



**Human Resources**

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P.O. Box 1000  
Concord, Ontario  
L4K 1B9

**Resources humaines**

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L4K 1B9

January 28, 2014

**Without Prejudice or Precedent**

Mr. Barry Kennedy  
President, Unifor National Council 4000  
14923 -107 Avenue  
Edmonton, Alberta T5P 0X8

Dear Mr. Kennedy:

This has reference to our discussions and negotiations in accordance with Article 8.4 of the Employment Security and Income Maintenance Agreement (ESIMA) on items which might serve to minimize the adverse effects upon employees resulting from changes outlined in the Company's notice dated October 3, 2013, to consolidate all Revenue Management activities into Montreal.

Pursuant to the provisions of Article 8.4 of the ESIMA, the following items have been agreed to:

1. Although the Article 8 notice identifies two phases of implementation, both phases will be coordinated into one overall agreement with phase 1 effective February 28, 2014 and phase 2 being effective on January 5, 2015.
2. **Relocation** - RMC employees who desire to continue their career within CN's Accounting function will have the opportunity to relocate to Montreal on a voluntary basis. Those employees who choose to relocate must sign an irrevocable declaration of their intent to relocate no later than 17:00 EST Friday February 28, 2014.
  - a) Employees who choose to relocate to Montreal will be afforded the relocation benefits set out in Article 6 of the ESIMA. The following amendment to Article 6 will be applicable to the relocations administered under this Agreement.
  - b) Article 6.7 is amended to reflect two continuous periods of one week (fourteen consecutive calendar days) to seek accommodation and facilitate their relocation.
  - c) Employees who have completed eight or more years of Cumulative Compensated Service (CCS) and commenced service prior to January 1, 1994 may, in lieu of Article 6 relocation benefits, choose the applicable lump sum relocation benefits in accordance with Article 7.6 of the ESIMA.
  - d) Benefits will be administered through CN Relocation Services, including the coordination of relocation arrangements associated with the sale and purchase of their home and transfer of household goods.
  - e) Those employees transferring to Montreal will establish a dovetailed seniority on the Terminal and Regional seniority lists applicable to Montreal, as provided under Article 14 of Collective Agreement 5.1.

- f) Should an employee that is affected in the second phase of implementation elect to relocate to Montreal, the physical relocation to Montreal will be deferred until the second phase on January 5, 2015.

- 3. **Special Early Retirement Separation** - Although age and service demographics within Toronto confirms that no Employment Security liability is applicable, the Company is prepared to offer a one time special early retirement separation offer to employees who are currently eligible for early retirement under the CN Pension Plan rules and who are at least fifty-five (55) years of age and have eighty-five (85) points, or will be at least fifty-five (55) years of age and have eighty-five (85) points by January 31, 2015. The amount of the early retirement separation will be twelve thousand dollars (\$12,000) as a retiring allowance incentive in addition to maintaining their Group Life Insurance and Extended Health and Vision Care coverage for a period of two years from the date of retirement or until they reach the age of normal retirement, whichever date is earlier. Employees will have up to 17:00 EST Friday, February 28, 2014, to indicate in writing, their desire to retire.

The number of early retirement separation allowances will be governed by the number of positions abolished, minus the number of any employees electing to transfer with their work and relocate to Montreal. The specific date of an employee's retirement in 2014 will be determined by operational requirements. In consideration of training and operational requirements it may be necessary to pay out remaining vacation prior to early retirement effective dates, but that decision will rest with the Company.

It is additionally understood that an early retirement separation must be directly linked to either an affected Revenue Management employee identified in the Article 8 notice, or to an eligible employee whose retirement would directly result in the continued employment of a Revenue Management employee through the displacement process referred to in this agreement or employees who are subsequently adversely affected by displacements resulting in the changes at Revenue Management. In this regard, early retirement separations will not be confirmed until such time that the displacement process confirms that an employee's early retirement will result in the placement of a displaced employee affected by the Article 8.

- 4. **Training for Vacancies and Displacement**

The August 2, 2012, letter of understanding with respect to the training of Revenue Management employees to fill clerical vacancies prior to the implementation dates of the RMC Article 8 notice remains in full force and effect and is attached as Appendix "A" to this agreement.

With respect to the above, should a Revenue Management employee be required to accept a clerical vacancy in the application of the August 2, 2012, letter of understanding, the Revenue Management employee being forced to the vacancy will be entitled to invoke their Article 8 displacement rights at that time to exercise their seniority to displace a junior employee in the Department where the vacancy exists, or accept the vacant position.

In order to facilitate an orderly process of displacement and to address the Union's concerns with respect to training opportunities to assist with the placement of Revenue Management employees on the two effective dates of implementation, the parties have agreed on the following process:

- a) The Company and Union will establish a joint Union/Company working committee that will coordinate a paper displacement exercise in order to make an advance determination where RMC employees are electing to place and determine suitability, adaptability and training requirements to ensure qualification standards are satisfied prior to individual employee movements to new assignments on the effective date of the notices.
- b) Prior to the commencement of the paper displacement exercise, the Company representatives on the joint committee will determine the maximum numbers that can be absorbed by each Department without significantly disrupting normal operations. In this regard, the CMC, TRS and Intermodal have already indicated that they can absorb 10 in each Department within the Clerical classification. It is additionally understood that Administration Clerk positions within the Mechanical and Fleet Management Departments may similarly be impacted by employee displacement and training for these purposes may be required.
- c) In an effort to contain the displacement process to clerical positions within the Toronto Area, the exercise of reciprocal seniority to 5.1 Supplemental (Intermodal) clerical positions will be permitted before clerical employees are required to exercise to “blue collar” positions within the 5.1.
- d) The paper displacement exercise will consolidate both phases of implementation. All RMC employees identified in the Company’s Article 8 notice will be canvassed in order of seniority to determine individual employee displacement elections. Article 13.2 and 13.3 of Agreement 5.1 has been satisfied with the Article 8 notice dated October 31, 2013 and employees will be expected to make their displacement preference when approached by the joint committee representative.
- e) Employee canvassing is to commence February 3, 2014, and be completed by February 20, 2014.
- f) RMC employees who have been unsuccessful in TRS or CMC training will not be considered suitable and adaptable for training that is being offered in these Departments and will be required to exercise their seniority to a clerical position that they are qualified to fill, or failing that, to another position that they are deemed suitable and adaptable for training. In the event that there is an insufficient number of bargaining unit positions remaining for these employees to access, items 5, 6 & 7 listed under Appendix VI of Agreement 5.1 will be applicable.
- g) Phase 1 & 2 paper displacements are being coordinated together in an effort to limit duplicate displacements and training that may occur as the result of the same position being made the subject of displacement if the two phases are conducted separately and on different dates.
- g) In circumstances where an employee subsequently fails to qualify for a position identified in the paper displacement exercise, the committee will determine the appropriate exercise of seniority in those circumstances, with the purpose in view of not disrupting the paper displacement process previously completed.
- h) To address a separate Article 8 notice served on A. Benmiloud, abolishing his Business Development and Property Tax Clerk position, the parties agree that Mr. Benmiloud will be included in this paper displacement exercise.

5. Should a senior RMC employee identified in Phase 2 of the Article 8 notice elect to take a training opportunity in advance of the Phase 2 effective date (within the timeline of the Phase 1 change), the Company will permit a junior qualified RMC employee the opportunity to fill the subsequent vacancy in the RMC of the senior Phase 2 employee up until the effective date of abolishment of Phase 2 positions.
6. The parties shall cooperate in facilitating the advance displacement/training process in an orderly fashion and agree to deal with issues through the joint committee without resorting to the grievance procedure.
7. The provisions of the ESIMA will apply insofar as all other benefit provisions are concerned.
8. This letter of agreement constitutes full and final settlement pursuant to Article 8.4 of the ESIMA with respect to the Company's Article 8 Notice dated October 31, 2013, to consolidate Revenue Management activities to Montreal.

If the foregoing accurately reflects our discussions, please indicate your concurrence in the space provided below.

Yours truly,



Ross Bateman  
Director Labour Relations

I CONCUR:



Barry Kennedy  
President, Unifor Council 4000

## APPENDIX "A"



Human Resources

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1 Administration Road  
Box 1000  
Concord, Ontario  
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Resources Humaines

Canadien National  
1 Administration Road  
C.P. 1000  
Concord, Ontario  
L4K 1B9

August 2, 2012

Mr. B. Kennedy  
President Council 4000  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW - Canada)  
14923 107 Avenue  
Edmonton, Alberta  
T5P 0X8

Dear Mr. Kennedy:

This has is further to our discussions concerning the phased in transfer of Mississauga Revenue Management Centre work to Montreal and opportunities to minimize employee adverse affects associated with this initiative.

As the Union is aware, we have previously agreed to a special early retirement allowance for Revenue Management Centre employees who are eligible, or will be eligible to retire by December 31, 2014. This agreement was reached in an effort to facilitate attrition and to limit the unnecessary disruption caused by employee displacements that would otherwise occur as positions in the Revenue Management Centre are deemed redundant.

With respect to the above, there still remains a number of employees within the Revenue Management Centre that will be required to exercise seniority when their positions are ultimately abolished when the work transfers to Montreal. In an effort to expedite and facilitate Revenue Management employee placements, the parties agree to the following:

1. All clerical 5.1 employees working within the Toronto area who on the date of signing of this agreement are eligible for early retirement under the CN Pension Plan rules and who are at least fifty-five (55) years of age and have eighty-five (85) points, will be entitled to a *one time offer* of twelve thousand dollars (\$12,000) as a retiring allowance incentive to retire in addition to maintaining their Group Life Insurance and Extended Health and Vision Care coverage for a period of two years from the date of retirement or until they reach the age of normal retirement, whichever date is earlier. These employees will have up to September 5, 2012 to indicate their desire to retire. The specific date of an employee's retirement in 2012, will be determined by operational requirements and having a successful candidate trained from the Revenue Management Centre to fill the vacancy created by the early retirement as per item #7 below. Employees eligible to retire and who do not indicate their desire to retire by the cut-off time of 17:00 EST September 5, 2012, will forfeit all rights to this special one-time retirement allowance.

2. Clerical 5.1 employees working within the Toronto area who are not eligible for early retirement effective with the signing date of this agreement, but who will be eligible for early retirement pursuant to the CN Pension Plan rules up to and including December 31, 2014 [*employees who will be at least fifty-five (55) years of age and have eighty-five (85) points*], will also have the opportunity to apply for the twelve thousand dollar (\$12,000) retirement allowance, in addition to their Group Life Insurance and Extended Health and Vision Care coverage that will be maintained for a period of two years from the date of retirement or until they reach the age of normal retirement, whichever date is earlier. The Company will identify these employees and provide them with irrevocable declaration forms which, once signed, will acknowledge their retirement on a date before December 31, 2014 and receive the retirement allowance. The specific date of these employee's retirement will also be determined by operational requirements and having a successful candidate trained from the Revenue Management Centre to fill the vacancy created by the early retirement as per item #7 below. Employees eligible to retire and who do not indicate their desire to retire by the cut-off time of 17:00 EST September 5, 2012, will forfeit all rights to this special one-time retirement allowance.
3. In the application of item #1 and #2 above, it is understood that the offers of early retirement separation allowances are being made to facilitate the placement of Revenue Management employees thereby limiting future displacements and disruptions in the workplace.
4. Vacancies created as a result of employees electing Item #1 or #2, or external hiring requirements, will be filled by employees from within the Revenue Management Centre.
5. The duration of training to fill future vacancies will be taken into consideration in determining employee retirement dates (item 1 & 2 above) and individual training needs.
6. Revenue Management employees will be canvassed in seniority order to determine individual preferences to be trained for vacancies. Senior employees will have first preference to be trained, Should there be insufficient or no employees voluntarily accepting training the junior employees must attend the training when offered.
7. Revenue Management employees trained for vacancies will be required to accept vacancies for which trained as they become available.

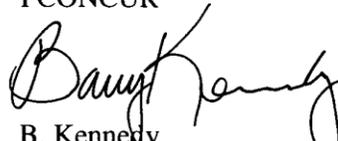
Please indicate your concurrence in the space provided below.

Yours truly,



Ross Bateman  
Director Labour Relations

I CONCUR



B. Kennedy  
President CAW Council 4000