benefits or ES Employee Benefits with respect to an ES Eligible Employee.
- 4.3** The Employer hereby agrees to establish an ES SUB Trust Fund for the purpose of making payment to ES Eligible Employees under the provisions of the JSA and this ES SUB Plan Agreement. The Employer shall enter into an ES SUB Trust Agreement with the Trustee and such agreement shall govern the administration of contributions made by the Employer into such trust. The Employer and TCRC MWED agree that the ES SUB Trust Fund will

be formally established, managed and administered pursuant to the terms and conditions of the ES SUB Trust Agreement and, where applicable, this ES SUB Plan Agreement.

4.4 The Employer's funding obligation under this ES SUB Plan Agreement and the ES EB Plan Agreement shall be limited to its contributions pursuant to Article 4.1.

4.5

- (a)** The Management Committee shall determine the amount to be deposited to the ES SUB Trust Fund and the ES EB Trust Fund as of December 1, 1998. The aggregate amount to be deposited (the "Initial Contribution") shall be equal to: (i) the amounts referred to in Article 4.1(a) (b) (c) and (d) which have accrued during the period from August 1, 1995 to and including December 31, 1998 (the "Interim Period"); (ii) less any ES Benefits paid to ES Eligible Employees during the Interim Period; (iii) less an administrative fee equal to ?% of such ES Benefits; (iv) plus interest on the balance of (i). (ii) and (iii) above each month during the Interim Period at a rate equal to the Prime Rate in effect from time to time during the Interim Period.
- (b)** On or before December 15, 1998 the Employer shall provide the Management Committee with an estimate of the amount of the Initial Contribution. The Employer shall pay the estimated amount of the Initial Contribution to the Trustee in order to initially establish the ES SUB Trust Fund and the ES EB Trust Fund and shall direct the Trustee to deposit 70 % of such amount to the ES SUB Trust Fund and the remaining 30% of such amount to the ES EB Trust Fund.
- (c)** On or before March 1, 1999 the members of the Management Committee shall unanimously determine the actual amount of the Initial Contribution and in the event such amount is greater than the estimate provided pursuant to Article 4.5 (b) then the Employer shall pay the difference to the Trustee with instructions

to deposit 70% of such difference to the ES SUB Trust Fund and 30% of such difference to the ES EB Trust Fund. In the event the actual amount of the Initial Contribution is less than the estimate provided pursuant to Article 4.5 (b) then the Employer shall be entitled to direct the Trustee to refund the difference to the Employer by withdrawing 70% of such difference out of the ES SUB Trust Fund and 30% of such difference out of the ES EB Trust Fund. In the event that, on or before March 1, 1999. the members of the Management Committee cannot unanimously agree on the actual amount of the Initial Contribution then such amount shall be determined by arbitration pursuant to Article 11.

- (d)** From December 31, 1998, the Management Committee shall thereafter allocate the ongoing and continuing monthly and annual contributions referenced in Article 4.1 as between the ES SUB Trust Fund and the ES EB Trust Fund.

ARTICLE 5

REGISTRATION

- 5.1** The Employer shall apply for the registration of this Agreement as a registered supplementary unemployment benefit plan pursuant to the Income Tax Act and Employment Insurance Act or any other legislation as applicable. The Parties agree to amend this Agreement as required in order to obtain such registration.
- 5.2** The Parties agree that registration pursuant to Article 5.1 is a condition of this Agreement and in the event that such registration cannot be obtained on or before December 31, 1999, all amounts then in the ES SUB Trust Fund shall be paid out to the Employer and this Agreement shall then be null and void.

ARTICLE 6

MANAGEMENT COMMITTEE

- 6.1** The Parties shall appoint a committee consisting of not less than four (4) individuals plus a chairperson (referred to herein as the “Management Committee”) which committee shall have the overall responsibility over investment and management of the contributions to the ES SUB Trust Fund.
- 6.2** The Employer and the TCRC MWED shall each appoint two (2) representatives to the Management Committee. In addition, the TCRC MWED shall appoint a chairperson who, other than as provided for in this Article, shall not have the right to vote on any matter before the Management Committee.
- 6.3** In addition to the powers, rights and duties granted to or imposed on the Management Committee elsewhere in this Agreement or by law, the Management Committee shall have the following powers, rights and duties with respect to the ES SUB Trust Fund:
- (a)** To allocate the ongoing and continuing monthly and annual contributions referenced in Article 4.1 accruing after December 31, 1998, as between the ES SUB Trust Fund and the ES EB Trust Fund based on the financial health and future requirements of the respective trust funds;
 - (b)** To appoint and remove the Trustee and any professional advisors;
 - (c)** To monitor the ES SUB Trust Fund’s performance and obtain reporting from the Trustee;
 - (d)** To provide guidance and instruction to the Trustee on matters pertaining to the investment of the ES SUB Trust Fund;
 - (e)** To establish and review from time to time an appropriate investment policy and investment guidelines regarding the investment of the ES SUB

Trust Fund in accordance with any applicable legislation and to report from time to time to the Employer and the TCRC MWED regarding such policy and guidelines and regarding the investment performance of the ES SUB Trust Fund;

- (f) To obtain such insurance as the Management necessary or advisable from time to time, with all insurance premiums to be paid out of the ES SUB Trust Fund;
- (g) To pay out of the ES SUB Trust Fund all reasonable expenses incurred by the Administrator, the Management Committee, or the Parties in the administration of the ES SUB Plan.

6.4 The members of the Management Committee may act at a meeting (including a meeting at different locations by telephone conference), in writing without a meeting or in any other manner as may be agreed to by the members of the Management Committee, and any committee member by writing may delegate any or all of his rights, powers, duties and discretion to any other member with the consent of such member. Subject to Article 6.5, the action or decision of a majority of the members of the Management Committee as to a matter shall be considered the action or decision of the Management Committee. Subject to applicable law, no member of the Management Committee shall be liable for an act or omission of the other Management Committee members in which the former had not concurred.

6.5 The chairperson shall not cast a vote on any matter before committee except in a case where the remaining members of the Management Committee are deadlocked in a tie vote and an additional vote is necessary to break the tie. However, the chairperson shall not vote where at least two Management Committee members provide notice that it can be demonstrated that the likely result of a proposed decision would result in circumstances demonstrably prejudicial to the viability of the ES SUB Trust Fund. In such a case, the Parties shall attempt to

reach a negotiated settlement failing which either Party may submit the issue to an arbitration as outlined in Article 11.

- 6.6** The members of the Management Committee and the Administrator shall be indemnified and held harmless, out of the assets of the ES SUB Trust Fund, from and against any and all taxes, charges, costs, expenses, damages, claims, losses, fines, penalties, interest, demands and liabilities to which they, or any of them, may become subject for or in respect of anything done or omitted to be done in connection with this Agreement, except as may arise from their willful misconduct or lack of good faith, provided that the foregoing indemnity shall not apply to claims which are paid by insurance obtained pursuant to Article 6.3 (f).

ARTICLE 7

ADMINISTRATION OF THE PLAN

- 7.1** The Employer shall be responsible for the day to day administration of the ES SUB Plan. The Employer shall be responsible for making the initial decision regarding an employee's eligibility for ES SUB Benefits and the record keeping and payout of such benefits to employees, less any necessary deductions such as, but not limited to, income tax. The Employer agrees that any benefits payable under the ES SUB Plan in a given month shall be paid to ES Eligible Employees by the Employer on the same biweekly basis as active working TCRC MWED members.
- 7.2** The Employer shall obtain reimbursement from the ES SUB Trust Fund for payments made pursuant to Article 7.1. The Employer shall send a detailed invoice to the Trustee, with a copy to the Administrator, setting out the amount of ES SUB Benefits paid out over the relevant period, and the Trustee shall reimburse the Employer for such amount within 15 days of receipt of such invoice.
- 7.3** The Parties agree that the Employer is eligible to obtain reimbursement from the ES SUB Trust Fund for any monies paid out under the ES SUB Plan, even if such payments were made in error. However, any such reimbursement to the Employer is without prejudice to the TCRC MWED's right to make claim or grieve in accordance with the JSA against decisions made by the Employer regarding the payment of benefits in the first instance.
- 7.4** The Employer shall be entitled to receive an administrative fee, payable out of the ES SUB Trust Fund for the performance of its administrative duties. The administrative fee shall be paid monthly and shall be equal to 2% of the amount of ES SUB Benefits paid pursuant to Article 7.1.
- 7.5** To assist in the administration of the ES SUB Plan, the TCRC MWED shall appoint an individual to act as

the Administrator of the Plan. The Administrator shall perform a reporting and liaison function with respect to the ES SUB Plan and ES SUB Trust Fund and for this purpose take part in the day to day administration of employee. However, the Administrators shall not have any involvement in determining an employees eligibility for benefits or the level of any such benefits to be paid.

- 7.6** The duties and responsibilities of the Administrator shall be determined by the Management Committee and shall include, but are not necessarily limited to the following:
- (a)** Monitor the performance of the ES SUB Trust Fund;
 - (b)** Attend upon meetings of the Management Committee;
 - (c)** Report and advise the Management Committee as to the developments respecting the ES SUB Plan and performance of the ES SUB Trust Fund;
 - (d)** Liaise with relevant Parties, including the appropriate payroll personnel of the Employer and affected ES Eligible Employees; Find employment for ES Eligible Employees.
- 7.7** The Employer shall pay the salary of the Administrator which shall be equal to 110% of a track maintenance foreman's rate of pay under the Collective Agreement. The Management Committee will have the power to add additional sums to the Administrator's salary, such additional sums to be paid out of ES SUB Trust Fund.
- 7.8** Where there is a concern that the amount in the ES SUB Trust Fund is or is likely to be substantially greater or less than the amount required to fund payment of ES SUB Benefits to ES Eligible Employees then the Management Committee shall consider the issue and shall make a recommendation to the Parties and the Parties shall then attempt to develop and implement solutions addressing such concern.

ARTICLE 8

ELIGIBILITY FOR BENEFITS

- 8.1** ES Eligible Employees are eligible to receive ES SUB Benefits in accordance with the terms and conditions set forth in Article 7 and 7.A.1 of the JSA.
- 8.2** In order to receive ES SUB Benefits, an ES Eligible Employee shall have applied for and be in receipt of employment insurance except if such ES Eligible Employee is serving his waiting period, has insufficient insurable employment or has exhausted his employment insurance benefit entitlement.
- 8.3** Employees have no vested rights to payments or benefits under the ES SUB Plan, except to payments during the period of unemployment as provided for under the ES SUB Plan.
- 8.4** Payments in respect of guaranteed annual remuneration or in respect of deferred remuneration, or severance pay benefits shall not be reduced or increased by benefits paid pursuant to the ES SUB Plan.
- 8.5** ES Eligible Employees shall provide the Employer with employment insurance benefit cheque stubs in order to benefit from payment from the ES SUB Plan.
- 8.6** Employees shall be disqualified in accordance with the terms conditions set forth in Article 7 of the JSA.

ARTICLE 9

BENEFITS PAYABLE

- 9.1** ES SUB Benefits shall be payable to ES Eligible Employees in accordance with the terms and conditions set forth in Articles 7 and 7.A.1 of the JSA.
- 9.2** Notwithstanding the foregoing:
- (a)** No ES SUB Benefits are payable to an ES Eligible Employee while on vacation;
 - (b)** No separation benefits, bridging, educational leave or severance shall be paid under the ES SUB Plan or from the assets of the ES SUB Trust Fund;
 - (c)** No ES SUB Benefits are payable under the ES SUB Plan or from the assets of the ES SUB Trust Fund for the purpose of maintaining, in whole or in part, the former level of remuneration of an ES Eligible Employee who has, for technological, operational or organizational reasons, been transferred to new employment at a lower level of remuneration;
 - (d)** In no event shall the Employer be responsible to pay any ES SUB Benefits under the JSA or this Agreement if there are insufficient funds then in the ES SUB Trust Fund to reimburse the Employer pursuant to Article 7.2.
 - (e)** Effective April 1, 2005, benefits characterized as MBR's will be paid from the ES Trust Fund when an ES employee is eligible for a "top up" when recalled to a temporary position within the bargaining unit. This top-up will be paid on the same basis as the top-up currently paid when an employee on ES is working outside of Canadian Pacific.
- 9.3** The Parties agree that Employer paid pension contributions to an ES Eligible Employee's pension plan shall cease once an ES Eligible Employee has received ES SUB Benefits during periods of layoff for a cumulative total time period in excess of that permitted under the Income Tax Act (Canada).

**ARTICLE 10
OTHER PROVISIONS**

- 10.1** The ES SUB Plan's year-end shall be December 31 of each calendar year.
- 10.2** The ES SUB Plan is and shall at all times remain a trust resident in Canada.
- 10.3** Any income generated by the ES SUB Trust Fund shall be re-invested into the ES SUB Trust Fund.
- 10.4** Upon termination of this Agreement, any remaining assets of the ES SUB Trust Fund shall, once appropriate and reasonable administrative costs are deducted, be distributed to the Employer.
- 10.5** This Agreement shall be governed by the laws of the Province of Ontario.

ARTICLE 11 SETTLEMENT OF DISPUTES

- 11.1** In the event a dispute arises respecting the meaning, interpretation, application, administration or alleged violation of this ES SUB Plan Agreement, either Party may require the issue to be referred to arbitration. The Parties will submit a joint statement of issues to the Canadian Railway Office of Arbitration and Dispute Resolution (CROA&DR) except in the case of an Article 6.5 dispute. In the case of an Article 6.5 dispute the Parties shall submit a joint statement of issues to another Arbitrator as agreed to by the Parties. The Parties may submit a separate statement if they cannot agree on a joint statement and in the event that the Parties are unable to agree on an Arbitrator, in the case of an Article 6.5 dispute then the party requesting arbitration shall request that the Minister of Labour appoint an Arbitrator.
- 11.2** The Employer and the TCRC MWED will respectively bear any expenses each has incurred in the presentation of the case to the Arbitrator, but any general or common expenses, including the remuneration of the Arbitrator will be divided equally, or upon agreement of the Parties, borne by the ES SUB Trust Fund.
- 11.3** In the case of an arbitration with respect to a matter referred to in Article 6.5, the Arbitrator shall have the jurisdiction to: i) decide whether the likely result of a proposed decision could result in circumstances demonstrably prejudicial to the viability of the ES SUB Trust Fund, for which the members who provided notice under Article 6.5 shall have the burden of proof, and, ii) if so determine whether the proposed decision shall pass or fail.
- 11.4** The Arbitrator will hear the dispute within 30 days from the date of the request for arbitration and will render his decision together with reasons in writing within 30 days of the completion of the hearing.
- 11.5** The Arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement. The decision of the Arbitrator shall be final and binding.

ARTICLE 12 AMENDMENTS

- 12.1** The Parties may from time to time, amend the provisions of this ES SUB Plan Agreement, provided that at all times the ES SUB Plan continues to comply with the requirements for registration with regard to the applicable income tax and the employment insurance legislation.
- 12.2** Notice of any amendment shall be sent to the Minister of National Revenue and Human Resources Development Canada before such amendment comes into force.

ARTICLE 13 NOTICE

- 13.1** Any notice given under this ES SUB Plan Agreement (other than notice required under Article 6.5, which may be given verbally) shall be considered sufficient if in writing and delivered personally or by registered mail postage prepaid and addressed to all Parties at their following respective addresses:

CANADIAN PACIFIC
401- 9th Avenue S.W.
5th Floor, Gulf Canada Square
Calgary, Alberta T2P 4Z4

TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION
2775 Lancaster Road
Suite 1
Ottawa, Ontario K1B 4V8

- 13.2** Any such notice shall be deemed to have been received at the time of delivery or four (4) business days after such mailing.

**ARTICLE 14
MISCELLANEOUS**

- 14.1** This Agreement shall be binding upon the Parties hereto and shall ensure to their successors and assigns.
- 14.2** This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties duly authorized to do so have signed hereunder on the date first above written.

CANADIAN PACIFIC

TEAMSTERS CANADA
RAIL CONFERENCE
MAINTENANCE OF WAY
EMPLOYEES DIVISION

(SIGNED)
S.J. Samosinski

(SIGNED)
W. Brehl

APPENDIX A

APPENDIX "E" (To be replaced by formal Trust Fund Agreement)

Appendix "E" will be based on the following principles:

Effective August 1, 1995, an Employment Security Fund,(ESF) will be established and shall consist of and be subject to the following conditions:

- i)** an amount of \$7,500,000 which shall be tax deductible by the Company, will be put in the ESF by the Company as an irrevocable trust on the date the ESF is established.
- ii)** on a monthly basis effective January 1, 2006 the Company will contribute to the ESF an amount equal to 1% of the gross monthly payroll for all employees represented by the TCRC MWED in Canadian Pacific in Canada. (Temporarily held in abeyance – See Appendix M)
- iii)** on December 1 of each year starting in 1995, a contribution of \$35,000.
- iv)** a contribution of 0.016% of monthly payroll for each employee on ES status in excess of 220. This contribution will be made for the specific period of time such excess employees are on ES status;
- v)** all income derived from the investments of the Fund;
- vi)** the Company's employment security liability will be limited to the lump sum contribution of \$7,500,000, the contribution equal to 1 % of the payroll for all employees represented by the TCRC MWED in Canadian Pacific Canada, the annual contribution of \$35,000 as well as any contributions that may be required if and when the number of employees on ES exceeds 220. (See Appendix M re the 1% lump sum contribution)

The Company and The Union will jointly determine rules in regard to the management of the ESF. The Company will pay the salary for an individual appointed by the Union. The functions of this individual will be to find employment for employees on ES and to administer the ESF. The Plan administrator will advise the parties as to the performance of the ESF. Where there is concern as to the performance of the ESF the Plan administrator will meet with the Company and the Union to develop solutions addressing such concerns. Solutions in regard to the performance of the ESF may include, as an example, modifications to the level of income protection and/or expansion of the obligations on employees to accept employment. Should there be no agreement between the parties in regard to the legitimacy of the concerns or the proposed solutions, the Plan administrator will refer the matter to binding arbitration.

A surplus beyond what is required to fully fund the ESF, as determined by the parties, will belong to the employees of the Canadian Pacific portion of the TCRC MWED and may be used as desired.

APPENDIX B

November 11, 1998

Brotherhood of Maintenance of Way Employees
Suite 2, 2775 Lancaster Road
Ottawa, Ontario
K1B 4V8

Dear Sirs:

Re: ES Supplementary Unemployment Benefits Plan Agreement made the 11th Day of November, 1998 (the "ES Sub Plan Agreement")

In consideration of Canadian Pacific Railway Company ("CPR") and the Brotherhood of Maintenance of Way Employees (the "Union") entering into the ES Sub Plan Agreement, CPR and the Union hereby agree as follows:

1. Capitalized terms used herein shall have the meaning ascribed thereto in the ES Sub Plan Agreement unless the context require otherwise.
2. Upon payment of the remaining assets of the ES Sub Trust Fund to CPR pursuant to Article 10.4 of the ES Sub Plan Agreement, CPR shall forthwith transfer such assets to the Union provided that CPR and the Union have first executed an amendment to the Collective Agreement and the JSA to terminate CPR's obligations to pay ES Sub Benefits to ES Eligible Employees.

Please acknowledge your agreement to the foregoing by signing and returning the enclosed copy of this letter.

CANADIAN PACIFIC RAILWAY

Per: (signed)
R.M. Andrews

Per: (signed)
S.J. Samosinski

AGREED to this 11th day of November, 1998.

Per: (signed)
G.D. Housch

Per: (signed)
John J. Kruk

**THIS ES EMPLOYEE BENEFITS PLAN AGREEMENT
made the 6th day of June, 2007**

BETWEEN:

**CANADIAN PACIFIC
(the "Employer")**

- and -

PARTY OF THE FIRST PART

**TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION
(the "TCRC MWED")**

PARTY OF THE SECOND PART

WITNESSETH:

1. WHEREAS effective January 1, 2007, the Employer and the TCRC MWED negotiated changes to the Job Security Agreement which contemplates the payment of certain employment security benefits and the establishment and maintenance of a trust fund for the purposes of funding the said benefits in accordance with the terms and provisions set forth in Appendix "E" thereto; (a copy of which is attached as Appendix A to this Agreement).
2. AND WHEREAS the Employer and TCRC MWED wish to establish an Employee Benefits Plan (the "ES EB Plan") and intend that the ES EB Plan constitute an employee benefits plan as defined in the Income Tax Act (Canada);
3. AND WHEREAS the Parties wish to establish an ES EB Trust Agreement, with a designated trustee to manage the said trust monies;
4. AND WHEREAS the Parties have agreed that monies held pursuant to the ES EB Trust Agreement shall be made available primarily for the purpose of maintaining, in whole

or in part, the former level of remuneration of an ES Eligible Employee pursuant to the Collective Agreement and Article 7 of the JSA;

5. AND WHEREAS the Parties wish to set out in this ES EB Plan Agreement the rules and mechanisms by which the level of funding to the ES EB Trust Fund shall be determined and the respective rights and responsibilities of the Parties in regard to the management of the ES EB Trust Fund and the pay-out of ES Employee Benefits.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties covenant and agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

- 1.1** The provisions of the JSA to the extent referred to herein or otherwise required for the purposes of this Agreement, as such provisions may be amended by agreement between the Employer and the TCRC MWED hereafter, form an integral part of this Agreement as if recited at length.
- 1.2** Except as otherwise provided herein, any term or expression defined in the JSA, as the case may be, when used in this Agreement, shall have the meaning ascribed in the JSA, as the case may be.
- 1.3** In this Agreement, the following words and phrases shall have the following meanings respectively, unless the context clearly indicates otherwise:
- (a)** “Administrator” means the individual appointed by the TCRC MWED pursuant to Article 7.5 of the ES SUB Plan Agreement;
 - (b)** “Collective Agreement” means the Collective Bargaining Agreement entered into between the Employer and the TCRC MWED dated June 6, 2007, or any successor collective bargaining agreement in effect between the Employer and the TCRC MWED;
 - (c)** “ES” means Employment Security as described in Article 7 and 7.A.1 of the JSA;
 - (d)** “ES Benefits” means the benefits paid to employees of the Employer represented by the TCRC MWED pursuant to Article 7 and 7.A.1 of the JSA;
 - (e)** “ES Eligible Employee” means an employee of the Employer represented by the TCRC MWED who meets the requirements to receive ES Benefits including those employees whose right to receive ES Benefits has been suspended while actively working in any position other than a permanent position with the Employer.
 - (f)** “ES Employee Benefits” means all benefits or benefit

plan costs (other than ES SUB benefits) payable to ES Eligible Employees pursuant to the Collective Agreement, including without limitation, vacation, extended health and vision, dental, life insurance, weekly indemnity, bereavement leave, general holidays and jury duty benefits and all employer contributions to pension plans on behalf of ES Eligible Employees. ES Employee Benefits do not include any benefits which are payable or which accrue to an ES Eligible Employee during any period while such employee is actively working for the Employer.

- (g)** “ES EB Plan” has the meaning ascribed thereto in the second recital of this Agreement;
- (h)** “ES EB Plan Agreement” or “Agreement” means this agreement.
- (i)** “ES EB Trust Agreement” means the agreement between the Employer, the TCRC MWED and the Trustee as referred to in Article 4.3.
- (j)** “ES EB Trust Fund” means the trust fund established for the purposes of the ES EB Plan and which is hereinafter administered in accordance with the terms of this ES EB Plan Agreement and the ES EB Trust Agreement;
- (k)** “ES SUB Benefits” means ES payments payable to ES Eligible Employees pursuant to Article 7.2 of the JSA;
- (l)** “ES SUB Plan Agreement” means the ES Supplementary Unemployment Benefits Agreement dated June 6, 2007 between the Employer and the TCRC MWED;
- (m)** “ES SUB Trust Fund” has the meaning ascribed thereto in the ES SUB Plan Agreement;
- (n)** “JSA” means the Job Security Agreement entered into between the Employer and the TCRC MWED effective January 1, 2007, or any successor Job security agreement in effect between the Employer and the TCRC MWED;

- (o)** “Management Committee” means the committee of Employer and TCRC MWED Representatives appointed pursuant to Article 6.1 and 6.2 of the ES SUB Plan Agreement;
- (p)** “Parties” means the Employer and the TCRC MWED and “Party” means the Employer or the TCRC MWED;
- (q)** “Trustee” means The Trust Company of Bank of Montreal or another subsequent trust company chosen by the Management Committee.

ARTICLE 2
ESTABLISHMENT OF ES EB PLAN

- 2.1** Pursuant to the terms and provisions set forth in this Agreement, the Employer and the TCRC MWED hereby establish an ES Employee Benefits plan.
- 2.2** The ES EB Plan shall provide ES Eligible Employees certain benefits, all in accordance with the terms and provisions set forth herein, as amended from time to time or terminated by agreement between the Parties.
- 2.3** This ES EB Plan Agreement together with the ES SUB Plan Agreement supersede and replace the provisions of Appendix "E" to the June 1, 1995 JSA.

ARTICLE 3

TERM

- 3.1** The term of this Agreement shall commence effective on the date hereof and shall remain in effect until terminated pursuant to Article 3.2 or 3.3.
- 3.2** This Agreement may be terminated at any time by written agreement of the Employer and the TCRC MWED or by order of a court of competent jurisdiction.
- 3.3** Either the Employer or the TCRC MWED shall have the right to terminate this Agreement in the event of a strike by employees of the Employer represented by the TCRC MWED or in the event of a lockout of such employees by the Employer pursuant to the provisions of the Canada Labour Code or successor legislation.

ARTICLE 4

ESTABLISHMENT OF ES EB TRUST FUND

- 4.1** The Employer will contribute and hold in trust certain funds which are to be utilized for the payment of ES Benefits. These contributions consist of and are subject to the following:
- (a)** A lump sum contribution in the amount of \$7,500,000;
 - (b)** On the first day of every month commencing January 1, 2006, a monthly contribution in an amount equal to 1% of the gross monthly payroll for all employees represented by the TCRC MWED employed by the Employer in Canada; (Temporarily held in abeyance – See Appendix M)
 - (c)** On December 1, 1995 and on December 1 of each year thereafter during the term of this agreement, an annual contribution in the amount of \$35,000;
 - (d)** Effective September 1, 1995, a monthly contribution in an amount equal to 0.016% of the gross monthly payroll for each ES Eligible Employee in excess of 220. This contribution will be made for the specific period of time such excess employees are ES Eligible Employees and;
 - (e)** All income derived from the investment of the above.
- 4.2** The Parties hereby agree that the payment of ES Benefits shall take the form of either ES Employee Benefits or ES SUB Benefits with respect to an ES Eligible Employee.
- 4.3** The Parties hereby agree to establish an ES EB Trust Fund for the purpose of making payment to ES Eligible Employees under the provisions of the JSA and this ES EB Plan Agreement. The Employer and the TCRC MWED shall both enter into an ES EB Trust Agreement with the Trustee and such agreement shall govern the administration of contributions made by the Employer into such trust. The Employer and the TCRC MWED agree that the ES EB Trust Fund will be formally established,

managed and administered pursuant to the terms and conditions of the ES EB Trust Agreement and, where applicable, this ES EB Plan Agreement. In the event of a surplus in the ES EB Trust Fund beyond what is required or is likely to be required to pay ES Employee Benefits the Management Committee shall be authorized to direct the Trustee to disburse such surplus funds from the ES EB Trust Fund in accordance with the directions of the Management Committee.

- 4.4** The Employer's funding obligation under this ES EB Plan Agreement and the ES SUB Plan Agreement shall be limited to its contributions pursuant to Article 4.1.
- 4.5 (a)** The amount to be paid to the Trustee by the Employer to initially establish the ES EB Trust Fund shall be determined in accordance with the provisions of Article 4.5 (a), (b) and (c) of the ES SUB Plan Agreement.
- (b)** From December 31, 1998, the Management Committee shall thereafter allocate the ongoing and continuing monthly contributions referenced in Article 4.1 as between the ES SUB Trust Fund and the ES EB Trust Fund.

ARTICLE 5 REGISTRATION

- 5.1** If necessary, the Employer shall apply for the registration of this Agreement as an employee benefit plan pursuant to the Income Tax Act or any other legislation as applicable.
- 5.2** The Parties agree that registration of the ES SUB Plan Agreement pursuant to Article 5.1 of the ES SUB Plan Agreement is a condition of this Agreement and in the event such registration cannot be obtained on or before December 31, 1999, all amounts then in the ES EB Trust Fund shall be paid out to the Employer and this Agreement shall then be null and void.

ARTICLE 6

MANAGEMENT COMMITTEE

- 6.1** In addition to the powers, rights and duties granted to or imposed on the Management Committee elsewhere in this Agreement or by law, the Management Committee shall have the following powers, rights and duties with respect to the ES Trust Fund:
- (a)** To allocate the ongoing and continuing monthly and annual contributions referenced in Article 4.1 accruing after December 31, 1998, as between the ES EB Trust Fund and the ES SUB Trust Fund based on the financial health and future requirements of the respective trust funds;
 - (b)** To appoint and remove the Trustee and any professional advisors;
 - (c)** To monitor the ES EB Trust Fund's performance and obtain reporting from the Trustee;
 - (d)** To provide guidance and instruction to the Trustee on matters pertaining to the investment of the ES EB Trust Fund;
 - (e)** To establish and review from time to time an appropriate investment policy and investment guidelines regarding the investment of the ES EB Trust Fund in accordance with any applicable legislation and to report from time to time to the Employer and the TCRC MWED regarding such policy and guidelines and regarding the investment performance of the ES EB Trust Fund;
 - (f)** To obtain such insurance as the Management Committee deems necessary or advisable from time to time, with all insurance premiums to be paid out of the ES EB Trust Fund;
 - (g)** To pay out of the ES EB Trust Fund all reasonable expenses incurred by the Administrator, the Management Committee, or the Parties in the administration of the ES EB Plan.

- 6.2** The members of the Management Committee may act at a meeting (including a meeting at different locations by telephone conference), in writing without a meeting or in any other manner as may be agreed to by the members of the Management Committee, and any committee member by writing may delegate any or all of his rights, powers, duties and discretion to any other member with the consent of such member. The action or decision of a majority of the members of the Management Committee as to a matter shall be considered the action or decision of the Management Committee. Subject to applicable law, no member of the Management Committee shall be liable for an act or omission of the other Management Committee members in which the former had not concurred.
- 6.3** The chairperson shall not cast a vote on any matter before committee except in a case where the remaining members of the Management Committee are deadlocked in a tie vote and an additional vote is necessary to break the tie.
- 6.4** The members of the Management Committee and the Administrator shall be indemnified and held harmless, out of the assets of the ES EB Trust Fund, from and against any and all taxes, charges, costs, expenses, damages, claims, losses, fines, penalties, interest, demands and liabilities to which they, or any of them, may become subject for or in respect of anything done or omitted to be done in connection with this Agreement, except as may arise from their willful misconduct or lack of good faith, provided that the foregoing indemnity shall not apply to claims which are paid by insurance obtained pursuant to Article 6.1 (f).

ARTICLE 7

ADMINISTRATION OF THE PLAN

- 7.1** The Employer shall be responsible for the day to day administration of the ES EB Plan. The Employer shall be responsible for making the initial decision regarding an employee's eligibility for ES Employee Benefits and the record keeping and payout of such benefits to employees, less any necessary deductions such as, but not limited to, income tax. The Employer agrees that any benefits payable under the ES EB Plan in a given month shall be paid to ES Eligible Employees by the Employer on the same biweekly basis as active working TCRC MWED members.
- 7.2** The Employer shall obtain reimbursement from the ES EB Trust Fund for payments made pursuant to Article 7.1. The Employer shall send a detailed invoice to the Trustee, with a copy to the Administrator, setting out the amount of ES SUB Benefits paid out over the relevant period, and the Trustee shall reimburse the Employer for such amount within 15 days of receipt of such invoice.
- 7.3** The Parties agree that the Employer is eligible to obtain reimbursement from the ES EB Trust Fund for any monies paid out under the ES EB Plan, even if such payments were made in error. However, any such reimbursement to the Employer is without prejudice to the TCRC MWED's right to make claim or grieve in accordance with the JSA against decisions made by the Employer regarding the payment of benefits in the first instance.
- 7.4** The Employer shall be entitled to receive an administrative fee, payable out of the ES EB Trust Fund for the performance of its administrative duties. The administrative fee shall be paid monthly and shall be equal to 2% of the amount of ES Employee Benefits paid pursuant to Article 7.1.
- 7.5** The Administrator shall perform a reporting and liaison function with respect to the ES EB Plan and ES EB Trust Fund and for this purpose take part in the day to day

administration of employee. However, the Administrators shall not have any involvement in determining an employee's eligibility for benefits or the level of any such benefits to be paid.

- 7.6** The duties and responsibilities of the Administrator shall be determined by the Management Committee and shall include, but are not necessarily limited to the following:
- (a)** Monitor the performance of the ES EB Trust Fund;
 - (b)** Attend upon meetings of the Management Committee;
 - (c)** Report and advise the Management Committee as to the developments respecting the ES EB Plan and performance of the ES EB Trust Fund;
 - (d)** Liaise with relevant Parties, including the appropriate payroll personnel of the Employer and affected ES Eligible Employees.

ARTICLE 8

ELIGIBILITY FOR BENEFITS

- 8.1** ES Eligible Employees are eligible to receive ES Employee Benefits in accordance with the terms and conditions set forth in the Collective Agreement, the applicable pension plan and Articles 7 and 7.A.1 of the JSA.
- 8.2** Employees have no vested rights to payments or benefits under the ES EB Plan, except to payments during the period of unemployment as provided for under the JSA AND ES EB Plan.
- 8.3** Payments in respect of guaranteed annual remuneration or in respect of deferred remuneration, or severance pay benefits shall not be reduced or increased by benefits paid pursuant to the ES EB Plan.
- 8.4** Employees shall be disqualified in accordance with the terms conditions set forth in Article 7 of the JSA.

ARTICLE 9

BENEFITS PAYABLE

- 9.1** ES Employee Benefits shall be payable to ES Eligible Employees in accordance with the terms and conditions set forth in the Collective Agreement, the applicable pension plan and Articles 7 and 7.A.1 of the JSA.
- 9.2** Notwithstanding the foregoing:
- (a)** No separation benefits, bridging, educational leave or severance shall be paid under the ES EB Plan or from the assets of the ES EB Trust Fund;
 - (b)** In no event shall the Employer be responsible to pay any ES Employee Benefits under the JSA or this Agreement if there are insufficient funds then in the ES EB Trust Fund to reimburse the Employer pursuant to Article 7.2.
 - (c)** Effective April 1, 2005, benefits characterized as MBR's will be paid from the ES Trust Fund when an ES employee is eligible for a "top up" when recalled to a temporary position within the bargaining unit. This top-up will be paid on the same basis as the top-up currently paid when an employee on ES is working outside of Canadian Pacific.

ARTICLE 10 OTHER PROVISIONS

- 10.1** The ES EB Plan's year-end shall be December 31 of each calendar year.
- 10.2** The ES EB Plan is and shall at all times remain a trust resident in Canada.
- 10.3** Any income generated by the ES EB Trust Fund shall be re-invested into the ES EB Trust Fund.
- 10.4** Upon termination of this Agreement, any remaining assets of the ES EB Trust Fund shall, once appropriate and reasonable administrative costs are deducted, be distributed to the TCRC MWED or be used for payment of ES Employee Benefits. In the event that such assets are distributed to the TCRC MWED, then the Employer shall have no further obligation to pay ES Employee Benefits to ES Eligible Employees. Prior to any distribution of such assets to the TCRC MWED, the TCRC MWED and the Employer shall execute an amendment to the Collective Agreement, the JSA and the applicable pension plans to terminate the Employer's obligations to pay ES Employee Benefits to ES Eligible Employees.
- 10.5** This Agreement shall be governed by the laws of the Province of Ontario.

ARTICLE 11

SETTLEMENT OF DISPUTES

11.1 In the event a dispute arises respecting the meaning, interpretation, application, administration or alleged violation of this ES EB Plan Agreement, either Party may require the issue to be referred to arbitration. The Parties will submit a joint statement of issues to the Canadian Railway Office of Arbitration and Dispute Resolution (CROA&DR) OR SUCH OTHER ARBITRATOR AS AGREED TO BY THE Parties.

The Parties shall submit a separate statement of issues if they cannot agree on a joint statement, and in the event that the Parties are unable to agree on an Arbitrator, then the party requesting arbitration shall request that the Minister of Labour appoint an Arbitrator.

11.2 The Employer and the TCRC MWED will respectively bear any expenses each has incurred in the presentation of the case to the Arbitrator, but any general or common expenses, including the remuneration of the Arbitrator will be divided equally, or upon agreement of the Parties, borne by the ES EB Trust Fund.

11.3 The Arbitrator will hear the dispute within 30 days from the date of the request for arbitration and will render his decision together with reasons in writing within 30 days of the completion of the hearing.

11.4 The Arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement. The decision of the Arbitrator shall be final and binding.

ARTICLE 12
AMENDMENTS

12.1 The Parties may from time to time, amend the provisions of this ES EB Plan Agreement, provided that at all times the ES EB Plan continues to comply with the requirements for registration with regard to the applicable income tax and the employment insurance legislation.

ARTICLE 13 NOTICE

13.1 Any notice given under this ES EB Plan Agreement shall be considered sufficient if in writing and delivered personally or by registered mail postage prepaid and addressed to all Parties at their following respective addresses:

CANADIAN PACIFIC
401- 9th Avenue S.W.
5th Floor, Gulf Canada Square
Calgary, Alberta T2P 4Z4

TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION
2775 Lancaster Road
Suite 1
Ottawa, Ontario K1B 4V8

13.2 Any such notice shall be deemed to have been received at the time of delivery or four (4) business days after such mailing.

**ARTICLE 14
MISCELLANEOUS**

- 14.1** This Agreement shall be binding upon the Parties hereto and shall ensure to their successors and assigns.
- 14.2** This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties duly authorized to do so have signed hereunder on the date first above written.

CANADIAN PACIFIC

TEAMSTERS CANADA
RAIL CONFERENCE
MAINTENANCE OF WAY
EMPLOYEES DIVISION

(SIGNED)
S.J. Samosinski

(SIGNED)
W. Brehl

APPENDIX A

APPENDIX “E” (To be replaced by formal Trust Fund Agreement)

Appendix “E” will be based on the following principles:

Effective August 1, 1995, an Employment Security Fund, (ESF) will be established and shall consist of and be subject to the following conditions:

- i)** an amount of \$7,500,000 which shall be tax deductible by the Company, will be put in the ESF by the Company as an irrevocable trust on the date the ESF is established.
- ii)** On a monthly basis effective January 1, 2006, the Company will contribute to the ESF an amount equal to 1% of the gross monthly payroll for all employees represented by the TCRC MWED in Canadian Pacific in Canada; (Temporarily held in abeyance – See Appendix M)
- iii)** on December 1 of each year starting in 1995, a contribution of \$35,000.
- iv)** a contribution of 0.016% of monthly payroll for each employee on ES status in excess of 220. This contribution will be made for the specific period of time such excess employees are on ES status;
- v)** all income derived from the investments of the Fund;
- vi)** the Company’s employment security liability will be limited to the lump sum contribution of \$7,500,000, the contribution equal to 1 % of the payroll for all employees represented by the TCRC MWED in Canadian Pacific in Canada, the annual contribution of \$35,000 as well as any contributions that may be required if and when the number of employees on ES exceeds 220. (See Appendix M re the 1% lump sum contribution)

The Company and The Union will jointly determine rules in regard to the management of the ESF. The Company will pay the salary for an individual appointed by the Union. The functions of this individual will be to find employment for employees on ES and to administer the ESF. The Plan administrator will advise the parties as to the performance of the ESF. Where there is concern as to the performance of the ESF the Plan administrator will meet with the Company and the Union to develop solutions addressing such concerns. Solutions in regard to the performance of the ESF may include, as an example, modifications to the level of income protection and/or expansion of the obligations on employees to accept employment. Should there be no agreement between the parties in regard to the legitimacy of the concerns or the proposed solutions, the Plan administrator will refer the matter to binding arbitration.

A surplus beyond what is required to fully fund the ESF, as determined by the parties, will belong to the employees of the Canadian Pacific portion of the TCRC MWED and may be used as desired.

APPENDIX “F”

Mr. J.J. Kruk
System Federation General Chairman
Brotherhood of Maintenance of
Way Employees
Suite 2, 2775 Lancaster Road
Ottawa, ON K1B 4V8

February 14, 1998

Dear Sir;

During the current round of negotiations the Brotherhood expressed the concern that the Company was not granting various packages contained within the Job Security Agreement in an effort to get employees off of Employment Security status.

To resolve this matter the Company has agreed that within 60 days of the ratification of our Memorandum of Settlement, the parties will select a mutually acceptable date and location to address the concerns raised, It is hoped that we can reach a satisfactory resolve to these issues, but if not, the matter may be brought before the CROA Arbitration office.

Yours truly,

(signed)

M.E. Keiran
Director
Labour Relations

APPENDIX “G”

To: Mr. M. E. Keiran
Director
Labour Relations

February 14, 1998

Dear Sir:

This is in connection with the B.M.W.E. demand to amend Article 7.5 (b) of the JSA in order to preclude outside earnings from being deducted prior to the issuance of the Article 8.1 notice.

The Brotherhood understands and recognizes that in doing so this may result in a greater amount of ES benefits being paid to employees and therefore may lead to a reduction in the amount of funds available in the ESF. We also recognize that this may also make for an additional incentive for employees to obtain outside work, thereby causing less of a draw on the fund.

Yours truly,

(signed)

System Federation General Chairman
Brotherhood of Maintenance of Way

APPENDIX "H"

May 5, 1995

To : Mr. J.J.Kruk

From: S.J. Samosinski

Dear Sir:

This letter deals with the situation of a supervisor reverting to a position in your bargaining unit in circumstances where the supervisor concerned has been affected by the types of changes covered by Article 8 of the Job Security Agreement.

In such circumstances, any bargaining unit employees adversely affected by such reversion to the ranks will be covered by all provisions in the Job Security Agreement flowing from Article 8 changes, except that the notice pursuant to that clause will not be issued.

Yours truly,

(signed)

S.J. Samosinski
Director
Labour Relations

I concur:

(signed)

John J. Kruk
System Federation
General Chairman

APPENDIX "I"

May 5, 1995

To: Mr. G. Housch

From: S.J. Samosinski

Dear Sir:

During this round of negotiations the Company and Union agreed that every effort would be made to discuss Company plans in regard to changes which could have a potentially adverse effect on employees as far in advance as possible prior to the issuance of an Article 8 notice.

Company plans involving shortlines and abandonment's would be appropriate issues for discussions between the parties. In circumstances where financial records, traffic records or other such sensitive material are disclosed, a confidentiality agreement will be signed between the parties.

Yours truly,

(signed)

S.J. Samosinski
Director, Labour Relations

APPENDIX “J”

Mr. J.J. Kruk
System Federation General Chairman
Brotherhood of Maintenance of
Way Employees
2775 Lancaster Road
Ottawa, Ontario K1B 4V8

February 14, 1998

Dear Mr. Kruk

During the current round of negotiations it was agreed to remove the 25 year requirement in Pension Rule 9.02(a) as it pertains to employees represented by the BMW.

The Union raised concern as to how this change would affect the Job Security Agreement in regard to the Early Retirement and Bridging options, Options One and Two of the JSA, respectively.

This will confirm that this change to the 25 year requirement will in no way alter the current conditions required for eligibility for these benefits; Early Retirement - at least 55 years of age and 25 years of pensionable service, Bridging - within 5 years of preceding requirement for early retirement. This does not preclude an employee electing the above options, at his sole discretion, without the 25 year requirement.

Yours Truly,

(signed)

M.E. Keiran
Director, Labour Relations

OUTLINE OF A BUYBACK PROPOSAL

A Member who was a Member on August 1, 2007, who ceases membership in the Plan for the reason stated below, during the period up until July 1, 2010, may buy additional Pensionable Service, subject to the following:

- Employee is a member of the union signatory to the Memorandum of Settlement on the signatory date.
- Employee is terminating employment or retiring as a direct result of Company downsizing initiatives.
- Employee contributes toward the cost of the buyback the same contribution that the employee makes in respect of current service, based on annualized pay rate at time of buyback. In some cases, the pension will be limited by Revenue Canada to 2/3 of the normal Revenue Canada limit - in these cases the employee contribution is also limited to 2/3 of the normal maximum contribution.
- All employee contributions toward the buyback must be made prior to the termination or retirement date. The deductibility of employee contributions for tax purposes may be deferred and depends upon each employee's specific circumstances.
- Only periods of service with the Company, which are not now considered Pensionable Service, are eligible. Eligible periods include periods of service but exclude periods of absence due to strike.
- Periods of service prior to the most recent hire date are included. In the case of an employee who has a prior period of service for which the employee chose to leave his/her contributions in the fund to take a frozen deferred pension, such service would be reactivated - the pension for that service would be based on current final average earnings, and that

service would count for purposes of eligibility to retire with 85 points.

- Periods of Service after 1989 are excluded because of difficulties with Revenue Canada rules.
- No more than 35 years of total Pensionable Service.
- Each buyback is subject to Revenue Canada limitations, which may have to be determined on a case by case basis in consultation with Revenue Canada. Minimal changes to the program, as required by Revenue Canada or the Office of Superintendent of Financial Institutions will be made.
- The buyback program can only be implemented after the plan rule modifications are approved by the Pension Committee and the Board of Canadian Pacific, and filed with the Office of Superintendent of Financial Institutions and Revenue Canada.

APPENDIX “L”

February 14, 1998

Mr. J. J. Kruk
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
Suite 2, 2775 Lancaster Road
Ottawa, Ontario K1B 4V8

Dear Sir:

This is in connection with the viability of the Employment Security Fund (ESF) over the term of the collective agreement emanating from today's Memorandum of Settlement.

Concern was raised by the union in regard to the expected number of reductions that could occur during the term of the collective agreement. Given the pace of change in the industry the Company cannot provide a guarantee in regard to potential reductions of the next few years. However, based on the CTA Three Year Plan, it could be anticipated that an additional 40 employees may be subject to ES protection over the next few years.

The Company would like to stress that it is not its intent to engage in severe reductions.

The Company undertakes to cooperate with the Union to maximize work opportunities for employees on ES status and make every effort to ensure that the utilization rate of such employees does not fall below 50% on average.

Yours truly,

Director, Labour Relations

APPENDIX “M”

Letter concerning the diversion of 1% of the Company's contribution to the ES Fund

June 6, 2007

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 1 - 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Mr. Brehl:

During negotiations there was a shortfall between the Union's expectations and what the Company was prepared to agree to with respect to an overall settlement. In exploring options that would satisfy both parties concerns, we evaluated the possibility of diverting all or part of the existing company contribution (1%) to the ES fund to cover this shortfall.

A review of the ES fund clearly indicated that a 1% diversion would not negatively impact the fund's ability to cover the future cost of benefits.

Thus, upon ratification, 1% of the existing company contribution to the ES fund will be temporarily converted to a semi-annual lump sum payment equivalent to 1% of gross payroll earnings and paid to each employee for the period January 1st to June 30th and then a second payment for the period from July 1st to December 31st.

In order to allow for a full payment for the Period January 1st, 2007 until June 30th, 2007, any monies advanced to the ES Fund for this corresponding time will be withdrawn from either the ES-EB and/or ES-SUB Funds, as determined by the Company and refunded to the Company.

The aforementioned process shall remain in effect for the duration of the contract, at which time it will revert to the former contribution arrangement (1% of gross monthly payroll for employees represented by the TCRC-MWED employed by Canadian Pacific in Canada).

It is understood that the company will not incur additional liability as a result of this change should the fund cease to have sufficient funds to cover its obligations.

The 1% diversion payments shall be considered as pensionable earnings.

Yours truly,

Rick Wilson
Assistant Vice-President
Industrial Relations

APPENDIX “N”

Letter dated January 14, 2005 concerning Health Spending Account for Retirees.

CALGARY, January 14, 2005

Mr. W. Brehl
President
Teamsters Canada Rail Conference
Maintenance of Way Employees Division
Suite 2 – 2775 Lancaster Rd.
Ottawa, Ontario
K1B 4V8

Dear Sir:

This is in regard to our discussions concerning the implementation of a Health Spending Account for retirees. As agreed, background concerning the current program and how the Health Spending Account will work as well as the benefits associated with the new HSA are outlined below.

BACKGROUND: THE CURRENT PROGRAM

Although the health care environment has changed a great deal and costs have continued to increase, the pensioner health plan has not been updated in many years. The “basic” pensioner health plan features a lifetime maximum benefit of \$15,000 and provides coverage for a restricted amount of prescription drugs and other medical services.

The lifetime maximum under the current plan provides less in the way of coverage as health care costs continue to rise, and as more of the costs are shifted to from the government-provided plan to pensioners. Moreover, the benefits covered by the current plan are limited. For example, the basic plan does not cover most paramedical practitioners (i.e., services

of a chiropractor or podiatrists), nursing services and auxiliary facilities, nor does it cover dental care, vision care, hearing aids or out-of-country medical expenses.

CPR also offers a \$10,000 “top-up” plan, which pensioners can buy at an additional cost to supplement their basic coverage. The majority of pensioners buy the top-up plan, even though it, too, offers limited coverage.

THE HEALTH SPENDING ACCOUNT

The HSA would not be available to current pensioners or any employees who retire before January 1, 2005. Employees who retire subsequent to December 31, 2004 would be eligible for the HSA. Employees who retire within two years of January 1, 2005 would be offered the choice of the current plan or the new HSA.

How the HSA works:

- a) There is no change from current eligibility requirements. A retired employee will receive from CPR an annual contribution to his/her HSA for the rest of his/her life. This contribution will also continue for the remainder of the employee's spouse's life.
- b) The amount of money is determined by a formula, based on an employee's length of service with the company. Under the formula, an employee will accrue \$33 for each year of active service. For example, if an employee had 26 years of service when he retired, he would receive \$858 each year in their HSA ($\$33 \text{ per year} \times 26 \text{ years of service} = \858 per year). When the employee died, the surviving spouse would be eligible for the full amount of the HSA for the rest of her life.
- c) When an employee incurs an eligible health expense that is not covered by provincial health care (such as vision care, dental treatment, hearing aids, etc.), the employee pays for the service and then uses the money in his/her HSA to reimburse himself/herself tax-free for the expense. The list of 'eligible' expenses is defined by tax law, and is much

broader than the expenses covered by the current CPR basic and top-up plans. There is no deductible associated with this approach.

- d) The HSA may also be used to pay for premiums for private health or dental coverage (or for the Quebec pharmacare premiums for those pensioners living in Quebec).
- e) In order to simplify personal administration required from the retiree, CPR has secured an optional “preferred provider” health care insurer who will offer a choice of different plans at better rates than pensioners are capable of getting on their own.
- f) Any balance remaining in the HSA at the end of the year is carried over to the next year and added to the Company’s annual contribution. However, the carry forward amount must be used in the following year; otherwise the law requires it be forfeited (i.e., each HSA amount has a ‘lifespan’ of 2 years).
- g) The money contributed by CPR to the HSA is not taxable; the only exception is for those pensioners living in Quebec. However, the Quebec pharmacare premium that pensioners are currently paying could be paid through the HSA.

HSA BENEFITS

- h) Flexibility — since pensioners can choose the benefits they need, based on their own personal circumstances
- i) Tax effectiveness — since money going into and out of these accounts are not taxable to pensioners (except in Quebec)
- j) Better coverage options — since pensioners can use their HSA to pay for a wide range of health care benefits not covered under our existing plan, including the opportunity to purchase out-of-country emergency medical coverage.

Communicating the new plan to employees will be critical. CPR is committed to provide extensive communication. For instance, a call centre has been established so that Plan members can

have access to the necessary resources to answer all of their questions and to take full advantage of all of the features this new approach will offer.

Yours truly,

I concur,

S.J. Samosinski
Director,
Labour Relations

W. Brehl
President
Teamsters Canada
Rail Conference
Maintenance of Way
Employees Division

**CANADIAN PACIFIC
BENEFIT PLANS FOR
EMPLOYEES REPRESENTED**

**TEAMSTERS CANADA RAIL CONFERENCE MAINTENANCE
OF WAY EMPLOYEES DIVISION**

Extended Health & Vision care plan

Dental Care Benefits

Group Term Insurance Policy

Disability Plan Benefits

EXTENDED HEALTH AND VISION CARE PLAN

THE PLAN DOCUMENT SCHEDULE III-A

The EH & VC Plans previously issued to Canadian Pacific Limited for the persons covered under Schedules III-A, III-C and III-D are cancelled and replaced by this EH & VC Plan on its Effective Date. Canadian Pacific is the successor to Canadian Pacific Limited, effective as of July 4, 1996, by virtue of appropriate corporate action. The terms and benefits of this EH & VC Plan apply to any person who was covered under the previous EH & VC Plans on the day immediately before the Effective Date of the present EH & VC Plan.

Canadian Pacific hereby instructs the Service Organization that claims incurred on or after January 1, 2007 be administered in accordance with the terms of this EH & VC Plan.

MANULIFE FINANCIAL

EXTENDED HEALTH AND VISION CARE PLAN DOCUMENT

NO. 84500

For

EMPLOYEES OF

CANADIAN PACIFIC

represented by

TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION

Plan Document No. 84500

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**EXTENDED HEALTH AND VISION CARE PLAN
FOR THE EMPLOYEES OF CANADIAN PACIFIC
REPRESENTED BY THE
TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION**

SECTION 1 - DEFINITIONS

- 1.1** The terms used herein shall have the meanings as hereinafter provided and words implying the masculine gender include the feminine.
- 1.2** “Benefit Year” means a 12 month period from January 1st until the next following December 31st.
- 1.3** “Benefit Year Deductible” means the sum of the Eligible Expenses equal to the deductible amount specified in Section 4 hereof.
- 1.4** “Co-Payment Percentage” means that portion of Eligible Expenses in excess of the Benefit Year Deductible specified in Section 4 hereof.
- 1.5** “Company” means Canadian Pacific.
- 1.6** “Contractholder” means Canadian Pacific.
- 1.7** “Deemed Date of Incurral” means that any expense or charge for Eligible Expenses shall be deemed incurred
- (a)** by the person receiving the Medical Care for which the charge is made, and
- (b)** on the date such Medical Care is received.
- 1.8** “Dental Care” means any treatment, operation, procedure or service which is accepted as or defined as dentistry by the licensing body, agency, authority, laws or regulations governing the practice of dentistry within the country, state, province or territory where such care is supplied or performed by a Dentist.
- 1.9** “Dentist” means a person who is currently licensed to practice dentistry by a governmental authority having

jurisdiction over the licensing and practicing of dentistry, and who is operating within the scope of his license.

1.10 “Dependent(s)” means

- (a)** the Eligible Spouse of an Eligible Employee;
- (b)** any unemployed dependent children, stepchildren or adopted children of an Eligible Employee:
 - (i)** under the age of 21 residing with such Eligible Employee or the Eligible Spouse of such Eligible Employee, or
 - (ii)** under age 25 if registered as a full-time College or University Student, or
 - (iii)** of any age if handicapped and solely dependent upon such Eligible Employee,
- (c)** but excludes any person who is covered under this EH & VC Plan as an Eligible Employee.

A Child may not be considered to be a Dependent of more than one Eligible Employee.

1.11 “Doctor” means a qualified physician or surgeon duly licensed to practice medicine and includes persons legally authorized to treat patients with drugs and issue drug prescriptions.

1.12 “Effective Date” means January 1, 2007.

1.13 “EH & VC Plan” means the Extended Health and Vision Care Plan described herein.

1.14 “Eligible Employee(s)” shall be as defined in Section 2 hereof.

1.15 “Eligible Expenses” means those charges and expenses incurred for Medical Care specified in Section 5 to 7 hereof.

1.16 “Eligible Spouse” means 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 means the person that qualifies as a spouse under the definition of that word in Section 2(1) of the Canadian Human Rights Benefits Regulations, so long as such person 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.

- 1.17** “Employer” means a Railway as defined herein.
- 1.18** “Extended Health and Vision Care Benefits” means the amounts to which an Eligible Employee or a Dependent is entitled pursuant to Section 4 hereof.
- 1.19** “Extended Health and Vision Care Plan Agreement” shall mean the agreements entered into between the Company and the unions on the 10th day of December, 1985, the 29th day of January, 1986, the 14th day of March, 1986 and the 30th day of June, 1989 in respect of Extended Health and Vision Care Benefits.
- 1.20** “Hospital” means a legally operated institution which
- (a)** is primarily engaged in providing, for compensation from its patients, medical, diagnostic and surgical facilities for the care and treatment of sick and injured persons on an in-patient basis, and
 - (b)** provides such facilities under the supervision of a staff of Doctors with a 24 hour a day nursing service by registered nurses, and
 - (c)** is not principally a home for the aged, rest home, nursing home or a place for the care and treatment of drug addicts or alcoholics.
- 1.21** “Illness” means bodily injury, sickness, disease, or mental infirmity, and for the purposes of this definition includes Pregnancy.

- 1.22** “Master Agreement” means the Master Agreement signed between the Company and The Brotherhood of Maintenance of Way. A list of the individual collective agreements is attached hereto as Annex A.
- 1.23** “Maximum Lifetime Benefit” means the maximum sum of Extended Health and Vision Care Benefits specified in Section 4 hereof.
- 1.24** “Medical Care” means those services provided and drugs or supplies prescribed, ordered or applied by a Doctor or Dentist in the treatment of an illness pursuant to Section 6 hereof. The services of a psychologist or a social worker do not need to be ordered by a Doctor.
- 1.25** “Pregnancy” means pregnancy, childbirth, miscarriage, abortion and conditions which result directly or indirectly from any of these.
- 1.26** “Railway” means Canadian Pacific and its subsidiaries, joint properties listed in the Master Agreement, and also includes an Employer associated therewith, a group of whose employees has been admitted as provided by Article VIII.1(c) of the Extended Health and Vision Care Plan Agreement.
- 1.27** “Reasonable and Customary Charges” means charges for services and supplies of the level usually furnished for cases of the nature and severity of the case being treated and which are in accordance with representative fees and prices in the area in which the service is performed.
- 1.28** “Service” means compensated employment with the Employer.
- 1.29** “Service Organization” means the institution which is responsible for the daily administration and operation of the Extended Health and Vision Care Plan.

SECTION 2 COMMENCEMENT OF COVERAGE ELIGIBLE EMPLOYEES

- 2.1** An employee shall, subject to Section 2.2 hereof, become an Eligible Employee on the first day of the calendar month next following the date on which he completes 2,016 hours of Cumulative Compensated Service.
- 2.2** If an employee is not actively at work on the date he would have become an Eligible Employee pursuant to Section 2.1 hereof, such employee shall become an Eligible Employee on the first day thereafter that he is actively at work.
- 2.3** For the purposes of this Section, an employee who has Service for a regular or partial eight-hour shift will be eligible the first of the month following 2,016 hours of Cumulative Compensated Service (CCS) will be deemed to have completed 12 months of Service, and with respect to employees covered by spare board provisions, hours worked and/or available will be deemed to be hours of Service.
- 2.4** Except as provided in Sections 2.6 and 2.7 hereof, an employee who has become an Eligible Employee shall be considered an Eligible Employee in each month in which he has Service, and until he ceases to be an Eligible Employee pursuant to Section 3 hereof.
- 2.5** An employee who has ceased to be an Eligible Employee pursuant to Section 3 hereof:
- (a)** by reason of being laid-off shall become an Eligible Employee on the first day of the month in which he returns to active work;
 - (b)** by reason of being on leave of absence, on strike or dismissed and subsequently reinstated shall become an Eligible Employee on the date of his return to active work.
- 2.6** An Eligible Employee who is on a leave of absence for disability or Pregnancy and in receipt of weekly indemnity benefits or employment insurance disability/maternity

benefits may, at his option and notwithstanding Section 3 hereof, continue to be an Eligible Employee for a period of six months after the termination date therein specified upon remitting monthly to his Employer an amount equal to the estimated cost of the EH & VC Plan as determined by the Service Organization.

- 2.7** An Eligible Employee whose coverage is terminated due to lay-off or leave of absence for reasons other than disability or Pregnancy may, at his option and notwithstanding Section 3 hereof, continue coverage for a period of 12 months following the end of the month in which such leave of absence or lay-off commences upon remitting monthly to his Employer an amount equal to the estimated cost of the EH & VC Plan as determined by the Service Organization.
- 2.8** If the disability of an Eligible Employee terminates and the said Eligible Employee again becomes disabled due to the same or related cause or causes, the subsequent disability will be considered a continuation of the previous disability for the purposes of Sections 3.1 (f) and Section 2.6 hereof unless,
- (a)** the said Eligible Employee had completely recovered from the previous disability and had been at work with his Employer for a period of at least two consecutive weeks after termination of the previous disability, or
 - (b)** the said Eligible Employee, though not completely recovered from the previous disability, had been at work with his Employer for a period of at least four consecutive weeks after termination of the previous disability.
- 2.9** Notwithstanding the provisions of this Section and subject to article VIII.1(c)(ii) of the Extended Health and Vision Care Plan Agreement, all those individuals who would, but for their full-time employment as officers of unions representing bargaining units covered by this Plan, be full-time employees with one of the Railways may be admitted to coverage under this plan. Such individuals shall pay direct to the Company the appropriate amount to secure coverage under this plan.

- 2.10** An Eligible Employee's Dependent shall become covered on the later of (i) the date the employee becomes an Eligible Employee, and (ii) the date the Eligible Employee acquires the Dependent.

SECTION 3 TERMINATION OF COVERAGE

- 3.1** Except as provided in Sections 3.2, 3.3 and 3.4 hereof, an employee who has become an Eligible Employee pursuant to Section 2 hereof shall cease to be an Eligible Employee on the earliest of the following termination dates:
- (a)** the date the employee's service with the Employer terminates upon his resignation or dismissal,
 - (b)** the last day of the month in which the employee retires in accordance with the Employer's pension rules,
 - (c)** the last day of the month of the employee's lay-off or leave of absence for reasons other than disability or Pregnancy,
 - (d)** the end of the month following the month in which the employee dies,
 - (e)** the last day worked prior to a strike in which the employee ceases to work,
 - (f)** subject to the provisions of Section 2.6 and 2.7 hereof, the date which is six months after the end of the month in which the employee's leave of absence due to disability or Pregnancy commenced, provided that the said employee is in receipt of weekly indemnity benefits or employment insurance disability/maternity benefits,
 - (g)** the date of termination of this EH & VC Plan,
 - (h)** the last day of the month in which the employee is transferred to a position to which this EH & VC Plan does not apply, or

(i) for retired employees with Extended Benefits, the last day of the month in which the employee attains age 65.

3.2 Service will be deemed to continue for a period of not more than 12 months for an Eligible Employee who:

(a) is designated as “adversely affected” by downsizing, and

(b) has elected to resign and receive a severance payment from the Employer pursuant to Option three of the relevant Article of the respective Job/Income Security Agreement.

3.3 Service will be deemed to continue for a period of not more than 7 years for an Eligible Employee who:

(a) is designated by “adversely affected” by downsizing, and

(b) is at the date of this designation an Eligible Employee within 7 years of early retirement who has elected bridging pursuant to Option two of the relevant Article of the respective Job/Income Security Agreement.

3.4 Service will be deemed to continue until age 65 for an Eligible Employee who

(a) is designated as “adversely affected” by downsizing, and

(b) is at the date of this designation an early retired Eligible Employee who has elected an early retirement separation allowance pursuant to Option one of the relevant Article of the respective Job/Income Security Agreement.

3.5 A Dependent shall cease to be a Dependent on the date the employee, in relation to whom he is a Dependent, ceases to be an Eligible Employee or on the date the said Dependent ceases to qualify under the definition of Dependent.

SECTION 4 EXTENDED HEALTH AND VISION CARE BENEFITS

- 4.1** Extended Health and Vision Care Benefits payable to Eligible employees under the EH & VC Plan shall be the Co-Payment Percentage of the Eligible Expenses incurred by Eligible Employees and Dependents in excess of the Benefit Year Deductible but not in excess of the Maximum Lifetime Benefit herein specified.
- 4.2** Subject to Section 4.5 hereof, the Benefit Year Deductible shall be eliminated and replaced with a co-payment of the benefit premium as outlined in item 4.6. Each Eligible Expense is allocated to a Benefit Year according to the Deemed Date of Incurral.
- 4.3** The Co-Payment Percentage shall be 80%. Effective January 1, 2005, payment shall be based on the least cost alternative available for the service or supply provided.
- 4.4** The Maximum Lifetime Benefit is \$46,000 per person for Eligible employees and Dependents. Effective January 1st, 2008, the Maximum Lifetime Benefit will increase to \$48,000 per person for Eligible employees and Dependents.
- 4.5** The Co-Payment Percentage and Maximum Lifetime Benefit shall not be applicable to the Eligible Expenses specified in Section 5 hereof.
- 4.6** Effective January 1, 2008, the employee paid deductible is eliminated and a co-pay provision is established, where the employee will pay 10% of the premium.

SECTION 5 ELIGIBLE EXPENSES SEMI-PRIVATE HOSPITAL BENEFIT

- 5.1** Subject to Section 7 hereof, Eligible Expenses shall be charges, in the province or territory of residence of the Eligible Employee, for the treatment of an Illness

(a) up to the Hospital's average semi-private rate for room and board (including, where permitted by law, any admittance, coinsurance or utilization charges) in a Hospital, and

(b) for Hospital out-patient services.

SECTION 6 ELIGIBLE EXPENSES MAJOR MEDICAL BENEFIT

6.1 Subject to Section 7 hereof, Eligible Expenses shall be charges for Medical Care as described in Sections 6.2, 6.3, 6.4, 6.5, and 6.6 hereof.

6.2 Eligible Expenses shall include:

(a) Charges, in Canada but outside the province or territory of residence of the Eligible Employee, for emergency treatment of an Illness while outside such province or territory, up to 180 days of confinement, and

(i) up to the Hospital's semi-private rate for room and board (including, where permitted by law, any admittance, coinsurance or utilization charges) in a Hospital, and

(ii) for Hospital out-patient services.

(b) Charges, outside Canada for emergency treatment of an Illness contracted while outside Canada up to 180 days of confinement, and

(i) up to the Hospital's semi-private rate for room and board (including, where permitted by law, any admittance charges) in a Hospital,

(ii) for other Hospital services, and

(iii) for Hospital out-patient services.

6.3 Eligible Expenses shall include:

(a) Charges for drugs, sera, injectables and medicines which require the prescription of a Doctor or a Dentist

to the extent that such drugs, sera, injectables and medicines are generally recognized as being effective in the treatment of the Illness and are not excessive or unwarranted as judged by the generally accepted therapy for the Illness.

Effective January 1, 2005, wherever an interchangeable generic product is available, but not dispensed, Eligible Expenses shall be limited to the cost of the lowest priced item in the appropriate generic category that is suitable for the substitution of the drug that was dispensed. However, such limitation shall not apply to any prescription written by brand name and directed by the prescriber as not to be interchanged or substituted.

(b) Charges for oral contraceptives prescribed by a Doctor.

(c) Charges for supplies required as a result of a colostomy and/or for the treatment of cystic fibrosis, diabetes and parkinsonism.

6.4 Eligible Expenses shall include:

(a) Charges for use of a licensed ambulance for local transportation, including inter-hospital transfers, of Eligible Employees or Dependents to and from the nearest Hospital qualified to render the Medical Care, as well as charges for the transportation of Eligible Employees or Dependents for necessary emergency care to the nearest Hospital qualified to render such care by a licensed air ambulance service or any other vehicle normally used for public transportation.

(b) Charges for the services of a Doctor for emergency treatment of an Illness contracted while outside the province or territory of residence of the Eligible Employee, but excluding any portion of the charge in excess of the Reasonable and Customary Charges for an Illness of the same nature and gravity in the locality where the service is provided.

- (c)** Charges for the services of a private duty registered nurse or a registered nursing assistant, not normally resident in the person's home, but excluding any portion of the charge in excess of the Reasonable and Customary Charges for an Illness of the same nature and gravity in the locality where the service is provided.
- (d)** Charges for laboratory tests done in a commercial laboratory for diagnosis of an Illness but excluding any tests performed in a drug store.
- (e)** Charges for services of a Dentist including charges for braces or splints required for the repair or alleviation of damage to natural teeth of Eligible Employees or Dependents resulting from an accident which occurs while the Eligible Employee is covered under the EH & VC Plan and provided the services are received within six months after the date of the accident.
- (f)** Charges for:
 - (i)** wheel chair, hospital bed, iron lung or other equipment rented, or purchased at the option of the Service Organization, for therapeutic use;
 - (ii)** casts, splints, trusses, braces, and crutches; and
 - (iii)** artificial limbs and eyes, including replacement when medically necessary.
- (g)** Charges for diagnostic and x-ray services, oxygen, plasma and blood transfusions and rental of equipment for administration thereof.
- (h)** Charges for services of a licensed physiotherapist, not normally resident in the person's home.

6.5 Eligible Expenses shall include:

- (a)** Reasonable and Customary Charges for elastic support stockings prescribed by a Doctor up to \$50 per person for Eligible Employees and Dependents in any Benefit Year.

(b) Reasonable and Customary Charges for the following up to a maximum of one pair per person for Eligible Employees and Dependents in any Benefit Year:

- (i)** stock-item orthopaedic shoes; and
- (ii)** modifications or adjustments to stock-item orthopaedic shoes or regular footwear.
- (iii)** custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist and required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe.

6.6 Eligible Expenses shall include:

- (a)** Charges for mammary prostheses required as a result of surgery when ordered or provided by a Doctor up to a maximum of \$200 in any Benefit Year for each Eligible Employee or Dependent.
- (b)** Charges for confinement in a convalescent hospital in the province or territory of residence of the Eligible Employee when ordered by a doctor, provided
 - (i)** it is preceded by at least five consecutive days of hospital confinement
 - (ii)** it commences within 14 days after termination of the person's confinement in a hospital, and
 - (iii)** it is for rehabilitation and not primarily for custodial care.

The maximum amount payable will be \$20 per day for each period of disability for a maximum of 120 days of confinement.

- (c)** Charges for contact lenses or lenses (including shatterproof lenses) and frames for eyeglasses (including sunglasses), and their replacement

provided there is an actual need for a change in their magnifying strength. Any device worn for the purpose of eye protection only and not for vision correction is excluded. Supplies must be prescribed in writing by an ophthalmologist, or a licensed optometrist and must be dispensed by an ophthalmologist, a licensed optometrist or a qualified optician. The maximum amount payable will be \$200 (\$225 effective August 1, 2007) in any 12 month period for persons under age 18 and in any 24 month period for persons age 18 and over. Therefore, the maximum payment of \$200 (\$225 effective August 1, 2007) will be reduced by the amount of any claim paid during the 12 month period immediately before the date of the current claim for persons under age 18, or the amount of any claim paid during the 24 month period immediately before the date of the current claim for persons age 18 and over.

Effective April 1, 2005, Vision Care Benefits will include Laser Surgery within the existing conditions and limits of prescription eye glass coverage described above.

- (d)** Charges for services of an ophthalmologist or a licensed optometrist. The maximum amount payable in any two consecutive Benefit Years will be \$25 for each person.
- (e)** Charges for hearing aids prescribed in writing by an otolaryngologist. The maximum amount payable in any 5 consecutive years is (i) \$200 for Eligible Employees of Canadian Pacific who are represented by BCCSS, and their Dependents, and (ii) \$250 for all other Eligible Employees and their Dependents. Therefore, the maximum payment of \$200 or \$250, as stated above, will be reduced by the amount of any claim paid during the 5 year period immediately before the date of the current claim.
- (f)** Services of a psychologist, other than services related to psycho-analysis, marital counseling or legal psychological evaluation. The services of a social

worker, when recommended in writing by an Employee and Family Assistance Program referral agent, may be claimed as an Eligible Expense instead of the services of a psychologist. The maximum amount payable will be \$1,000 in any Benefit Year for each Eligible Employee or Dependent.

- (g) Effective April 1, 2005, coverage will be expanded to include the services of a Naturopath, Acupuncturist, Podiatrist/Chiropractor and the Victorian Order of Nurses (VON). Effective January 1, 2007, coverage will be expanded to include the services of a Chiropractor. All practitioners must be licensed, registered or certified through the respective Provincial Licensing body or professional organization as the case may be. The maximum amount payable in any benefit year will be \$500 cumulative, for each Eligible Employee or Dependent.

SECTION 7 - EXCLUSIONS

7.1 Payment will not be made under the EH & VC Plan for expenses or charges incurred for any of the following:

- (a) Services or supplies not included in the definition of Eligible Expenses.
- (b) Services or supplies which are paid for in whole or in part under the provisions of the Hospital, Medicare, Pharmacare, and/or Denticare plan or any similar government plan in the province or territory of residence of the Eligible Employee except to the extent that such provisions permit payment for expenses in excess of those for which such Eligible Employee is entitled under such provisions. Reimbursement will be limited to the excess over services and supplies which would have been payable under the terms and conditions of the Government Plan at December 9, 1982.
- (c) Orthopaedic mattresses, exercise equipment, air-conditioning or air-purifying equipment and whirlpools.

- (d) Any portion of the charge for services in excess of the Reasonable and Customary Charge for an Illness of the same nature and severity in the locality where the service is provided.
- (e) An Illness due to or resulting from:
 - (i) any cause for which indemnity or compensation is provided under any Workers' Compensation law or similar legislation, or
 - (ii) bodily injury sustained while doing any act or thing pertaining to any occupation or employment for wage or profit, other than for the Employer.
- (f) Vitamins, proprietary or patent medicines, or drugs which can be obtained without the written prescription of a Doctor or Dentist except as provided in Section 6 hereof.
- (g) Expenses while the employee is not an Eligible Employee.

SECTION 8 - CLAIMS REVIEW

- 8.1** An Eligible Employee shall be responsible for the completion of the claim forms and shall furnish proof of Eligible Expenses incurred as shall be deemed necessary and appropriate by the Service Organization.
- 8.2** Any employee who is denied all or any part of a claim for reimbursement by the Service Organization shall receive from the Service Organization a notice in writing setting forth the specific reasons for such denial, specific reference to the EH & VC Plan's provisions on which the denial is based, a description of any additional material necessary for such employee to support the claim, and explanations both as to why such material is necessary and as to the terms of the EH & VC Plan's claims review procedure, all written in a manner calculated to be understood by such employee whose claims has been denied.

- 8.3** Any employee whose claim has been denied in whole or in part by the Service Organization may submit, within sixty days after such denial, information and materials, in support of the claim to the Service Organization's claims review section.
- 8.4** Within 60 days of receiving the employee's submission, the Service Organization's claims review section shall review the claim and make a determination and such determination shall, subject to Article VI.5 of the Extended Health and Vision Care Plan Agreement, be final, in writing, include specific reasons for the decision and specific reference to the EH & VC Plan provisions on which it is based written in a manner calculated to be understood by the employee. In connection with any such review, the employee will be permitted to examine pertinent documents and to submit issues and comments in writing.
- 8.5** Any claim denied on the basis of the eligibility provisions of Section 2 hereof shall be subject to the provisions of Article VI.5 of the Extended Health and Vision Care Plan Agreement.

SECTION 9 - GENERAL PROVISIONS

- 9.1** Extended Health and Vision Care Benefits are payable directly to the Eligible Employee unless he otherwise directs by written notice filed with the Service Organization; provided that any such notice shall be effective as of the date it was signed and shall not prejudice the Service Organization on account of any payment made or any action taken by the Service Organization before it was filed.
- 9.2** If the Eligible Employee is physically or mentally incapable of giving a valid discharge for Extended Health and Vision Care Benefits due to him or if any Eligible Employee dies while any such Extended Health and Vision Care Benefits due to him remain unpaid, the Service Organization may, at its option, make payment up to an amount not exceeding \$5,000, to any person

entitled to give a valid discharge of such payment on behalf of the Eligible Employee or his estate; provided that the Service Organization is under no obligation to see to the application of any monies so paid and that payment to any such person or institution will constitute a complete discharge to the Service Organization to the extent of the amount of such payment.

- 9.3** Extended Health and Vision Care Benefits shall be paid in lawful Canadian currency immediately upon receipt of the proof of claim required by the Service Organization.
- 9.4** Written notice and proof of a claim must be given to the Service Organization within 90 days after the end of the Benefit Year for which the claim is made, or as soon thereafter as is reasonably possible and in any event not later than 12 months following the end of the Benefit Year in which the Eligible Expenses claimed were incurred.
- 9.5** The Service Organization shall have the right, and shall be given the opportunity, to have Doctors designated by it examine any Eligible Employee or Dependent in respect of whom a claim is being made as often as may be reasonably required and any such examination shall be at the expense of the Service Organization.
- 9.6** In the administration of this EH & VC Plan, the Service Organization will comply with legislation pertaining to the protection of personal information in the private sector. Any person claiming benefits under this EH & VC Plan must furnish such information and authorization as may be necessary.

SECTION 10 - COORDINATION OF BENEFITS

An Eligible Employee cannot elect Dependent coverage for an Eligible Spouse or Child who is also covered as an Eligible Employee under the Plan, nor may a Child be considered a Dependent of more than one Eligible Employee. Therefore, this provision does not apply to any couple when both spouses are covered under this Plan.

10.1 EFFECT ON BENEFITS

If a person is covered under this EH & VC Plan for benefits which are subject to this provision and is also covered under any other plan which provides similar benefits, the present EH & VC Plan coordinates its benefit payments with such other plans.

The following are considered plans:

- (a) the present EH & VC Plan or any other contract or arrangement for group insurance benefits,
- (b) any group insurance hospital, medical or dental service organization plan,
- (c) any other service or prepayment plan arranged through any employer, union, trustees, employee benefit or professional association, or
- (d) any government plan or statute providing benefits, including a no-fault automobile insurance plan.

Any necessary, reasonable, and customary item of expense is considered an Allowable Expense, if any part of it is covered under one or more of the plans covering the person for whom claim is made. If a plan provides benefits in the form of services rather than cash payments, the reasonable and customary value of each service rendered is deemed to be both an Allowable Expense and a benefit paid.

When a claim is made and the present EH & VC Plan pays first, the present EH & VC Plan determines its benefits as though this provision does not exist.

When a claim is made and the present EH & VC Plan pays its benefits after the benefits of another plan, the present EH & VC Plan determines the benefits that would be paid as if benefits from any other plan do not exist. After the amount of benefit is determined, it is reduced, if necessary, so that benefits from the present EH & VC Plan and from all other plans do not exceed 100% of Allowable Expenses. In no event will the amount paid by the present EH & VC Plan exceed the amount normally payable in the absence of this provision.

10.2 ORDER OF BENEFIT DETERMINATION

The payment of benefits will be determined in the following order:

- (a)** if any other plan does not contain a coordination of benefits provision, the benefits payable under that plan will be determined first.
- (b)** if any other plan contains a coordination of benefits provision
 - (i)** the benefits payable under a plan which covers the person other than as a dependent will be determined before the benefits of a plan which covers the person as a dependent,
 - (ii)** the benefits payable under a plan which covers the dependent of the person with the earlier day and month of birth in the calendar year will be determined first.

When the above rules do not establish an order of benefit determination, the benefits will be pro-rated among the plans in proportion to the amounts that would have been payable under each plan.

10.3 RIGHT OF RECOVERY

The EH & VC Plan has the right to recover from any insurance company, person or organization any payments made with respect to Allowable Expenses in excess of the maximum amount determined to be payable in accordance with this provision.

APPENDIX A

Accidental Death & Dismemberment Benefit

The Benefit

If an Employee sustains an injury as a result of an Accident while insured under this Benefit and suffers a Loss specified in the Table of Covered Losses, Manulife Financial will pay the amount specified in that table, provided the Loss:

a) is a direct result of the accidental injury; and b) occurs within 365 days from the date of the accidental injury; and c) is total and irreversible or irrecoverable.

In the case of loss of speech or hearing, or loss of use of an arm, hand, or leg, the loss must be continuous for 12 months and determined to be permanent, after which time the benefit is payable.

Table of Covered Losses

In the following table, the amount payable is a percentage of the Benefit Amount for which the Employee was insured at the time the accidental injury occurred.

Only one percentage, the largest, will be paid for multiple losses to the same limb due to any one accidental injury.

No more than 100% will be paid for all losses due to any one accidental injury, except in the case of hemiplegia, paraplegia or quadriplegia, where the total amount paid will not exceed 200% (provided such benefit is paid while the Employee is living).

Accidental Death & Dismemberment Benefit Covered Loss Percentage of Benefit

Amount Payable

Loss of Life	100%
Loss of, or Loss of Use of, Both Hands or Both Feet	100%
Loss of Sight of Both Eyes	100%
Loss of One Hand and One Foot	100%
Loss of One Hand and Sight of One Eye	100%
Loss of One Foot and Sight of One Eye	100%
Loss of Hearing in Both Ears and Speech	100%
Loss of, or Loss of Use of, One Arm or One Leg	75%
Loss of, or Loss of Use of, One Hand or One Foot	66 2/3%
Loss of Sight of One Eye	66 2/3%
Loss of Speech or Hearing in Both Ears	66 2/3%
Loss of Thumb and Index Finger or	33 1/3%
Loss of All Toes on One Foot	25%
Loss of Hearing In One Ear	25%
Hemiplegia, Paraplegia or Quadriplegia	200%

Loss of hand means complete severance at or above the wrist joint, but below the elbow.

Loss of foot means complete severance at or above the ankle joint, but below the knee joint.

Loss of arm means complete severance at or above the elbow.

Loss of leg means complete severance at or above the knee

joint. Loss of sight means the entire and irrevocable loss of sight of the eye.

Loss of speech means the entire and irrevocable loss of speech which does not allow audible communication of any degree.

Loss of thumb and index finger means the complete severance between the wrist and the interphalangeal and proximal interphalangeal joints of one hand, respectively.

Loss of finger means the complete severance at or above the knuckles joining the finger to the hand.

Loss of toe means the complete severance at or above the knuckle joining the toe to the foot.

Hemiplegia means paralysis of one side of the body.

Paraplegia means paralysis of the lower portion of the body (including the bowel and bladder) and both lower limbs due to injury of the spinal cord. Quadriplegia means paralysis of four limbs.

Exposure and Disappearance

If an Employee suffers a Loss specified in the Table of Covered Losses due to unavoidable exposure to the elements of nature after a conveyance in which the Employee was travelling, sinks, makes a forced landing or is lost, wrecked or stranded, such loss will be deemed to have occurred as a result of an accidental injury.

An Employee is deemed to have suffered death by accidental injury if his body is not found within 365 days after a conveyance in which the Employee was traveling, sinks, makes a forced landing or is lost, wrecked or stranded.

Losses Not Covered

No benefit is payable for any loss directly or indirectly related to:

- a) suicide or self-inflicted injury, whether the Employee is sane or insane; b) war, insurrection, the hostile actions

of any armed forces, or participation in a riot or civil commotion; c) an infection (except pyogenic infections from an accidental cut or wound), illness or disease or the medical treatment of any illness or disease, or bodily or mental infirmity; d) riding in, boarding or leaving, or descending from, any aircraft as a pilot, operator or member of the crew; e) riding in, boarding or leaving, or descending from, any aircraft which is owned, operated or leased by or on behalf of the Employer; f) the committing of or attempt to commit an assault or criminal offence; or g) injuries sustained while operating a motor vehicle, either while under the influence of any intoxicant or if the Employee's blood contained more than 80 milligrams of alcohol per 100 milliliters of blood at the time of injury.

Waiver of Premiums

If an Employee's Life Insurance premiums are being waived while this Benefit is in force, the premiums for this Benefit will also be waived.

Waiver of Premiums for this Benefit will be effective on the same date as the Waiver of Premiums for the Life Insurance Benefit.

The amount of insurance continued under this provision will be subject to the same terms described under the Life Insurance Benefit, except that:

- a) the Conversion Privilege is not available for this Benefit (unless required by legislation or regulation); and
- b) Waiver of Premiums for this Benefit terminates when this Benefit terminates.

ANNEX A

LISTING OF COLLECTIVE AGREEMENTS COVERED BY THE EH & VC PLAN

Organization	Agreement No.	Classification of Employees	Location
CANADIAN PACIFIC			
Teamsters Canada Rail Conference Maintenance of Way Employees Division	41	Employees in Track and B&S Department	Canadian Pacific, Dominion Atlantic Railway, Esquimalt & Nanaimo Railway, Quebec Central Rlwy, Grand River Railway, Lake Erie & Northern Railway Company,
	42	Extra Gang Labourers	Canadian Pacific, Dominion Atlantic Railway, Esquimalt & Nanaimo Railway, Quebec Central Rlwy, Grand River Railway, Lake Erie & Northern Railway Company,
		Employees in Rail Reclamation Plants	Lines in Canada
		Operators, Power Machines	Lines in Canada
		Employees, Work Equipment Repair Shops	Lines in Canada
		Employees in Rail Butt Welding Plants	Lines in Canada
		Employees in Thermite Welding Gangs	Lines in Canada
		Timekeepers	Lines in Canada

Dental Care Benefits

PLAN NAME: CANADIAN PACIFIC

UNION: Teamsters Canada Rail Conference
Maintenance of Way Employees Division

PLAN NUMBER: 84500

INSURANCE
COMPANY: Manulife Financial

EFFECTIVE DATE: January 1, 2007

BENEFITS
PROVIDED: Dental Care Benefits

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1.1 TABLE OF BENEFITS

This Table of Benefits by itself has no full meaning and must only be interpreted in conjunction with other provisions of this plan.

ELIGIBLE CLASSES:

All employees represented by the associated non operating Unions

DENTALCARE COVERED EXPENSES

Covered expenses: Treatment	Routine, Major and Orthodontic
Dental fee guide for treatment rendered inside Canada	Amount in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guide for that year, or in the absence of same, the amount deemed reasonable by the Plan's Insurer.
for treatment rendered outside Canada	Amount in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guide in effect in the employee's province of residence, or in the absence of same, the amount deemed reasonable by the Plan's Insurer.
Individual Calendar Year Deductible Amount	\$35
Family Calendar Year Deductible Amount:	\$35

Note: Employee Paid Deductible eliminated December 31, 2007 and replaced by a co-pay provision, where the employee will pay 10% of the premium.

Reimbursement Level:	
for Routine Treatment	100%
for Major Treatment	50%
for Orthodontic Treatment	80%
Routine/Major Maximum Amount	\$1,425/calendar year (Effective January 1, 2007)
If eligible after July 1 of each year Maximum amount will be adjusted by 50%	(\$600, \$650, \$650)
Orthodontic Maximum Amount	\$1,500 lifetime

2.1 DEFINITIONS

In this plan:

- (1)** “Employer” means a Railway.
- (2)** “Railway” means Canadian Pacific Limited and its subsidiaries, joint properties listed in the union agreement, an employer associated with the Railway, a group of whose employees have been admitted as provided by the union agreement and for the purpose of this plan, Algoma Central Railway.
- (3)** “Administrator” means the organization appointed by the Employer to administer the employee benefits program.
- (4)** “Employee” means an employee of the Railway who is eligible for dental care benefits pursuant to the eligibility requirements of the union agreement.
- (5)** “Service” and “Work” means employment with the Employer.
- (6)** “Work” means active work in the service of the Employer.
- (7)** “Dependent” means
 - (a)** the employee’s spouse, where spouse means

- (i) 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 Benefits 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.

- (b) any unemployed dependent child, stepchild or adopted child of an employee

- (i) under age 21 and residing with the eligible employee or the eligible spouse of the employee, or

- (ii) under age 25 if registered as a full-time college or university student, or

- (iii) of any age if handicapped and solely dependent upon the employee the term “dependent” shall not include any person who is covered under the plan as an employee.

Note: In the event of a divorce, the employee must have full or joint custody in order for the children to be covered under the plans. In the event of separation, spouse and children are still covered.

(8) “Physician” means a licensed doctor of medicine.

(9) “Surgeon” means a licensed doctor of medicine.

(10) “Dental Plan agreement” means the agreement entered into by the Employer and the Unions on December 10, 1985.

3.1 GENERAL LIMITATIONS

The following General Limitations are applicable to all Benefit Provisions.

General Limitation (a)

If an employee or dependent incurs covered expenses for an accidental bodily injury or a sickness arising out of employment for remuneration or profit, such covered expenses shall be reduced by the amount of any benefits to which the person is entitled in accordance with any Workers' Compensation or similar law.

General Limitation (b)

No benefits shall be payable for or on account of

- (1)** expenses, or portion thereof, for services and supplies covered under a government hospital or health plan or any other government plan, or
- (2)** services and supplies provided by a government hospital or health plan in which the employee or dependent is eligible to participate, or
- (3)** services and supplies rendered or provided to the employee or dependent to which such person is entitled without charge pursuant to any law, or for which there is no cost to the employee or dependent except for the existence of coverage against such cost, or
- (4)** services and supplies received in a hospital owned or operated by the Government of Canada or the Government of the United States, unless the employee or dependent is required to pay for such services regardless of the existence of coverage, or
- (5)** services and supplies provided by a dental or medical department maintained by the Employer, a mutual benefit association, labour union, trustee, or similar type of group, or
- (6)** services and supplies which are legally prohibited from coverage.

General Limitation (c)

No benefits shall be payable for or on account of services and supplies resulting from or associated with

- (1) service, including part-time or temporary service, in the armed forces of any country, or
- (2) war (declared or undeclared), insurrection, or participation in a riot, or
- (3) any intentionally self-inflicted injury or disease, while sane or insane, or
- (4) treatment rendered for aesthetic purposes.

4.1 EMPLOYEES ELIGIBLE FOR COVERAGE

- (1) An employee is eligible on the first day of the month following the date on which he completes 2,016 hours of Cumulative Compensated Service

An employee who has compensated service for a regular or partial 8-hour shift for 2,016 hours of Cumulative Compensated Service will be considered to have completed 12 months of compensated service. For employees who are covered by spare board provisions, hours worked or available will be considered to be hours of service.

- (2) If the coverage of an employee was terminated during a leave of absence, temporary lay-off, strike or is dismissed and subsequently reinstated, it shall be automatically reinstated on the date his service recommences.
- (3) Only employees listed in the Table of Benefits are eligible.

5.1 EFFECTIVE DATE OF AN ELIGIBLE EMPLOYEE'S COVERAGE

The coverage of an eligible employee becomes effective on the date he becomes eligible.

Coverage for an employee's dependents becomes effective when the employee's coverage becomes effective or when the dependent first qualifies as a dependent, whichever is later.

It is, however, specifically provided that the coverage of any employee who is not actively at work or receiving pay from the Employer on the date his coverage would otherwise become effective, shall not become effective until the date of his return to work.

6.1 AMOUNT OF COVERAGE

- (1)** Each employee covered hereunder shall be covered in the Eligible Class to which he belongs on the basis of the Table of Benefits.

On the date on which the factors which determine to what Class an employee belongs change so as to move the employee from the Eligible Class in which he is then covered into another Eligible Class, he shall become automatically covered in the new Class, provided;

- (A)** he is then actively at work or receiving pay from the Employer, otherwise on the date of his return to work, and
- (B)** that payment in respect of any dependent for a benefit period which commenced prior to the date of the change in Class shall be made in accordance with the previous Class.

- (2)** The benefits for which an employee is covered in respect of himself and his dependents shall be those shown in the Table of Benefits for the Class in which he is covered.

Any increase in benefits for an employee who is not actively at work or receiving pay from the Employer on the date such increase would otherwise become effective shall not become effective until the date of his return to work. Payment in respect of a dependent for expenses incurred during a period of hospital confinement which began before the date of the increase in benefits shall be made in accordance with the terms of the plan prior to the increase.

7.1 TERMINATION OF AN EMPLOYEE'S COVERAGE

The coverage of an employee under this plan terminates automatically on the earliest of the following dates:

- (1)** the date of termination of this plan, or
- (2)** the date he ceases to be in an eligible class, or
- (3)** the date which is
 - (a)** the last day of the month during which an employee transfers from an eligible class into a class which is not eligible for coverage under this plan, or
 - (b)** the date his service terminates, or
 - (c)** the date of termination of coverage determined by the Employer in accordance with a plan which precludes individual selection.

If federal or provincial legislation requires the Employer to continue an employee's coverage beyond the date it would otherwise terminate in accordance with this item (3), then his coverage will be continued to the end of the period required by law.

Coverage for an employee's dependents terminates when the employee's coverage terminates or when the dependent ceases to qualify as a dependent in accordance with the DEFINITIONS provision.

GENERAL PROVISIONS

8.1 Notice of Claim

Written notice and proof of a claim must be given to the Service Organization within 90 days after the end of the Benefit Year for which the claim is made.

9.1 Time of Payment of Benefits

Benefits payable under this Dental Plan for any Covered Expense will be paid by the Administrator immediately upon receipt of due written proof of such Expense.

10.1 Payment of Claims

If any benefit of this Dental Plan shall be payable to the estate of an Eligible Employee or to an Eligible Employee not competent to give a valid release, the Administrator shall pay such benefit up to the maximum provided for under the Dental Plan to the proper legal representative of the Eligible Employee. Any payment made by the Administrator in good faith pursuant to this Provision shall fully discharge the Employer to the extent of such Payment.

The benefits provided by this Dental Plan shall be paid directly to the Eligible Employee unless he directs on the claim form that such benefits or part thereof shall be paid directly to the provider of the services covered hereby.

11.1 Claims Review Procedure

Any employee who is denied all or any part of a claim for reimbursement by the Administrator shall receive from the Administrator a notice in writing setting forth the specific reasons for such denial, specific reference to the Dental Plan's provisions on which the denial is based, a description of any additional material necessary for the claimant to support the claim, and explanations both as to why such material is necessary and as to the terms of the Dental Plan's claims review procedure, all written in a manner calculated to be understood by the person whose claim has been denied.

Any employee whose claim has been denied by the Administrator may submit, within sixty days after such denial, information and material in support of the claim to the Administrator's claims review section. Within sixty days of receiving such submission, the claims review section shall review it and make a determination. This determination shall be final, shall be in writing, shall include specific reasons for the decision and specific reference to the Dental Plan provisions on which it is based; it shall also be written in a manner calculated to be understood by the claimant. In connection with any such review, the claimant will be permitted to examine pertinent documents and to submit issues and comments in writing.

12.1 Physical Examinations

The Administrator, at its own expense, shall have the right and opportunity to have the Eligible Employee or Dependent examined when and as often as it may reasonably require during the pendency of a benefit payment hereunder.

13.1 Legal Actions

No action at law shall be brought to recover benefits payable under this Dental Plan prior to the expiration of sixty days after written proof of loss has been furnished in accordance with the requirements of this Dental Plan. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

14.1 GENDER

Words implying the masculine gender shall include the feminine, unless the context otherwise requires.

15.1 PROVISION FOR CO-ORDINATION BETWEEN THIS PLAN AND OTHER BENEFITS

A. Benefits Subject to this Provision

All of the benefits provided under the plan are subject to this provision.

B. Definitions

- (1)** "Arrangement" means, to the extent permitted by law, any arrangement providing benefits or services for or by reason of medical or dental care or treatment, which benefits or services are provided by
- (a)** any group or group-type
 - (i)** insurance policy,
 - (ii)** prepayment subscriber contract, or
 - (iii)** automobile insurance plan,

but shall not include;

- (i)** any group or group-type hospital 'indemnity' plan providing a benefit of \$30 or less per day UNLESS the benefit is characterized as a reimbursement Type benefit but the insured has the right to elect an indemnity' type Benefit at the time of the claim,
- (ii)** any group or group-type school accident plan which provides coverage for grammar or high school students for accidents only and for which the parent pays the entire premium;
- (b)** any labour-management trustee plan, union welfare plan, employer organization plan, or employee benefit organization plan;
- (c)** any governmental plan which provides benefits or services, and any coverage required or provided by any statute;
- (d)** any individual automobile insurance plan.

The term "group-type" means any policy, contract or plan which;

- (i)** is not available to the general public, and
- (ii)** can be obtained and maintained only because of the covered person's membership in or connection with a particular organization or group,

regardless of whether individual policy forms are utilized, and whether such plan is designated as 'franchise', 'blanket' or in some other fashion.

The term "arrangement" shall be construed separately with respect to each policy, contract, or other arrangement for benefits or services and separately with respect to (i) that portion of any such policy, contract, or other arrangement which reserves the right to take the benefits or services of other arrangements into consideration in determining its benefits and (ii) that portion which does not.

- (2) "This arrangement" means that portion of this plan which provides the benefits that are subject to this provision.
- (3) "Allowable Expense" means any necessary, reasonable, and customary item of expense at least a portion of which is covered under at least one of the arrangements covering the person for whom claim is made or service provided.

Benefits under a governmental plan shall be taken into consideration without expanding the definition of "Allowable Expense" beyond the hospital, medical and surgical benefits as may be provided by such governmental plan.

When an arrangement provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be deemed to be both an Allowable Expense and a benefit paid.

- (4) "Claim Determination Period" means a calendar year (the period of one year commencing on a January 1).

C. Effect on Benefits

- (1) This provision shall apply in determining the benefits as to a person covered under this Plan for any Claim Determination Period if, for the Allowable Expenses incurred as to such person during such period, the sum of
 - (a) the benefits that would be payable under this Plan without this provision,
 - and,
 - (b) the benefits that would be payable under all other Plans without similar provisions, would exceed such Allowable Expenses.
- (2) As to any Claim Determination Period with respect to which this provision is applicable, the benefits that would be payable under this Plan without this provision for the Allowable Expenses incurred as to such person during such Claim Determination Period shall be reduced to the

extent necessary so that the sum of (a) such reduced benefits and (b) all the benefits payable for such Allowable Expenses under all other Plans, except as provided in item (3) of this Section C, shall not exceed the total of such Allowable Expenses. Benefits payable under another Plan include the benefits that would have been payable had claim been duly made therefor.

- (3)** If;
- (a)** another Plan which is involved in item (2) of this Section C and which contains a provision coordinating its benefits with those of this Plan would, according to its rules, determine its benefits after the benefits of this Plan have been determined, and
 - (b)** the rules set forth in item (4) of this Section C would require this Plan to determine its benefits before such other Plan,

then the benefits of such other Plan will be ignored for the purposes of determining the benefits under this Plan.

- (4)** For the purposes of item (3) of this Section C, the rules establishing the order of benefit determination are:
- (a)** Benefits will be determined first under the Plan which covers the person for whom expenses have been incurred:
 - (i)** other than as a dependent; or
 - (ii)** as a dependent of the person whose date of birth, excluding year of birth, is earlier in the calendar year.
 - (b)** When rules (i) and (ii) do not establish an order of benefit determination, or another Plan contains different rules, benefits will be pro-rated between or amongst the Plans in proportion to the amounts that would have been paid under each Plan in the absence of other coverage.

- (5) When this provision operates to reduce the total amount of benefits otherwise payable as to a person covered under this Plan during any Claim Determination Period, each benefit that would be payable without this provision shall be reduced proportionately, and such reduced amount shall be charged against any applicable benefit limit of this Plan.

D. Right to Receive and Release Necessary Information

For the purposes of determining the applicability of and implementing the terms of this provision of this arrangement or any provision of similar purpose of any other arrangement, the Employer may, without the consent of or notice to any person, release to or obtain from any insurance company or other organization or person any information, with respect to any person, which the Employer deems to be necessary for such purposes. Any person claiming benefits under this arrangement shall furnish to the Employer such information as may be necessary to implement this provision.

E. Claim Payment Time Limit

If the investigation of possible other coverage for COB purposes delays payment beyond 60 days, payment of the claim shall be made. If such payment is made as the primary arrangement because there is insufficient information to make payment as the secondary arrangement, the Employer shall have the right to recover such excess benefits in accordance with the RIGHT OF RECOVERY provision.

F. Facility of Payment

Whenever payments which should have been made under this arrangement in accordance with this provision have been made under any other arrangements, the Employer shall have the right, exercisable alone and in its sole discretion, to pay over to any organizations making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision, and amounts so paid shall be deemed to be benefits paid under this arrangement and, to the extent of such payments, the Employer shall be fully discharged from liability under this arrangement.

G. Right of Recovery

Whenever payments have been made by the Employer with respect to Allowable Expenses in a total amount, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of this provision, the Employer shall have the right to recover such payments, to the extent of such excess, from among one or more of the following, as the Employer shall determine: any persons to or for or with respect to whom such payments were made, any insurance companies, any other organizations.

16.1 DENTALCARE EXPENSE BENEFITS

COVERAGE CLAUSE -

Subject to the other sections of this Benefit Provision, if an employee incurs Covered Expenses;

- (1) as a result of treatment necessarily rendered, and
- (2) while covered under this Benefit Provision in respect of the person for whom such Covered Expenses are incurred,

the Employer shall pay the Reimbursement Level stated below of those Covered Expenses incurred in respect of any one person in any one calendar year which exceed the Individual Calendar Year Deductible Amount of \$35:

Note: Employee Paid Deductible eliminated December 31, 2007 and replaced by a co-pay provision, where the employee will pay 10% of the premium.

- (a) for Routine Treatment, 100%;
- (b) for Major Treatment, 50%; and
- (c) for Orthodontic Treatment, 80%.

DEFINITIONS -

- (1) "Treatment necessarily rendered" means necessary treatment rendered;

- (a) for the prevention of dental disease or dental defect, limited to those services and supplies listed in the definition of Covered Expenses, and
- (b) for the correction of dental disease, dental defect or accidental dental injury,

provided that such treatment is consistent with generally accepted practice.

- (2) “Reasonable and customary charges necessarily incurred” means charges for services and supplies of the level usually required or cases of the nature and severity of the case being treated, and which:
 - (a) in respect of services, are in accordance with the official fee schedule in the area, or are in accordance with representative fee practices and tariffs where there is no such fee schedule;
 - (b) in respect of supplies, are in accordance with representative prices in the area.
- (3) “Physician” and “Surgeon” mean physician and surgeon as defined in the DEFINITIONS section which forms part of the plan to which this Benefit Provision is attached.
- (4) “Dentist” and “Oral Surgeon” mean persons licensed to practice dentistry.
- (5) “Orthodontist” means a dentist who is certified to practice orthodontics.
- (6) “Dental Assistant” means a person qualified to perform the service rendered, and shall include a dental hygienist and any other similarly qualified person.
- (7) “Denturist” means a person qualified to perform the service rendered, and shall include a dental therapist, denturologist and any other similarly qualified person.
- (8) “Treatment Plan” means a written report, in a form supplied or approved by the Employer, prepared by the attending practitioner as the result of his examination of the patient, and providing the following:

- (a) the recommended treatment for the complete correction of any dental disease, defect or accidental dental injury, and
 - (b) the period during which the recommended treatment is to be rendered, and
 - (c) the estimated cost of the recommended treatment and necessary appliances.
- (9) “Treatment Period” means the period during which a planned course of dental treatment is to be rendered, as estimated in the Treatment Plan, for the complete correction of any dental disease, dental defect or accidental dental injury.
- (10) “Accidental Dental Injury” means an unexpected and unforeseen injury to the dental and contiguous structures happening without the direct intent of the person injured or happening as the direct result of his intentional act, such act not amounting to violent or negligent exposure to unnecessary danger.

COVERED EXPENSES -

Where permitted by law, the Employer shall consider as Covered Expenses reasonable and customary charges necessarily incurred for the types of dental treatment described below to the extent that such treatment or portion thereof is not covered by the Medical Care Insurance Plan or any government dental plan or any other government health plan of the employee’s home province. In no event shall Covered Expenses exceed the amount shown for a General Practitioner in the dental fee guide identified in the Table of Benefits for the employee’s Class, except that;

- (1) if a service is rendered by a dentist who is a specialist, and such dental fee guide contains a separate fee guide for his specialty, the maximum Covered Expense for such service shall be the amount listed in the guide for such specialty, and

- (2)** if a service is rendered by a dental assistant or dentist who is a member of a provincial group of Dental Assistants or Denturists which has its own official fee guide, the maximum Covered Expense for such service shall be the amount listed in such guide.

Except as otherwise provided in the “Special Benefit Payment Provision Applicable to Orthodontic Treatment”, a Covered Expense is deemed to have been incurred on the date the service was rendered or the supply purchased.

Covered Expenses for an employee of Algoma Central Railway shall include Routine and Major Treatment Covered Expenses. Covered Expenses for any other employee shall include Routine, Major and Orthodontic Treatment Covered Expenses.

Routine Treatment rendered or prescribed by a Physician, Surgeon, Dentist or Oral Surgeon, or rendered by a Dental Assistant under the direct supervision of a Physician, Surgeon, Dentist or Oral Surgeon, or rendered by a Denturist:

- (1)** The following services (a) to (d) inclusive, each limited to once every nine months for adults over the age of 18 and once every 6 months for children under 18.
- (a)** oral examination;
 - (b)** polishing of teeth;
 - (c)** bite-wing x-rays;
 - (d)** topical application of fluoride solutions;

provided that, for each of the above services, a period of at least 8 consecutive months has elapsed since the last such service was rendered for adults over the age of 18 and 5 consecutive months for children under 18.

- (2)** Scaling of teeth (Limited to a maximum of 8 units per calendar year)
- (3)** Full-mouth series of x-rays, provided that a period of at least 24 consecutive months has elapsed since the last such series of x-rays was performed.

- (4)** Extractions and alveolectomy at the time of tooth extraction.
- (5)** Amalgam, silicate, acrylic and composite restorations.
- (6)** Dental surgery.
- (7)** Diagnostic x-ray and laboratory procedures required in relation to dental surgery.
- (8)** General anesthesia required in relation to dental surgery.
- (9)** Endodontic treatment - diagnosis and treatment of diseases of the nerve, including root canal therapy.
- (10)** Periodontal treatment - the treatment of gums and bone surrounding the teeth.
- (11)** Necessary treatment for relief of dental pain.
- (12)** The cost of medication and its administration when provided by injection in the dentist's office.
- (13)** Space maintainers for missing primary teeth, and habit-breaking appliances.
- (14)** Consultations required by the attending dentist.
- (15)** Surgical removal of tumors, cysts, neoplasms.
- (16)** Incision and drainage of an abscess.
- (17)** Cover pit and fissure sealant for children under the age of 18.

Major Treatment - rendered or prescribed by a Physician, Surgeon, Dentist or Oral Surgeon, or rendered by a Denturist:

- (1)** Provision of crowns and inlays.
- (2)** Provision of an initial prosthodontic appliance (e.g. fixed bridge restoration, removable partial or complete dentures).
- (3)** Replacement of an existing prosthodontic appliance if;
 - (a)** the replacement appliance is required because at

least one additional natural tooth was necessarily extracted after the date the employee first became covered under this Benefit Provision in respect of the person requiring the replacement appliance and the existing appliance cannot be made serviceable.

If the existing appliance can be made serviceable, only the expense for that portion of the replacement appliance which replaces the extracted teeth extracted after the date the employee first became covered in respect of the person requiring the replacement appliance shall be covered.

- (b)** the replacement appliance replaces an existing appliance which is at least 5 years old and cannot be made serviceable.
 - (c)** the replacement appliance replaces an existing appliance which was temporarily installed after the date the employee first became covered under this Benefit Provision in respect of the person requiring the replacement appliance; in this event such replacement appliance shall be considered a permanent (as opposed to temporary) installation.
 - (d)** the replacement appliance is required as the result of the installation of an initial opposing denture after the date the employee became covered under this Benefit Provision in respect of the person requiring the replacement appliance.
 - (e)** the replacement appliance is required as the result of accidental dental injury which occurs after the date the employee first became covered under this Benefit Provision in respect of the person requiring the replacement appliance.
- (4)** Relines and rebases to existing dentures.
 - (5)** Repairs to existing prosthodontic appliances.
 - (6)** Adjustments to an initial or replacement prosthodontic appliance after the 3-month post-insertion care period.

- (7) Procedures involving the use of gold if such treatment could not have been rendered at lower cost by means of a reasonable substitute consistent with generally accepted dental practice.

If such treatment could have been rendered at lower cost by means of a reasonable substitute, only the expense that would have been incurred for treatment by means of the reasonable substitute shall be covered.

Orthodontic Treatment - Treatment rendered by an Orthodontist, including the provision of orthodontic appliances, for the correction of Class I, Class II, or Class III malocclusions in relation to a primary, mixed, or permanent dentition, provided that treatment in respect of a dependent child shall be deemed to be a Covered Expense only if it commences on or after the child's 6th birthday. Treatment shall be deemed to commence on the date the initial orthodontic appliance is installed.

Special Benefit Payment Method Applicable to Orthodontic Treatment

The Covered Expenses for Orthodontic Treatment shall be deemed to be incurred on a monthly basis, commencing with the date on which the initial orthodontic appliance is installed and subsequently thereafter on the monthly anniversary of such date, during the continuance of the treatment period.

- (1) **SINGLE CHARGE BASIS** - If the estimated cost of Orthodontic Treatment stated in the Treatment Plan does not include a separate initial fee, the amount of each monthly Covered Expense for Orthodontic Treatment is deemed to be
- (a) the total estimated Covered Expense in respect of the Orthodontic Treatment, divided by
 - (b) the number of months of the treatment period.
- (2) **ITEMIZED CHARGE BASIS** - If the estimated cost of Orthodontic Treatment stated in the Treatment Plan includes a separate initial fee, the amount of the monthly

Covered Expense for Orthodontic Treatment is deemed to be

- (a)** for the first month of treatment, the lesser of
 - (i)** the initial fee, and
 - (ii)** 25% of the total estimated Covered Expense in respect of the Orthodontic Treatment;
- (b)** for each subsequent month of treatment
 - (i)** the difference between the total estimated Covered Expense and the Covered Expense calculated for the first month of treatment under (a) above, divided by
 - (ii)** the number of subsequent months of the treatment period.

The amount of the monthly Covered Expense as determined above is subject to adjustment if the actual expense or period of treatment differs from the estimate given in the Treatment Plan.

Benefits in respect of Orthodontic Treatment shall be paid at the end of each period of 3 consecutive months, the amount of each such payment being the sum of the benefits payable in respect of Covered Expenses incurred during such period.

TREATMENT PLAN PROVISION

Solely to permit the pre-determination of benefits, but not as a pre-requisite for benefit payment, an employee should submit a Treatment Plan to the Employer prior to the commencement of

- (1)** a course of Routine Treatment or Major Treatment for which the estimated cost is \$200 or more, or
- (2)** any course of Orthodontic Treatment.

Upon receipt of the Treatment Plan, the Employer shall advise the employee of the benefits payable under the plan on the basis of the Treatment Plan estimate at the time of Benefit determination, but the benefits so determined shall be valid

only if the course of treatment commences within 90 days after the Treatment Plan submission.

DEDUCTIBLE PROVISIONS

- (1)** The Individual Calendar Year Deductible Amount is the amount of Covered Expenses which must be incurred by an employee in respect of himself or one of his dependents in a calendar year before benefits become payable under this Benefit Provision.
- (2)** The Individual Deductible Amount shall be applied only once to a course of treatment
 - (a)** for which a Treatment Plan was submitted in accordance with the TREATMENT PLAN PROVISION, and
 - (b)** which was actually rendered in the treatment period estimated in the Treatment Plan, and
 - (c)** which continued beyond the calendar year in which the course of treatment commenced.
- (3)** Not more than the Family Calendar Year Deductible Amount of \$35 shall be applied against the Covered Expenses of an employee and all his dependents in any one calendar year.

Note: Employee Paid Deductible eliminated December 31, 2007 and replaced by a co-pay provision, where the employee will pay 10% of the premium.

COVERED EXPENSE LIMITATIONS

Expenses incurred for the following shall in no event be Covered Expenses:

- (1)** Services and supplies rendered for oral hygiene instructions, for plaque control or for dietary planning for the control of dental caries.
- (2)** Dental treatment which is not yet approved by the Canadian Dental Association or which is clearly experimental in nature.

- (3) Broken appointments or the completion of claim forms required by the Plan Administrator.
- (4) Dental treatment that is not “treatment necessarily rendered” as defined in the DEFINITIONS section. It is provided, however, that the plan shall consider as Covered Expenses subject to the definition of “Reasonable and Customary Charges”) that portion of the expense that would have been incurred for an alternate form of treatment that would qualify as “treatment necessarily rendered”.
- (5) Dentures which have been lost, mislaid or stolen.
- (6) Services and supplies rendered for facings on crowns or pontics posterior to the second bicuspid.
- (7) Services and supplies rendered for a full mouth reconstruction, for a vertical dimension correction, or for correction of a temporomandibular joint dysfunction.
- (8) Services and supplies rendered for the correction of any congenital or developmental malformation which is not a Class I, Class II or Class III malocclusion.
- (9) That portion of Orthodontic Treatment rendered after but which is part of a course of treatment that commenced before the date the employee became covered in respect of the person requiring the Orthodontic Treatment. It is provided, however, that the Employer shall consider as Covered Expenses (subject to the definition of “Reasonable and Customary Charges”) that portion of the expense which is not covered under any other group plan.
- (10) Services and supplies referred to in the provision of this plan entitled GENERAL LIMITATIONS.

MAXIMUM AMOUNT

Routine/Major Maximum Amount - The maximum amount payable under this Benefit Provision for Routine and Major Treatment for any person in any one calendar year shall be as follows:

- (1)** for the period from the date the employee became covered up to and including the last day of the calendar year in which he became covered,
 - (a)** if he became covered prior to July 1, the Routine/Major Maximum Amount stated in the Table of Benefits for the employee's Class, and
 - (b)** if he became covered on or after July 1, the Routine/Major Adjusted First Year Maximum Amount stated in the Table of Benefits for the employee's Class.
- (2)** for each calendar year thereafter, the Routine/Major Maximum Amount stated in the Table of Benefits for the employee's Class.

Orthodontic Maximum Amount - The maximum amount payable under this Benefit Provision for all Orthodontic Treatment for any one person during the entire time the employee is covered hereunder in respect of such person is the Orthodontic Maximum Amount stated in the Table of Benefits for the employee's Class.

EXTENDED BENEFITS

Routine/Major Treatment - The Employer shall pay benefits under this Benefit Provision in respect of expenses incurred for Routine or Major Treatment if services required for treatment were ordered or if treatment had commenced, but only if the supplies are received or installed or treatment is completed within 30 days after the date of termination of the employee's coverage under this Benefit Provision in respect of such person.

This extension applies only to an employee or dependent whose coverage terminated because:

- (1)** The employee is absent from work for a period of more than 30 days, if absence is due to disability or maternity leave, or
- (2)** the employee is absent from work due to lay-off or strike, or
- (3)** the employee has died, or

- (4)** the employee transferred from an eligible class into a class which is not eligible for coverage under this plan.

Orthodontic Treatment - The Employer shall pay benefits only in respect of a course of Orthodontic Treatment

- (1)** which commenced prior to the date of termination of coverage, and
- (2)** for which the Employer commenced payment of benefits prior to the date of termination of coverage, up to but not exceeding the amount that would have been paid in the 3-month period immediately following said termination of coverage had this coverage remained in force during such period.

GROUP TERM INSURANCE POLICY

LIFE INSURANCE

MANULIFE FINANCIAL will pay the benefits provided under this policy to the persons entitled to receive them.

The policy is issued by MANULIFE FINANCIAL, herein called "Manulife", on the basis of the application of the Policyholder and in consideration of the payment of the premiums as herein provided.

POLICY NO.	84500
POLICYHOLDER	CANADIAN PACIFIC
EFFECTIVE DATE	January 1, 2007
POLICY ANNIVERSARIES	January 1, 2007 and the same day of each subsequent year.
PREMIUM DUE DATES	The effective date and thereafter the 1st day of each month.
CURRENCY	Canadian Dollars, lawful money of Canada.
PLACE OF PAYMENT	Benefits and premiums are payable at any office in Canada of Manulife Financial.
PLACE AND DATE OF ISSUE	Province of Alberta, January 1, 2007

Canadian Pacific is the successor to Canadian Pacific Limited, effective as of July 4, 1996, by virtue of appropriate corporate action.

The provisions printed or written by Manulife on this and the following pages form part of the contract.

GROUP TERM INSURANCE POLICY

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DEFINITIONS

Effective January 1, 2004

Employer

Canadian Pacific (including those subsidiary and jointly owned companies listed in the Master Agreements for which and on whose behalf Canadian Pacific executed the Master Agreements),

The Toronto, Hamilton and Buffalo Railway Company, Racine Terminal (Montréal) Ltd., & Conship Ltd.

Master Agreement - the Collective Agreement signed between Canadian Pacific Limited and the Brotherhood of Maintenance of Way employees.

Plan - the Disability and Life Insurance Plan Agreements for Unionized Employees of Canadian Pacific signed between Canadian Pacific Ltd. and the Unions on the following dates:

Associated Non-Operating Railway Unions
April 21, 1989

Brotherhood Railway Carmen of
United States and Canada
December 5, 1988

The Associated Railway Unions
February 8, 1990

Employee:

- (i) an employee represented by the Teamsters Canada Rail Conference Maintenance of Way Employees the service of the Employer who qualifies as an Eligible Employee in accordance with the provisions of Article III of the Plan, or
- (ii) a non-operating employee in the service of the Employer who is a member of a group listed in Schedule B, or
- (iii) an employee in the service of the Employer who is a member of a group admitted under Article VII of the Plan.

The persons so admitted are defined in Schedule A attached and the groups so admitted are listed in Schedule B attached.

For the purposes of this policy, any reference to an Eligible Employee will be deemed to include an admitted employee, and an employee as defined in (ii) above.

Assigned Rest Day - a rest day to which an employee is entitled as defined by the terms of the applicable Collective Agreement.

General Holiday - any one of the days defined in the applicable Collective Agreement as a General Holiday.

Union – Teamsters Canada Rail Conference Maintenance of Way Employees Division which is party to the Master Agreement.

SUMMARY

Employees represented by the Teamsters Canada Rail Conference Maintenance of Way Employees Division on behalf of:

Amount of Life Insurance

\$36,000 (January 1, 2007)

\$37,000 (August 1, 2007)

\$38,000 (January 1, 2008)

\$39,000 (January 1, 2009)

Amount of Accidental Death Insurance

\$36,000 (January 1, 2007)

\$37,000 (August 1, 2007)

\$38,000 (January 1, 2008)

\$39,000 (January 1, 2009)

Amount of Insurance Under Extended Insurance on Disability Provision

\$7,000 commencing on:

- (i) the first day of the thirteenth month following the cessation of active work, or

- (ii) for retired employees who do not qualify for any other retiree life insurance provided by the Policyholder, the first day of the second month following the date of retirement, if this date is earlier.

In any event, if the Employee is not considered by the Employer to be at full-time active work when an increase would otherwise take effect, it will take effect only when he is again considered by the Employer to be at full-time active work.

COMMENCEMENT OF INSURANCE

The commencement of insurance is determined as follows:

- (a) The insurance in respect of an Employee who was insured under Policy 38830 commenced on the date and for the amount described in Special Provision No.2.
- (b) The insurance in respect of an Employee who becomes an Eligible Employee after January 1, 1986 commences on the first day of the month following the particular month he has maintained a continuous employment relationship for at least 60 calendar days with the Employer, in a position subject to one or more of the collective agreements specified in the Master Agreements, provided he is actively at work on such day. Should such Employee not be actively at work on such day, his insurance will commence
 - (i) on such day if the sole reason for his absence from work is that such day is a General Holiday or an Assigned Rest Day,
 - (ii) on the date in such month on which he returns to full-time active work if his absence from work on such first day of the month is for some reason other than that it is a General Holiday or an Assigned Rest Day.
- (c) The insurance in respect of an Employee whose insurance hereunder terminates while on temporary lay-off or leave of absence because his status is not maintained in accordance with Article IV.4 of the Plan and who returns to full-time active work, will again commence on the first day of the month following the particular month during which he shall have returned to full-time active work.

INDIVIDUAL TERMINATIONS

Subject to the terms of the Life Insurance Benefit Provision, the insurance in respect of Employees insured hereunder will terminate as follows:

- (a)** In the event of termination of an Employee's service with the Employer, the insurance in respect of such Employee will terminate 31 days after the end of the month during which such termination of service occurs, except that:
 - (i)** if the Employee is on lay-off or leave of absence and has maintained his status in accordance with Article IV.4 of the Plan, the insurance of such Employee will terminate 31 days after the end of the month in which he last made the required contribution to the Employer, and
 - (ii)** if the Employee is totally disabled and does not qualify for any other retiree life insurance provided by the Policyholder, the insurance of such Employee will be continued as described under Extended insurance On Disability.
- (b)** In the event of an Employee ceasing to be eligible for insurance hereunder for any reason other than termination of service with the Employer, the insurance in respect of such Employee will terminate on the date on which he so ceases to be eligible.
- (c)** In the event of termination of this policy, the insurance in respect of all Employees will terminate on the date of termination of this policy.

Termination of an Employee's service shall for the purposes of this policy be deemed to occur on the date on which such Employee for any reason, other than vacation with pay, discontinues active work (including retirement) with the Employer, except that

- (1)** service will be deemed to continue for a period of not more than six months from the date of ceasing active work because of bodily injury or disease

- (i) if such an Employee is entitled to Weekly Indemnity benefits under the plan established by the Employer, or
 - (ii) if such Employee is entitled to sickness benefits under the Employment Insurance Act, or
 - (iii) if such Employee is entitled to benefits under Workers' Compensation legislation, and for a further period of not more than six months, provided such Employee maintains his status in accordance with Article IV.4 of the Plan during such further period.
- (2) service will be deemed to continue for a period of not more than 12 months following the date on which the Employee is granted leave of absence or is temporarily laid-off, provided such Employee maintains his status pursuant to Article IV.4 of the Plan during such period.
- (3) service will be deemed to continue up to a maximum period of two years from the date of lay-off, provided such Employee has attained 20 years of cumulative compensated service, has been laid-off and is unable to hold work on his basic seniority territory.
- (4) service will be deemed to continue during the entire period the Employee is receiving weekly lay-off benefits for an Employee who:
 - (i) is designated as "adversely affected" by the implementation of VIA Rail pursuant to the VIA Special Agreements,
 - (ii) at the date of this designation is receiving weekly lay-off benefits, and
 - (iii) has more than two years but less than 20 years of accumulative compensated service.
- (5) service will be deemed to continue during the entire period the Employee is receiving monthly separation allowance for an Employee who:
 - (i) is designated as "adversely affected" by the

implementation of VIA Rail pursuant to the VIA Rail Special Agreements, and

- (ii) is at the date of this designation an early retired Employee who has elected a monthly separation allowance.
- (6) service will be deemed to continue during the entire period the Employee is receiving monthly separation allowance benefits as a result of the implementation of Manual Block System pursuant to Appendix C-9 of the Rail Canada Traffic Controllers Collective Agreement currently in force.
- (7) service will be deemed to continue for a period of not more than 12 months for an Employee who:
 - (i) is designated as “adversely affected” by downsizing, and
 - (ii) has elected to resign and receive a severance payment from the Employer pursuant to Option three of the relevant Article of the respective Job/Income Security Agreement.
- (8) service will be deemed to continue for a period of not more than 7 years for an Employee who:
 - (i) is designated as “adversely affected” by downsizing, and
 - (ii) is at the date of this designation an Employee within 7 years of early retirement who has elected bridging pursuant to Option two of the relevant Article of the respective Job/Income Security Agreement.
- (9) service will be deemed to continue until age 65 for an Employee who:
 - (i) is designated as “adversely affected” by downsizing, and
 - (ii) is at the date of this designation an early retired Employee who has elected an early retirement separation allowance pursuant to Option one of the

relevant Article of the respective Job/Income Security Agreement.

TERMINATION OF POLICY

Manulife reserves the right to terminate this policy under the following conditions:

- (a)** Upon giving at least 90 days' prior notice in writing to the Policyholder, such termination to take effect on any Policy Anniversary.
- (b)** Upon giving at least 31 days prior notice in writing to the Policyholder in the event that less than 50 employees are insured hereunder or in the event of a breach of any of the terms or conditions of this policy by the Policyholder, such termination to take effect at the end of the month following such notice.

COMPUTATION OF PREMIUMS

The amount of the premium due on the premium due date in each month will be computed by multiplying the total number of Employees eligible hereunder during such month by the premium rate established by Manulife per eligible Employee. Provided that notice is given to the Policyholder by the 1st day of December in any year, Manulife may change this premium rate from time to time but only on the 1st day of January in the year immediately following the giving of such notice.

Notwithstanding anything to the contrary contained in the preceding paragraph, it is provided that if an Employee becomes entitled, because of disability, to Weekly Indemnity benefits under the plan established by the Employer or to sickness benefits under the Employment Insurance Act or Workers' Compensation legislation, the premium in respect of such Employee will be waived for each month during which he is prevented by his disability from performing compensated service for the Employer sufficient to permit him to qualify as a participating Employee in such month but in no event will such premium be waived for more than six months in respect of any one continuous period of disability unless:

- (i) such Employee had completely recovered from the previous disability and had been at work with the Employer on full time as required by the Employer for a period of at least two consecutive weeks after termination of the previous disability, or
- (ii) such Employee, though not completely recovered from the previous disability, had been at work with the Employer on full time as required by the Employer for a period of at least four consecutive weeks after termination of the previous disability.

PAYMENT OF PREMIUMS

All premiums, including adjustments thereof, if any, in respect of the Employees insured hereunder, are payable to Manulife at its Head Office or at one of its branch offices in Canada.

A grace period of 31 days is allowed for the payment of any premium. If any premium is not paid by the date on which it is due, the policy will continue in full force until the expiration of the grace period in respect of such premium or until the date on which the Policyholder requests termination of the policy in writing, whichever date is the earlier, but a proportionate premium will nevertheless be payable for the period the policy so continues in force. The amount of such proportionate premium will be determined as twelve three hundred and sixty-fifth's ($\frac{12}{365}$ ths) of the premium which became due and was not paid, multiplied by the number of days the policy so continued in force. The policy will lapse and become void at the end of the period for which such proportionate premium is payable.

Manulife is not required to receive payment of any premium other than from the Employer or the Policyholder. Manulife is not required to see that any amounts referred to as contributions by insured Employees are, in fact, contributed by such Employees, nor to see that all or any amounts so collected by the Employer, are applied to the payment of premiums.

EXPERIENCE RATING

On each Policy Anniversary during the continuance of this policy, Manulife will rate the experience of this policy in accordance with the agreement between Manulife and the Policyholder.

INSURANCE DATA

The Policyholder shall furnish Manulife with such relevant particulars and information from payrolls and other appropriate records as Manulife may reasonably require for the purpose of administering the insurance under this policy.

Manulife shall furnish the Policyholder periodically, but not more frequently than quarterly in each policy year, with particulars regarding premiums and claims under this policy and such other relevant data relating exclusively to this policy as the Policyholder may reasonably require.

CONTRACT

This policy and the application therefor, a copy of which is attached and made a part hereof, constitute the entire contract. In providing the insurance hereunder, Manulife will rely on the statements and instruments furnished to it in compliance with the terms of the policy and all such statements will be deemed representations and not warranties. The policy will be incontestable except for non-payment of premiums.

Only the President, a Vice-President, the Actuary or the Secretary of Manulife has authority to agree on behalf of Manulife to any alteration of the contract or to the waiver of any of Manulife rights or requirements.

CLAIMS

PAYMENT OF BENEFITS. On receipt and approval by Manulife of proof of death of any Employee while insured hereunder, any amount due under this policy by reason of such death will be paid in one sum to the beneficiary last legally designated in writing by such Employee under this or the previous policy (See Special Provision No 1). If no such

beneficiary is living on the date of death of the Employee, Manulife may at its option, provided there is no legal restriction to the contrary, make payment of such amount to:

- (a) the Employee's legal spouse, or if not living on the date of Employee's death,
- (b) the Employee's oldest surviving child on the date of Employee's death, or if none,
- (c) the Employee's father or mother, or if not living on the date of Employee's death,
- (d) the representative of the Employee's estate.

Manulife is under no obligation to see to the application of any moneys so paid and any such payment shall constitute a complete discharge to Manulife to the extent of the amount of the payment.

CHANGE OF BENEFICIARY

All beneficiary nominations are revocable unless otherwise stipulated by the Employee.

LIFE INSURANCE BENEFIT PROVISION

Death Benefit.

Upon receipt of due proof of the death of an Employee, Manulife will pay the amount of life insurance for which the Employee is insured on the date of his death.

Extended Insurance on Disability

Upon receipt of written proof satisfactory to Manulife that any Employee, while insured hereunder and prior to his 60th birthday, became totally disabled by bodily injury or disease so as to be wholly prevented thereby from performing any work for compensation or profit or from following any gainful occupation (such totally disabled condition being hereinafter called total disability), such Employee's insurance will be extended during the continuance of such total disability without payment of premiums from:

- (1) the first day of the thirteenth month following the onset of total disability, or
- (2) for a disabled employee who retires and does not qualify for any other retiree life insurance provided by the policyholder, the first day of the second month following the date of retirement, if this date is earlier.

Proof of disability is required by Manulife not later than 12 months after the Employee ceases to be at full-time active work. Manulife may require periodic proof of the continuance of total disability at any time but not more often than once a year.

Manulife will have the right to have physicians designated by it examine the person of the Employee when and as often as it may reasonably require.

Insurance under this Provision on the life of any Employee will terminate on the earliest of the following dates:

- (a) the date of termination of the total disability of such Employee;
- (b) the date of the failure of such Employee to submit, upon request, to examination by physicians designated by Manulife;
- (c) the date of the failure of such employee to furnish proof of the continuance of total disability,
- (d) the date the Employee becomes entitled to retiree life insurance provided by the Policyholder.

During the 31 day period preceding such termination of insurance, such Employee will be entitled to apply for an individual policy of life insurance in accordance with the terms of the following Conversion provision, as though his service had terminated at the beginning of such 31 day period, unless he returns to work with the Employer and is again covered under this policy.

CONVERSION

- (1) When the insurance in respect of an Employee insured hereunder

- (a) terminates or reduces as a result of the termination of his service with the Employer while the policy is in full force and effect

after at least 5 years of service with the Employer provided such termination is not due to retirement, or

- (2) due to retirement, or

- (b) terminates as a result of the termination of this policy if such Employee has been continuously covered for the previous 5 successive years, or

- (c) reduces at the time of commencement of his extended insurance on disability,

Manulife, upon receipt of a written request from such Employee within the respective periods set forth below, accompanied by payment of the first premium, will issue, without medical examination or other evidence of health and in lieu of all benefits so terminated, an individual policy on the life of such Employee on any form of life or endowment insurance (excluding term insurance) then regularly issued by Manulife but without Total Disability Benefit; such policy will be for up to the amount determined in paragraph 2 of this provision and will contain the same provisions as regular policies of like nature then being issued by Manulife, and the rate of premium will be the rate charged by Manulife for the plan selected according to the table of rates then in use applicable to the class of risk to which such Employee belongs and the attained age of such Employee at the effective date of the individual policy. Conversion of insurance or payment of claim under such individual policy will not preclude the establishment of rights under the preceding Extended Insurance on Disability provision if all the conditions of that provision are fulfilled and if such individual policy is surrendered to Manulife in exchange for the refund of premiums actually paid thereon.

- (3) The period within which such written request may be submitted to Manulife and the amount of insurance will be determined as follows:

- (a) (i)** When termination or reduction of insurance occurs in respect of any Employee as a result of retirement under the conditions set forth in paragraph 1 above, such period will be one calendar month following the end of the month during which such termination of service occurred and such individual policy will be for an amount equal to the amount of such Employee's insurance under the policy at the date of termination of his service, less any amount of life insurance for which he is eligible under any group policy issued by any insurance company or any amount of life insurance provided by the Policyholder within such period.
- (ii)** When termination of insurance occurs in respect of any Employee as a result of termination of his service, other than as a result of retirement, under the conditions set forth in paragraph 1 above, such period will be the 31 days following the end of the month during which such termination of service occurred and such individual policy will be for an amount equal to the amount of such employee's insurance under the policy at the date of termination of his service;
- (iii)** When reduction of insurance occurs in respect of any Employee at the time of commencement of his extended insurance on disability, under the conditions set forth in paragraph 1 above, such period will be 31 days prior to such reduction of insurance and such individual policy will be for an amount up to the amount by which the insurance reduced.
- (iv)** When termination of insurance occurs in respect of any Employee as a result of termination of his insurance on the date the Policyholder provides any other form of life insurance for such employee, under the conditions set forth in paragraph (i) above, such period will be 31 days prior to such termination of insurance and

such individual policy will be for an amount up to the amount of such Employee's insurance under the policy at the date of such termination less any amount of life insurance provided by the Policyholder for which he is eligible within such period.

- (b) When termination of insurance occurs in respect of any Employee as a result of the termination of this policy and if such Employee has been continuously covered for the previous 5 successive years, such period will be the 31 days following the date of such termination of this policy and such individual policy will be for an amount equal to the amount of such Employee's insurance under this policy as at the date of such termination less any amount of insurance for which he may be or may become eligible under any group policy issued or reinstated by any insurance company or any amount of insurance provided by the Policyholder within 31 days after the date of such termination.

Each Employee entitled to such an individual policy will be covered hereunder during the said 31 days for the amount of insurance to which he is entitled under such individual policy and no premium will be payable for that period.

EMPLOYEE ACCIDENTAL DEATH BENEFIT PROVISION

If the Employee, while insured under this Provision,

- (1) dies from accidental drowning, or
- (2) sustains accidental bodily injury which results directly and independently of all other causes in loss of life within 365 days after the date of the injury.

Manulife will pay, subject to the exclusions set out in this Provision, the amount of Accidental Death Insurance for which the Employee is insured on the date of death. Upon a work related accidental death of an employee, the employees beneficiary will be provided with an extra \$100,000 (\$150,000 effective August 1, 2007).

EXCLUSIONS. Payment will not be made under this Provision for loss resulting from any of the following:

- (1) intentionally self-inflicted injuries, suicide or attempted suicide (while sane or insane),
- (2) drug overdose,
- (3) carbon monoxide inhalation,
- (4) flying in, descending from or being exposed to any hazard incident with any kind of aircraft, if the Employee
 - (a) was receiving aeronautical instruction,
 - (b) had any duties to perform in connection with the aircraft,
 - (c) was being flown for a parachute descent,
 - (d) was a member of any armed forces and the aircraft was under the control or charter of such forces,
- (5) the hostile action of any armed forces,
- (6) participation in any riot or civil strife.

**EXTENDED ACCIDENTAL DEATH BENEFIT
for Totally Disabled Employees**

If the Life Insurance Benefit under this policy is continued by Manulife, without payment of premiums for an Employee who is totally disabled, then the Accidental Death Benefit also continues without payment of premiums while such Employee is totally disabled. The amount of Accidental Death insurance payable will be the amount of insurance indicated in the Summary for the Extended Insurance on Disability Provision.

Non-Duplication. No Extended Accidental Death Benefit will be payable to the extent that any amount is payable under an Accidental Death Benefit Provision issued to the Employee under the conversion privilege, unless the Accidental Death Benefit Provision and the policy to which it is attached are surrendered to Manulife without claim in exchange for a full refund of premiums paid under the individual policy.

TERMINATION.

The Extended Accidental Death Benefit terminates on the earliest of the following dates:

- (1)** the date the Employee ceases to be totally disabled during his lifetime,
- (2)** the date he attains 65 years of age,
- (3)** the date his Accidental Death Insurance terminates because of age or retirement, and
- (4)** the date his Life Insurance terminates,
- (5)** the date which is 12 months following the date the Employee's Extended Accidental Death Benefit commenced.

CONVERSION PRIVILEGE

If an Employee applies for an individual policy on his own life under the terms of the "Conversion" clause of the Life Insurance Benefit Provision, the Employee will be entitled at that time to have an Accidental Death Benefit Provision attached to that individual life insurance policy, without evidence of insurability. Such Accidental Death

Benefit Provision and the individual policy to which it is attached will be issued subject to the Conversion Provision of the Life Insurance Benefit Provision.

EMPLOYEE PAID LIFE INSURANCE

Employees who are Eligible for the Basic Life Insurance may purchase Optional life Insurance up to a maximum of \$250,000 in multiples of \$10,000. Employees spouse may also purchase Optional Life Insurance in multiples of \$10,000 to a maximum of \$150,000.

The Optional life Insurance is to include a waiver of premium benefit during any period of total disability for the employee and is not to include the spouse.

Individuals covered must provide evidence of insurability as determined by the Carrier.

Benefits will terminate at the earlier of retirement or the attainment of age 65 or written notice that the Employee wishes to terminate coverage.

Premiums are determined on the basis of age, gender and smoker or non-smoker status. A non-smoker is defined as a person who has not smoked in the past twelve months.

Provided below is a table indicating monthly premiums per ten thousand dollars of coverage:

AGE	MALE		FEMALE	
	NON-SMOKER	SMOKER	NON-SMOKER	SMOKER
TO AGE 24	0.400	0.771	0.182	0.304
25 to 34	0.431	0.800	0.204	0.341
35 to 39	0.454	0.863	0.315	0.526
40 to 44	0.640	1.281	0.469	0.783
45 to 49	1.116	2.233	0.786	1.309
50 to 54	2.108	4.217	1.321	2.201
55 to 59	3.594	7.188	2.143	3.571
60 to 64	5.203	10.406	3.412	5.687

Example: Based on the above table, a male non-smoker, between the ages of 40 and 44 who applied for \$250,000 coverage would have a monthly premium of \$16.85 deducted from his paycheck ($250,000 \times 0.640 / 10,000 = \16.00)

SPECIAL PROVISION NO. 1

The Group Policy previously written under the same policy number is cancelled and replaced by this rewritten policy from the effective date of this policy. However, it is provided that the terms of this rewritten policy will not deprive any employee of any right or benefit to which he would have been entitled under the previous policy.

The beneficiary for this policy will be understood, at the effective date, to be the beneficiary last legally designated in writing by the employee prior to the effective date, but

such beneficiary may be changed at any subsequent time in accordance with the terms of this policy.

SPECIAL PROVISION NO. 2

PREVIOUS POLICY. The previous policy is Group Policy No.7030-G. issued by Sun Life with an Effective Date of January 1, 1979 which terminated December 31, 1985 and was replaced by Group Policy No. 50240-G with an Effective Date of January 1, 1986.

PREVIOUSLY INSURED EMPLOYEE.

(A) Definition

A previously insured Employee is a person who falls into one of the following categories:

- (i)** a person who was insured under the previous policy as an Employee and whose insurance would have continued in force under the previous policy had it not been replaced by this policy; or
- (ii)** a person who was insured under the previous policy as an Employee and who was designated as “adversely affected” by the implementation of VIA RAIL pursuant to the VIA RAIL Special Agreements, and who was at the date of the designation, either:
 - (a)** receiving weekly lay-off benefits, and had more than two years but less than 20 years of cumulative compensated service, or
 - (b)** an early retired Employee who elected a monthly separation allowance; or
 - (c)** a person who has attained 20 years of cumulative compensated service, has been laid-off and is unable to hold work on his basic seniority territory; or
- (iii)** person who was insured under the previous policy as an Employee and who is receiving a monthly separation allowance as the result of

the implementation of the Manual Block System pursuant to Appendix C-9 of the Rail Canada Traffic Controllers Collective Agreement currently in force.

(B) Insurance Amounts

- (1) A previously insured Employee was insured under Group Policy No.50240-G on January 1, 1986 for the amount of Employee Life Insurance in force on his life on December 31, 1985.
- (2) Notwithstanding the above, a previously insured Employee is insured for the amount of life insurance described under Group Policy No.50240-G on the later of January 1, 1986 or the date he is considered by the employer to be at full-time active work

(C) Beneficiary Designation

The last beneficiary designated by a previously insured Employee under the previous policy will be considered as the designated beneficiary under this policy. (See Special Provision No.1).

SCHEDULE A - UNION OFFICERS

All those persons, from time to time, who, but for their full-time employment as Officers of Bargaining Units would be either full-time Employees with or retired from service with one of the Railways signatory to the Disability and Life Insurance Plan Agreements currently in effect such persons to pay direct to the Railways for transmission to the Underwriters the full costs of the benefits.

Full-time Union Officers admitted to coverage under this provision may only do so if they maintain life insurance coverage continuous with their coverage under this policy as participating Employees. In order to permit such continuous coverage being arranged, while on full-time leave, a newly-appointed full-time Union Officer will be allowed a period of 90 days to make application to the Secretary of the Administrative Committee for coverage under this Schedule "A", from the

date his leave of absence from the Company's service takes effect.

Each such representative will be covered for the same amount of life insurance as an employed member of the group which he represents.

It will be the responsibility of Union Officers signatory to this Agreement or their successors to advise any newly-elected full-time Union Officers of this provision.

The Disability Benefit Plans

THE PLAN DOCUMENT SCHEDULE III

The Disability Benefit Plans previously issued to Canadian Pacific Limited for the persons covered under Schedules III-A, III-B and III-C are cancelled and replaced by this Disability Benefit Plan on its Effective Date. Canadian Pacific is the successor to Canadian Pacific Limited, effective as of July 4, 1996, by virtue of appropriate corporate action. The terms and benefits of this Disability Benefit Plan apply to any person who was covered under the previous Disability Benefit Plans on the day immediately before the Effective Date of the present Disability Benefit Plan.

Canadian Pacific hereby instructs the Service Organization that claims incurred on or after January 1, 2007 be administered in accordance with the terms of this Disability Benefit Plan.

SCHEDULE III

MANULIFE FINANCIAL DISABILITY BENEFIT PLAN
DOCUMENT

DISABILITY BENEFIT PLAN DOCUMENT

NO. 84500

FOR

EMPLOYEES

OF

CANADIAN PACIFIC COMPANY

Represented by

TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION

DISABILITY BENEFIT PLAN FOR THE EMPLOYEES OF
CANADIAN PACIFIC

REPRESENTED BY THE TCRC MWED

EFFECTIVE January 1, 2007

Plan Document No. 84500

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SECTION I - DEFINITIONS

- 1.1** The terms used herein shall have the meanings as hereinafter provided and words implying the masculine gender include the feminine.
- 1.2** Assigned Rest Day” means a rest day to which an Employee is entitled as defined by the terms of the Master Agreement.
- 1.3** “Base Pay” shall be as defined in Section 4.3 hereof.
- 1.4** “Canadian Pacific “ includes those subsidiary and jointly owned companies for which and on whose behalf Canadian Pacific executed the Master Agreement.
- 1.5** “Disability Benefits” means the amounts to which an Eligible Employee is entitled pursuant to Sections 4 and 5 hereof.
- 1.6** “Disability Benefit and Group Insurance Plan Agreement” means the agreement entered into between Canadian Pacific and the unions.
- 1.7** “Disability Benefit Plan” means the Disability Benefit Plan described herein.
- 1.8** “Doctor” means a qualified physician who:
- a)** is duly authorized and licensed to practice medicine in the province in which treatment is being rendered to the Employee and who is registered in good standing with the College of Physician’s and Surgeons in such province
 - b)** is neither the Employee nor a member of the Employee’s immediate family
 - c)** is qualified to treat the Employee’s disabling condition
 - d)** provides treatment within the scope of his/her license.
- 1.9** Effective Date” means January 1, 2007
- 1.10** “Eligible Employee” shall be as defined in Section 2 hereof.

1.11 “Elimination Period” means those days subsequent to the disability of an Eligible Employee for which such Eligible Employee is not entitled to Disability Benefits.

1.12 “Employee” means

- (i) an employee in the service of a Railway who qualifies as an Eligible Employee in accordance with the provisions of Article III of the Plan, or
- (ii) an employee in the service of a Railway who is a member of a group admitted pursuant to Articles VII or VIII of the Plan. The groups so admitted are listed in Section 10 hereof.

For the purpose of this Disability Benefit Plan, any reference to a participating employee will be deemed to include an admitted employee.

1.13 “General Holiday” means any of the days defined in the applicable Collective Agreement as a General Holiday.

1.14 “Hospital” means a legally operated institution which

- (a) is primarily engaged in providing, for compensation from its patients, medical, diagnostic and surgical facilities for the care and treatment of sick and injured persons on an in-patient basis, and
- (b) provides such facilities under the supervision of a staff of Doctors with a 24 hour a day nursing service by registered nurses, and
- (c) is not principally a home for the aged, rest home, nursing home or a place for the care and treatment of drug addicts or alcoholics.

1.15 “Master Agreement” means the Master Agreement signed between the Company and the The Teamsters Canada Rail Conference - Maintenance Of Way Employees Division. The individual collective agreement is attached hereto as Annex A.

1.16 “Maximum Indemnity Period” shall be as defined in Section 4.6 hereof.

- 1.17** “Pay Period” means two weeks.
- 1.18** “Pregnancy” means pregnancy, childbirth, miscarriage, abortion and conditions which result directly or indirectly from any of these.
- 1.19** “Railway” means Canadian Pacific and its subsidiaries and joint properties listed in the Master Agreement, and also includes an employer associated with one of the Railways, a group of whose Employees has been admitted as provided in Article VIII of the Disability Benefit and Group Insurance Plan Agreement.
- 1.20** “Service” means compensated employment with a Railway.
- 1.21** “Service Organization” means the institution which is responsible for the daily administration and operation of the Disability Benefit Plan.
- 1.22** “Appropriate Treatment” means treatment which meets all the following conditions:
- (a)** it is performed and prescribed by a Doctor, or when deemed necessary by the Service Organization, by a medical specialist and
 - (b)** it is of a reasonable and customary nature, and
 - (c)** it is provided with a frequency usually required for the condition, and
 - (d)** the care provided to the employee is of demonstrable medical value for the disability, and
 - (e)** it is not solely limited to examinations and/or testing
- 1.23** “Proof of Disability” – means any written statement made on forms for making a claim under this Plan approved for such purpose by and received by the office designated by the Service Organization, along with such additional documentation as may be deemed necessary and appropriately the Service Organization for making such claim
- 1.24** “Disability or Disabled” – means that an Eligible Employee

has become wholly and continuously disabled from bodily injury or from sickness or disease so as to be prevented from performing the essential duties of his regular occupation or regular employment.

SECTION 2 - COMMENCEMENT OF COVERAGE - ELIGIBLE EMPLOYEES

- 2.1** An Employee shall, subject to Section 2.2 hereof, become an Eligible Employee on the first day of the calendar month next following the date on which he completes 60 days of service.
- 2.2** If an Employee is not actively at work on the date he would have become an Eligible Employee pursuant to Section 2.1 hereof, such Employee shall become an Eligible Employee
- (a)** on such day if the sole reason for his absence from work is that such day is a General Holiday or an Assigned Rest Day, or
 - (b)** on the date on which he returns to full-time active work if his absence from work is for some reason other than that it is a General Holiday or an Assigned Rest Day.
- 2.3** An Employee who has ceased to be an Eligible Employee pursuant to Section 3 hereof by reason of temporary lay-off or leave of absence, shall become an Eligible Employee on the date of his return to active work.

SECTION 3 - TERMINATION OF COVERAGE

- 3.1** An Employee who has become an Eligible Employee pursuant to Section 2 hereof shall cease to be an eligible Employee on the earliest of the following termination dates:
- (a)** the date the Eligible Employee's Service with a Railway terminates,
 - (b)** the last day worked prior to a strike in which the Eligible Employee ceases to work,

(c) in the event of an Eligible Employee ceasing to be eligible for coverage hereunder for any reason other than termination of Service with a Railway, the date on which he ceases to be eligible, or

(d) the date of termination of this Disability Benefit Plan.

3.2 Termination of an Eligible Employee's Service shall, for the purposes of this Disability Benefit Plan, be deemed to occur on the date on which such Eligible Employee discontinues active work (including retirement) with a Railway, except that Service will be deemed to continue:

(a) during any period the Eligible Employee is on paid vacation,

(b) during any period the Eligible Employee is entitled to Disability Benefits or Employment Insurance Sickness Benefits,

(c) during any period of not more than six months during which the Eligible Employee is entitled to benefits under Workers' Compensation legislation,

(d) during any period the Eligible Employee is on bereavement leave or Railway-compensated jury duty, or for union officers on temporary leave of absence to perform union duties and who have Service in the current or previous month, or

(e) during any period the Eligible Employee is laid-off or is granted leave of absence if such Employee is re-called to work from lay-off by a Railway, or is entitled to and bids to replace another Employee or fill a vacancy, or is due to return to work from leave of absence on the date agreed to in advance with a Railway - any of which occurs in the same calendar month in which the lay-off or leave of absence commenced.

SECTION 4 - DISABILITY BENEFITS

4.1 On receipt by the Service Organization of proof as herein required that an Eligible Employee has become

wholly and continuously disabled from bodily injury or from sickness or disease so as to be prevented from performing the duties of his occupation or employment, a benefit will be paid to such Eligible Employee equal to one-seventh of the weekly Amount of Disability Benefits to which the Eligible Employee was entitled on the date he became so disabled for each day that he continues to be so disabled and does not engage in any occupation or employment for wage or profit, subject to the limitations set out in Section 6 hereof. To which the Eligible Employee was entitled on the date he became so disabled

Such benefit will commence with:

- (a)** if the Eligible Employee is confined to a Hospital at any time during one period of disability - the 1st such day.
- (b)** if the disability is due to sickness or disease - the 4th such day.
- (c)** if disability is due to bodily injury effected directly and independently of all other causes through accidental - the 1st such day.
- (d)** Effective April 1, 2005, if eligible employee has day surgery performed – the 1st such day

Benefits will continue for not more than the Maximum Indemnity Period set out in Section 4.6 hereof during any one period of disability whether disability is due to one or more causes. Benefit payments will be made weekly.

4.2 It is provided that:

- (a)** if an Eligible Employee becomes so disabled and his 15th week of benefit payment ends on any day other than a Saturday, the benefit payments will be extended until the Saturday following the end of the benefit payments.
- (b)** if an Eligible Employee becomes so disabled and while so disabled there is a General Holiday, he will be entitled to benefit payments for such General Holiday

only if the Eligible Employee receives no pay for the General Holiday.

- (c)** if an Eligible Employee becomes so disabled and while so disabled there is an Assigned Rest Day, he will be entitled to benefit payments for the Assigned Rest Day.
- (d)** if an Eligible Employee becomes so disabled and while so disabled is subsequently laid-off, he will be entitled, while laid-off and still disabled, to benefit payments as they fall due as if he had not been laid-off.
- (e)** if an Eligible Employee becomes so disabled and while so disabled his union subsequently participates in a strike against a Railway, he will be entitled, while the strike continues and still disabled, to benefit payments as they fall due for up to 15 weeks from the date of disability.
- (f)** if an Eligible Employee is laid-off or is granted leave of absence and subsequently, while still laid-off or on leave of absence, becomes disabled and if while so disabled and during the month in which he is laid-off or is granted leave of absence and for which he has rendered Service, such Eligible Employee is recalled to work by a Railway or in accordance with seniority rules bids to replace an Employee or to fill a vacancy or his leave of absence has terminated but because of his disability he cannot perform such work, he will be entitled to benefit payments as they fall due of the full amount which would have been payable if he had not been laid-off or been granted leave of absence, as if the date of onset of disability was the date on which he would have returned to work if he had not been laid-off or been on leave of absence.
- (g)** if after the termination of a disability, other than related to a program of rehabilitation for abuse of alcohol and/or drugs, for which an Eligible Employee was entitled to a benefit, such Eligible Employee again becomes disabled due to the same or related cause

or causes, such later disability will be considered as a continuation of the previous disability for the same amount of Disability Benefit and subject to the same Maximum Indemnity Period but without the application of another Elimination Period unless:

- (i)** such Eligible Employee had completely recovered from the previous disability and had been at work with a Railway on full time as required by such Railway for a period of at least two consecutive weeks after termination of the previous disability, or
- (ii)** such Eligible Employee, though not completely recovered from the previous disability, had been at work with a Railway on full time as required by such Railway for a period of at least four consecutive weeks after termination of the previous disability.
- (h)** if after the termination of a disability, other than related to a program of rehabilitation for abuse of alcohol and/or drugs, for which an Eligible Employee was entitled to a benefit, such Eligible Employee again becomes disabled due to an unrelated cause or causes, such later disability will not be considered as a continuation of the previous disability if it is separated from the previous disability by a period during which the Eligible Employee was actively at work.
- (i)** if after termination of a disability, related to a program of rehabilitation for abuse of alcohol and/or drugs, for which an Eligible Employee was entitled to a benefit, such Eligible Employee again becomes disabled due to the same or related cause or causes, such later disability will not be considered as a continuation of the previous disability.
- (j)** The following shall reduce disability benefits:

 - a)** disability or retirement benefits payable to the Employer under the Canada Pension Plan or Quebec Pension Plan, excluding any cost of living

increases that occur after benefits begin;

- b)** a judgment or settlement that the Employee receives from a third party in connection with or resulting from the Employee's disability
 - c)** Any amount of income or benefit payable to the employee under a motor vehicle insurance plan, where legally permitted and received in connection with or resulting from the Employee's disability
 - d)** Any daily, weekly, or monthly indemnity benefits received from any other public insurance plan or policy
 - e)** Any other government sponsored benefit received in connection with or resulting from the Employee's disability
- (k)** if an Eligible Employee, while on maternity leave, is eligible for Employment Insurance Maternity Benefits, that Employee will have such Benefits supplemented (topped- off) by this Plan so as to equal the amount of Weekly Indemnity Benefits under this Plan for a maximum period of 15 weeks.
- (l)** if a Doctor certifies in writing that an Eligible Employee who is pregnant or nursing cannot continue in her own job because of the risk it might pose to the Eligible Employee, the unborn child or the child, and the Railway decides that it is not practical to reassign the Eligible Employee or modify her job functions, the Eligible Employee will be granted a leave of absence starting on the date the Railway advises the Eligible Employee of its decision. The Eligible Employee will be considered disabled and will fall under the provisions of the Disability Plan. The maximum duration of the leave of absence is from the beginning of the pregnancy until the last day of the 35th week following the end of the pregnancy.
- (m)** if a Doctor certifies in writing that an Eligible Employee

who is pregnant or nursing cannot continue to work because of the risk it might pose to the Eligible Employee, the unborn child or the child, the Eligible Employee will be granted a leave of absence starting on the date the Doctor certifies that such condition exists. The Eligible Employee will be considered disabled and will fall under the provisions of the Disability Plan. The maximum duration of the leave of absence is from the beginning of the pregnancy until the last day of the 35th week following the end of the pregnancy.

- 4.3** Unless otherwise provided herein, any change in the Amount of Disability Benefit will take effect on the date of change in the Eligible Employee's earnings subject to the following:
- (a) For hourly rated Employees, Base Pay is the product of the Employee hourly rate multiplied by the number of regularly scheduled hours per week.
 - (b) For daily rated Employees, Base Pay is the product of the Employee daily rate multiplied by the number of regularly scheduled days per week.
 - (c) For monthly rated Employees, Base Pay is the quotient of the Employee monthly rate divided by 4 1/3.
 - (d) For mileage basis Employees, Base Pay is the weekly average of the Employee miles paid for within the six Pay Periods immediately preceding the date of commencement of disability.
 - (e) For spare board, relief, casual or similar type of Employees, Base Pay is the weekly average of the Employee's earnings during the six consecutive complete Pay Periods in which the Employee received earnings immediately preceding the date of commencement of disability.
- 4.4** If an Eligible Employee is not actively at work on full time on the date an increase would otherwise take effect, it will take effect only when he is again actively at work.

- 4.5** The Elimination Period for a disability due to accident is nil. The Elimination Period for a disability due to sickness is three days, or if the Eligible Employee is hospitalized during the period of disability for which claim is being made, nil.
- 4.6** The Maximum Indemnity Period:
- (a)** in respect of an Eligible Employee who is covered through a Railway under a supplemental payment procedure approved by Human Resources Development Canada, is 26 weeks plus the number of weeks the Employee is entitled to Employment Insurance Sickness Benefits, but not to exceed 41 weeks for any one period of disability.
 - (b)** in respect of an Eligible Employee who is not covered through a Railway under a supplemental payment procedure approved by Human Resources Development Canada, is 26 weeks for any one period of disability.
 - (c)** for Maternity Leave, in respect of an Eligible Employee who is covered and in receipt of payments through a railway under a supplemental payment procedure approved by Human Resources Development Canada, is 15 weeks.

SECTION 5 - AMOUNT OF DISABILITY BENEFITS

5.1 Subject to Section 6 hereof, the Amount of Disability Benefit to which an Eligible Employee is entitled under Section 4 shall be as described in Section 5.2 hereof.

5.2 Eligible Employees represented by the

Teamsters Canada Rail Conference Maintenance of Way Employees Division Eligible Employees who are in receipt of weekly Base Pay of:

Amount of Disability Benefit

(a) Claims which originate on or after January 1, 2007

\$120.01 and over	70% of the Eligible Employee's weekly base pay up to a maximum benefit of \$540 or the maximum sickness benefit payable under the Employment Insurance Act, whichever is greater.
Less than \$120.01	\$80 or 75% of the Employee's weekly Base Pay, whichever is less.

(b) Claims which originate on or after August 1, 2007

\$120.01 and over	70% of the Eligible Employee's weekly base pay up to a maximum benefit of \$590 or the maximum sickness benefit payable under the Employment Insurance Act, whichever is greater.
Less than \$120.01	\$80 or 75% of the Employee's weekly Base Pay, whichever is less.

(c) Claims which originate on or after January 1, 2008

\$120.01 and over	70% of the Eligible Employee's weekly base pay up to a maximum benefit of \$600 or the maximum sickness benefit payable under the Employment Insurance Act, whichever is greater.
Less than \$120.01	\$80 or 75% of the Employee's weekly Base Pay, whichever is less.

(d) Claims which originate on or after January 1, 2009

\$120.01 and over	70% of the Eligible Employee's weekly base pay up to a maximum benefit of \$610 or the maximum sickness benefit payable under the Employment Insurance Act, whichever is greater.
Less than \$120.01	\$80 or 75% of the Employee's weekly Base Pay, whichever is less.

SECTION 6 - LIMITATIONS

6.1 Payment will not be made under the Disability Benefit Plan:

- (a)** for any period of disability during which the Eligible Employee is not following the appropriate treatment for the disabling condition and, for any period of disability during which the Eligible Employee is an inmate of a prison or similar institution and, for illness or injury resulting from a motor vehicle accident (MVA) that is covered by a provincial MVA insurance plan which provides benefits in respect of the actual or presumed loss of income from employment due to injury.
- (b)** for any period for which indemnity or compensation is payable under Workers' Compensation legislation, unless such indemnity or compensation is payable in respect of a previously incurred partial disability which permits continuation of employment by the Eligible Employee.
- (c)** for any period after 15 weeks of disability during which the Eligible Employee is entitled to receive Employment Insurance Sickness or Maternity Benefits except where the disabled Employee, through a Railway, is covered under a supplemental payment procedure approved by Human Resources Development Canada and such disabled Employee is entitled to the difference, if any, between the sickness or maternity benefits payable under the Employment Insurance Act and the amount otherwise payable under this Disability Benefit Plan.
- (d)** for that portion of any period of disability during which the Eligible Employee is in receipt of retirement pension from a Railway, or General Holiday or vacation pay is payable. However, an Eligible Employee who becomes disabled during his annual vacation may temporarily terminate the vacation to qualify for Disability Benefits.
- (e)** for any period of disability commencing after the time the Eligible Employee goes on strike.

- (f)** for any period more than 15 weeks from the date of disability, if subsequent to disability the Eligible Employee's union goes on strike.
- (g)** for any period during which the Eligible Employee is Engaged in any occupation for wage or profit.
- (h)** in respect of total disability as a result of Pregnancy:
 - (i)** for any period commencing with the tenth week prior to the expected week of confinement and ending with the sixth week after the week of confinement, or
 - (ii)** during any period of formal maternity leave taken by the Eligible Employee pursuant to provincial or federal law or pursuant to mutual agreement between the Eligible Employee and her Railway except that during any period for which the Eligible Employee is paid maternity benefits under the Employment Insurance Act, benefits are payable subject to Section 6.1(c) hereof.
- (i)** for any period solely due to the abuse of alcohol unless:
 - (i)** the Eligible Employee has, on his own initiative, sought adequate treatment, and
 - (ii)** a Doctor has declared the Eligible Employee unable to perform his duties due to alcoholism, and
 - (iii)** the Eligible Employee is recommended by the Chief Medical Officer of a Railway for a program of rehabilitation, and
 - (iv)** the Eligible Employee is satisfactorily participating in a program of rehabilitation deemed appropriate by a Railway
- (j)** in respect of disability directly or indirectly due to or resulting from any of the following
 - (i)** bodily injury sustained while doing any act or

thing for wage or profit other than on behalf of a Railway,

- (ii) intentionally self-inflicted injury while sane or insane,
 - (iii) war, insurrection or the hostile action of the armed forces of any country, or participation in any riot or civil commotion,
 - (iv) any cause for which indemnity or compensation is payable under Workers' Compensation legislation.
- (k) in respect of a disability, related to a program of rehabilitation for abuse of alcohol, if the Eligible Employee has, at any time in the 30 day period preceding the date of disability, been in receipt of benefits under the terms of this Disability Benefit Plan for a disability related to a program of rehabilitation for abuse of alcohol.
- (i) Effective January 1, 2005, terminate Weekly Benefits as of the date the lay-off starts, provided that when subject to lay-off, the employee was advised of lay-off prior to the beginning of the illness/injury.

SECTION 7 - CLAIMS REVIEW

- 7.1** An Eligible Employee shall be responsible for the completion of the claim forms and shall furnish Proof of Disability to the Service Organization as shall be deemed necessary and appropriate by the Service Organization.
- 7.2** Written proof of claim must be furnished to the Service Organization within 30 days after the date of the accident causing the injury or the date of commencement of the disability from sickness or disease and subsequent proofs of claim as the Service Organization may require at intervals not more often than weekly. Failure to furnish proof within the time specified will not invalidate the claim if it is shown that it was not reasonably possible to furnish

proof within such time and that proof was furnished as soon as reasonably possible.

- 7.3** Any proof of claim involving medical evidence in respect of an Eligible Employee shall be furnished to the Service Organization and shall be signed by the Doctor personally attending the Eligible Employee. The cost of all medical examinations, tests or reports required by the Company and/or the Service Organization shall be paid by the Company when such examinations, tests or reports are not paid for under a provincial health plan. The Service Organization will have the right, at its own expense, to have Doctors designated by it examine any person in respect of whom a claim is being made when and as often as it may reasonably require.
- 7.4** Any Employee who is denied all or any part of a claim for reimbursement by the Service Organization shall receive, from the Service Organization, a notice in writing setting forth the specific reasons for such denial, specific reference to the Disability Benefit Plan's provisions on which the denial is based, a description of any additional material necessary for such Employee to support the claim, and explanations both as to why such material is necessary and as to the terms of the Disability Benefit Plan's claims review procedure, all written in a manner calculated to be understood by such Employee whose claim has been denied.
- 7.5** Any Employee whose claim has been denied in whole or in part by the Service Organization may submit, within 60 days after such denial, information and materials in support of the claim to the Service Organization's claims review section.
- 7.6** Within 60 days of receiving the Employee's submission, the Service Organization's claims review section shall review the claim and make a determination and such determination shall be final, in writing, include specific reasons for the decision and specific reference to the Disability Benefit Plan provisions on which it is based, written in a manner calculated to be understood by

the Employee. In connection with any such review, the Employee will be permitted to examine pertinent documents and to submit issues and comments in writing.

- 7.7** Any Employee whose claim has been denied in whole or part by the Service Organization may submit, within 30 days after such denial, information and materials in support of the claim to the Service Organization's claim review section.

Within 20 business days of receiving the Employee's submission, and any additional medical or other information that may be required to process the appeal, the Service Organization's claims review section shall review the claim and make a determination and such determination shall be final, in writing, including specific reasons for the decision and specific reference to the Disability Benefit Plan provisions on which it is based, written in a manner calculated to be understood by the Employee. In connection with any such review, the Employee will be permitted to examine documents relating to the issues on appeal, and to submit issues and comments in writing.

- 7.8** During any period of Total Disability, Employees shall make every reasonable effort to:
- a)** Comply with the application process and notice.
 - b)** Recover from the disability, including securing Appropriate Treatment and participating in any reasonable treatment or Rehabilitation Program and accepting any reasonable offer of Modified Work from the Employer.
 - c)** Submit to additional examinations including but not limited to a Functional Abilities Evaluation or Independent Medical Evaluation as requested by the Employer (Occupational Health Services), Doctor or Service Organization
 - d)** Obtain benefits that may be available from other sources

- e) Apply for government sponsored benefits
- f) Assist the Service Organization in recovering damages from a third party responsible for your illness or injury

7.9 An Employee who has a cause of action against a third party for loss of income which could have been earned while disability benefits are paid or payable under this Plan resulting from the Employee's disability shall assist the Service Organization in the recovery of damages from a third party. The Service Organization has the right to withhold or discontinue disability benefits if the Employee refuses or fails to comply with any of the terms of this provision. The Employee shall provide free of charge:

- a) a written statement of the circumstances that caused the Employee's disability, including any facts that may give the Employee a legal claim against another person, organization or company that caused the disability (a "third party").
- b) prompt notice of the commencement of any legal proceedings against a third party.
- c) a signed reimbursement and direction form acknowledging that the Employee is bound by this provision
- d) reports on the status of the legal proceedings or settlement negotiations as reasonably requested by the Service Organization
- e) copies of any documents in the Employee's possession or control relating to the Employee's claim against the third party.
- f) prompt notice of any settlement or judicial disposition of the legal proceedings.

The amount the Employee shall reimburse the Service Organization shall be determined by the amount recovered by the Employee for loss of income through settlement with or judgment against a third party, including interest thereon.

SECTION 7(A) - APPEALS

- 7A. 1** Any Employee whose claim has been denied in whole or part by the Service Organization may submit, within 30 days after such denial, information and materials in support of the claim to the Service Organization's claim review section.

Within **20 business days** of receiving the Employee's submission, and any additional medical or other information that may be required to process the appeal, the Service Organization's claims review section shall review the claim and make a determination and such determination shall be final, in writing, including specific reasons for the decision and specific reference to the Disability Benefit Plan provisions on which it is based, written in a manner calculated to be understood by the Employee. In connection with any such review, the Employee will be permitted to examine documents relating to the issues on appeal, and to submit issues and comments in writing.

SECTION 7(B) – EMPLOYEE RESPONSIBILITIES

- 1.** During any period of Total Disability, Employee shall make every reasonable effort to:
 - a)** Comply with the application process and notice
 - b)** Recover from the disability, including securing Appropriate Treatment and Participating in any reasonable treatment or Rehabilitation Program and Accepting any reasonable offer of Modified Work from the Employer.
 - c)** Submit to additional examinations including but not limited to a Functional Abilities Evaluation or Independent Medical Evaluation as requested by the Employer.
 - d)** Obtain benefits that may be available from other sources

- e) Apply for government sponsored benefits
- f) Assist the Service Organization in recovering damages from a third party responsible for your illness or injury

SECTION 7(C) – THIRD PARTY LIABILITY

1. An Employee who has cause of action against a third party for loss of income which could have been earned while disability benefits are paid or payable under this Plan resulting from the Employee's disability shall assist the Service Organization in the recovery of damages from a third party. The Service Organization has the right to withhold or discontinue disability benefits if the Employee refuses or fails to comply with any of the terms of this provision.

The Employee shall provide free of charge:

- a) a written statement of the circumstances that caused the Employee's disability, including any facts that may give the Employee a legal claim against another person, organization or company that caused the disability (a third party)
- b) prompt notice of the commencement of any legal proceedings against a third party.
- c) a signed reimbursement and direction from the acknowledging that the employee is bound by this provision
- d) reports on the status of the legal proceedings or settlement negotiations as reasonably requested by the Service Organization
- e) copies of any documents in the Employee's possession or control relating to the Employee's claim against the third party.
- f) prompt notice of any settlement or judicial disposition of the legal proceedings

The amount the Employee shall reimburse the Service Organization shall be determined by the amount recovered by the Employee for loss of income through settlement with or judgment against a third party, including interest thereon.

SECTION 8 - GENERAL PROVISIONS

- 8.1** Disability Benefits are payable directly to the Eligible Employee unless he otherwise directs by written notice filed with the Service Organization. Any such notice shall be effective as of the date it was signed and shall not prejudice the Service Organization on account of any payment made or any action taken by the Service Organization before it was filed.
- 8.2** If the Eligible Employee is physically or mentally incapable of giving a valid discharge for Disability Benefits due to him or if any Eligible Employee dies while any such Disability Benefits due to him remain unpaid, the Service Organization may, at its option, make payment up to an amount not exceeding \$5,000 to any person entitled to give a valid discharge of such payment on behalf of the Eligible Employee or his estate. The Service Organization is under no obligation to see to the application of any monies so paid and payment to any such person or institution will constitute a complete discharge to the Service Organization to the extent of the amount of such payment.
- 8.3** Disability Benefits shall be paid in lawful Canadian currency, subject to receipt of the proof of claim required by the Service Organization, each week. Any balance remaining unpaid at the termination of disability will be paid immediately upon receipt or proof of claim.

SECTION 9 - ANNEX A

LISTING OF COLLECTIVE AGREEMENTS COVERED BY THE DISABILITY BENEFIT PLANS

Organization	Agreement No.	Classification of Employees	Location
CANADIAN PACIFIC			
Teamsters Canada Rail Conference Maintenance of Way Employees Division	41	Employees in Track and B&B Department	Canadian Pacific, Dominion Atlantic Railway, Esquimalt & Nanaimo Railway, Quebec Central Rlwy, Grand River Railway, Lake Erie & Northern Railway Company,
	42	Extra Gang Labourers	Canadian Pacific, Dominion Atlantic Railway, Esquimalt & Nanaimo Railway, Quebec Central Rlwy, Grand River Railway, Lake Erie & Northern Railway Company,
		Employees in Rail Reclamation Plants	Lines in Canada
		Operators, Power Machines	Lines in Canada
		Employees, Work Equipment Repair Shops	Lines in Canada
	Employees in Rail Butt Welding Plants	Lines in Canada	