

MEMORANDUM OF SETTLEMENT

Dated

February 14, 2015

Between

CANADIAN NATIONAL RAILWAY COMPANY

And

TEAMSTERS CANADA RAIL CONFERENCE

Collective Agreements 1.1, 1.2, ACR and the agreement covering locomotive engineers
on the former BC Rail territory.

RE:

Application of Wage Increase and Other Changes Covering
January 1, 2015 through December 31, 2017

Rates of Pay effective as Indicated.

Other Changes effective the 1st of the month following ratification,
or as otherwise indicated.

12845(05)

The Parties acknowledge that only those Article, Appendices and/or Addenda expressly identified as being modified will be changed unless there is written consent of the Parties.

Errors and omissions excepted.

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

TERM & WAGES

1. Term of Contract:

3 year term commencing January 1, 2015.

2. Wages

The Company will apply the following:

A wage increase of 3% on all basic hourly, daily, weekly, bi-weekly, monthly, mileage and flat rates of pay will apply effective January 1, 2015.

Effective January 1, 2016, a wage increase of 3% on all basic hourly, daily, weekly, bi-weekly, monthly, mileage and flat rates of pay will apply.

Effective January 1, 2017 a wage increase of 3% on all basic hourly, daily, weekly, bi-weekly, monthly, mileage and flat rates of pay will apply.

Employees who retire subsequent to December 31, 2014 will be paid their back time but such payments will not trigger a recalculation of their pension benefit.

Lump sum bonus upon ratification: In recognition of the contents of this agreement and conditional upon its ratification, the Company will pay, on the first pay period 30 calendar days after ratification, a lump sum of \$500 to all employees in active service on the date of ratification.

BENEFITS (applicable to 1.1, 1.2 and BCR. Only dental applies to ACR)

3. Post-retirement Health Care Plan

Amend the provisions 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 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.

5. Dental Plan (also applicable to ACR)

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.

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.

6. Life Insurance

Effective January 1, 2016, the amount of life insurance will increase from \$53,000 to \$54,000.

Effective January 1, 2017, the amount of life insurance will increase from \$54,000 to \$55,000.

7. Optional Life Insurance

Effective the first of the month following ratification, increase the maximum eligible amount from \$100,000 to \$150,000. NOTE: The insurance company (Great-West Life) will require medical evidence of insurability to increase the current coverage.

8. 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.

9. 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.

10. 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 day's notice in writing is given to the Union. This provision will not form part of any Collective Agreement.

11. Train Passes

Renew the VIA train pass letter for the duration of the agreement, as attached at Appendix A.

WORK RULES

12. LC, LU, LA, LS Payments

Clarification of existing unit payments as per the letter attached at Appendix B, which will not form part of the collective agreements.

13. Personal Leave Days

The application of personal leave days is clarified by the letter attached at Appendix C, which will not form part of the collective agreements.

14. Booking Unfit

See letter attached at Appendix D. This letter will not form part of the Collective Agreements.

15. Regular Assignments (1.1 Agreement)

See letter attached at Appendix E. This letter will not form part of the Collective Agreements.

16. Addendum 75 (1.1 Agreement)

See letter attached at Appendix F. This letter will not form part of the Collective Agreements.

17. Forcing, Article 59.12 (1.2 Agreement)

Amend Article 59.12 as follows:

If a junior demoted Locomotive Engineer is available when a senior Locomotive Engineer returns to the Home Terminal in the application of Articles 59.21 or 64.11, or after a maximum of 28 days (or 21 days in the case of the Ad Hoc Agreement), the Senior Locomotive Engineer will be released and Junior demoted Locomotive Engineer will be required to report to the shortage locations.

-and-

Delete: "...notwithstanding that junior demoted Locomotive Engineers become available later."

18. Addendum 102 (1.1 Agreement)

Add note to Item 5 of Addendum 102 to reflect that rounding will be done to the nearest whole number as follows: 0.5 or less will be rounded down, 0.6 or more will be rounded up.

19. ACR issues (1.1 Agreement)

Parties agree to meet post bargaining as per letter attached at Appendix G.

20. Investigations

Amend collective agreements to reflect that an accredited union representative who is attending the investigation to represent the employee will be shown as available for purposes of statutory holiday entitlement. The union representative must still meet the other criteria for statutory holiday entitlement.

Article 76 of collective agreement 1.1 - General Holidays. Add Article 76.11(f) to provide:

"(f) an accredited union representative who is attending the investigation of an employee under Article 71 on any of the holidays specified in Article 76.1 will be shown as available for the general holiday. If the Company subsequently cancels the investigation, the accredited union representative will still be shown as available for the general holiday, so long as he is available to go to work."

Article 79 of collective agreement 1.2 - General Holidays. Add Article 79.5 (f) to provide:

"(f) an accredited union representative who is attending the investigation of an employee under Article 86 on any of the holidays specified in Article

79.1 will be shown as available for the general holiday. If the Company subsequently cancels the investigation, the accredited union representative will still be shown as available for the general holiday, so long as he is available to go to work.”

Article 15 of the ACR collective agreement. Amend 15.01 to add:

“If an accredited union representative attends the investigation of an employee under Article 9 on any of the holidays specified in Article 15.01 that shall not disqualify the employee for holiday pay under this article. If the Company subsequently cancels the investigation, the accredited union representative will still be shown as available for the general holiday, so long as he is available to go to work.”

Discipline History

Add a provision to Article 71 of collective agreement 1.1; Article 86 of collective agreement 1.2; Article 19 of the BCR collective agreement; and Article 9 of the ACR collective agreement to provide:

“When the Local Chairman of the union requests a copy of the discipline history of an employee who has a pending investigation, the discipline history shall be provided.”

21. Board Adjustments (1.2 Agreement)

The parties agree that the concerns raised by the Company about board adjustments are resolved as per the attached letter at Appendix H.

22. Bidding Process Central Region (1.1 Agreement)

Trial period bidding process, see Appendix I.

23. Article 32.8 (1.2 Agreement)

Amend Article 32.8 as follows:

Note: Notwithstanding the above the first available locomotive engineer marked up for emergency running in the pool will be used.

Upon written request from the Local Chairman this note will not apply.

24. Board Adjustments Western Canada (1.2 Agreement)

See letter attached at Appendix J.

25. Addendum 105 (1.2 Agreement)

Amend Addendum 105, paragraph 2 (b) to replace the 25 miles with 50 miles.

The Parties agree to an FMCS process to further reduce rest exceptions, which will also include BCR locomotive engineers.

General

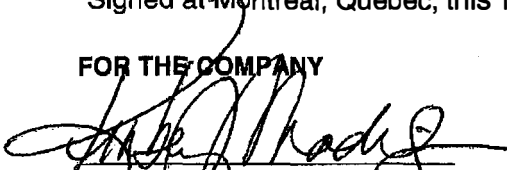
The foregoing changes are in full and final settlement of all requests served by either party signatory hereto on or subsequent to September 1, 2014.

The Collective Agreements shall remain in full force and effect until December 31, 2017 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 subsequent to September 1, 2017, 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 by the Union, or as otherwise indicated.

Signed at Montreal, Quebec, this 14th day of February, 2015.

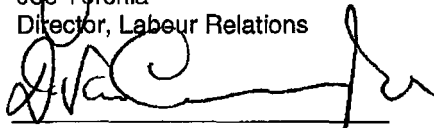
FOR THE COMPANY




Kimberly A. Madigan
Vice-President, Human Resources



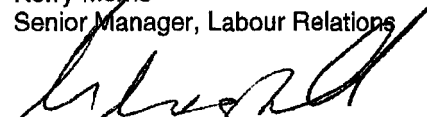
Joe Ferchia
Director, Labour Relations



Doug Van Cauwenbergh
Director, Labour Relations

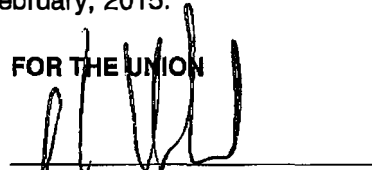


Kerry Morris
Senior Manager, Labour Relations




Myfanwy Marshall
Senior Manager, Labour Relations

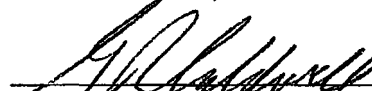
FOR THE UNION




Roland Hackl
National Vice President – TCRC



Bruce Willows
General Chairman, TCRC-LE Western Region



Randy Caldwell
General Chairman, TCRC-LE Central Region & ACR



Jean-Michel Hallé
General Chairman, TCRC-LE Eastern Region



Bob Emmet
Sr. Vice General Chair, TCRC-LE Western Region



Paul Boucher
Sr. Vice General Chair, TCRC-LE Central Region



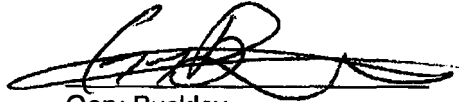
Brennen Barr
Vice General Chairman – TCRC LE Western
Region



KC James
Vice General Chairman – TCRC LE Western
Region



Mike King
G.S.T. – TCRC LE Western Region



Gary Buckley
Local Chair – TCRC – LE BCR

This letter will not form part of the Collective Agreement



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Human Resources

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
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February 14, 2015

Mr. J.M. Hallé
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Teamsters Canada Rail Conference
2089 boul de la Rive-Sud, Suite 203
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Mr. R. Caldwell
General Chairman
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Mr. B. Willows
General Chairman
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9622 – 42 Avenue, Suite 310
Edmonton, Alberta T6E 5Y4

Mr. R. Hackl
National Vice President
Teamsters Canada Rail Conference
130 Albert Street, Ste 1710
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Subject: Train Passes

Gentlemen:

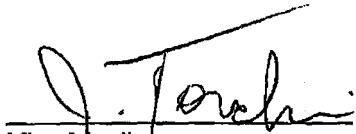
This has reference to the matter of pass transportation benefits presently applicable to employees of Canadian National Railway Company (CN) represented by your respective organization, and the status of this benefit as to its future application on trains operated now and in the future by VIA Rail Canada 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 on 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 September 2, 2017 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 respective General Chairman will be notified.

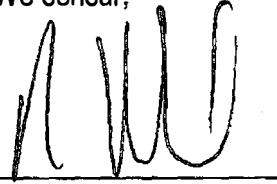
For the purpose of this letter, the word "employees" includes pensioners.

Yours truly,

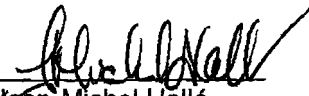


For
Kim Madigan
Vice President, Human Resources

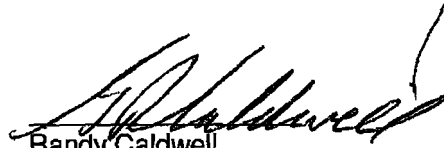
We concur,



Roland Hackl
Vice President, TCRC



Jean-Michel Hallé
General Chairman



Randy Caldwell
General Chairman



Bruce Willows
General Chairman

Clarification of Existing Unit Payments
Switching out Locomotives upon Reporting for Duty

There are two articles found in the 1.1 Agreement and one Addendum in 1.2 Agreement concerning payment for the locomotive engineer, upon reporting for duty for switching out locomotives for that tour of duty and for assembling locomotive consist.

1.1 Agreement -Article 84.3

Locomotive engineers who, upon reporting for duty, are required to switch out locomotive(s), for that tour of duty, will be paid for the time so occupied on a minute basis over and above time paid for other service.

1.2 Agreement Addendum 61

The Company informed the Brotherhood that in the examples cited i.e required to switch out a locomotive upon reporting for duty, compensation will be allowed in accordance with Section C of Addendum 31 of Agreement 1.2. In other words, these duties are considered as duties other than those delineated in section B and therefore time so occupied will be paid.

Example:

Locomotive engineer arrives at work and is required to switch out three (3) locomotives from a consist located on the shop track in order to assemble the assigned consist for the tour of duty. The locomotives to be switched out are situated second, fourth and fifth in the consist. Locomotive engineer is compensated over and above the terminal time, for time so occupied in switching locomotives on a minute by minute basis.

Assembling Locomotive Consist

1.1 Agreement- Article 84.4

Where, because of an absence of shop staff, locomotive engineers are required to assemble their own locomotive consists by obtaining locomotives from various tracks within the yard, will be paid for time so occupied on a minute by minute basis over and above time paid for other service.

1.2 Agreement Addendum 61

Where, because of an absence of shop staff, locomotive engineers are being required to assemble their own consist and, in so doing, are required to obtain locomotives from various tracks within the yard, payment will be made in accordance with Section C of Addendum 31 of agreement 1.2

Example:

Locomotive engineer is required to assemble his locomotive consist, one locomotive out of track two, and two locomotives out of track three. Locomotive engineer is compensated over and above the terminal time, for time so occupied in assembling the locomotives in track two and three on a minute by minute basis.

Example

Train 308 is ordered for on duty time of 0800 at initial terminal. Upon reporting for duty, the locomotive engineer is instructed to take control of consist E-F-G on track 1, which did not come in on the train with the inbound crew. This is not the established power that came in with the inbound crew, and as such, the outbound crew is establishing a new consist. The locomotive engineer is also instructed to lift locomotive H in track 2 and then couple to train. Locomotive engineer is compensated over and above the terminal time, for time so occupied in assembling the locomotives in track 1 and 2 on a minute by minute basis.

Example

Train 308 is enroute and locomotive engineer is instructed to place entire locomotive consist A-B-C on Track 1 and take locomotives D-E (already coupled together) on track 2, and then couple to the train. The locomotive engineer is leaving original consist at terminal A and picking up new consist. No provision for payment.

Example

Locomotive engineer is required to assemble his locomotive consist which involves coupling together three separate locomotives which are on the same track (but not coupled together). Locomotive engineer is compensated over and above the terminal time, for time so occupied in assembling the locomotives on a minute by minute basis.

Picking up and Setting Out Diesel Unit(s) in Road Service

There are two articles found in the 1.1 Agreement and one article in 1.2 Agreement concerning picking up and setting out diesel units in road service. Article 19 and 1.14 and article 24.1 of the 1.1 and 1.2 agreements respectively provide for payment to pick up and setting out locomotives.

1.1 Agreement Article 19 and 1.14 (a) and (b)

Article 19.1 concerns locomotive engineers called for road service who are required to pick up or set off a unit involving their locomotive consist, are entitled to payment as prescribed in Article 1.14. Article 1.14 allows payment under either 1.14 (a) one or more than one unit already coupled or 1.14(b) more than one unit not already coupled or setting out more than one unit that must be uncoupled.

NOTE: THIS ALSO APPLIES TO BAD ORDER UNIT(S)**1.2 Agreement Article 24.1**

Locomotive engineers called for road service who are required to set out or pick up a diesel unit (or units) involving their locomotive consist will be paid an allowance.

24.1 (a) -Picking up one or more than one unit already coupled or setting out one or more than one unit together

24.1 (b)- Picking up or setting out more than one unit not already coupled or setting out more than one unit where units must be uncoupled.

NOTE: THIS ALSO APPLIES TO BAD ORDER UNIT(S)

Example

Train 308 is ordered for on duty time of 0800 at initial terminal. Upon reporting for duty, the locomotive engineer is instructed to take control of consist A-B-C on track 1, which was placed there by the inbound crew. This is the established consist which came into the terminal on the train. The engineer is also instructed to lift locomotive D from track 2 and then couple to train. Locomotive engineer entitled to payment under the conditions of Article 1.14 of the 1.1 and 24.1 of the 1.2.

Example

Train 401 is required to set out a locomotive from its consist at a point enroute. Locomotive engineer entitled to payment under the conditions of Article 1.14 of the 1.1 and 24.1 of the 1.2.

Example

Train 308 is enroute and locomotive engineer is instructed to place entire locomotive consist A-B-C on Track 1 at **Location X**. They are then instructed to go on locomotives D-E (already coupled together) on track 2, and then couple to locomotive F on Track 3, and finally couple to the train. The locomotive engineer is leaving original consist at **location X** (enroute) and establishing a different consist. Locomotive engineers entitled to payment under the conditions of 1.14 of the 1.1 and 24.1 of the 1.2. -

Once a consist has been established, (see assembling and switching locomotives above), any addition or subtraction of a unit(s) from that consist, under the Company's instruction, that involves the splitting of that consist, would attract a payment under the provisions found in Articles 19, 1.14 and article 24 of the 1.1 and 1.2 Agreements.

Changing entire consists not does not constitute payment under Article 19, 1.14 of the 1.1 and 24.1 of the 1.2

Road Switchers

Road switchers are considered to be in road service, even when switching wholly within recognized switching limits. Refer to Article 14.6 of the 1.1 Agreement and Article 1.7 of the 1.2 Agreement. Therefore Article 19 and 1.14 of the 1.1 Agreement and Article 24 of the 1.2 Agreement applies.

Example

Road switcher comes back into the yard and takes consist to the shop. Then they are instructed to use another new consist or assemble a new consist. If they are required to assemble the new consist, this is not considered as setting out or picking up a unit in road service.

If assembling or switching is required to put together a new consist, payment to the engineer under Article 84.3 and 84.4 of the 1.1 Agreement and Addendum 61 of the 1.2 Agreement would apply.

Example: Road Switcher goes to work as L594 and uses L594 consist. Later in the shift, they get on 313's power (2507-2529-7068-5947). This is a new event and their consist is now 313 power, the following movements happen:

1. Put 5947 in track SO81 (for 594's consist)
2. Put 7068 in track R003

3. Lift 5947 from track SO81 (coupled the units to bring to the other end of the yard)
 4. Put 5947 in track MO05 (uncoupled from consist to wye 313's power)
- They are paid under article 1.14 of the 1.1 Agreement and Article 24.1 of the 1.2 Agreement for the work done.

Yard Assignments

Articles 84.3 and 84.4 of the 1.1 Agreement and Addendum 61 of the 1.2 Agreement apply to yard assignments for all examples referred to above.

Article 84.5 of the 1.1 Agreement and Addendum 60 of the 1.2 Agreement refer to herding unit(s) between yards of a terminal.

Example - Herding

Yard Assignment in Yard A is required to work with 2 units already coupled together. They are then instructed to run to Yard B and set out the 2nd unit to track 1 and run back to Yard A.

They are paid under Article 84.5 and 1.14 (a) of the 1.1 agreement and Addendum 60 and Article 24.1 (a) of the 1.2 agreement.



February 14, 2015

Mr. J.M. Hallé
General Chairman
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Mr. R. Hackl
National Vice President
Teamsters Canada Rail Conference
130 Albert Street, Ste 1710
Ottawa, Ontario K1P 5G4

Re: Personal Leave Days

Gentlemen:

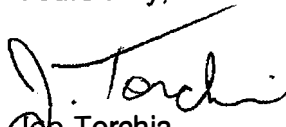
We have researched the prior correspondence on the personal leave days (PLD). The below summary is a clarification on the issues that the Company believes are in dispute with regard to PLD's. We are prepared to issue these clarifications to the CMC and Company Officers.

- 1) Employees scheduled to start a PLD at 0001 who are called prior to 0001 , are not obligated to protect such call if, where it can reasonably be expected, under normal operating conditions, that they will not be in and off duty at their home terminal by 2359 of the day preceding the PLD. PLD's and "pre-leave" is unpaid.
- 2) A PLD can be for a period of up to 24 hours from 0001 when booked in advance and up to 24 hours from the requested start time when booked with less than 24 hours notice. An employee may book on any time prior to the expiration of the 24 hours leave.
- 3) In respect to a single PLD booked with "less than 24 hours notice", employees can start a PLD at any time provided that a minimum of 4 hours notice has been given. For example a SB employee calls at 1000 and requests a PLD to commence at 1400, a minimum of 4 hours notice. If this employee is subject to a call at 1300, he/she would be obligated to protect such work as the minimum notice of 4 hours was not complied with. If call was outside the 4 hours the Company would be required to consider pre-leave.

- 4) Employees requesting multiple or single days in advance of 24 hours notice will have the PLD start at 0001.

Note: the booking of a PLD and the associated pre-leave is one event in respect of the forfeiture of the guarantee period.

Yours truly,


Joe Torchia
Director Labour Relations

**LETTER OF UNDERSTANDING
NOT FORMING PART OF THE COLLECTIVE AGREEMENT**



February 14, 2015

Mr. J.M. Hallé
General Chairman
Teamsters Canada Rail Conference
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Mr. R. Caldwell
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Mr. B. Willows
General Chairman
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Mr. R. Hackl
National Vice President
Teamsters Canada Rail Conference
130 Albert Street, Ste 1710
Ottawa, Ontario K1P 5G4

Gentlemen,

During this round of negotiations, the Union raised concerns about the inability for employees to book "unfit" and absent themselves from work in certain circumstances where they do not feel "fit and able" to safely perform their job duties, for reasons other than illness or injury.

The Company and the Union agree that all employees have an obligation to be fit. Employees must ensure they are sufficiently rested and remain fit in order to honour their employment obligations when they are subject to duty. The Company nonetheless recognizes that there may be legitimate reasons for an employee to seek leave from work for reasons other than a bona fide illness or injury. Thus, the Company agrees to reinstate the status of "unfit" as an option in CATS for such circumstances.

Yours truly,

A handwritten signature in black ink that reads "Joe Torchia". The signature is written in a cursive, flowing style.

Joe Torchia
Director, Labour Relations

THIS LETTER WILL NOT FORM PART OF THE COLLECTIVE AGREEMENT



February 14, 2015

Mr. R. Caldwell
General Chairman
Teamsters Canada Rail Conference
2 Hastings Street North, Unit #5, P.O. Box 1419,
Bancroft, Ontario, K0L 1C0

Re: Regular Assignments

Dear Randy,

During the current negotiations, the Union expressed concerns that the union was only being allowed to utilize core trains for the establishing of regular assignments. The Company and Union agreed that neither Addendum 103 nor the extended run principles stipulate that only core trains can be considered. The Company and Union also agree that Addendum 103 and the extended run principles requires that trains be operating consistently within an eight (8) hour window but does not mean that it must be the same train (i.e. train id).

The parties further agree that they will meet within 60 days of ratification to review those trains that the union feels are operating consistently within an eight (8) hour window for the purpose of establishing new time pools. If trains fit the criteria in Addendum 103 or extended run principles, it is the Company's intention to maximize scheduling and establishing of time pools. Any dispute between the union and company on the establishment of time pools and whether all trains operating consistently (as per the Addendum and principles) have been considered will be raised to the Vice President for Eastern Region for resolution.

Yours truly,

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

Doug Van Cauwenbergh
Director of Labour Relations

Cc: J. Orr
CMC

THIS LETTER WILL NOT FORM PART OF THE COLLECTIVE AGREEMENT



Mr. J.M. Hallé
General Chairman
Teamsters Canada Rail Conference
2089 boul de la Rive-Sud, Suite 203
St-Romuald, Quebec G6W 2S5

Mr. R. Caldwell
General Chairman
Teamsters Canada Rail Conference
2 Hastings St. N, Unit #5,
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Re: Addendum 75

Gentlemen;

During the recent negotiations, the Union raised Addendum 75 and concerns relating to seniority for engineers in the Central and Eastern districts. To that end, the parties have agreed that they will meet within 90 days of ratification for the purpose of revising the application of language of Addendum 75.

Yours truly,

A handwritten signature in black ink that reads "Joe Torchia". The signature is written in a cursive style with a large initial 'J' and a long horizontal stroke extending to the right.

Joe Torchia
Director Labour Relations

THIS LETTER WILL NOT FORM PART OF THE COLLECTIVE AGREEMENT



February 14, 2015

Mr. R. Caldwell
General Chairman
Teamsters Canada Rail Conference
2 Hastings Street North, Unit #5, P.O. Box 1419,
Bancroft, Ontario, K0L 1C0

Re: Algoma Central Railway

Dear Randy,

During the current negotiations, the Union expressed concerns about various issues at Algoma Central Railway pertaining to the locomotive engineers. The Union proposed that the parties sit down and review various provisions of the collective agreement, including but not limited to Letter #2. The Union also wished to review the Participatory Process in the collective agreement.

The parties did meet and were able to find common ground on some of the issues. The Company and the General Chairman agree to meet within 30 days of ratification of the collective agreement to set an agenda and process for a meeting with representatives from Transportation and the union. The parties agree that the representatives of Transportation and the union will meet within 90 days following the ratification of the collective agreement, with the assistance of the FMCS. The agenda established by the General Chairman and Company will be sent out one week prior to the agreed upon meeting date and will provide details and background, if necessary, on the issues to be discussed.

Yours truly,

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

Doug Van Cauwenberg
Director of Labour Relations

Cc: J. Orr
CMC

NOT FORMING PART OF THE COLLECTIVE AGREEMENT



February 14, 2015

Bruce Willows
General Chairman – TCRC
Teamsters Canada Rail Conference

Dear Mr. Willows,

During our recent discussions at national bargaining concerning the administration of weekly board adjustments pursuant to article 64.6, the parties acknowledged the mutual goals of having an available workforce to protect train service coupled with sufficient work opportunities for our employees.

The issues we discussed regarding board adjustments focused on those occasions where a dispute concerning the appropriate number of locomotive engineers required on the working list could not be agreed to as a result of a disagreement on the mileage calculations being used to set the board.

The Union maintained that local discussions have generally resolved any disputes regarding the appropriate number of locomotive engineers, moreover the General Chairman's office reiterated its ongoing willingness and commitment to intervene if and when required in an attempt to settle such matters.

In view of the foregoing, the Company will withdraw its notice dated January 15, 2015.

Yours truly,

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

J. Torchia
Director Labour Relations

BIDDING PROCESS

The TCRC agrees to a closed period commitment where the union will work with the Company to address their concerns regarding pre-bidding/bulletining of assignments on the Central Region as per the following:

- 1) This will be a 1 year trial period commitment. This period may be extended beyond 1 year as mutually agreed upon.
- 2) The process will be reviewed every 3 months by senior management of the Company and the General Chairman. After each review, either party may withdraw from this agreement upon 30 days written notice. Neither party can withdraw from the process within the first three months of implementation.
- 3) The initial trial period will be implemented at the terminal of Belleville.
- 4) Bidding Process Committee - One representative will be appointed by the General Chairman in order to facilitate this process. This representative will work with company officers so designated to establish and implement this bidding process (the bidding process committee). This representative will be considered full-time for up to three months and will be paid by the Company (wages and reasonable expenses). After implementation, the representative will be considered on Company business when required to be working on the bidding process.
- 5) In the implementation of the bidding process, existing operations and local practices will be given all due consideration and will not be altered without mutual agreement.
- 6) Once implemented in Belleville, should other divisions on the Central Region wish to be included in the trial period, the division so interested will advise the Company and the conditions listed under items 2 and 5 will apply. The local chairman (or designate) of such division when working with the bidding process committee to implement the bidding process in her/his terminal will be removed from the working list and considered on Company business for time so occupied.



February 14, 2015

Bruce Willows
General Chairman – TCRC
Teamsters Canada Rail Conference

Dear Mr. Willows,

The parties commit to meet during the closed period of the collective agreement to review the day and time of board adjustments, if the TCRC-CTY accept a change.

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

Joe Torchia
Director Labour Relations

THIS LETTER DOES NOT FORM PART OF THE COLLECTIVE AGREEMENT

FEBRUARY 14, 2015

This is with regards to the matter of inward facing locomotive voice and video recording (LVVR) technology in the cabs of locomotives at CN in Canada.


The parties recognize that no LVVR technology shall be utilized until such time that the Government of Canada enacts legislative changes that enable the utilization of such technology by the Company, including but not limited to, changes to the Canadian Transportation Accident Investigation and Safety Board Act.

In the event that such legislation is introduced, the parties commit to meet and discuss terms and conditions governing such technology and any information obtained from the technology as a result of such, with the assistance of FMCS as necessary.

The use of such technology, other than as specifically required by law, shall not occur without the agreement of the parties.

Nothing in this letter of understanding shall be construed as limiting, prejudicing, or otherwise stopping such legal proceedings regarding the implementation and utilization of LVVR.


It is understood that this letter of understanding will expire on December 31, 2017.



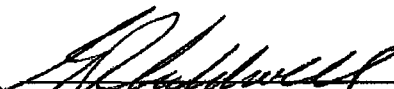
Mr. J. Vena
Chief Operating Officer, CN



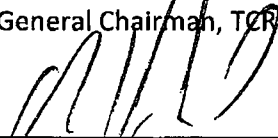
Mr. J.-M. Hallé
General Chairman, TCRC



Mr. B. Willows
General Chairman, TCRC



Mr. R. Caldwell
General Chairman, TCRC



Mr. R. Hackl
National Vice President, TCRC

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