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AGREEMENT

for the Period

January 1, 2006 to December 31, 2009

between

THE ESSEX TERMINAL RAILWAY COMPANY

and

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA
(C.A.W. - CANADA) LOCAL 100**

Covering

Rates of Pay and Rules

for

Carmen and Car Inspectors

12506(03)

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AGREEMENT

THE ESSEX TERMINAL RAILWAY COMPANY
and the
(C.A.W. - CANADA) LOCAL 100
for
CARMEN AND CAR INSPECTORS

The NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (C.A.W. - CANADA) LOCAL 100 acknowledges that it is the exclusive function of the Company to operate and manage its business in all respects and, without limiting the generality of the foregoing, the Union acknowledges that, subject to the express provisions of this Agreement, it is the right of the Company to:

- (1) hire, direct, layoff, promote, suspend, discipline and discharge employees for just cause, subject to the right of a seniority employee to lodge a grievance as hereinafter provided;
- (2) maintain order, discipline and efficiency;
- (3) make and alter, from time to time, rules and regulations to be observed by the employees, which rules and regulations shall not be inconsistent with the express provisions of this Agreement; and
- (4) determine the location of buildings and equipment, the methods and means of operation.

Without restricting or limiting the generality of the foregoing, the Company retains all rights not specifically relinquished or modified by this Agreement.

The Company agrees that it will exercise its rights in a fair and equitable manner consistent with the Collective Agreement.

The Essex Terminal Railway Company acknowledges the regularly constituted Committee of National Automobile, Aerospace, Transportation and General Workers Union of Canada (C.A.W. - CANADA) Local 100 to be the bargaining representatives on behalf of the Carmen and Car Inspectors. ~~The right to make and interpret contracts, rules, rates of pay and working agreements for Carmen and Car Inspectors shall be vested in the Company and those representatives.~~

The word "Carman" or "Car Inspector" as used hereinafter shall be understood to mean any employee holding seniority under this Agreement.

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RULE 1 Rates of Pay

RULE 1.1 The rates of pay will be calculated on an hourly basis effective the first day of January of each year:

Hourly Rates for:	2006	2007	2008	2009
Probationary Carman	\$15.66	\$15.99	\$16.36	\$16.75
Carman Trainee	18.05	18.43	18.85	19.30
Carman	23.88	24.38	24.94	25.54
Lead Hand	24.92	25.44	26.03	26.65
Car Inspector	\$23.23	\$23.83	\$24.45	\$25.11

RULE 1.2 Overtime: For continuous service after working regular bulletined hours, employees will be paid at the rate of time and one-half (1 1/2) on the actual minute basis.

RULE 1.2.1 Employees will be paid for services performed continuously in advance of the regular working period at the rate of time and one-half (1 1/2).

RULE 1.3 Car Inspectors: When employees are required to temporarily fill the place of a Car Inspector, the employee shall receive the greater of his regular rate or the Car Inspector rate.

RULE 2 Benefits

RULE 2.1 Master Policy: Claims made under the following items are governed by the respective master policy.

RULE 2.2 Weekly Indemnity: Effective the first of the month following signing of this Agreement, a 1/4/26 Plan will be purchased providing payment of equivalent to disability benefits provided by the Employment Insurance Act, for non-occupational bodily injury, disease or pregnancy. The Company will pay the employee's share of the expense.

RULE 2.3 Group Life Insurance: Effective January 1, 2006 the program provides \$40,000 coverage with the Company paying all premiums. Employees will be permitted to purchase additional group coverage on a voluntary

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basis at their own expense in \$5,000 units, maximum \$100,000 additional.

RULE 2.4 Accidental Death and Dismemberment: Effective January 1, 2006 the Company will pay the premium cost for \$40,000 of coverage.

RULE 2.5 Extended Health Care: Effective January 1, 2006 an 80%-20% co-pay plan will be purchased for each employee and their dependents, the annual premium cost paid by the Company. Semi-private hospital coverage and out-of-country emergency medical is included. The plan does not include over the counter drugs.

RULE 2.6 Dental Plan: Employees will receive an 80%-20%, \$25.00 deductible co-pay preventative plan which includes checkups, cleaning, fillings, extractions, x-rays, root canals, periodontal and endodontal services to a maximum of \$1,100 per family member per year. The insurance will be maintained at 2006 ODA levels during this contract, commencing January 1, 2006.

RULE 2.7 Vision Plan: The Company agrees to pay \$125.00 once per eligible family member during the term of this Agreement upon presentation of satisfactory evidence that the employee or eligible family member has purchased glasses prescribed as necessary to correct his vision by a qualified physician.

RULE 2.8 Boot Allowance: Employees will be provided with a one hundred twenty-five dollars (\$125.00) safety boot allowance upon production of a satisfactory receipt, not more often than once each year.

RULE 2.8.1 It is further agreed to by the parties to this Agreement that the Essex Terminal Railway Company will supply to each of the employees covered by this Agreement two (2) pairs of fire resistant coveralls per year at no cost to the employees.

RULE 2.8.2 It is agreed by the parties to this Agreement that the Essex Terminal Railway Company will furnish without cost to the employees required safety equipment. Examples: seasonal gloves, safety hats, safety glasses, spats, cutting goggles, welding coats (1 per track) and gloves, welding helmets with shields and replacement glass.

RULE 2.9 Conditions for Loss of Benefits: If for any reason other than a work stoppage or a voluntary leave of absence an employee is unable to perform his normal or assigned duty for a period longer than four (4) months, the Company paid or Company-Employee paid medical and dental benefits described will be suspended as of the first day of the fifth month.

RULE 2.10 Bereavement: Immediately upon the death of an employee's spouse, child, parent, brother, sister, step brother, step sister, step-parent, step child, father-in-law or mother-in-law, the employee shall be entitled to three consecutive calendar days' bereavement without loss of pay. The employee will be entitled to one day of bereavement leave to attend the funeral service of a grandparent without loss of pay. Time off may be adjusted to cover the actual date of the funeral service.

RULE 2.10.1 It is the intent of this Rule to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for that period to the employee to whom leave is granted, (provided he has not less than six (6) months' cumulative compensated service). It will be the Company's intention here to reserve the right to ask for proof of death.

RULE 2.10.2 If an employee is bereaved while on vacation, bereavement leave days shall not be included as part of the vacation period. The vacation days not taken will be rescheduled through mutual agreement between the Company and the employee.

RULE 2.11 Retirees: Employees retiring with fifteen or more years of continuous service will receive an 80 - 20% co-pay with \$10-10 deductible Extended Health Care benefit with premiums paid as follows: employees retiring prior to age sixty-five (65) - the Company will pay 60% of the premium, for a maximum of two years up to the age of sixty-five (65); employees retiring after the age of sixty-five, all premiums will be paid by the retiree.

RULE 3 **Hours of Work, Meal Period and Rest Breaks**

RULE 3.1 Definition of Work Week: The term "work week" for regularly assigned employees shall mean a week beginning of the first day on which the assignment is bulletined to work.

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- RULE 3.1.1** The Company shall establish for all employees, a work week of forty (40) hours consisting of five (5) days of eight (8) hours each with two (2) consecutive rest days in each seven (7) days, or four (4) days of ten (10) hours each with three (3) consecutive rest days in each seven (7) days. Where situations make it impracticable to establish relief assignments in accordance with the above, the officers of the Company and the Vice President of Local 100, may, by mutual agreement, arrange for relief assignments on such other basis as may be suitable. All employees coming under the provision of this Collective Agreement, except as may be provided elsewhere in this Agreement, shall be paid on the hourly basis.
- RULE 3.1.2** One Shift: Where one (1) shift is employed, the starting time of the first shift is between 05:00 hours and 08:00 hours, unless other wise mutually agreed. Each employee will be provided with an allowance of a twenty (20) minute paid meal period within the limits of the fifth (5th) hour of their respective shifts. In addition each employee will be provided with two (2), ten (10) minute paid coffee breaks during their respective shifts.
- RULE 3.1.3** Two Shifts: Where two (2) shifts are employed the starting time of the shift other than the day shift shall be 13:00 - 16:00 hours or 21:00 - 24:00 hours. Each employee will be provided with an allowance of a twenty (20) minute paid meal period within the limits of the fifth (5th) hour of their respective shifts. In addition each employee will be provided with an allowance of two (2), ten (10) minute paid coffee breaks during their respective shifts.
- RULE 3.1.4** Summer Months: The starting time for each shift during the summer months will be advanced by one (1) hour from those set out above, however the starting time of the shifts will not be earlier than 05:00, 13:00 and 21:00 hours.
- RULE 3.1.5** Starting Time: The starting time for each employee shall be fixed and shall not be changed without at least forty-eight (48) hours notice.
- RULE 3.2 Deleted intentionally**
- RULE 3.2.1** Employees called or notified to return for work in other than their regular assigned hours will, on

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responding to calls, be advised the emergency for which called. This will not, however, prevent employees being used for other work coming under the scope of Rule 5.3 which might develop subsequent to the time called.

RULE 3.3 Rest: Employees working on a scheduled five (5) day work week shall be assigned two (2) rest days in each seven (7) days. The rest days shall be consecutive as far as possible consistent with the establishment of regular relief assignments and the avoidance of working an employee on an assigned rest day. Preference shall be given to Saturday and Sunday and then to Sunday and Monday. The work week may be staggered in accordance with the Company's operational needs.

RULE 3.3.1 Four Day Work Week: Employees working on a scheduled four (4) day work week shall be assigned three (3) rest days in each seven (7) days. The rest days shall be consecutive as far as 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 Friday, Saturday and Sunday and then to Saturday, Sunday and Monday.

RULE 3.4 Overtime: Except as may be provided in Rules hereinafter set out, work in excess of forty (40) straight time hours in any work week shall be considered overtime and paid at the rate of time and one half (1 1/2) the basic straight time rate, except where such work is performed by an employee exercising his seniority when moving from one assignment to another.

RULE 3.4.1 No Overtime on Overtime: There shall be no overtime on overtime. The following items will not be utilized in computing the forty hours per week: overtime hours paid, other than hours not in excess of bulletined number of hours paid on holidays; time paid for in the nature of arbitraries or special allowances such as attending court, travel time, etc., (except when such payments apply during assigned working hours in lieu of pay for such hours).

RULE 3.4.2 Minimum Three Hours at Overtime Rate: Employees called or required to report for work and reporting will be allowed a minimum of three (3) hours at the

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prevailing overtime rate for three (3) hours work or less.

RULE 3.4.3 Equalizing Overtime: When it becomes necessary for employees to work overtime they shall not be laid off during regular working hours to equalize the time.

RULE 3.4.4 Records will be kept of overtime worked and employees called with the purpose in view of distributing the overtime equally.

RULE 3.5 Breaks: It is understood that employees are permitted to take an unpaid break not exceeding thirty (30) minutes having performed two (2) hour's work after the completion of their regular shift and are entitled to a twenty (20) minute meal break after the completion of four (4) continuous hours of overtime.

RULE 3.6 Meal Period:

RULE 3.6.1 Work During Meal Period: Employees who at the request of the Company are required to work during meal period shall receive pay at the rate of time and one-half on the minute basis, but will be relieved the necessary time (without pay) to procure meal.

RULE 3.6.2 This does not apply where employees are allowed the twenty (20) minutes for lunch without deduction therefor.

RULE 3.6.3 Overtime Meals: The Company will provide seven dollars (\$7.00) toward the value of an overtime meal if an employee is required to work in excess of ten (10) hours in one shift.

RULE 3.7 Injured or Relieved from Duty: Carman or Car Inspectors injured or relieved from duty at Company's request will be paid a full day's pay; however, if a Carman or Car Inspector is relieved on his own account or on account of sickness, he will be paid only the portion of the shift he actually worked. Employees who are considered to have abused sick leave privileges, resume duty after sick leave, or who book sick when called, or while on duty after being called, may be required to produce a medical certificate (the Company will reimburse the employee for the fee paid to obtain such a certificate). In the application of the foregoing the employee will

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be allowed forty eight (48) hours (weekends excluded) from the time he reported for duty to comply.

RULE 3.7.1 Employees injured while at work will immediately report the incident and complete accident reports as soon as possible however where immediate medical attention is required reports will be completed at the earliest possible moment thereafter.

RULE 3.7.2 Proper medical attention will be given at the earliest possible moment.

RULE 3.8 Discharge or Resignation: When an employee is discharged or resigns, he will be paid within five (5) working days. If requested, he will be given a certificate stating term of service and in what capacity he was employed.

RULE 4 Deleted intentionally

RULE 5 Job Descriptions

RULE 5.1 Car Foreman: It is understood that the Car Foreman is a "working supervisor" who may perform some of the duties of a Carman or Car Inspector as required.

RULE 5.2 Carman: Any work traditionally performed by Carman will not be performed by other employees who are not members of this bargaining unit. This Rule will not preclude trainmen from changing a failed air hose on equipment in their care or performing minimum freight car inspection (R.T.C. Order 37253) to equipment that must be expedited.

RULE 5.3 Carman's work shall consist of inspecting, maintaining, repairing and dismantling freight cars and their components. Carman's work shall also include assisting with rerailling cars which have derailed as required, train line air brake tests, testing of components, heating, burning and welding on freight cars, pipe and inspection work in connection with air brake equipment on freight cars, painting and lettering of freight cars, car inspectors, safety appliances and train car repairs, and all other work traditionally recognized as carman's work at the Essex Terminal Railway Company.

RULE 5.4 Qualifications. The following qualifications are required:

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RULE 5.4.1 Probationary Carman: New employees during the probationary 90 tours of duty.

RULE 5.4.2 Carman Trainee: Employees who have completed the 90 day probationary period but who have not achieved the Carman status.

RULE 5.4.3 Carman: Employees who have successfully completed all of the following:
1 year continuous employment in the Essex Terminal Railway Car Department (This requirement may be waived at discretion of the Car Foreman); Airbrake Test training and testing; Welding 500 course and testing or successful challenge; and "Essex Terminal Carman and Inspector Training" and testing. Carman Rate will be paid to employees assigned to car repair activity which includes repair track assignments and other work assignments.

RULE 5.4.4 Car Inspector: Employees with less than Carman status cannot bid or be forced into Car Inspector position (To allow a suitable training period). Car Inspector Rate will be paid to employees assigned to inspection activity which includes main inspector position and relief inspector position during inspection hours. Where Car Inspector's work requires less than a regularly scheduled shift, the Car Inspector will complete the balance of his shift in the repair track and be paid Carman's rate for time spent.

RULE 6 Advertisement of Positions

RULE 6.1 Postings: Job bids shall be posted every six (6) months with a seven (7) day prior notice and the closing date will be the Wednesday prior to April 1st and October 1st. All job bids shall be posted in a location visible to all eligible employees.

RULE 6.1.1 Job bids shall be awarded on a seniority basis. If no others of a higher seniority choose to bid or fail to place bid before due date, bid job will be awarded to next employee with seniority. If no employees bid, the low man may be mandated.

RULE 7 Filling of Positions

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RULE 7.1 Main Inspector Position: This position will be awarded on a six month basis. Hours of work will be in accordance with RULE 3. This position may include a combination of inspection and repair duties.

RULE 7.2 Relief Car Inspector/Carman: This position will be awarded on a six (6) month basis. This position has varying start and location times. Hours of work will be in accordance with RULE 3. This position will include a combination of inspection and repair duties.

RULE 7.3 Other Work Assignments: Repair Track, Offsite Work and Temporary Inspections will be assigned in accordance with seniority standing. The Company reserves the right to reassign employees as required, to accommodate business conditions.

RULE 7.4 Position of Lead Hand: From time to time when required, as determined by Management, the position of Lead Hand may be available. This position will be assigned on the basis of merit, fitness and ability. The function of this position will be to guide, direct and supervise the workforce, as determined by Management.

RULE 8 Seniority

RULE 8.1 Seniority List: Employees will have access at all times to a Seniority List to be posted in a conspicuous place which will contain a current list of all employees concerned and their seniority standing in the Company's service. Such lists will be compiled and posted April 1st and October 1st each year, and a copy will be furnished to the Local Steward. Employees whose standing is incorrectly shown must protest in writing in thirty (30) days or no action will be thereafter taken. The standing of any person who is absent on leave or through illness will not be affected by this Rule. The Seniority List will be adjusted to reflect changes due to retirement, death, resignation or rightful dismissal.

RULE 8.2 Probationary Employees: Employees shall be considered probationary until placed on the Seniority List in accordance with RULE 8.2.1. Once an employee has exceeded eight (8) hours in any one work week, such employee shall work under the

provisions of this Agreement and shall be employed on a probationary basis until he/she has worked a total of ninety (90) days within a period of six (6) consecutive calendar months. During such employment on a probationary basis as aforesaid, such an employee may be discharged or disciplined without recourse to the Grievance Procedure. A new employee will qualify for his two floating holidays (RULE 13.1) after having completed twelve (12) months of compensated service.

- RULE 8.2.1** The Company may not discharge such employee for the purpose of forcing an additional probationary period. Upon completion of the ninetieth (90th) day of work within the period aforesaid, the employee shall be placed on the Regular Seniority List and for the purposes of seniority, the employee's seniority date shall be the date upon which he/she started work in the car function.
- RULE 8.3** Loss of Seniority: The seniority rights and employment of an employee shall cease for any of the following reasons and their employment shall be deemed to be terminated:

 - RULE 8.3.1** If an employee quits.
 - RULE 8.3.2** If an employee is discharged and such discharge is not reversed through the Grievance Procedure.
 - RULE 8.3.3** If an employee fails to return to work within four (4) consecutive scheduled working days after receipt of a notice of recall issued by the Company and sent registered mail to the last known address of the employee shown in the Company's records or six (6) scheduled working days from the day the Company mailed the registered letter, whichever is later.
 - RULE 8.3.4** If an employee fails to report to work upon the expiration of any leave of absence, unless a satisfactory reason is given (subject to RULE 15.1).
 - RULE 8.3.5** If an employee is absent for three (3) consecutive working days without notifying the Company unless a satisfactory reasons is given.
 - RULE 8.3.6** **An** employee with less than twenty-four (24) months seniority is laid off work for a period in excess of twenty-four (24) consecutive months or if an employee with twenty-four (24) months or more

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seniority is laid off work for a period in excess of thirty (30) consecutive months.

RULE 8.3.7 If an employee falsifies the reason for a leave of absence.

RULE 8.3.8 If an employee has been off work for any reason other than as a result of a workplace injury or bonafide illness (subject to RULE 8.3.6) for a period of twenty-four (24) consecutive months.

RULE 8.3.9 Employees promoted to a supervisory position, or a position not subject to this Agreement will retain their seniority after promotion for a six (6) month period only. If demoted for any reason, or if they voluntarily request re-installment to their former position, the time served in the supervisory position shall be included in their seniority rating. Such employee shall forfeit any and all recourse to the grievance procedure as outlined in this Agreement, should he be subsequently discharged in such a position beyond the jurisdiction of this Agreement. This Rule to be applied only once, for a given position for any employee during the term of this Agreement.

RULE 8.3.10 When it becomes necessary to lay off employees for any reason, the force shall be reduced in reverse seniority order and the affected employees shall be given at least four (4) working days' notice before reduction is made. In instances beyond the control of the Company less than four (4) days' notice may be given. The list of affected employees shall be furnished to the Local Steward or his designate and the Vice President, C.A.W. Local 100.

RULE 8.3.11 In the restoration of the work force, employees laid off shall be given preference of re-employment in seniority order. A laid off employee who was on the seniority list as of January 1, 2006, shall not be required to accept recall for a position unless the position to which he is being recalled that has an expected duration of 90 calendar days or more.

RULE 9 Held Off On Company Business

RULE 9.1 Carmen or Car Inspectors held off on Company's orders or business (Company medical or rule classes) will be paid schedule rates for time lost with a maximum of bulletined number of hours in each

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twenty-four (24) hour period, and actual reasonable expenses incurred.

RULE 9.2 Company Called Witness: Carmen or Car Inspectors called as witnesses by the Company, or as a result of an incident involving the Company before a court, tribunal or coroner's inquest will be allowed the time consumed in court or until discharged up to the regular time lost for each twenty-four (24) hours or portion thereof detained from duty.

RULE 10 **Jury Duty**

RULE 10.1 Jury Duty: **An** employee summoned for jury duty and who is required to lose more than five (5) working days' time from his assignment as a result thereof shall be paid for actual time lost excluding the first five (5) days. The pay will be based on bulletined number of hours at the straight-time rate applicable to the service last performed, less the amount allowed him for jury duty for each such day (excluding allowances paid by the court for meals, lodging and transportation), subject to the following requirements and limitations:

RULE 10.2 Statement From the Court: **An** employee must furnish the Company with a statement from the court of jury allowances paid and the days on which the jury duty was performed.

RULE 10.3 Maximum Number of Days Paid: The number of working days for which jury duty shall be paid is limited to a maximum of thirty (30) days in any calendar year.

RULE 10.4 Jury Duty and Vacation or Holidays: No jury duty pay will be allowed for any day for which the employee is entitled to general holiday pay. Employees will be entitled to reschedule vacation days where they fall during jury duty, and to use any remaining vacation entitlement during unpaid jury duty days. **An** employee who has been allotted his vacation dates will not be required to change his vacation because he is called for jury duty.

RULE 11 **Investigations and Discipline**

RULE 11.1 Carmen or Car Inspectors will not be disciplined or dismissed until after a fair and impartial investigation held within fifteen (15) calendar days

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from the time the event becomes known to the Company. They may, however, be held off for investigation not exceeding three (3) days, during which time they will be furnished with a written notice containing a complete statement of the charge or charges to be investigated. Carmen or Car Inspectors shall have the assistance of a Union Representative in stating their case, and the evidence against them will be stated to them.

RULE 11.2 Notification of Investigation: All concerned will receive notification to be present. If not satisfied with decision the accused may appeal through their representatives to the President within thirty (30) calendar days after having been advised of such decision who will respond in writing within fifteen (15) calendar days. Should investigation prove them blameless, Carmen or Car Inspectors who have been held off shall resume duty and be paid bulletined number of hours per day for each twenty-four (24) hours or portion thereof detained from duty at schedule rates covering service in which they were employed at the time of the alleged offense.

RULE 11.2.1 Attendance at Investigations: Whenever possible employees will only be required to attend investigation during their normal working hours. Employees required to attend investigations outside of their normal working hours will be paid at straight time rates.

RULE 11.3 Employee's File: No record of discipline or caution will be placed in an employee's file unless a copy of such record is given to the employee at the time of the disciplinary or cautionary action. Copies of such letters or memoranda will be delivered to the designated Union Representative. All such records will be removed from each employee's files on the fifth anniversary of such discipline or caution.

RULE 12 **Grievance Procedure**

RULE 12.1 Should employees subject to this Agreement believe they have been unjustly dealt with, or that any of the provisions of this Agreement have been violated, they shall present their alleged grievance to their immediate supervisor for adjustment. If not so adjusted, and they wish to have the matter progressed, they shall present it in writing to the authorized Local Union Representative(s) within

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seven (7) calendar days from the date of the alleged grievance, outlining all pertinent details and the date of the alleged grievance.

- RULE 12.1.1** Where the appeal concerns the interpretation or alleged violation of the Collective Agreement, the appeal shall identify the Rule(s) and clause of the Rule(s) or Appendix involved. The appeal shall be accompanied by a copy of the Company's decision rendered at Step I of the grievance procedure.
- RULE 12.1.2** Each party will notify the other of any changes in designated officers.
- RULE 12.1.3** Upon request from either party reasonable effort will be made to have meetings held within the allotted times.
- RULE 12.1.4** All conferences between shop officials and authorized Local Union Representatives will be held by appointment and concluded during regular working hours without loss of earnings to committee member.
- RULE 12.1.5** The Company will not discriminate against any employees who, as authorized Local Union Representatives, from time to time, represent other employees and will grant them leave of absence when delegated to represent other employees.
- RULE 12.1.6** If an authorized Union Representative should consider that a provision of this Agreement has been violated, that Representative may initiate a grievance, which shall be processed in accordance with the foregoing provisions of this RULE 12.
- RULE 12.2** Step I: Within fourteen (14) calendar days from the date of the alleged grievance, the authorized Local Union representative(s) may progress the grievance in writing outlining all pertinent details and date of grievance to the designated officers of the Company.
- RULE 12.2.1** A decision shall be rendered in writing within fourteen (14) calendar days from date of receipt of the grievance and a copy will be furnished to the employee and the authorized Local Union representative.
- RULE 12.2.2** Grievances concerning discharge of employees will commence at Step II.

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- RULE 12.3** Step II: Within twenty-eight (28) calendar days following receipt of the decision under Step I, the Local Chairperson or General Chairperson may appeal the decision in writing to the designated officer of the Company.
- RULE 12.3.1** A decision shall be rendered in writing within twenty-eight (28) calendar days of receipt of the appeal.
- RULE 12.4** Prior to adjudication or final disposition of grievances by the highest designated authorities as herein provided, and while questions of grievances are pending there will be neither a shut down by the employer nor a suspension of work by the employees.
- RULE 12.5** Time Limitations: A grievance not progressed within the time limits specified shall be dropped and shall not be subject to further appeal. Where, in the case of a grievance based only on a time claim, a decision is not rendered by the designated officer of the Company at Steps I or II, within the time limits specified in such steps, the time claim will be paid. Payment under such circumstances shall not constitute a precedent, or waiver of the contentions of the Company in that case or in respect of other similar claims.
- RULE 12.5.1** The time limits specified in Steps I and II may be extended by mutual agreement between the parties referred to in each such step.
- RULE 12.6** Arbitration: A grievance concerning the interpretation or alleged violation of this Agreement, or an appeal by employees that they have been unjustly disciplined or discharged, and which is not settled through the grievance procedure may be referred by either the Essex Terminal Railway Company, or the National Automobile, Aerospace and Agricultural Implement Workers' Union of Canada (C.A.W. - Canada) Local 100 herein defined as the parties to a single arbitrator for final and binding settlement without stoppage of work.
- RULE 12.6.1** The party requesting arbitration must so notify the other party in writing within sixty (60) calendar days following the date the decision was rendered at the last step of the grievance procedure.
- RULE 12.6.2** Within forty-five (45) calendar days of date of receipt of a request for arbitration the parties

shall endeavour to agree on the name of the arbitrator. If agreement is not then reached, the party requesting arbitration may then request the Minister of Labour to appoint an arbitrator and advise the other party accordingly. Such request to the Minister of Labour must be made no later than fourteen (14) calendar days following the forty-five (45) day period referred to in this paragraph.

- RULE 12.6.3** A Joint Statement of Issue containing the facts of the dispute and reference to the specific provision or provisions of the Collective Agreement allegedly violated, shall be jointly submitted to the Arbitrator in advance of the date of the hearing. In the event the parties cannot agree upon such Joint Statement of Issue, each party shall submit a separate statement to the Arbitrator in advance of the date of the hearing and shall at the same time give a copy of such statement to the other party.
- RULE 12.6.4** The Hearing: The hearing shall be held by the Arbitrator in the office of the Railway unless otherwise mutually arranged, or unless the Arbitrator deems it advisable because of special circumstances to hold the hearings elsewhere.
- RULE 12.6.5** At the hearing before the Arbitrator, argument may be given orally and/or in writing, and each party may call such witnesses as it deems necessary.
- RULE 12.6.6** Disputes arising out of proposed changes in rates of pay, work hours and conditions of service, modifications or additions to this Collective Agreement, are specifically excluded from the jurisdiction of the Arbitrator, and the decision of the Arbitrator shall not in any case add to, subtract from, modify, rescind or disregard any provision of this Collective Agreement.
- RULE 12.6.7** Such decision shall be rendered, in writing, together with the arbitrators written reasons therefor, to the parties concerned within thirty (30) calendar days following the conclusion of the hearing unless this time is extended with the concurrence of the parties to the dispute.
- RULE 12.6.8** Each party shall 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 and expenses of the Arbitrator, shall be divided equally.

RULE 12.6.9 The time limits as provided in this RULE 12, may be extended by mutual agreement between the parties.

RULE 13 Holidays

RULE 13.1 The following eleven (11) general holidays will be paid in accordance with RULE 13.4.

New Year New Year's Day Good Friday Good Friday Victoria Day Victoria Day Canada Day Canada Day Canada Day Civic Holiday	Labour Day Thanksgiving Day Christmas Day Boxing Day 2 Floaters *(subject to RULE 8.2)
*Application in writing required at least one week before the desired date, subject to shorter notice in the case of a bereavement not provided for in RULE 2.10.	

RULE 13.2 Substitution Days: Provided that when any of the above holidays fall on a Saturday or Sunday, the day substituted by the Federal Government shall be observed except that Canada Day Holiday to be observed on the day recognized by the majority of ETR's customers.

RULE 13.3 Work on a Holiday: **An** employee who is required to work on any of these eleven holidays will receive payment at the rate of time and one-half (1 1/2) in addition to his regular rate of pay.

RULE 13.3.1 Holidays will be paid at the number of hours and rate which would have been bulletined had the day not been a holiday.

RULE 13.4 Holiday Entitlement: In order to qualify for pay for a general holiday an employee 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, and existing provisions are amended to provide that 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 is qualified for Weekly Indemnity benefits because of illness on such holiday but who otherwise qualified for general holiday pay, shall be paid for such holiday.

RULE 14 **Vacation**

RULE 14.1 Less Than One Year Employment: **An** employee who at the beginning of the calendar year has less than one year of continuous employee relationship, but who has had more than thirty (30) days' compensated service and/or available for duty in preceding calendar year, shall be allowed one (1) working day's vacation with pay for each twenty-five (25) days' worked and/or available for service, or a major portion thereof during the preceding calendar year with a maximum of ten (10) working days, until qualifying for further vacation under RULE 14.2 of this Rule.

RULE 14.2 Five Years Employment: **An** employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least five (5) years and has completed 1,250 days' compensated service and/or available for duty, shall be allowed fifteen (15) working days' vacation with pay during such year, and in subsequent years shall be allowed one working day's vacation with pay for each sixteen and two-thirds (16-2/3) days worked during the preceding calendar year with a maximum of fifteen (15) working days, until qualifying for further vacation under **RULE** 14.3 of this Rule.

RULE 14.3 Ten Years Employment: **An** employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least ten (10) years and has completed 2,500 days' compensated service and/or available for duty, shall be allowed twenty (20) working days' vacation with pay during such year, and in subsequent years shall be allowed one working days vacation with pay for each twelve and one-half (12-1/2) days' worked during the preceding calendar year, with a maximum of twenty (20) working days until qualifying for further vacation under RULE 14.4 of this Rule.

RULE 14.4 Nineteen Years Employment: **An** employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least nineteen (19) years and has completed 4,750 days' compensated service and/or available for duty, shall be allowed twenty-five (25) working days' vacation with pay during such year, and in subsequent years shall be allowed one working days vacation with pay for each ten (10) days worked during the preceding

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calendar year, with a maximum of twenty-five (25) working days.

- RULE 14.5** Twenty-eight Years Employment: An employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least twenty-eight (28) years and has completed 7,000 days' compensated service and/or available for duty, shall be allowed thirty (30) working days' vacation with pay during such year and in subsequent years. Such employee qualified for six (6) weeks' vacation may accumulate one week per vacation-year until retirement. This accumulated vacation may be taken immediately prior to the employee's retirement date in conjunction with the vacation currently due.
- RULE 14.6** Computation of Service: In computing service under RULE 14.1, RULE 14.2, RULE 14.3, RULE 14.4 and RULE 14.5 of this Rule, days' worked in any position covered by similar vacation Rules and additional tours of duty worked at overtime, will be accumulated for the purpose of qualifying for vacation with pay.
- RULE 14.6.1** Definition of One Years Service: A year's service is defined as 250 days' of cumulative compensated service.
- RULE 14.6.2** Time off-duty on account of bona fide illness, injury or to attend organization business, not exceeding a total of one hundred (100) days in any calendar year shall be included in the computation of service for vacation purposes.
- RULE 14.6.3** Deductions: 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 his next vacation, the adjustment will be made at time of leaving.
- RULE 14.6.4** Majority of Service: An employee will be compensated for vacation on the basis of the majority of the service he worked during the previous 180 days immediately prior to taking his vacation.
- RULE 14.7** Vacation Entitlement: An employee covered by RULE 14.2, RULE 14.3, RULE 14.4 or RULE 14.5 will be entitled to vacation on the basis outlined therein if on his fifth (5th), tenth (10th), nineteenth (19th), or twenty-eighth (28th) or subsequent

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service anniversary date he achieves the required days of cumulative compensated service, otherwise his vacation entitlement will be calculated as set out.

RULE 14.7.1 *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.

RULE 14.7.2 Where an employee's assignment is other than five (5) eight (8) hour days per week vacation entitlement will be converted to hours and will be reduced by the number of hours bulletined for the working day for which he is taking vacation.

RULE 14.8 Vacation and Rest Days: Employee's vacation period will start on the day following his assigned rest days.

RULE 14.9 Applications for Vacation: Applications for vacation from employees filed between December 15th of the previous year and March 1st, shall, in so far as it is practicable to do so, be given preference on the period selected as their first choice in order of seniority of the applicants. Such applicants will have preference over later applicants. All 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.

RULE 14.9.1 Unless otherwise mutually agreed, employees who do not apply for vacation prior to March 1st shall be required to take their vacation at a time to be prescribed by the Company.

RULE 14.10 Length of Vacation: Employees entitled to less than two (2) weeks' vacation must take such vacation in a continuous period. *An* employee entitled to three or four weeks' vacation may, provided proper application is made and there is no additional expense to the Company, take his vacation in two or more portions, neither of which will be less than one week.

- RULE 14.11** Vacation Days as Personal Leave: Employees may utilize five (5) days earned vacation as personal leave days provided there is no additional cost incurred by the Company. Such time may be taken as required upon written notice of not less than forty-eight (48) hours to the Superintendent.
- RULE 14.12** Vacation Days and Lay-off: An employee who is laid off shall be paid for any vacation due him at the beginning of the current calendar year, and if not subsequently recalled to service during such year shall, upon application, be allowed pay in lieu of any vacation due him at the beginning of the following calendar year.
- RULE 14.13** Vacation Days and Termination: **An** employee terminating his employment for any reason at a time when an unused period of vacation with pay stands to his credit shall be allowed vacation calculated to the date of his leaving the service as provided for in RULE 14.1 through RULE 14.8, and if not granted shall be allowed pay in lieu thereof.
- RULE 14.14** Re-qualification for Vacation: **An** individual who leaves the service of his own accord, or who is dismissed for cause and not reinstated in his former standing within two 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 RULE 14.1 through RULE 14.8.
- RULE 15** **Leave of Absence**
- RULE 15.1** When the requirement of the service will permit, and employees have used their vacation entitlement, employees will be granted leave of absence, not to exceed ninety (90) days, extensions of thirty (30) days may be granted by consent of the Management and the Local Steward for a maximum of one (1) year. In the case of a leave of absence for a period of five (5) working days or less the employee will not be required to first use remaining vacation entitlement.
- RULE 15.2** Out of Service: Any employee engaging in other employment while on leave, except with the consent of Management and Local Steward, shall be considered out of service.

RULE 16 Union

RULE 16.1 Dues: The Company will grant check-off of Union dues. Not more than one payment of Union dues shall be made by an employee in any one month. Employees filling positions coming within the scope of more than one wage Agreement in a month, shall pay Union dues to the Union holding the Agreement under which the employee was assigned as at 00:01 hours on the first calendar day of the month. Where dues have been deducted from the wages of an employee pursuant to this Agreement, and dues are payable by such employee to another Union in accordance with the foregoing, application to the Company for refund of dues deducted under this Agreement shall be made by such employee.

RULE 16.2 Adjustment of Matters in Dispute: Leave of absence not to exceed five (5) working days shall be granted to the Local Steward and/or his designate for the adjustment of matters in dispute between the Company and the employees after a request in writing has been made to the proper officer of the Company.

RULE 17 Miscellaneous: Condition of Shop

RULE 17.1 Lockers and Lunch Rooms / Work Conditions: Shops, locker rooms, lunch rooms, and washrooms will be lighted and heated in the best manner possible.

RULE 17.1.1 Portable drinking water and ice where required will be furnished. Floors, lockers, toilets and washrooms will be kept in good repair and in a clean, dry and sanitary condition.

RULE 17.2 Place for Notices: A place will be provided where notices of direct interest to employees may be posted by Stewards and other Union officers.

RULE 18 Health and Safety

RULE 18.1 It is agreed by the parties to this Agreement that the provisions of *The Canada Labour Code* and the regulations pursuant to same, dealing with Health and Safety form an integral part of this Agreement.

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RULE 18.2 Signal Protection: No employee will be required to work on a locomotive or cars outside of shop without being properly protected by proper signals.

RULE 18.3 Safety: A representative from Car Inspector or Carmen group will attend safety meetings to be held at least once a month. The Company is to assure that at least one person from the Bargaining Unit will be trained in Standard First Aid.

RULE 19 Agreement ✓

RULE 19.1 Agreement Effective Upon Execution: This Agreement is effective upon the latter of, signing date or January 1, 2006, except as otherwise provided herein, and supersedes all previous Agreements. It will remain in effect until December 31, 2009, and thereafter until revised or superseded, subject to 120 days' notice in writing from either party to the Agreement of desire to revise, amend or terminate it.

RULE 19.1.1 Such notice may be served at any time subsequent to August 31, 2009.

RULE 19.2 Printing and Distribution: 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. This will include the cost of printing updated pages.

RULE 19.2.1 The Company further undertakes that it will cause to have delivered to the President of Local 100 and the Vice President of Local 100 a copy of said Agreement as soon as same is printed.

RULE 19.2.2 The Company further undertakes the responsibility to provide a copy of said Agreement to each and every member of the Bargaining Unit as soon after printing as possible.


RULE 19.3

Authorized Officers: For the carrying out of this Agreement the Company will deal only with the duly authorized officers of National Automobile, Aerospace and Agricultural Implement Workers' Union of Canada - Local 100.

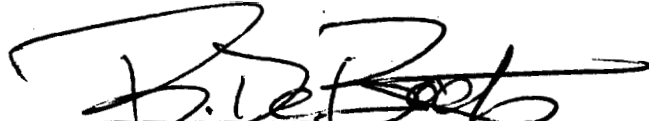
Signed for:

ESSEX TERMINAL
RAILWAY COMPANY

NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL
WORKERS UNION OF CANADA




Terry J. Berthiaume
Vice President



Bryon De Baets
President

Edward G. Clough
Superintendent



John L. Gouveia
Vice President



Local Steward-

Dated at Windsor, Ontario,
this 15th day of FEBRUARY
January, 2006.

APPENDIX "A"

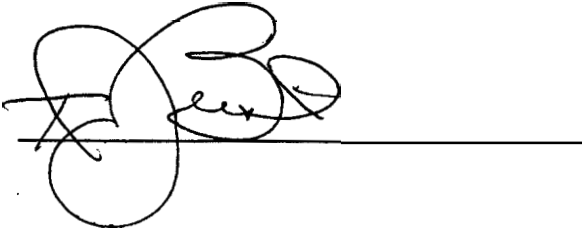
LETTER OF UNDERTAKING

RE: CAR INSPECTOR RATE OF PAY

December 4, 2002

This is to confirm the understanding reached this date, during bargaining of a Collective Agreement between the Essex Terminal Railway Company and Local 100 of the National Automobile, Aerospace, Transportation and General Workers Union of Canada, with respect to the issue of the Car Inspector Rate of Pay. Car Inspectors will be paid for duty in accordance with the Collective Agreement, except that Larry Lawson will be paid the rate of Car Person, Level 3 for inspection duties for the term of the Collective Agreement commencing January 1, 2003.

For the Company



APPENDIX "B"

LETTER OF UNDERTAKING

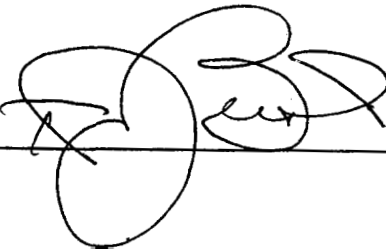
RE: NON-RAILCAR MAINTENANCE - WELDING

December 4, 2002

This is to confirm the understanding reached this date, during bargaining of a Collective Agreement between the Essex Terminal Railway Company and Local 100 of the National Automobile, Aerospace, Transportation and General Workers Union of Canada, with respect to the issue of the non-railcar maintenance welding.

Where it is deemed suitable by the Superintendent, non-railcar maintenance welding will be performed by employees of the Car Department.

For the Company



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APPENDIX "C"

Letter of Understanding

November 28, 2005

Re: Assignment of work at derailments

This will confirm discussions held during collective bargaining in 2005 regarding the assignment of work.

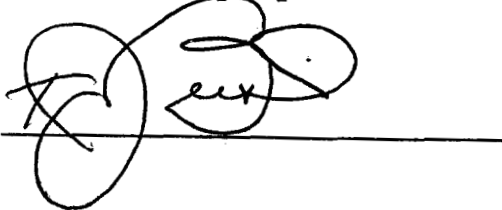
The Union put forward its view that the assignment of work at derailments was being directed to an outside source at the expense of some bargaining unit members.

To resolve that issue the Company assured the Union that there was no intent to adversely affect the employees but the assignment of work was determined by the scope of the derailment.

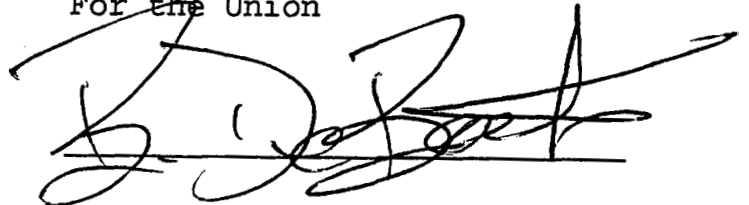
The Company assured the Union there was no deliberate intent to deny the employees the work opportunity to participate in the restoration of rail services after a derailment.

In addition, in order to reflect the foregoing, the Company and the Union have agreed to resolve any future restoration of rail services after a derailment by utilizing the Carmen to the extent dictated by the emergency.

For the Company

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For the Union

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APPENDIX "D"

Letter of Understanding

November 28, 2005

Re: Assignment of work to supervisors

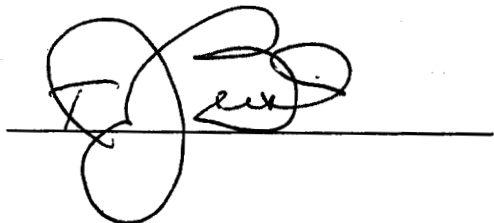
This will confirm discussions **held** during collective bargaining in 2005 regarding the assignment of work to supervisors.

The Union proposed some language changes to mitigate the Company supervisory personnel doing bargaining unit work.

To resolve that issue the Company assured the Union there was no cause to enhance the language because the only working supervisor referred to in the agreement is the Car Foreman. **Any** other supervisory personnel are explicitly prohibited from doing bargaining unit work.

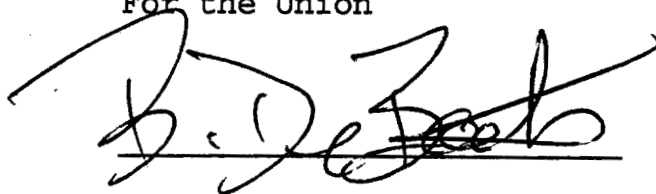
This letter constitutes full settlement of any related grievances submitted prior to signing of the memorandum of agreement.

For the Company



A handwritten signature in black ink, consisting of several loops and a horizontal line at the bottom, positioned above a solid horizontal line.

For the Union



A handwritten signature in black ink, appearing to be 'B. J. [unclear]', positioned above a solid horizontal line.