

**MEMORANDUM OF SETTLEMENT**

Dated

February 23, 2015

Between

**CANADIAN NATIONAL RAILWAY COMPANY**

And

**UNIFOR – Council 4000**

**Clerical Agreement (5.1), Intermodal Supplemental and the ESIMA**

RE:

Application of Wage Increases and Other Changes Covering the  
Years 2015, 2016, 2017 and 2018  
Rates of Pay effective as Indicated

Rules and Benefits effective the 1<sup>st</sup> of the month following ratification,  
or as otherwise indicated

The Company reserves the right to add to, revise, modify, substitute, amend or withdraw any of the following, at its sole discretion. Any settlement or agreement reached on any item or items is conditional upon the conclusion of a global, total, and comprehensive memorandum of settlement, which has been ratified. The Company reserves the right to withdraw its agreement on any item or items, without prejudice, until such time as a final agreement is ratified.

1. Term of Contract

Collective Agreement 5.1 and Supplemental, covering employees represented by Unifor Council 4000, will be renewed for a period of 4 years and 3 months commencing January 1, 2015.

2. Wages

- a) Effective January 1, 2015, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2014.
- b) Effective January 1, 2016, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2015.
- c) Effective January 1, 2017, a wage increase of 3.5% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2016.
- d) Effective January 1, 2018, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2017.

3. Post-Retirement HCSA - Housekeeping

Amend paragraph 2 on Page 2 of the Post Retirement Health Care Spending Account document dated January 2014 to read:

"You will automatically become a participant if you were an active employee on the applicable effective date, or later. (Refer to the table below). You will also be eligible if you were in receipt of short-term or long-term disability benefits, or were on leave of absence due to disability, on maternity, parental, compassionate care or union office leave as of the applicable effective date, or later."

4. Short Term Disability - Sickness and Maternity Leave Benefits

Effective the first of the month following ratification, increase the short-term disability weekly maximum from \$680 to \$690 for new claims.

Effective January 1, 2016, increase the maximum to \$700 for new claims.

Effective January 1, 2017, increase the maximum to \$710 for new claims.

Effective January 1, 2018, increase the maximum to \$720 for new claims.

5. Dental Plan

For treatment commencing on or after the first of the month following ratification, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2015.

For treatment commencing on or after January 1, 2016, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2016.

For treatment commencing on or after January 1, 2017, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2017.

For treatment commencing on or after January 1, 2018, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2018.

Because the Alberta Dental Association no longer publishes a dental fee guide, insurers, including SunLife, establish their own reimbursement levels for dental services provided in Alberta using data compiled on an industry basis through the CLHIA. The dental fee guide established by SunLife will be used for dental claims incurred in Alberta for treatment commencing on or after the first day of the month following ratification.

The maximum annual benefit for the Dental plan will be increased from \$1,725 to \$1,825 for treatment commencing on or after the first day of the month following ratification.

6. Optional Life Insurance

Effective the first of the month following ratification, increase the maximum eligible amount from \$125,000 to \$150,000. NOTE: The insurance company (Great-West Life) will require medical evidence of insurability to increase the current coverage.

7. Tax Free Savings Account

Effective the first of the month following ratification, the Company will make available to eligible employees, a voluntary Tax Free Savings Account (TFSA). Participating employees may make individual contributions to the group TFSA and they are responsible for monitoring their contribution limits to ensure their contributions do not exceed the federal limits on contributions. For greater clarity, the TFSA will be an add-on to the current CN Group RRSP offering. This TFSA is being offered as a mechanism to assist employees who may wish to use this tax efficient savings vehicle. Participation in the TFSA is entirely voluntary and CN does not and will not contribute to the TFSA. The Company may, at its discretion, alter, amend, revise or discontinue the Plan, in any manner, in whole or in part, provided thirty days' written notice is given to the Union. This provision will not form part of the Collective Agreements.

8. Prescription Drugs

Effective the first of the month following ratification, the charge for each prescription filled will be increased from \$2.50 to \$3.00. The present \$25.00 deductible per employee per year will be waived for drug coverage only.

9. Employee Share Investment Plan

The Company Employee Share Investment Plan will continue to be made available to eligible employees in accordance with the terms of the Plan. The Company may, at its discretion, alter, amend, revise or discontinue the Plan, in any manner, in whole or in part provided thirty days' notice in writing is given to the Union. This provision will not form part of any Collective Agreement.

10. Train Passes

VIA train passes are renewed on the basis of the letter attached hereto as Attachment "A".

11. Skill Retention

The parties agree to continue innovative arrangements in Intermodal Terminals and Mechanical Shops in Canada that contemplate a form of transition from full time employment to full time retirement, as outlined in Attachment "B".

12. Grievance Tracking System

The Company's proposal concerning the grievance tracking system is resolved on the basis of the letter attached as Attachment "C".

13. Member Orientation

The parties agree to incorporate as an Appendix to the 5.1 and Supplemental Collective Agreements, the letter found at Attachment "D" concerning the participation of a local union representative during the introduction of new employees to the workplace.

14. Vacation

The Company's proposal concerning vacation is resolved with the parties' agreement to modify the provisions of Article 9 of Agreement 5.1 and Article 29 of the Intermodal Supplemental to provide for vacation to be granted in the current year for employees hired after January 1, 2014, as outlined in Attachment "E".

15. Sick Leave

The Union's demand regarding paid sick leave under Collective Agreement 5.1 is resolved on the basis of Attachment "F".

16. White Collar Jobs

The Union's concerns with regard to white collar jobs are addressed in Attachment "G".

17. Seniority Groupings – Article 10 and Appendix X of Agreement 5.1

The parties agree to update seniority groupings and rate tables as reflected in Attachment "H".

18. Recognition and Scope - Article 2 of Agreement 5.1

The parties agree to meet during the closed period as reflected in Attachment "I".

19. General Holiday - Article 8 of Agreement 5.1 and Article 28 of Supplemental

The Union's proposal with regard to General Holidays is resolved on the basis of Attachment "J".

20. Staff reduction, Displacement and Recall to Service - Article 13

The Union's proposal is resolved by amending paragraph 13.15 from 2 calendar days to 10 calendar days.

21. Discipline and Grievance Procedure - Article 24 of Agreement 5.1

The Union's proposal is resolved by amending paragraph 24.5, first paragraph of Step 2 to read:

"Within twenty-eight (28) calendar days of receiving a decision under Step 1, the employee and/or the Local Chairperson or their designate of the Union will advise and meet with Sr. Functional Officers in a Joint Conference with the aim of resolving outstanding issues. Every effort shall be made to schedule such meeting during normal working hours."

22. Discipline and Grievance Procedure - Article 24 of Agreement 5.1 and Article 23 of Supplemental

The Union's proposal is resolved by amending the third paragraph of paragraph 24.2 of Agreement 5.1, to read:

"[Employees may only, if they so desire, have the assistance at the investigation of one or two co-workers, which could include their local chairperson or authorized committee members of the union who are employees of the Company, or the Union's Regional Representative.]"

The Union's proposal is resolved by amending paragraph 23.4 of the Supplemental to read:

"[Employees may, only if they so desire, have the assistance at the investigation of one or two co-workers, which could include their chief shop steward or authorized committee members of the union who are employees of the Company, or the Union's Regional Representative.]"

The Union's request with regard to system-wide joint conferences is resolved on the basis of Attachment "K".

23. Final Settlement of Disputes - Article 25 of Agreement 5.1

The Union's proposal is resolved by amending paragraph 25.3 from 45 days to 60 days.

24. Bereavement Leave - Article 31 of Agreement 5.1 and Article 27 of Supplemental

The Union's proposal is resolved by amending Article 31 of Agreement 5.1 and Article 27 of the Supplemental Agreement by adding the following Note:

"Note: An employee may request to postpone their bereavement leave to enable the employee to attend memorial services that may take place after the time of death. When bona fide situations of this nature exist, the supervisor or manager will give appropriate consideration to such request."

25. Seniority - Article 7 of the Supplemental Agreement

The Company's proposal concerning Mechanic seniority is resolved per Attachment "L".

26. Vacation Relief – Supplemental Agreement

The Company's proposal with regard to providing vacation relief to regularly assigned employees in Intermodal is resolved per Attachment "M".

27. Hours of Work, Starting Time and Rest Days - Article 11 of the Supplemental Agreement

The Union's concerns with regard to paragraph 11.8 of Supplemental Agreement are resolved per amended Appendix 8 in Attachment "N".

28. Reciprocal Seniority

The Union's proposal is resolved on the basis of Attachment "O".

29. Bulletining and Filling Positions – Article 12

The Union's concerns with regard to paragraph 12.13 are resolved on the basis of Attachment "P".

30. Intermodal Shortage work

The Union's concerns with regard to employees working in shortage situations outside their home terminal are addressed in Attachment "Q".

31. ESIMA - Article 8

Amend paragraph 8.1 to reduce the notice period from 120 to 90 days for TO&O changes for 5 or fewer employees.

32. Appendices

All appendices contained in the current Agreement 5.1 and Supplemental will be reproduced in the rewrite of these agreements. The table under Article 3 of Appendix 2 of the Supplemental Agreement will be updated.

33. General

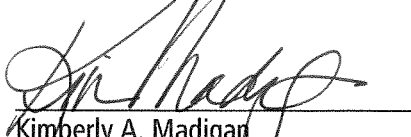
The foregoing changes are in full and final settlement of all requests served by either party signatory hereto on or subsequent to September 1, 2014.

The Agreement shall remain in full force and effect until March 31, 2019, and thereafter, subject to a 120-day notice in writing by either party to this Agreement to revise, amend, or terminate it. Such notice may be served at any time as of December 1, 2018, unless otherwise specified herein.

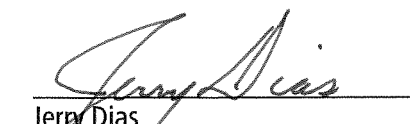
This Memorandum of Settlement is subject to ratification by the Union and the Company and the provisions herein shall become effective on the first day of the month following such ratification.

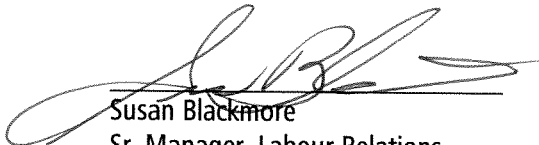
Signed at Gatineau, Quebec, this 23<sup>rd</sup> day of February 2015.

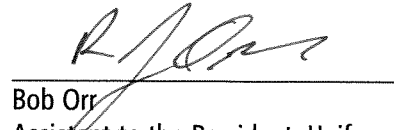
**FOR THE COMPANY**

  
Kimberly A. Madigan  
Vice-President, Human Resources

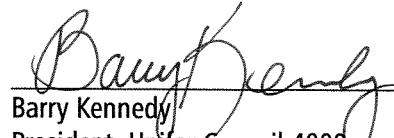
**FOR THE UNION**

  
Jerry Dias  
National President, Unifor

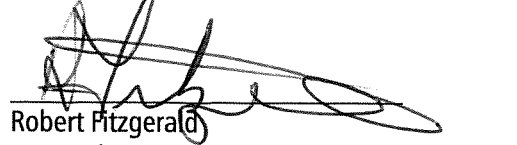
  
Susan Blackmore  
Sr. Manager, Labour Relations


  
Bob Orr  
Assistant to the President, Unifor


  
Caroline Gilbert  
Manager, Labour Relations

  
Barry Kennedy  
President, Unifor Council 4000


  
Rocco Polifroni  
Asst. Comptroller, Non-freight Management

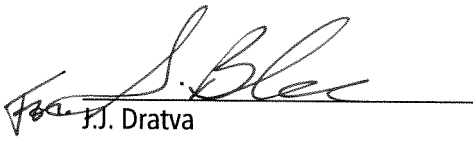
  
Robert Fitzgerald  
National Representative, Unifor Council 4000

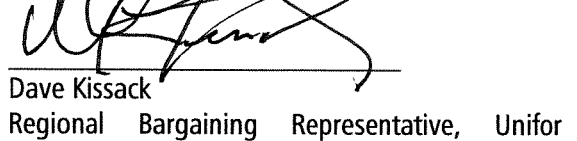
  
Clarke Trolley  
General Manager, Intermodal Operations

  
Ron Shore  
Regional Bargaining Representative, Unifor Council 4000

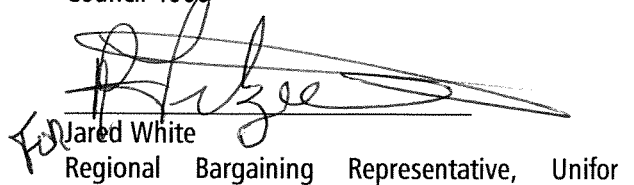
  
Suzanne Poirier  
Asst. Comptroller, Revenue Management

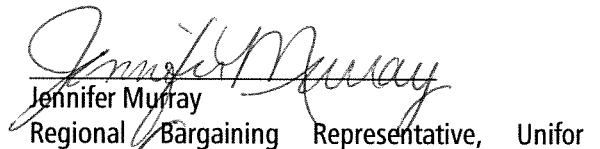
  
Serge Auger  
Regional Bargaining Representative, Unifor Council 4000


  
J.J. Dratva  
Director, Supply Management

  
Dave Kissack  
Regional Bargaining Representative, Unifor Council 4000

  
Mark Zund  
Director Fleet Management

  
Jared White  
Regional Bargaining Representative, Unifor Council 4000

  
Jennifer Murray  
Regional Bargaining Representative, Unifor Council 4000

  
Mark Robinson  
Local Chair, Bargaining Committee Member



**Human Resources**

Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

**Ressources humaines**

C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

**This letter will not form part of the Collective Agreement**

February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy:

This has reference to the matter of pass transportation benefits presently applicable to employees of Canadian National Railway Company (CN) represented by your organization, and the status of this benefit as to its future application on trains operated now and in the future by VIA Rail Canada Inc.

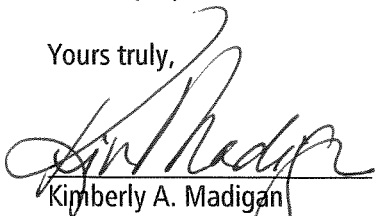
This will confirm that the matter of pass transportation benefits has been resolved on the basis that, subject to the demands of the traveling public, the present pass policies of CN will be maintained for employees represented by you who were in the service of CN on or prior to March 13, 1979, until the time notices are served on or subsequent to December 1, 2018, and thereafter until the provisions of Section 89 of part I of the Canada Labour Code have been complied with or until some other mutually satisfactory resolution of this matter is agreed.

Employees are required to return unused VIA Rail tickets to avoid unnecessary costs to CN. Employees who do not return unused tickets, will be notified their transportation privileges will be subject to suspension pending the return of unused tickets to the Company, within 30 days.

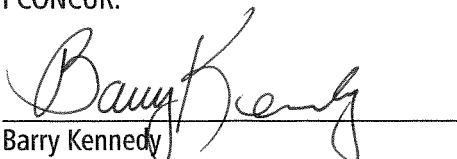
Where timely notification is not received by CN, individual transportation privileges will be suspended and the President of Unifor Council 4000 will be notified.

For the purpose of this letter, the word "employees" includes pensioners.

Yours truly,

  
Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

  
Barry Kennedy  
President, Council 4000



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February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

As discussed during our meetings in the 2014 round of negotiations, both parties have explored innovative and creative solutions with the view of addressing work schedule issues while meeting operational needs.

The following are the proposed parameters for the Skill Retention Program for Intermodal employees in non clerical positions in all terminals in Canada, covered by the Supplemental Agreement, and Hostlers/LMU's in Mechanical shops in Canada, covered by Agreement 5.1.

**General Parameters**

- Participation will be purely voluntary.
- Eligibility: participants must be at least age 55 and at least 85 pension points (age and pensionable service). Employees who have submitted a retirement application prior to January 1, 2015, will not be eligible.
- Participants will work 2 consecutive days, Friday to Sunday, for a period of up to 2 calendar years (8 or 10 hour shifts).
- Participants must retire and begin to receive their accrued pension benefits prior to commencing the skill retention program. Participants will not accrue any additional pensionable service in the CN Pension Plan.
- Participants will pay union dues in accordance with the collective agreement.
- Participants will receive their accrued Health Care Spending Account benefit and can join the Pensioner's Blue Cross plan.
- Participants will not participate in the benefit plans for active employees, except they will be enrolled in the Dental and Vision plans provided for in the Intermodal Supplemental or Agreement 5.1, as applicable.
- Should the skill retention program be implemented in the province of Quebec, eligibility to dental and vision coverage will be subject to the following condition: the participant and his / her spouse must avail themselves of coverage at least equivalent to the minimum Quebec Basic Drug Plan, within the options offered by the post-retirement medical plan with Medavie Blue Cross sponsored by the CN Pensioners' Association or be covered for the Basic Drug Plan under another Group plan. Should the participant and his/her spouse not have such coverage, the participant and his/her spouse may be required to enroll in the

CN Extended Health Care Plan then offered to active Unifor employees, where such participant and eligible dependents would be covered for drug benefits only, at an annual cost of \$2,000 per covered adult, at the participant's cost for a period not to exceed the term of the skills retention program for the individual.

- Participants will be entitled to four pro-rated weeks of vacation leave per year (i.e. 4 of their 2 day work cycles). Participants shall not form part of the normal vacation allotments of the different terminals and shops. No more than one participant will be allowed vacation at any one time, and no more than two consecutive weeks will be allowed by the participant.
- Participants will not participate in the Employee Share Investment Plan (ESIP).
- Participants will be entitled to General Holidays found in the collective agreements if the holiday falls on their regularly scheduled work day and payment shall be as per the provisions of the Canada Labour Code.
- Candidates will have to submit a written application to participate in the skill retention program. Opportunities will be offered in order of seniority. Participants will have their names carried on a Terminal and/or Shop seniority list, separate from all other seniority lists created pursuant to the collective agreements. Participants will maintain their relative standing from the original seniority list.
- Additional rules and/or procedures for the use of the skill retention program may be established through mutual agreement with the President of Council 4000, or designate for each terminal and shop in Canada, and the General Manager Intermodal Operations and/or Chief Assistant Mechanical Officers or designates.
- Participants will have no entitlement to any benefits under the ESIMA.

This program will begin no later than April 1, 2015. The program will run for the duration of the present collective agreements.

Where we have participants in the program, the number of full time assignments will not be reduced. Should there be a need to reduce the number of full time employees while the program is underway, the parties will meet and discuss alternatives immediately. If the parties are unable to reach agreement, and the Company plans to reduce the complement of full time employees at the terminal, by way of a 4 day notice or other means, the 30 day advance notice requirement would be waived and the union could advise of its desire to cancel the program on 4 working days' notice.

A sub-committee comprised of the President of Council 4000 and/or designate, and the Assistant General Manager Intermodal Operations and/or Chief Assistant Mechanical Officers or designates will meet and agree upon the number of participants at each location, prior to implementation of the program, and thereafter will monitor this program and may make any alterations necessary by mutual agreement.

Either party will have the right to cancel this agreement upon 30 days' written notice to the other.

If you are in concurrence with this program as outlined, please signify your agreement by countersigning below.

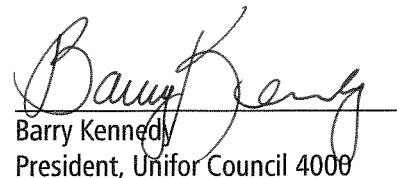
Yours truly,

**FOR THE COMPANY**

  
Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

**FOR THE UNION**

  
Barry Kennedy  
President, Unifor Council 4000



**Human Resources**

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February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

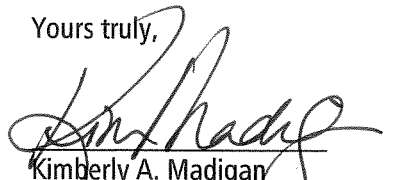
Dear Mr. Kennedy:

This has reference to our discussions during national bargaining concerning the Company's proposal to introduce the Electronic Grievance Tracking System (GTS) for the submission of all grievances under Unifor Collective Agreements 5.1 and Supplemental.

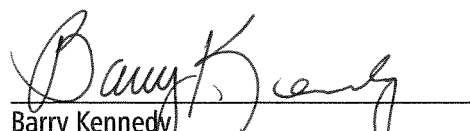
While the Company reluctantly withdrew its demands on the 5.1 and Intermodal Supplemental Agreement related to GTS, the Union has indicated a willingness to meet during the closed period to discuss these matters further, with regard to a pilot project.

If this represents your understanding, please sign in the space below,

Yours truly,

  
Kimberly A. Madigan  
Vice-President Human Resources

I CONCUR.

  
Barry Kennedy  
President, Council 4000



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February 23, 2015

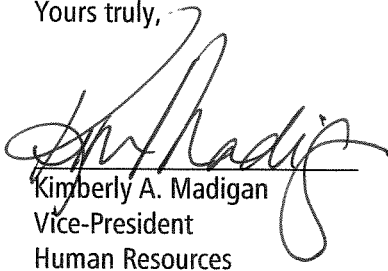
Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

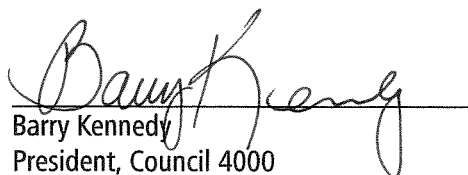
During the collective bargaining for the renewal of Agreement 5.1 and the Supplemental Agreement, the Union served a proposal on Member Orientation for new hires.

The Company welcomes the participation of a local or regional representative during the introduction of new employees to the workplace. The Company currently has an on-boarding and orientation process for new hires. As discussed, a local union representative will be permitted to address new members of the bargaining unit, and shall be afforded a period of up to thirty (30) minutes to make presentations and answer questions. Leave may be granted to the local union representative to participate in these sessions, without loss of pay. Such leave will not be unreasonably withheld. There will be no overtime payment as a result of this initiative.

Yours truly,

  
Kimberly A. Madigan  
Vice-President  
Human Resources

I CONCUR.

  
Barry Kennedy  
President, Council 4000

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February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

This is further to the recent discussions between the Company and the Union in relation to annual vacation entitlements. The key element of this arrangement is the initiative to convert annual vacation entitlements from the Accrued method to the Current method for employees hired after January 1, 2014.

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

It is our desire to have all employees hired after January 1, 2014 transition to the Current Vacation Method. It is understood that for the purpose of transitioning to Current Vacation Method, the accrued annual vacation entitlements will be determined based on an individual's entitlement as of January 1, 2015. This is a one time transition of accrued annual vacation to a bank that will be used by the employee. This will, henceforth, be referred to as an individual's Accrued AV Bank. New employees hired on or after January 1, 2015 will not have an accrued AV bank and will have pro-rated vacation in their first year.

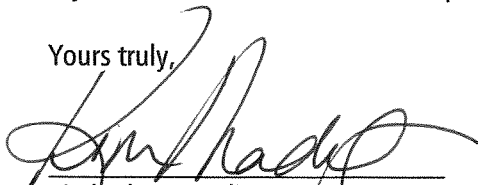
It is our desire to have all employees hired after January 1, 2014 deplete their accrued AV bank by December 31, 2016. However, it is understood that the accrued annual vacation entitlements must be scheduled in a manner that results in an even distribution of vacation through the year. As a result of this exercise, going forward, new employees hired after vacation lists have been posted in accordance with Article 9 of Agreement 5.1 and Article 29 of the Intermodal Supplemental, will be required, within 60 days of their date of hire, to schedule that years' vacation allotment in the available remaining vacation slots.

There are no changes or modifications to any aspect of the Collective Agreements except those that are explicitly stated or implied herein. The parties agree to meet during the closed period, within 60 days of ratification, to review and modify the language of Article 9 of Agreement 5.1 and Article 29 of the Intermodal Supplemental to provide for vacation to be granted in the current year.

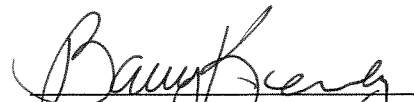
It is understood that an employee taking annual vacation under the Current Vacation Method, who is subsequently laid off, resigns or where the employment relationship is otherwise severed, may not have earned the annual vacation they have taken. This may also apply to employees who are on leave, off sick etc. and who subsequently do not return to work. In such circumstances, the Company will reduce the employee's accrued AV bank first to make up the difference. If a shortfall remains, the Company will make the appropriate deductions from outstanding wages as required and will advise the employee. If there are no outstanding wages, the employee will be required to pay the difference.

If you concur with all of the above, please indicate same by signing below.

Yours truly,

  
\_\_\_\_\_  
Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

  
\_\_\_\_\_  
Barry Kennedy  
President, Unifor Council 4000



**Human Resources**

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**Ressources humaines**

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H3C 3N4

February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

During national bargaining, the Union raised concerns about the Company's policy as it applies to sick leave for weekly-rated clerical employees.

Effective the first day of the month following ratification, the following will apply:

Up to a maximum of three (3) days per year will be granted as sick leave to all employees (weekly-rated and hourly-rated who have 60 days of cumulative compensation or more) without loss of pay, on the strict condition that the department incurs no additional costs, as required for legitimate operational reasons, as a result of the employee's absence.

To ensure that no artificial barriers are designed to deny payment, incidents of denial will be immediately elevated to the Unifor National Representative and the Vice-President of Human Resources.

Sick leave days not used in a calendar year cannot be carried over to the next year.

These sick days are not to be used to augment vacation or extend weekends, but to cover legitimate illness only.

An employee must advise the supervisor, as promptly as possible, prior to the commencement of the shift, of the reason for and the expected duration of the absence.

The Union acknowledges that employees may be required to provide a physician's medical certificate, at their own expense, to support that they were not fit for work.

If you concur, please acknowledge below.

Yours truly,

A handwritten signature in black ink, appearing to read 'DSF', written over a horizontal line.

Douglas S. Fisher  
Director, Labour Relations

I CONCUR:

A handwritten signature in black ink, appearing to read 'Barry Kennedy', written over a horizontal line.

Barry Kennedy  
President, Council 4000



**Human Resources**

Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

**Ressources humaines**

C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

**This letter will not form part of the Collective Agreement**

February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

During negotiations, the Union raised concerns about the number of white collar jobs within the bargaining unit.

The Company agrees with the Union's suggestion to meet within 120 days of ratification to review the Union's ideas on exploring avenues within the framework of the collective agreement that would facilitate the creation of additional jobs within the bargaining unit.

The President of Council 4000 and the Director of Labour Relations will meet after ratification to discuss classifications and other matters.

Yours truly,

A handwritten signature in black ink, appearing to read 'DSF', written over a horizontal line.

Douglas S. Fisher  
Director, Labour Relations





**Human Resources**

Box 8100  
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February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

This will confirm the parties' agreement to meet during the closed period to review and update (where required) job classifications and titles, seniority groupings and the associated rate tables found in Article 10 and Appendix X of Agreement 5.1.

The parties' will meet within 60 days' of ratification to commence such a review. It is understood that the purpose of this exercise is to review the archaic references and where necessary, update job titles and classifications to better reflect CN's current organizational structures.

If you concur with the above, please indicate same by signing below.

Yours truly,

A handwritten signature in black ink, appearing to read 'Kim Madigan', written over a horizontal line.

Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

A handwritten signature in black ink, appearing to read 'Barry Kennedy', written over a horizontal line.

Barry Kennedy  
President, Unifor Council 4000



Human Resources

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February 23, 2015

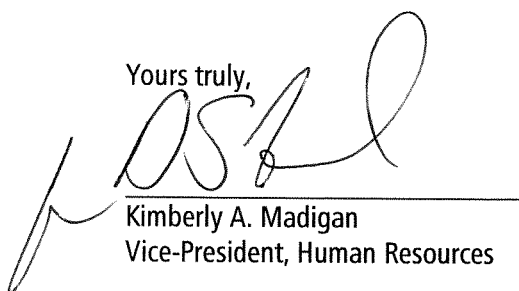
Barry Kennedy  
President  
Unifor National Council 4000  
14923 – 107 Avenue  
Edmonton, AB T5P 0X8

Mr. Kennedy,

This has reference to our discussions during current contract negotiations concerning the Right of Selection for certain key positions within Fleet Management.

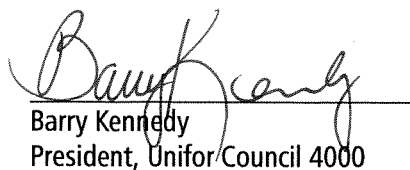
The Union agrees to the right of selection for future vacancies in accordance with Article 2.3 of Agreement 5.1 for the positions of: Garage Foreman, Foreman Mechanic and Lead Hand RAC Advisor. The current rates of pay will be adjusted by the differential between Level J and Level K, effective the first day of the month following ratification.

Yours truly,



Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.



Barry Kennedy  
President, Unifor Council 4000



**Human Resources**

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February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

During national negotiations, the Union raised concerns about the application of Article 8.7 (a) of Agreement 5.1 and Article 28.7 (a) of the Supplemental Agreement concerning work on a General Holiday.

This will confirm our understanding that when applying Article 8.7 (a) of Agreement 5.1 and Article 28.7 (a) of the Supplemental Agreement, the Senior may/Junior must principle will be applied among employees qualified to perform the work on the assignment and when practicable.

Yours truly,

A handwritten signature in black ink, appearing to read 'Kim Madigan', written over the typed name and title.

Kimberly A. Madigan  
Vice-President  
Human Resources



Human Resources

Box 8100  
Montreal, Quebec, Canada  
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Ressources humaines

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February 23, 2015

Barry Kennedy  
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Unifor  
14923 107 Avenue  
Edmonton, Alberta  
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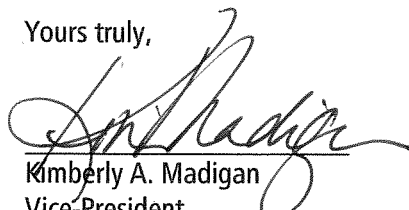
Dear Mr. Kennedy,

This is with regard to our discussions during negotiations concerning the grievance procedure in Article 24 of Agreement 5.1 and Article 5 of the Supplemental.

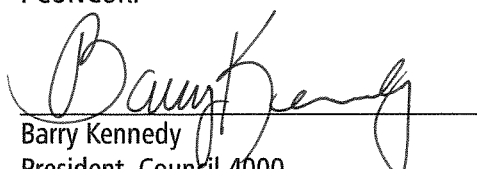
The Company and the Union recognize that open and frank discussions promote the resolution of grievances and that there is value in reviewing common issues and concerns across the CN system. Therefore, this will confirm that the parties agree to hold up to two (2) system-wide joint conferences per year, for the term of the current collective agreements.

Please signify your concurrence in the space provided below,

Yours truly,

  
Kimberly A. Madigan  
Vice-President  
Human Resources

I CONCUR.

  
Barry Kennedy  
President, Council 4000

**Memorandum of Agreement between Unifor, Local 4000, and the Canadian National Railway Company with respect to the implementation of a separate Mechanic Seniority List in the Intermodal Supplemental Agreement.**

This has reference to our discussions during negotiations to implement a separate seniority list for Mechanics working under the Intermodal Supplemental Agreement. In this regard, the parties agree to the following:

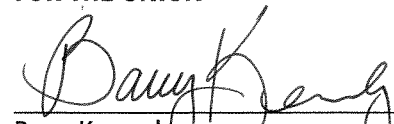
1. A new seniority list will be established for Mechanics in Intermodal. Intermodal Mechanic Seniority Lists will denote the seniority classification of each Mechanic. The seniority dates and order of employees placed on these new seniority lists will be the same as specified on the Regional seniority lists of the Intermodal Supplemental Agreement.
2. The names of Intermodal Mechanics listed on existing regional seniority lists will continue to be maintained on such listings following the signing of this agreement.
3. Following the signing of this agreement, newly hired Mechanics will:
  - a. Only establish a seniority date on the Intermodal Mechanic Seniority List.
  - b. Not hold seniority on the Regional seniority lists of the Intermodal Supplemental Agreement.
4. Employees only holding Intermodal Mechanic Seniority will be permitted to bid Intermodal positions, upon mutual agreement between both parties, only in the following situations:
  - a. In the case of injury or disability, under the duty to accommodate.
  - b. In the case of an employee whose permanent assignment is abolished or who is displaced and unable to hold a permanent Mechanic position in the Intermodal Garage.

Signed at Gatineau, Quebec, this 23<sup>rd</sup> day of February 2015.

**FOR THE COMPANY**

  
Kimberly A. Madigan  
Vice-President, Human Resources

**FOR THE UNION**

  
Barry Kennedy  
President, Unifor Council 4000

**Memorandum of Agreement between Unifor, Local 4000, and the Canadian National Railway Company with respect to the implementation of an SVR (Seasonal Vacation Relief) Agreement in the Intermodal Supplemental Agreement to provide vacation relief to regularly assigned employees during peak seasonal periods.**

The parties agree to the following:

1. An SVR Student is a person temporarily engaged by the Company, under a seasonal fixed duration employment contract, for the purposes of providing vacation relief for regularly assigned employees (as defined in Article 1.2 of the Supplemental Agreement). For every one SVR Student that is employed at a specific location, one additional allotment of vacation will be assigned over and above the allotted number that is locally arranged.
2. It is understood that the period of seasonal employment of the SVR Student shall be restricted between the dates of April 1 to September 30 and December 15 to January 15, with no ability to extend the period of employment beyond these periods. This does not in any way constitute a guarantee of employment of any duration and should not be interpreted as such.
3. The SVR Student must provide proof satisfactory to the Company that he/she is enrolled in a secondary or post-secondary education program and is returning to school in the fall and/or winter. An SVR Student may be re-engaged in each successive year at the sole discretion of the Company, provided he/she remains in a secondary or post secondary educational program, and providing that the Company makes available an additional vacation allotment at the terminal where engaged. Notwithstanding this, the Company will be under no obligation to engage or re-engage any individual employed previously, or in the future. The decision to hire, or rehire, rests solely with CN.
4. The following provisions of the 5.1 Supplemental Agreement shall be applicable to SVR Students: 1, 2, 3, 4, 8.1(c), 11, 12, 13, 24, 25, 28, 32 and Rate Tables.
5. The SVR Student will be subject to the payment of Union dues, in accordance with the applicable provisions of Article 2 of the Supplemental Agreement.
6. The SVR Student wages will be in accordance with the Helper rate of pay found within the Rate Tables and as specified in Article 32.2: paid at 80% of the job rate.
7. The SVR Student will be assigned to vacancies not claimed by regular members of the bargaining unit, at the sole discretion of the Company.
8. The SVR Students will only be called to protect overtime opportunities after all regularly assigned employees have been canvassed or as locally arranged. SVR Students may fill vacant vacation relief assignments only after all regularly assigned employees have been canvassed or as locally arranged.
9. The SVR Student will not be considered a permanent employee of the Company or afforded any benefits under the ESIMA, CN Benefit Plans and will not be covered by the CN Pension Plan. As such, the SVR Student will sign a Temporary Employment Contract that makes reference to this agreement. A copy of the Temporary Employment Contract will be provided to the local representative.

10. The SVR Student will:

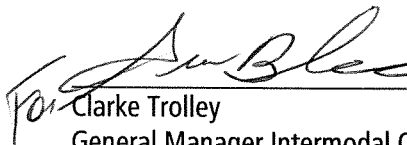
- Be terminated at the expiration of their contract.
- Not accrue seniority at any time.
- Not be permitted to bid any temporary vacancy, or temporary assignment, or permanent assignment, without the expressed mutual agreement of the Company and the Union.
- Be released prior to a regular employee being laid off.

11. This SVR Student Agreement will be implemented on a trial basis beginning upon ratification of this collective agreement and will expire on March 31, 2019.

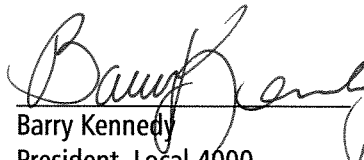
12. Any dispute initiated by a regularly assigned employee, with regard to the interpretation, application, administration or alleged contravention of this Agreement may be progressed in accordance with Article 5 of the Supplemental Agreement.

Signed at Gatineau, Quebec, this 23<sup>rd</sup> day of February 2015.

For the Company

  
Clarke Trolley  
General Manager Intermodal Operations

For the Union

  
Barry Kennedy  
President, Local 4000

New Appendix 8 (Supplemental Agreement )



**Human Resources**

Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

**Ressources humaines**

C.P. 8100  
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H3C 3N4

February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

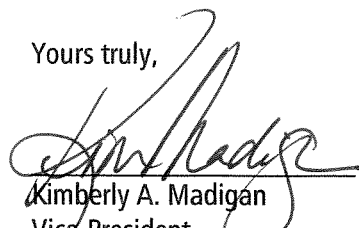
This is with regard to our discussions during negotiations concerning the application of Article 11.8 of the Supplemental Agreement.

Following substantial discussions on this matter, the parties have agreed that where positions governed by Article 11.8 are established, the bulletins will indicate that such positions are designated Article 11.8 positions. It was further agreed that the intent is not to have every position in a Terminal bulletined in accordance with Article 11.8.

Finally, it was also agreed that should the Company introduce new designated Article 11.8 positions, it will, if requested by the Local Chairperson, provide a letter to the Union, outlining the basis of the business requirements for such additional positions, the onus being on the Company to demonstrate said requirements.

If this represents your understanding of these discussions, please counter sign below.

Yours truly,

  
Kimberly A. Madigan  
Vice-President  
Human Resources

I CONCUR.

  
Barry Kennedy  
President, Council 4000





**Human Resources**

Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

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February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
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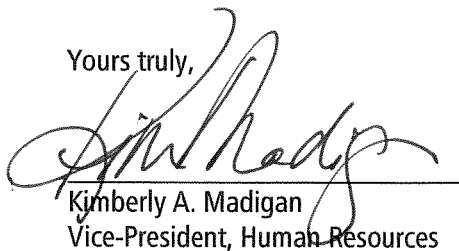
Dear Mr. Kennedy,

This has reference to the Union's concerns raised during national negotiations, concerning reciprocal seniority rights between Agreement 5.1 and the Supplemental Agreement.

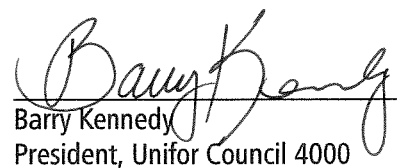
This will confirm the parties' agreement to meet during the closed period to discuss circumstances under which reciprocal seniority rights may be applied.

If you concur with the above, please indicate same by signing below.

Yours truly,

  
Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

  
Barry Kennedy  
President, Unifor Council 4000



**Human Resources**

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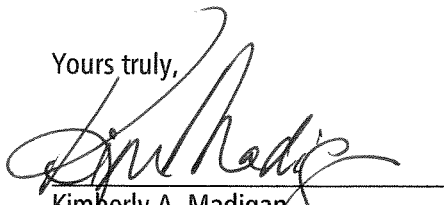
Dear Mr. Kennedy,

This has reference to the Union's concerns raised during national negotiations, concerning Article 12, paragraph 12.13, specifically the release of employees within 45 calendar days to assume a new assignment.

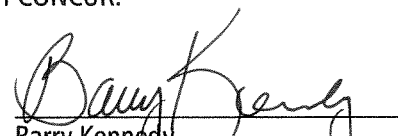
This will confirm the parties' understanding that issue(s) associated with the release of employees in accordance with this Article will be raised with the local Company Officer, and if no resolution can be found, the issue(s) will be expedited to Step III of the grievance procedure.

If you concur with the above, please indicate same by signing below.

Yours truly,

  
Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

  
Barry Kennedy  
President, Unifor Council 4000



**Human Resources**

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Montreal, Quebec, Canada  
H3C 3N4

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February 23, 2015

Barry Kennedy  
President, Council 4000  
Unifor  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy,

Further to our discussions at national bargaining concerning the utilization of employees from one Intermodal Terminal to perform work at another Intermodal Terminal, to assist during peak workload periods. This will confirm the parties' agreement to meet, in accordance with Article 1.3 of the Supplemental Agreement, during the closed period to review the parameters covering the movement of employees from one Intermodal Terminal to assist at another Intermodal Terminal.

The parties' will commence discussions within 120 days' of ratification of the collective agreement. It is understood that the purpose of this exercise will be to establish a consistent approach for all terminals to be guided by, when such movement of employees is required.

If you concur with the above, please indicate same by signing below.

Yours truly,

A handwritten signature in black ink, appearing to read 'Kim Madigan', written over a horizontal line.

Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

A handwritten signature in black ink, appearing to read 'Barry Kennedy', written over a horizontal line.

Barry Kennedy  
President, Unifor Council 4000



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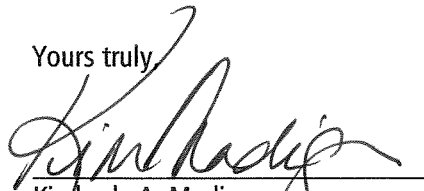
Barry Kennedy  
President  
Unifor National Council 4000  
14923 – 107 Avenue  
Edmonton, AB T5P 0X8

Mr. Kennedy,

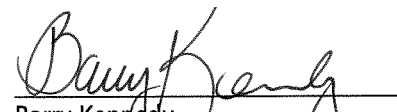
This has reference to our discussions during current contract negotiations concerning issues of attracting and recruiting qualified individuals to certain classifications at specific locations across the system, including key positions within Fleet Management and Intermodal.

The Company will provide a base rate adjustment of 1% effective January 1, 2018 for Mechanic positions within the Fleet Management Department and the Intermodal Supplemental.

Yours truly,

  
Kimberly A. Madigan  
Vice-President, Human Resources

I CONCUR.

  
Barry Kennedy  
President, Unifor Council 4000