

MEMORANDUM OF SETTLEMENT

Dated

March 27, 2019

Between

CANADIAN NATIONAL RAILWAY COMPANY

And

UNIFOR Council 4000 / Local 4001

Collective Agreement covering train and engine service employees on the CN - Savage Alberta Railway

RE:

Rates of Pay effective as Indicated

Changes effective the 1st 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. All offers should be considered as perishable and are subject to be withdrawn at the Company's discretion, upon advance notice to the Union.

The Parties acknowledge that only those Articles, Appendices and/or Addenda expressly identified as being modified will be changed unless there is written consent of the Parties. The Parties agree to renew all appendices in the collective agreement.

Terms and conditions of the collective agreements to be revised as follows:

1. Term of Contract

The Collective Agreement covering train and engine service employees on the CN-Agreement 5.14 represented by UNIFOR Council 4000 will be in effect from April 1, 2019 to December 31, 2022.

2. Wages

- a) Effective April 1, 2019, a wage increase of 2.5% on all basic hourly, daily and weekly rates of pay in effect on March 31, 2019.
- b) Effective January 1, 2020, a wage increase of 2.5% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2019.
- c) Effective January 1, 2021, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2020.
- d) Effective January 1, 2022, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2021.

Lump sum bonus upon ratification. In recognition of the renewal of the Collective Agreement before expiry and the extended term of the contract, the Company will pay, on the first pay period 30 calendar days after ratification, a lump sum of \$1,000.00 to all in active service on the date of ratification.

3. 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.**

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 \$720 to \$750 for new claims.

Effective January 1, 2020, increase the maximum to \$770 for new claims.

Effective January 1, 2021, increase the maximum to \$790 for new claims.

Effective January 1, 2022, increase the maximum to \$810 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 2019, or as defined by the dental plan insurer in the event that a province no longer produces a Dental Association Fee Guide.

For treatment commencing on or after January 1, 2020, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2020, or as defined by the dental plan insurer in the event that a province no longer produces a Dental Association Fee Guide.

For treatment commencing on or after January 1, 2021, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2021, or as defined by the dental plan insurer in the event that a province no longer produces a Dental Association Fee Guide.

For treatment commencing on or after January 1, 2022, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2022, or as defined by the dental plan insurer in the event that a province no longer produces a Dental Association Fee Guide.

The maximum annual benefit for the Dental plan will be increased from \$1,825 to \$1,875 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 \$1,875 to \$1,925 for treatment commencing on or after January 1, 2020

The maximum annual benefit for the Dental plan will be increased from \$1,925 to \$1,950 for treatment commencing on or after January 1, 2021

The maximum annual benefit for the Dental plan will be increased from \$1,950 to \$1,975 for treatment commencing on or after January 1, 2022

Effective the first of the month following ratification, coordination of Dental Care benefits between CN employees who are spouses will be allowed.

Effective the first of the month following ratification, the annual deductible for dental care will be increased from \$35 to \$40 per family.

For orthodontic treatment commencing on or after the first day of the month following ratification, the lifetime maximum will be increased from \$500 to \$750.

6. Basic Life Insurance

Effective the first of the month following ratification, the amount of Basic Life Insurance will increase from \$50,000 to \$51,000.

Effective January 1, 2020 increase from \$51,000 to \$52,000

Effective January 1, 2021 increase from \$52,000 to \$53,000

Effective January 1, 2022 increase from \$53,000 to \$54,000

7. Optional Life Insurance

Effective the first of the month following ratification, increase the maximum eligible amount from \$150,000 to \$250,000. NOTE: The insurance company (Great-West Life) will require medical evidence of insurability to increase the current coverage.

8. Prescription Drugs

Effective the first of the month following ratification, smoking cessation drugs, including nicotine substitutes, will be eligible for a 80% reimbursement after the payment of any applicable deductible under the Prescription Drugs Plan when prescribed by a physician.

9. Extended Health Care Plan

Effective the first of the month following ratification, an annual maximum of \$2,000 will be introduced for physiotherapist treatments.

Effective the first of the month following ratification, care provided by a licensed chiropractor will be eligible for an 80% reimbursement after the payment of any applicable deductible under the Extended Health Care Plan. The chiropractor will be covered under the same annual maximum as the physiotherapist for a combined annual maximum of \$2,000.

Effective the first of the month following ratification, care provided by a licensed psychologist or psychotherapist will be eligible for an 80% reimbursement after the payment of any applicable deductible under the Extended Health Care plan, up to a combined annual maximum of \$500 per covered individual.

Effective the first of the month following ratification, coordination of Extended Health Care benefits between CN employees who are spouses will be allowed.

Effective the first of the month following ratification, care provided by a licensed massage therapist, a licensed osteopath or a licensed naturopath will be eligible for an 80% reimbursement after the payment of any applicable deductible under the Extended Health Care Plan, up to a maximum of \$20 per visit and up to an annual combined maximum of \$150 per covered individual (i.e. combined maximum of \$150 for massage therapist, osteopath and naturopath).

Effective the first of the month following ratification, the requirement of having a change in magnifying strength for contact lenses or eyeglasses to be considered eligible expenses will be removed.

Effective the first of the month following ratification, the maximum coverage for hearing aids will be increased from \$300 every 5 years to \$500 every 5 years for children (age below 18).

10. Lifetime and Annual Maximums for Extended Health Care Plan

Effective the first of the month following ratification, the lifetime maximum will be \$50,000.

Effective January 1, 2020 increase from \$50,000 to \$51,000.

Effective January 1, 2021 increase from \$51,000 to \$52,000.

Effective January 1, 2022 increase from \$52,000 to \$53,000.

11. Probation Language

Amend paragraph 4.11 as follows:

Employees who are not considered as suitable for employment prior to the completion of the one hundred and twenty (120) working day probationary period will not be retained in service under

this collective agreement. A meeting will be held with the trainee and the reasons for the probationary release will be explained in writing and provided to the trainee and the Union. Such decision will not be construed as dismissal or discipline, but will be subject to appeal by the Union at the last step of the grievance procedure.

12. Vacation

Amend paragraph 11.09 as follows:

The Local Chairperson will meet with the appropriate officer of the Company between December 1st and December 31st of each year calendar year to discuss vacation allotments. Unless otherwise locally arranged, employees who do not apply for vacation prior to February 1st shall be required to take their vacation at a time to be prescribed by the Company.

13. Rates of Pay (Probationary Employees)

Amend paragraph 16.01 (b) as follows:

All new employees hired after the date of ratification will be compensated at the hourly rate of pay shown in Article 16.01 (a) for which applicable classification they are being trained for and will be compensated at **85% of the hourly rate of pay for the classification they occupy during their probationary period pursuant to Article 4.10 herein. Following the completion of the probationary period, employees will be paid at the rates of pay listed in Article 16.01 (a).** ~~Employees will be compensated at 85% of the hourly rate of pay for the classification they occupy during the first six (6) months of service. Thereafter, the employee's rate of pay will increase by increments of 5% each successive six (6) month period until such time as the employees reach 100% of the applicable hourly rate of pay.~~

14. Expenses and Transportation Costs

Amend paragraph 18.07, 18.08 and 18.09 by changing transportation costs from thirty (\$0.30) cents to thirty-three (\$0.33) cents.

15. Called and Cancelled

Add a new paragraph 20.04 as follows:

Spareboard employees who are cancelled after being called for duty, but have not yet commenced work, will go to the bottom of the **appropriate** spareboard.

16. General

Add a new paragraph 24.07 to read as follows:

The Union's Local Chairperson or their delegate will be **permitted** to participate in the introduction of employees to the workplace as part of the Company's on-boarding process. **The Union's Local Chairperson or their delegate** will be permitted to address new members of the bargaining unit and shall be afforded a period of up to thirty (30) minutes, **with pay**, to make presentations and answer questions. There will be no overtime payment as a result of this initiative. The Union will be advised

when all onboarding of new employees occurs. The Union's Regional Representative may also participate.

17. Training

Amend paragraph 31.02 as follows:

Employees designated to train or familiarize employees will receive a trainer's allowance as follows:

\$45.00 per tour of duty to train Conductors

\$50.00 per tour of duty to train Locomotive Engineers or non-scheduled management

Amend paragraph 31.03 as follows:

Employees required by the Company to take training in excess of 50 km away from their home station will be provided transportation or reimbursed the necessary costs of transportation. If the employee is authorized by the Company to use their own vehicle, the Company will reimburse the employee as in accordance with Article 18.08 of this collective agreement.

Add a new paragraph 31.04 as follows:

Training for the position of Locomotive Engineer will be administered in seniority order to employees not yet qualified as Locomotive Engineer. Unless they have a bona fide medical reason, employees will be required to attend training when scheduled. Should an employee be allowed by the Company to forego Locomotive Engineer training when scheduled, they will forfeit their one seniority date for all classifications pursuant to Appendix A of this collective agreement. In such instances, their seniority as a Locomotive Engineer will be established effective the date they are deemed qualified as Locomotive Engineer, but will maintain their seniority standing as a Conductor and Assistant Conductor.

Add a new paragraph 31.05 as follows:

Employees who are unsuccessful at qualifying as a Locomotive Engineer after training will have a new seniority date established on the date such employee successfully qualifies.

18. Bulletining and Filling Positions

Amend article 19.10 as follows:

Vacancies on regular assignments of ~~less than~~ three working days or less will be filled from the applicable spareboards or at overtime rates if no spareboard employees are available. **458/459 assignment will be considered 2 working days.**

Note: See Addendum 3

Addendum 3

Vacancies on regular assignments of ~~less than~~ three working days or less will be filled from the applicable spareboards or at overtime rates if no spareboard employees are available.

In cases of known vacancies of ~~four~~ three working days or more, the Company shall post notice 7-days in advance of the commencement of such vacancies, which will be awarded in conjunction with the employees choices submitted on the temporary vacancy section of their preference sheets submitted within one week of change of card. In instances where no bids are received on regular assignments, the company will fill such vacant and unclaimed regular assignments with the junior employee who occupies a spareboard position.

Employees will submit their choices of temporary vacancies in preference order, but should only list jobs that an employee desires to work. An employee may choose to leave the temporary vacancy portion of their preference sheet blank to avoid having to change jobs between Change of Cards.

Notwithstanding the provisions of Article 19.08, for the purposes of temporary vacancies, employees will have the opportunity to revise their temporary vacancy preferences, or, may delete a choice previously indicated. In the case deletion, this may be done from one Change of Card to the next. However, once deleted, a job cannot be re-added to the employee's temporary vacancy preference sheet until the next change of card.

Employees awarded a temporary vacancy will assume the position on the first working day of the known temporary vacancy. An employee will resume their regular permanent assignment following the rest days of the awarded temporary vacancy.

Once an employee is awarded a temporary vacancy (not FORCED), they must complete it. Employees cannot be displaced from a temporary vacancy or move to another temporary vacancy while filling another temporary vacancy.

Add to paragraph 19.10 to read as follows:

Employees protecting work trains from the spareboard will work the assignment up to two (2) days, at which point they will be relieved.

Add a new paragraph 19.11 as follows:

Should a vacancy for the position of Locomotive Engineer remain unfilled, such vacancy will be filled by promotion of those employees who are qualified as Locomotive Engineers but not working as such. This promotion will apply on a seniority basis of senior may, junior must.

19. Spareboard

Amend paragraph 21.05 as follows:

Spareboard employees working into their assigned rest day will be guaranteed forty-eight (48) hours rest at their home station. Rest will only commence at their home station upon being released from duty. This will not result in a reduction to an employee's forty (40) hour weekly guarantee. In these cases, Article 21.10 will not apply.

Add a new paragraph 21.20 as follows:

"Spare boards" may be established as required by the Company to perform all relief and extra work. When so established, spare boards will be operated in accordance with the provisions of this collective agreement. It is understood that spare boards shall not be utilized so as to replace or avoid regular assignments. The Union Local Chair may request a meeting with the Assistant Superintendent to discuss the use of spare boards. Such a meeting shall take place within 30 days of a request by the Local Chair.

20. Printing of Agreement

Amend paragraph 33.01 as follows:

Effective the first of the month following ratification of this agreement, the Company agrees to undertake the responsibility for the printing of this collective agreement in 5" x 7" booklet form within sixty (60) days of signing the master agreement. **The Union and the Company will, within the 60-day period, review the document for accuracy.** Updates will also be printed as may be required. A copy of this collective agreement in electronic form will be provided to the Regional Representative of the Union.

21. Vacation

Add a new paragraph 11.02 (f) as follows:

More than twenty-eight (28) years of continuous services with the Company shall receive six (6) weeks vacation per year with pay calculated at 8% of the employee's regular wages for the year of employment for which vacation is given, or the employee's regular wages for the vacation period.

22. Women's Advocate

Letter already signed covering Local 100 and Council 4000 to be included as an appendix.

23. General

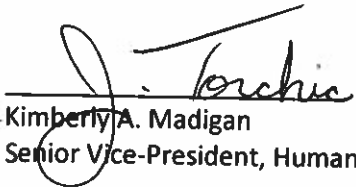
The foregoing changes are in full and final settlement of all requests served, by either party signatory hereto, on or subsequent December 3, 2018.

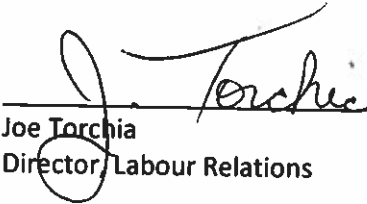
The collective agreement shall remain in full force and effect until December 31, 2022, and thereafter, subject to notice in writing by either party to this agreement to revise, amend, or terminate it. Such notice may be served at any time as of September 1, 2022, unless otherwise specified herein.

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


Signed at Montreal, Quebec this 28 day of March 2019.

FOR THE COMPANY


FOR: Kimberly A. Madigan
Senior Vice-President, Human Resources

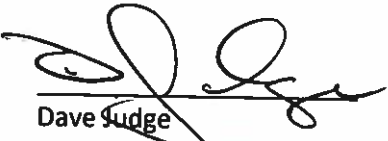

Joe Torchia
Director, Labour Relations



FOR: James Thompson
General Manager



Manny Galan
Manager, Labour Relations

FOR THE UNION


Barry Kennedy
National Representative
UNIFOR-Canada, National Council 4000


Dave Sudge
President, Local 4001
UNIFOR-Canada, National Council 4000
S.A.R.


Ron Shore
Regional Representative
UNIFOR-Canada, National Council 4000
Mountain Region


Darryl Bourque
Local Chair
UNIFOR-Canada, National Council 4000
S.A.R.

This letter shall not form part of the Collective Agreement



Human Resources

Ressources humaines

Box 8100
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C.P. 8100
Montréal (Québec) Canada
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March 27, 2019

Mr. Barry Kennedy
National Representative
UNIFOR Council 4000 / Local 4001
410-10525 170th Street NW
Edmonton, AB

Mr. Kennedy:

This is with respect to our discussion on inward facing locomotive voice and video recording (LVVR) technology.

As discussed, at this point in time the Government has passed legislation through Bill C49 that will form the basis for use of this technology, in our industry.

Both parties agree that the use of technology to strengthen our ability to mitigate risk for our employees and the general public is of the utmost importance and mutual benefit, which has to be balanced against the privacy rights of employees.

While the regulations have not been enacted yet, the parties agree they will commit to meet and discuss terms and conditions governing such technology with specific reference to the use of any information obtained from these devices.

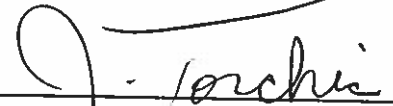
Both parties agree that we want the workplace to be both safe and respectful and we will continue the work that is presently underway to achieve this goal.

This letter shall not be construed as limiting, prejudicing, or otherwise stopping any legal proceedings regarding the implementation and utilization of LVVR that may be undertaken by the union.

Signed at Montreal, Quebec this __ day of March, 2019.

For: Canadian National Railway Company

For: Unifor, Council 4000


For: Kimberly A. Madigan
Vice-President Human Resources


Barry Kennedy
National Representative, Unifor Council 4000

This letter shall not form part of the Collective Agreement



Human Resources

Ressources humaines

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

March 27, 2019

Mr. Ron Shore
Regional Representative
UNIFOR Council 4000 / Local 4001
5794 - 203rd Street, Suite 103
Langley, BC, V3A 1W3

Mr. Shore:


This letter is in regards to our discussion concerning article 6.04 involving employees who are unable to complete their assignment within 10 hours, versus those who can complete their assignment within 10 hours.


The parties agree to meet and discuss this issue within 60 days from the date of this letter. Attending the meeting will be a Senior Company Officer and the Union's Local Chair.

Signed at Montreal, Quebec this __ day of March, 2019.

For: Canadian National Railway Company

For: Unifor, Council 4000


for: Kimberly A. Madigan
Vice-President Human Resources


Ron Shore
Regional Representative, Unifor Council 4000

This letter shall not form part of the Collective Agreement



Human Resources

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March 27, 2019

Mr. Ron Shore
Regional Representative
UNIFOR Council 4000 / Local 4001
5794 - 203rd Street, Suite 103
Langley, BC, V3A 1W3

Mr. Shore:


This letter is in regards to our discussions concerning changes to the work rest regulations.

In the event the impending regulatory changes to the work rest regulations have an impact upon the railway's ability to operate, or its efficiency or productivity, or the employee's earning potential, or the amount of time an employee spends at the away-from-home terminal, the parties will meet within 15 days to discuss the impact and possible resolution to those challenges.

Signed at Montreal, Quebec this __ day of March, 2019.

For: Canadian National Railway Company

For: Unifor, Council 4000


For: Kimberly A. Madigan
Vice-President Human Resources


Ron Shore
Regional Representative, Unifor Council 4000

This letter shall not form part of the Collective Agreement



Human Resources

Ressources humaines

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March 27, 2019

Mr. Ron Shore
Regional Representative
UNIFOR Council 4000 / Local 4001
5794 - 203rd Street, Suite 103
Langley, BC, V3A 1W3

Mr. Shore:

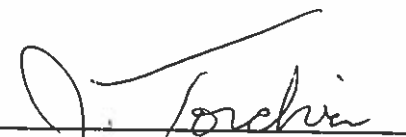
This letter is in regards to the calling of employees from the Grande Prairie spareboard to fill a vacancy in Grande Cache, and vice versa.


The parties recognize there are circumstances when this is required, such as, but not limited to, crew availability. Notwithstanding the above, the Company commits to only doing so as a last resort. For added clarity, this means the Company Officer calling employees must exhaust the applicable spareboard and overtime calling procedures before calling from the other spareboard.

Signed at Montreal, Quebec this __ day of March, 2019.

For: Canadian National Railway Company

For: Unifor, Council 4000


For: Kimberly A. Madigan
Vice-President Human Resources


Ron Shore
Regional Representative, Unifor Council 4000