

COLLECTIVE AGREEMENT

BETWEEN

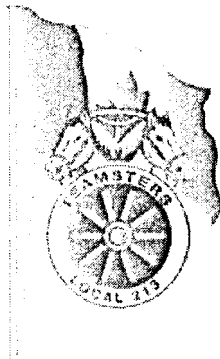
**THE BRITISH YUKON RAILWAY COMPANY
(Company)**

AND

**THE BRITISH COLUMBIA - YUKON RAILWAY COMPANY
(Company)**

AND

**TEAMSTERS LOCAL UNION No. 213 (Union)
(MAINTENANCE OF WAY)**



January 1st, 2011 - December 31st, 2014

**Don McGill
Secretary-Treasurer**

10096(07)

THE BRITISH YUKON RAILWAY COMPANY

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A. PREAMBLE

This Agreement is effective January 1, 2011 and represents all the terms and conditions which govern the relations between the Union, the Employer and the employees. No other terms and conditions, express or implied, are applicable or enforceable, except where further mutual agreements have been committed to writing by the parties and appended to this Agreement.

B. UNION RECOGNITION

The Employer agrees to recognize the Union as the sole collective bargaining agent for all employees and categories of employees referred to in the Certificate of Bargaining Authority issued by the Canada Labour Relations Board unless otherwise provided herein.

C. INTERPRETATION

Wherever the masculine gender is used in this Agreement, it shall also be construed as meaning the feminine gender, if applicable. Similarly, wherever the singular is used, the same shall be construed as meaning the plural if the facts or context require.

ARTICLE 1 UNION SECURITY

- 1.01 It is agreed that as a condition of employment, each employee now a member of the Union and all new employees shall become and remain a member in good standing of the Union within seven (7) days of their commencing employment with the Employer. The Employer shall not maintain in its employment at any time an employee covered by this Agreement who is not a member in good standing of the Union.
- 1.02 The Employer shall furnish to the Union a list of new employees taken into employment by the Employer within fourteen (14) calendar days of their being hired or placed under contract and all such employees shall be added to the checkoff list at that time.
- 1.03 Each new employee, when hired by the Employer, shall sign Union application and authorization cards or be instructed by the Employer to contact the Union office, in order to sign application and authorization cards provided by the Union, authorizing the Employer to deduct Union dues, initiation fees, assessments from the employee's earnings and remit same to the Union.
- 1.04 Except as otherwise provided for herein, supervisors and other employees outside the scope of this Agreement shall not perform the regular duties of employees within the bargaining unit unless training or instructing an employee during the performance of his duties, or in the event of an emergency.

ARTICLE 2 UNION ACTIVITY

2.01 Union Agents

Authorized Agents of the Union will request and have access to the Employer's establishments for the purpose of investigating conditions related to the Union contract clauses.

2.02 Shop Stewards

The Union shall appoint or elect Shop Stewards and shall notify the Employer in writing of the appointment or election. The Employer shall only recognize such Shop Stewards when notified in writing by the Union and shall not discriminate against them for lawful Union activity. Shop Stewards will suffer no loss of regular pay when processing grievances under Steps 1 and 2 of the Grievance Procedure during their regular working hours. The Employer will notify the Union prior to the dismissal of any Shop Steward, or as shortly thereafter as possible.

2.03 Steward Time-off

The Employer shall allow time off without pay to any employee who is serving on a Union committee or as a delegate, providing all requests for time off are reasonable and do not interfere with the proper operation of the business, and provided forty-eight (48) hours written notice is given to the Employer by the Union specifying the length of time off.

2.04 Legal Picket Lines

It shall not be a violation of this Agreement or cause for discharge of an employee in the performance of his duties to refuse to cross a legal picket line recognized by the Union. The Union shall notify the Employer as soon as possible of the existence of such recognized legal picket line.

2.05 Union Insignia

It shall not be a violation of this Agreement for an employee to post the Teamsters Union Label in a conspicuous place in the cab of the vehicle or equipment he is operating. The said label shall be in a size not in excess of three inches (3") by four inches (4") and shall not be attached to any glass area.

ARTICLE 3 NO INTERRUPTIONS OF WORK

- 3.01 During the life of this Agreement, there shall be no lockout by the Employer and/or strike, sit-down, slow-down, work stoppage or suspension of work, either complete or partial, for any reason by the Union.
- 3.02 The Union agrees, that in the event the Employer becomes involved in a controversy with any other Union, the Union will do all in its power to help effect a fair settlement, and the Union will not participate in any sympathetic cessation of work or slow-down program while the controversy is being settled.

ARTICLE 4 MANAGEMENT RIGHTS

- 4.01 The Union recognizes the exclusive right of the Employer to manage and direct the Employer's business in all respects in accordance with its commitments and to alter from time to time rules and regulations to be observed by the employees, which rules and regulations shall not be inconsistent with this Agreement.
- 4.02 The Employer will always have the right to hire and to discipline, demote or discharge employees for proper cause. An employee's disciplinary record shall only contain those matters conveyed to the employee in writing with a copy to the Union, and such disciplinary record may only be used for the previous twelve (12) months in any future disciplining of such employee.
- 4.03 Nothing contained in this Agreement will be deemed to obligate the Employer to continue to operate any of its plants, properties or any parts thereto.

ARTICLE 5 DEFINITION OF EMPLOYEES

5.01 Regular Employees

A regular employee shall be considered as such when:

- (a) He has completed his probationary period.

- (b) He makes himself available to the Employer for full-time employment or as he may be needed.
- (c) He has no other outside employment which will in any manner interfere or reflect upon his employment with the Employer.
- (d) He is fully qualified in regard to the Employer approved physical examinations or other normal Employer requirements.

5.02 Probationary Employee

- (a) All new employees will be considered probationary employees for the first ninety (90) days worked.
- (b) Probationary employees shall be on trial to determine their suitability for regular employment. The Employer may dismiss a probationary employee if it does not find him suitable for regular full-time or regular part-time employment, or in the case of casual employees, temporary employment. There shall be no responsibility on the part of the Employer in respect of the employment of such employees, should they be terminated for any reason during the probationary period.
- (c) Regular full-time employee status commences only after the employee has been advised in writing by the Employer that he has been granted such employee status or at the completion of time requirements provided in Article 5.02 (a).
- (d) No probationary employee shall attain seniority until he is granted regular full-time status but once he is granted such status, his seniority shall date from the commencement of his probationary period.
- (e) A probationary employee may apply for other positions, but need not be accepted.

5.03 Maintenance of Way Employees

- (a) Maintenance of Way employees is meant employees working on maintenance of way and structures for whom rates of pay are provided in the Agreement.
- (b) Work on bridges, buildings, culverts and other maintenance of way structures shall be performed by Maintenance of Way employees to the extent of skill and experience level and providing that suitable company equipment is available to perform the work.
- (c) If heavy equipment operators are required, it is meant employees operating equipment such as crawler tractors, cranes, front-end loaders, backhoes and similar equipment.
- (d) If track equipment operators are required, it is meant employees operating equipment such as tampers, ballast regulators, broom machines, trackliners and diesel track equipment.

ARTICLE 6 SENIORITY

6.01 Continuous service with the Employer shall be determined by the date of the employee's last employment.

6.02 Company seniority and classification seniority are defined as follows:

- (a) **Company seniority** means the date a regular full-time employee started his continuous full-time employment with the Employer.

(b) **Classification seniority** means the date a regular full-time employee started his continuous full-time employment within the bargaining unit.

6.03 There shall be six (6) classifications with the bargaining unit. Those classifications are listed in Appendix "A". All employees are eligible to accrue parallel seniority in other classifications provided they are properly qualified.

6.04 The Employer shall maintain a seniority list for regular full-time employees only. Such list shall contain the name of the employee and his company seniority date.

6.05 Seniority lists will be posted in each location on January 1st and July 1st of each year. Copies of same shall also be provided to the Union. Seniority lists will be subject to question by means of a written protest submitted by the employee to the Union and to the Manager, Rail Operations, or his appointee, within a period of thirty (30) calendar days from the date of posting and if no dispute arises during this period the posted seniority lists will be deemed to be correct.

6.06 Any employee who is qualified for, and promoted to a higher job classification shall be classified as junior man in the higher classification but will retain his Company seniority for any other benefits increased as a result of length of service.

6.07 In the event of identical classification seniority dates, Company seniority will prevail. In the event of identical Company seniority dates, alphabetical order of employee's name will prevail.

6.08 **Retention of Seniority Upon Promotion**

When an employee within the bargaining unit receives a leave of absence to take a position with the Employer which is excluded from the bargaining unit, he may retain his seniority for a maximum of one hundred and twenty (120) calendar days within the former unit. Notice shall be given to the Union, in writing, prior to the employee leaving the bargaining unit.

6.09 At the end of this period of one hundred and twenty (120) calendar days, the employee must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the employee return, or be returned to the bargaining unit for any reason, he must remain within the unit for a maximum of one hundred and twenty (120) calendar days prior to exercising such privilege again.

6.10 **Termination of Seniority and Employment**

A regular employee will lose all his seniority rights and his employment is deemed to be terminated where any of the following occurs:

(a) Voluntary quitting or leaving the Employer.

(b) Discharge for just and reasonable cause.

(c) Retirement.

(d) The Company and the Union recognize the need for guidelines for the purpose of implementing progressive discipline when employee actions warrant. It is further understood those guidelines insure consistent and uniform practices imposed by the Company in dealing with situations that arise concerning employee conduct and/or infractions of normal work practices.

The following rules, regulations and penalties to be charged for violation of the same are placed into effect so that all employees of the Company may know what duties are required of them in the general conduct of the employer's business.

Rules contained herein shall not supersede the Union contract itself. Nothing within the guidelines shall abrogate the employee's right through the grievance machinery outlined within the current labour agreement to challenge a penalty or warning letter up to and including discharge.

- (i) Intoxication, drug abuse, the use and/or possession of a controlled substance or alcoholic beverages while on duty or on company property.
- (ii) Assault of a supervisor, company customer or the customer's representative while on duty and/or on company property.
- (iii) Willful violations of the provisions of this contract.
- (iv) Willful damage to equipment.
- (v) Theft of company property or work time.
- (vi) False time work reports that result in time paid for time not worked.
- (vii) Insubordination.

The following rules and regulations shall be subject to progressive steps of discipline:

(i) **Safety Violations**

- 1. Failure to follow established safety standards and rules:
First offense - verbal warning;
Second offense - warning letter;
Third offense - 1 day suspension, warning letter;
Fourth offense - subject to discharge.
- 2. Failure to follow prescribed railroad operating rules, pertaining to "Flagging" "C.R.O.R., 40, 41, 42, 43, 48, 99.1 and 99.2":
First offense - 3 days suspension and a warning letter;
Second offense - subject to disciplinary action of a suspension not to exceed 30 days up to and including discharge.

(ii) **Accidents; including industry work practices, equipment operation and vehicle transportation**

- 1. Minor chargeable accident;
First offense - warning letter
Second offense - 1 day suspension, warning letter
Third offense - subject to disciplinary action of a suspension not to exceed thirty (30) days
- 2. Major chargeable accidents:
First offense - 3 day suspension and a warning letter
Second offense - subject to disciplinary action of a suspension not to exceed 30 days up to and including discharge

3. Failure to report any accident or property damage promptly, or personal injury or major accidents immediately
First offense - warning letter
Second offense - 3 day suspension and a warning letter
Third and subsequent offenses are subject to discharge.

(iii) **Attendance**

1. Failure to notify the Company prior to scheduled starting time when unable to report to work results in an unexcused absenteeism. Employee must call in each day he is unable to report to work due to sickness or other reason. After calling in sick three (3) times with a doctor's release, all further absences within a thirty (30) day period will be considered unexcused and subject to the following discipline:
First offense - warning letter
Second offense - 1 day suspension and a warning letter
Third offense - 3 day suspension and a warning letter
Fourth offense - subject to discharge.
2. Tardiness:
First offense - verbal warning
Second offense - warning letter
Third offense - 1 day's suspension and a warning letter
Fourth offense - 1 week suspension and a warning letter
Subsequent offenses subject to discharge.

(iv) **The following shall be considered violations in the workplace and will be subject to discipline. Examples given are:**

1. Discourtesy to customers (proof required).
2. Failure to report breakdown as promptly as possible.
3. Failure to fill out and submit required company reports and repair sheets.
4. Improper use of the telephone.
5. Smoking in designated "no smoking" areas.
6. Sleeping or loafing.
7. Making vicious or malicious statements concerning the Company or its services.
8. Making vicious or malicious statements to or about employees including statements concerning race, colour, religion, sex, or creed.

Violations of Section (iv) 1. through 8. will be subject to discipline as set forth:
First offense - verbal warning
Second offense - verbal warning and letter of reprimand
Third offense - warning letter; 1 day suspension
Fourth offense - subject to suspension not to exceed 30 days up to and including discharge.

(v) **Unauthorized use of Company equipment:**

- First offense - 3 day suspension and a warning letter
Subsequent offenses subject to discharge.

Warnings, warning letters and disciplinary actions taken and placed in or recorded in an employee's file shall be removed after twelve (12) months of active employment or two (2) calendar years whichever occurs first from the date said actions were taken.

The foregoing disciplinary rules have been formulated to serve as guidelines for the employees and the employer. It is understood that in describing certain offenses and the penalties thereof, the Company has not limited the violations for which it may discipline an employees to the offenses covered in these rules and regulations. The Company may exert discipline in other instances should types and severity of cases arise and the situation at hand warrant.

- (e) If an employee does not return and report for work on the day following completion of his approved leave of absence, unless there were extenuating circumstances and he notified the Employer by telephone directly to the immediate supervisor prior to the expiration of his approved leave of absence.
- (f) Absence due to lay-off for a period in excess of twelve (12) consecutive months.

ARTICLE 7 LAY-OFFS

- 7.01 The Employer shall lay off employees in reverse order of their seniority in that classification.
- 7.02 A regular employee who is subject to lay-off may bump another employee provided that the employee has greater classification seniority than the employee that he wishes to bump.
- 7.03 Employees who are laid off must exercise their bumping rights within twenty-four (24) hours of notification.
- 7.04 Failure on the part of the employee to exercise his seniority rights within the stipulated twenty-four (24) hours shall result in the employee taking the job assigned to him.
- 7.05 Employees failing to exercise seniority rights within the stipulated time shall be deemed to have forfeited their rights under Articles 7.02 and 7.03.

ARTICLE 8 NOTIFICATION OF TEMPORARY LAY-OFF

- 8.01 Regular hourly paid employees shall be notified before quitting time if they will not be required to work their next regular work day.

ARTICLE 9 RECALLS

- 9.01 The Employer shall recall employees commencing with the employee with the greatest job classification seniority.
- 9.02 It is the responsibility of each employee to keep the Division Manager informed of his current mailing address and phone number by written communications:
 - (a) Notice of recall may be made by telephone to the employee, telegram, registered mail or by direct personal contact.
 - (b) An employee who is laid off and fails to return to work when given seven (7) calendar days notification to return to work shall be deemed to have abandoned his employment with the Employer.

ARTICLE 10 JOB VACANCIES AND JOB POSTINGS

- 10.01 Where the Employer decides to fill a regular job vacancy or to create a new regular position, it will give present regular employees every reasonable opportunity to apply by posting the position at Carcross, Y.T. (listing job classification, unit, and wage rate) for a minimum of seven

(7) days in a conspicuous place in each unit. The Employer is not required to consider applications from bargaining unit employees after the posting period has expired.

- 10.02 Positions will be filled on the basis of qualifications, skills, ability and seniority. Provided that the applicant meets all of the qualifications required, preference will be given to the employee with the greatest seniority.
- 10.03 Any current employee selected to fill a vacancy or a new job shall be given a trial period of up to twenty (20) working days to demonstrate that he can satisfy the requirements of the job to the satisfaction of the Employer.
- 10.04 Should the employee be unable to satisfy the requirements of the job, or should he decide that he does not want to continue in the new job within the aforementioned trial period, then he may be returned to his former job at the wage rate he would have otherwise been entitled, had he not been promoted. The Employer shall have the right to require all other employees who changed job positions to move back into the job positions and wage rates (plus any applicable increments) which they occupied previously.
- 10.05 In such instances, the employee's original unit seniority will be restored without any interruption in the accumulation thereof.

ARTICLE 11 PAYMENT OF WAGES

11.01 Paid for Time

Paid time shall commence from the time that the employee is ordered to report for duty or registers in, whichever is later, until he is effectively released from duty.

- 11.02 The rates of remuneration as listed in this Agreement are considered as minimum rates and shall not preclude payment of premium rates at the discretion of the Employer.

11.03 Pay Period

All regular employees shall be paid not less frequently than every other Friday all wages earned by such employee to a day not more than fourteen (14) days prior to the day of payment. The pay period shall commence on Sunday at 12:01 a.m. All pay cheques shall be available every other Friday at the employee's place of employment. All other cheques due to an employee shall be issued at the employee's place of employment except termination cheques.

11.04 Pay Statement

The Employer shall provide each employee with a separate or detachable written or printed itemized statement in respect of all wage payments made to such employee. Such statements shall set forth the dated pay period, total hours worked or paid for, the total miles driven (where applicable), the total overtime hours worked, either at time and one-half (1 ½) or double time the rate of wages applicable, and all deductions made from the gross amount of wages.

11.05 Error in Pay

When less than one (1) day's time has been missed, it will be paid on the next pay day. All other time missed will be paid forthwith after being brought to the Employer's attention, provided it was the Employer's error. If it was not the Employer's error, the time missed shall be paid on the next pay day.

11.06 Injury on the Job

When an employee sustains a personal injury while on duty which prevents him from completing his shift and the injury requires medical care, the employee will be compensated for the full shift on that day.

ARTICLE 12 HOURS OF WORK

12.01 The normal work week for regular hourly paid employees shall consist of:

- (a) not more than eight (8) consecutive hours of work per day, excluding the meal period, and not more than five (5) days per week;
- (b) not more than ten (10) consecutive hours of work per day, excluding the meal period, and not more than four (4) days per week.
- (c) Where these hours of work require a permit from Labour Canada the Union agrees to support the company application for such permit.

12.02 Hourly paid employees will receive two (2) or three (3) consecutive days of rest each work week in accordance with (a) or (b) above.

12.03 When a shift overlaps from one (1) calendar day to the next, the work day will be considered to have started when the shift commenced. Straight time and overtime calculations will be made from the commencement of the shift without considering that two (2) different calendar days may be involved.

12.04 Employees shall be paid straight time for travel between Carcross and place of work and return.

12.05 Employees who are not ready to commence work at their starting time and/or who cease to work prior to the authorized quitting time or designated break time are subject to disciplinary action and shall have deducted from their hours of work, time as follows:

| | | |
|------------------|---|------------|
| 6 to 14 minutes | - | 15 minutes |
| 15 to 29 minutes | - | 30 minutes |
| 30 to 44 minutes | - | 45 minutes |
| 45 to 60 minutes | - | 60 minutes |

12.06 Rest Period

An employee shall be entitled to one (1) paid break of fifteen (15) minutes during both the first half and the second half of any shift.

12.07 In the event an employee is required to work less than two (2) hours overtime past the end of his regular shift he shall be granted a paid fifteen (15) minute break before starting the overtime. Where an employee is required to work in excess of two (2) hours overtime, he shall be entitled to one-half (½) hour paid time off for the purpose of eating at the end of his regular shift. Where a break or meal period is provided under this Article, such break or meal period may be staggered but not beyond thirty (30) minutes of commencing such overtime period.

12.08 Unpaid meal periods of either thirty (30) minutes or one (1) hour, but not both, shall be established by the Employer, and shall not be changed except by mutual agreement. Each employee shall have a uniform meal period.

12.09 No employee shall be compelled to take more than one (1) continuous meal period during his shift nor compelled to take any part of such a continuous period before he has been on duty three and one-half (3 ½) hours or after he had been on duty five (5) hours.

ARTICLE 13 DEADHEADING

13.01 Every employee covered under this Agreement when required to ride on Company equipment in a deadhead manner or when required to travel by any other mode of Company or public transportation to a destination point designated by the Employer shall be paid for any hours so spent at his regular straight hourly rate during the first eight (8) hours of travel and at one and one-half (1 ½) times the regular straight hourly rate for any hours spent travelling in excess of eight (8) hours, except when the employee is travelling by his own choice (i.e. coming or going due to days off).

ARTICLE 14 GUARANTEE FOR HOURLY PAID EMPLOYEES

14.01 When an hourly rated employee is called in and reports for his duty, he shall be guaranteed a minimum of four (4) hours work and/or pay. If he works in excess of four (4) hours, he shall be paid for hours worked only.

ARTICLE 15 CALL-OUT, CALL-BACK PROVISIONS

15.01 Regular hourly paid employees reporting for duty on a call-out or call-back basis inconsistent with their regular scheduled work day or shift, shall be guaranteed a minimum of four (4) hours, but after completion of the duty called for may elect to book off with a minimum of two (2) hours pay. Hours paid will be at the overtime rates.

ARTICLE 16 OVERTIME

16.01 All Employer authorized time over eight (8) hours per day shall be deemed overtime if a rest period of eight (8) hours is not granted after an employee has completed his regular shift.

16.02 For the first two (2) hours after completion of the first eight (8) hours at straight time, the overtime rate shall be at time and one-half (1 ½) the straight time rate of pay for time worked.

16.03 For overtime hours in excess of two (2), the overtime rate of pay will be two (2) times the regular straight time rate of pay until released from duty.

16.04 Where a ten (10) hour work day is in effect the above provision shall apply after ten (10) hours work.

16.05 All hours worked on an employee's designated day of rest will be deemed overtime and paid for at the rate of time and one-half (1 ½) the straight time rate of pay for the first eight (8) hours worked and two (2) times the straight time rate of pay for any hours worked in excess of eight (8) hours on each such day.

ARTICLE 17 TEMPORARY CHANGE IN JOB CLASSIFICATION

17.01 Any employee working in a higher wage group than his normal job classification for two (2) hours or more per day shall be paid at the higher wage group rate for the entire shift.

17.02 When an employee in a higher rated classification is working temporarily in a lower paying classification, he will receive the higher rate for the entire shift.

- 17.03 If an employee works regularly in a combination of job classifications, with different hourly pay rates, he will be paid the higher rate of pay.
- 17.04 If during the life of this Agreement new classifications and/or different types of equipment coming within the bargaining unit are established, it is mutually agreed that the parties hereto will meet in order to establish a fair rate for the new classification. In the event that the parties are unable to agree within fifteen (15) working days, the matter shall be referred to arbitration as provided for in Step 4 of Article 28, and the rate shall apply from the date of implementation.

ARTICLE 18 SHIFT WORK

- 18.01 When any type of work is performed on a multiple shift basis, the general principle of shift rotation will be adhered to as far as practicable.
- 18.02 Shift work shall have a shift differential paid on the following basis. Any employee working the afternoon shift shall be guaranteed the equivalent of one-half (½) hour shift differential and any employee working the night shift shall be guaranteed the equivalent of one (1) hour shift differential. This shift differential shall be paid at straight time at the employee's classification rate of pay.
- (a) Work on the day shift shall commence between the hours of 0600 and 1400 hours or 1600 hours if on a ten (10) hour shift.
 - (b) Work on the afternoon shift shall commence between the hours of 1400 and 2200 hours or 2400 hours if on a ten (10) hour shift.

ARTICLE 19 UNPAID LEAVE OF ABSENCE

- 19.01 When the requirements of the Employer's operations permit, and there is no vacation entitlement, any regular employee upon written application to the Employer with a copy of said application to the Union, may, if approved by the Employer, be granted an unpaid leave of absence, in writing (with a copy to the Union) for a period of up to thirty (30) calendar days. Following consideration by the Employer, approval or rejection is to be given in writing, with a copy to the Union within thirty (30) calendar days and if approved, such approval may not be withdrawn except by mutual consent of the employee and the Employer.
- 19.02 Such leave may be extended for an additional period of thirty (30) days when approved by both the Employer and the Union (in writing) and seniority will accrue during such extension.
- 19.03 Any employee on leave of absence engaged in gainful employment without prior written permission from both the Employer and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an employee of the Company.
- 19.04 An employee's request for leave of absence for compassionate reasons shall not be unreasonably denied, but he may be required by the Employer to substantiate the reason before returning to work. Any violation will be subject to disciplinary action.
- 19.05 Subject to Article 23.04, an employee on leave of absence who wishes to retain protection under the Health and Welfare clause of the Agreement (excluding Weekly Indemnity) must make arrangements with the Employer to continue with the payment required and must deposit with the Employer sufficient funds to cover the premiums while on leave of absence, said amount to be left with the Employer prior to the commencement of leave of absence. Retention of protection under this section is subject to the insurer's agreement that an

employee on leave of absence will be covered if the appropriate premiums are tendered to cover the leave of absence.

- 19.06 An employee who has been elected or appointed to work for the Local Union will be granted a leave of absence by the Employer and the employee may retain seniority to a maximum of one (1) year.

ARTICLE 20 PAID LEAVES OF ABSENCE

20.01 Bereavement Leave

When death occurs to a member of a regular employee's immediate family, the employee will be granted, upon request, an appropriate leave of absence and if he attends the funeral he shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule on any of the days prior to the funeral, the day of the funeral and the day after the funeral for a maximum of three (3) days. When the funeral is held outside the Yukon Territory, four (4) days bereavement leave will be paid.

- 20.02 Members of the immediate family are defined as the employee's spouse, common-law spouse, mother, father, sons and daughters, brothers, sisters, mother-in-law, father-in-law, employee's grandparents, and legal guardian.

- 20.03 Funeral leave is not compensated when the employee is on unpaid leave of absence, or lay-off, or for days falling outside the employee's scheduled work week or when he is receiving benefits under the Health and Welfare Plan or Workers' Compensation.

20.04 Jury Duty

Any regular employee who is required to perform jury duty, or is subpoenaed to appear as a witness in a court action on any day on which he would otherwise have worked will be reimbursed by the Employer for the difference between the pay received from the jury duty, or witness fee, and his regular straight time hourly rate of pay for his regular scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of eight (8) per day or forty (40) per week, less pay received for jury duty, or witness fee, whichever applied. The employee will be required to furnish proof of jury service and jury duty pay received. Any employee on jury duty, or subpoenaed as a witness, shall, subject to this provision, make himself available for work before or after being required for such duty, whenever practicable.

- 20.05 The preceding provision will have no application for an employee on unpaid leave of absence, lay-off, annual vacation or for days falling outside the employee's scheduled work week or when receiving benefits under the Health and Welfare Plan or Workers' Compensation.

ARTICLE 21 HEALTH AND SAFETY PROVISIONS

21.01 Medical Examinations

Any Employer requested medical examination shall be promptly complied with by all employees, provided that the Employer shall pay the costs of all such examinations and provided further that if such examination must take place during the employee's regularly scheduled work day, the employee shall suffer no loss of pay. If such an examination is arranged for an employee's day off, a regular employee shall be entitled to a maximum of two (2) hours wages at straight time pay, except in instances where an employee is about to return to work or has just returned to work following illness or disability, in which case no compensation shall be paid to the employee for the medical examination. If such an examination is arranged for by the Employer after the employee's scheduled shift, a regular employee shall be entitled to a maximum of two (2) hours wages at straight time pay.

- 21.02 A probationary employee found to be medically or physically unfit to perform duties required in his specific job classification shall be deemed to be unsuitable for regular employment and shall be terminated.
- 21.03 With the exception of pre-employment medicals, an employee who is at some future date rejected for continued employment on advice of a doctor selected by the Employer, may, if he questions the medical reason(s) for such rejection, elect to be re-examined by a doctor of his own choice. If the doctor selected by the employee is at variance with the Employer selected doctor regarding the employee's medical fitness for continued employment, the two (2) doctors may appoint a third to assess the medical fitness for continued employment and his independent opinion shall finally determine the specific medical issue. "Continued employment" as referred to above shall mean continuous employment in the same category of work. The Employer and the employee will pay respective costs of their own doctors and will share the costs of any third doctor appointed as aforesaid.
- 21.04 Where an employee has been removed from service as the result of medical advice of a doctor selected by the Employer and is later reinstated in service as a result of an independent medical opinion, then the Employer shall make up the difference, if any, between the employee's actual earnings during the month prior to reinstatement and any greater amount which the employee would have earned if he had worked eight (8) hours at straight time in his previously assigned category on each of his normal shift days during such month.

ARTICLE 22 SICK LEAVE BENEFITS

- 22.01 All regular employees shall accumulate paid sick leave commencing on the first day following one (1) year of continuous service with the Employer, at the rate of one (1) day per qualifying month. A qualifying month will be one hundred and twenty-five (125) hours of paid time (including vacation and General Holidays) in a calendar month. After accumulating one (1) or more days of sick leave, payment will be made commencing on the first full day of illness on which the employee would otherwise be working and will continue for each day until the employee uses up his sick leave, qualifies for weekly indemnity or until he is able to return to work, whichever occurs first.
- 22.02 A maximum of six (6) sick leave days can be accumulated in a calendar year. On December 31st of each year, an eligible employee's unused sick leave days will be calculated in accordance with his regular straight time hourly rate and one-half (½) of the amount owing for unused sick leave will be paid to the employee on the first pay period in February of the following year thereby extinguishing any carry over of sick leave days from the previous year. One (1) sick day annually can be used as a "personal day". Written notice is required ahead of time.
- 22.03 It shall be the responsibility of the employee to claim for accredited sick leave.
- 22.04 Any abuse of the sick leave provisions will result in the immediate discharge of the employee.
- 22.05 An employee who is persistently or habitually absent from work on excuse of illness or sickness, may be required to submit to a medical examination by a doctor designated by the Employer, Where such examination does not provide justifiable medical grounds for such absences, the Employer may give the employee a written warning. In the event such absences continue after the written warning, the Employer may discharge the employee.
- 22.06 Where an employee is declared by a doctor to be physically able and capable of resuming his employment, the employee is obligated to immediately return to work. In the event, that the

employee fails to return to work following such declaration, the Employer may deem the continuing absence to be a voluntary termination of employment by the employee.

22.07 When an employee is absent from work due to illness, sickness or accident, the employee shall make every reasonable effort to notify his immediate supervisor as early in the day as possible.

ARTICLE 23 HEALTH AND WELFARE PLANS

23.01 Regular employees shall be covered by a Company paid Health and Welfare Plan commencing on the first day of the calendar month following completion of thirty (30) days of employment with the Employer. Following the recall of regular employees the Health and Welfare will be paid from the first day back to work.

23.02 Notwithstanding the above, if a new employee was a participant within the previous thirty (30) day period in a comparable Health and Welfare Plan of another company which is a party to an agreement identical to this Agreement, the Employer shall then arrange for that employee to join the Health and Welfare Plan effective the day he is hired.

23.03 The Plan shall provide the following benefits:

(a) Group Insurance providing the following minimum coverage:

(i) Life insurance coverage in the sum of \$60,000 covering death from any cause.

(ii) Accidental death and dismemberment coverage for loss within ninety (90) days of an accident of life, limb or sight according to the following schedule:

| | |
|--------------|----------|
| Loss of Life | \$60,000 |
|--------------|----------|

| | |
|----------------------------------------------------------|----------|
| Loss of both hands or both feet or sight of both eyes | \$40,000 |
|----------------------------------------------------------|----------|

| | |
|-------------------------------|----------|
| Loss of one hand and one foot | \$40,000 |
|-------------------------------|----------|

| | |
|---------------------------------------|----------|
| Loss of one hand and sight of one eye | \$40,000 |
|---------------------------------------|----------|

| | |
|---------------------------------------|----------|
| Loss of one foot and sight of one eye | \$40,000 |
|---------------------------------------|----------|

| | |
|-----------------------------------------------------|----------|
| Loss of one hand or one foot or sight of one eye | \$40,000 |
|-----------------------------------------------------|----------|

(iii) Non-occupational weekly indemnity coverage equal to the current Unemployment Insurance Commission rate per week for regular employees, commencing on the first day of necessary absence from work due to accident and the fourth day of necessary absence from work due to sickness, continuing for a maximum of fifty-two (52) weeks during any period of disability. Periods of disability from the same cause shall be considered as separate periods of disability providing they are separated by a return to active employment with the Company for at least one (1) week.

(b) **Long Term Disability**

(i) If at the expiration of the fifty-two (52) weeks allowed for weekly indemnity, the employee is considered totally disabled, he shall then be subject to Long Term Disability Benefits so long as the disability continues or until the employee reaches age sixty-five (65).

An employee shall be deemed to be totally disabled, or total disability shall be deemed to exist, when the employee is suffering from such a state of bodily or mental incapacity resulting from injury or disease as would wholly prevent the employee from engaging in any employment for which the employee is reasonably qualified by education, training or experience.

- (ii) In the case of long term disability as outlined above, payment during such disablement shall be in the amount of one thousand dollars (\$1,000.00) per month exclusive of Canada Pension Plan benefits.

(c) **Basic Medical Plan**

Medical, surgical and obstetrical coverage in accordance with the standard plan of service provided by Yukon Medical Service Association for eligible employees and their dependents.

(d) **Drug Plan**

Drug Plan to cover drugs and medicines required by a physician's prescription, excluding drugs used for contraceptive purposes. A twenty-five dollar (\$25.00) deductible is to apply annually with the Plan paying eighty percent (80%) of the balance. The twenty-five dollars (\$25.00) is to apply annually in any twelve (12) month period.

(e) **Dental Plan**

The Dental Plan coverage will be equivalent to Pacific Blue Cross Plans A & B.

- (i) One hundred percent (100%) coverage of Basic Plan "A" and Basic Plan "B" for children one (1) to eighteen (18) years inclusive.
- (ii) Eighty percent (80%) coverage of Basic Plan "A" for the employee, spouse and dependent children nineteen (19) to twenty-five (25) years inclusive if attending school or mentally infirm or depending on the employee for support.
- (iii) Fifty percent (50%) coverage of Basic Plan "B" for the employee, spouse and dependent children nineteen (19) to twenty-five (25) years inclusive if attending school or mentally infirm or depending on the employee for support.

The above dental coverage to have a maximum of one thousand dollars (\$1,000.00) per year for each person covered. The fee structure for payment on dental claims will be that established by the Association of Dentists in the Yukon Territory.

(f) **Vision Care**

The Company shall provide an allowance of \$200.00 annually for vision care for all eligible employees and dependents. This can be accumulated from year to year to a maximum three(3) year cap of \$600.00. This allowance will be paid as a reimbursement for vision care (including glasses) receipts presented to the Employer.

23.04 Coverage for benefits under the Health and Welfare Plan will remain in force for two (2) additional calendar months following lay off excluding wage loss replacement or weekly

indemnity, during which the eligible employee is actively employed and receives wages from the Employer for all or part thereof, whether or not the employee remains in the active employment of the Employer for the balance of that calendar month. Active employment will not be deemed to be interrupted by temporary absences due to annual vacation or general holidays.

- 23.05 When an employee goes off work ill, or on compensation, or a grievance is invoked on his discharge, the Employer shall continue to pay both his Welfare fees and Union dues so that the employee shall be protected to the utmost, provided:
- (a) The employee reimburses the Employer for such contributions normally paid by said employee and is at no time five (5) or more months in arrears; and
 - (b) The period of such coverage shall exceed twelve (12) months only by mutual agreement of the two parties.

In the event of any employee grievance being rejected, all monies paid by the Employer under this Article, including the total premium, shall be paid to the Employer by the employee.

When an employee returns to work, the Employer shall deduct from his earnings any monies the Employer has paid out in respect of his contributions.

- 23.06 It shall be the Employer's responsibility to provide to eligible employees the necessary application forms for coverage under the Health and Welfare Plans.
- 23.07 It shall be the employee's responsibility to arrange to have the necessary forms completed and remitted to the Employer in order that they can be processed.
- 23.08 For purposes of the Health and Welfare Plan, a common-law spouse will be deemed to be a dependent of an eligible employee commencing one (1) year after the date on which the employee first notifies the Employer of his common-law relationship. The employee is also required to notify the Employer forthwith following the dissolution of his common-law relationship so that the spouse's coverage under the Health and Welfare Plan can be cancelled.
- 23.09 Subject to the specific provisions stated herein, all benefit plan coverages, terms, conditions and specific eligibility requirements with regard to group life insurance, accidental death and dismemberment insurance, weekly indemnity coverage, long term disability coverage, medical and dental plan coverage, and drug plan coverage, shall at all times be covered by the actual terms and conditions of the contracts issued by the insurance carrier(s). The benefit plan descriptions contained in this Agreement are provided only for the purpose of general information.
- 23.10 It is understood and agreed that it is the responsibility of each employee to be familiar with the specific details of coverage and eligibility requirements of all benefit plans and that neither the Union nor the Employer has any direct responsibility for ensuring that all requirements for eligibility or conditions of coverage or entitlement to benefits are made by the employee beyond the obligations specifically stipulated in this Agreement.

ARTICLE 24 PENSION PLAN

- 24.01 Participation shall be mandatory for all employees except by written request to abstain from participation.
- 24.02 The Company shall maintain a Group Registered Retirement Savings Program (RRSP), managed by a financial institution, for the benefit of all employees. Employees shall complete the necessary enrollment forms and shall authorize the Company to make payroll deductions and forward these deductions, monthly, to the financial institution at the rate of five percent

(5%) of the employee's gross earnings effective January 1st, 2008 into the RRSP. The Company shall also contribute five percent (5%) of the employee's gross earnings into said employee's account effective January 1st, 2008. The Company payments shall be made monthly. These monies will be locked in for the duration of the employee's employment with the Company.

ARTICLE 25 GENERAL HOLIDAYS

25.01 Subject to the eligibility provisions set out hereunder, the following days shall be recognized as paid General Holidays:

New Year's Day
Good Friday
Victoria Day
Canada Day
Discovery Day

Labour Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day

and one additional day as may be proclaimed a holiday by the Federal Government.

25.02 Eligibility Requirements

To qualify for holiday pay, an employee must work the last assigned day before and the first assigned day after the holiday, unless excused by the Employer.

25.03 No employee shall be entitled to be paid for a General Holiday if he is assigned to work and does not work on such holiday without prior permission to be absent from work on that day.

25.04 Subject to Article 25.02, employees who are on lay-off or are on an unpaid leave of absence, Workers' Compensation, or short term or long term disability shall not receive pay for holidays(s) which occur during their absence(s).

25.05 General Holiday Payments for Eligible Employees

General Holiday payments for eligible employees shall be based on the number of hours for the assigned shift in the qualifying period in Article 25.02.

25.06 Payment for Work Performed on a General Holiday

In the event a regular employee is required to work on a General Holiday he shall receive time and one-half (1½) for each hour worked, with a minimum of eight (8) hours, in addition to the rate of pay as prescribed for the holiday if he is eligible for such holiday pay. For hours worked in excess of eight (8), he shall be paid two (2) times the straight time rate. Upon request, he shall also be entitled to one day off without pay, such day to be taken within thirty (30) days and in conjunction with his regular days off, where applicable.

25.07 Where a day that is a designated General Holiday for an eligible employee falls within his vacation period, the holiday shall not count as a day of vacation leave and the employee shall be entitled to an extra day of vacation with pay in conjunction with his vacation leave.

ARTICLE 26 VACATION

26.01 An employee is entitled to take vacation leave with pay, provided the employee has earned vacation leave credits in accordance with this Article.

26.02 (a) Vacations during seasonal employment may only be taken by mutual agreement between the Employer and the employee.

- (b) An employee shall earn vacation leave credits in the following amounts for each completed year of service, based on the calendar year commencing January 1 and ending on December 31:

| Year (Inclusive) | Credit Earned | Vacation Pay Percentage |
|--------------------------|----------------------|--------------------------------|
| First and Second | Two (2) Weeks | Four Percent (4%) |
| Third to Ninth | Three (3) Weeks | Six Percent (6%) |
| Tenth to Fourteenth | Four (4) Weeks | Eight Percent (8%) |
| Fifteenth and Subsequent | Five (5) weeks | Ten Percent (10%) |

26.03 Vacation pay shall be calculated at the applicable vacation percentage above. The applicable percentage shall be applied to the total wages earned in the year in which the vacation leave credit was earned.

26.04 For regular employees only, vacation pay for each completed full year of service shall be the greater of:

- (a) the percentage calculation in Article 26.03; or
- (b) the number of hours that the regular employee would have normally worked during that period in which the employee takes vacation leave credit times the hourly rate in effect at the end of the completed year of service in which the vacation leave credit was earned.

26.05 An employee shall be entitled to take vacation with pay only after the necessary vacation leave credit has been earned. Vacation taken must be in periods of not less than one (1) week. Vacation pay will be given to the employee, no later than three (3) days prior to that employee's vacation, only for that period of vacation time to be taken.

26.06 A year of service is defined as that period of time in which the employee has been actively employed for at least fifteen hundred (1,500) hours or more in a calendar year ending December 31. No employee shall be entitled to accumulate more than one (1) year of service in any three hundred and sixty-five (365) day period (or three hundred and sixty-six (366) days in anniversary years where February has twenty-nine (29) days).

26.07 An employee who has not been actively employed for at least fifteen hundred (1,500) hours or more during any calendar year shall have his vacation leave credit and vacation pay based on the percentage that his total hours of active employment represent compared to a base of two thousand and eighty (2,080) hours. For purposes of this Article, "actively employed" means hours worked, paid holidays and paid leaves of absence. Absence by reason of accident or proven illness shall be counted as hours worked up to a maximum of five hundred (500) hours.

26.08 In any calendar year where an employee has not qualified for a full vacation as a result of accident or proven illness, he will still be credited with a year of service to determine future vacations.

26.09 The time of vacation shall be fixed by the Employer consistent with the maintenance of efficient operations. Preference of vacation time shall be given to senior employees. Senior employees may only exercise their seniority for selection once in a calendar year.

26.10 Vacation lists shall be posted on the first working day of January of each year and employees shall designate their choice of vacation time before February 28. The Employer shall post the

final vacation schedule by April 1 and it shall remain posted for the balance of the year. Once vacation periods are established, they shall not be changed except where mutually agreed by the Employer and the individual employee.

- 26.11 Unless the Employer and the individual employee otherwise mutually agree or unless otherwise specifically provided herein, every employee shall be notified at least two (2) weeks prior to being required to take a vacation period.
- 26.12 All vacation leave credits earned must be taken before the expiry of ten (10) months from the date that the vacation was entitled to be taken. In the event that the employee has not taken vacation leave credits by the expiry of ten (10) months from the date that the vacation was entitled to be taken, the Employer will inform the employee when he will be taking vacation with no required notice. The date that the vacation accrued for any year of service is entitled to be taken is one day after the end of that year of service.
- 26.13 Vacation leave credits earned must be used before any unpaid leave of absence will be granted by the Employer. However, the Employer may grant an unpaid leave of absence to an employee during his first year of employment when he has not yet earned vacation leave credits.
- 26.14 In the event that an employee terminates his employment with the Employer, he shall receive four percent (4%), six percent (6%), eight percent (8%), or ten percent (10%), as the case may be, of his pay for the period for which he has not already received payment.

ARTICLE 27 TRAVEL ALLOWANCE

- 27.01 Effective January 1, 1993 regular employees with more than one (1) year of service shall be entitled to a Travel Allowance as follows and to be paid by separate cheque at the end of each season based on the previous year's service.
- 27.02 Eighty cents (80¢) per straight time hour to a maximum of nine hundred dollars (\$900.00) in any one year to be paid by separate cheque at the end of each season.
- 27.03 To qualify for travel allowance an employee must have been actively employed for a minimum of five hundred (500) hours during the season.
- 27.04 For the purposes of this Article "actively employed" means hours worked, paid holidays and paid leave of absence.
- 27.05 When a married or common law couple are both employed by The British Yukon Railway Company, The British Columbia-Yukon Railway Company a travel allowance will only be paid to one of the two.

ARTICLE 28 GRIEVANCE PROCEDURE

- 28.01 All questions, disputes and controversies arising under this Agreement or any supplement hereto shall be adjusted and settled within the terms and conditions as set forth in this Agreement in the manner provided by this Article unless otherwise expressly provided in this Agreement.
- 28.02 The procedure for the adjustment and settlement of such grievances shall be as follows:

- STEP 1** Any grievance of an employee shall first be taken up between such employee and his immediate supervisor. Time limit to institute grievance:
- (a) Termination or Lay-off: Ten (10) calendar days.
 - (b) All others: Thirty (30) calendar days.

However, such employee will be entitled to be accompanied by a Shop Steward or a Union representative.

- STEP 2** Failing settlement under Step 1, such grievance shall be taken up between representatives of the Local Union and the immediate supervisor.
- STEP 3** Failing settlement under Step 2, the matter will be taken up in presentation to a board consisting of two (2) Union members appointed by the Union and two (2) representatives appointed by the Employer.
- STEP 4** Failing settlement under the above Steps, the matter will be referred to an agreed upon neutral person to act as an arbitrator who will meet with the parties to hear both sides of the case. Failing to agree upon a neutral person, the Federal Ministry of Labour will be requested to appoint a neutral arbitrator. The Arbitrator shall be required to hand down his decision within fourteen (14) calendar days following completion of the hearing and his decision shall be final and binding on the two parties to the dispute.

ARTICLE 29 GENERAL AND MISCELLANEOUS PROVISIONS

- 29.01 The Employer will provide a bulletin board at each section for the posting of such notices as the Union or Employer may from time to time wish to post. The said Union notices shall be posted and signed by an elected or appointed officer or other authorized representative of the Union.
- 29.02 The Employer shall record on each employee's T-4 slip the total Union dues deducted and submitted on behalf of that employee.
- 29.03 The Employer will administer and supply two (2) pair of pants (or bibs) annually to each covered employee. Tool replacement on exchange-basis to assigned trades only.

ARTICLE 30 SEVERANCE CLAUSE

- 30.01 In the event that employees with two (2) or more years of continuous service are terminated from the employment due to the Abandonment of Rail operations under this Agreement a severance payment will be made of one week's pay per complete year of service, commencing from date of employment. Payment shall be at the prevailing rates at the time of Abandonment. Abandonment shall mean a full Abandonment Hearing of the Rail Operations in Canada.
- 30.02 For purposes of this provision, a "complete year of service" means a minimum of fifteen hundred (1500) hours of active employment during each year calculated from the employee's personal anniversary date. "Active employment" means straight time hours worked, paid General Holidays and vacation, paid leaves of absence and absences due to accident or proven illness up to a maximum of five hundred (500) hours during each year of service.

Employees who have completed more than one (1) but less than two (2) years of continuous service shall be paid in accordance with the formula outlined in Section 61 (1) of the Canada Labour Code.

ARTICLE 31 JOINT CONSULTATION

- 31.01 A Labour Management Committee shall be established consisting of equal representation from the Employer and the Union. The parties acknowledge the mutual benefits to be derived from the Labour Management Committee and are prepared to enter into discussions aimed at the development and introduction of appropriated machinery and for the purpose of providing consultation of matters of common interest. The subjects that may be determined as appropriate for the Labour Management Committee will be by mutual agreement of the parties.

ARTICLE 32 DURATION OF AGREEMENT

32.01 This Agreement shall be in full force and effect from January 1, 2011 up to and including December 31, 2014 and from year to year thereafter except as hereinafter provided.


32.02 Either party wishing to terminate or amend this Agreement must serve notice in writing on the other party, or parties, not less than ninety (90) days prior to December 31, 2014.

32.03 During any period when collective bargaining negotiations are being conducted between the parties to amend this Agreement, the present Agreement shall continue in full force and effect until:

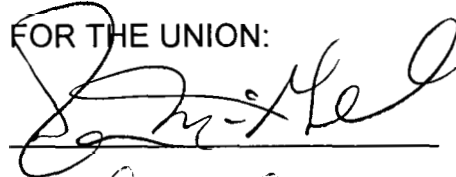
- (a) the Union commences a lawful strike; or
- (b) the Employer commences a lawful lock-out; or
- (c) the parties enter into a new or amended agreement, whichever occurs first.

SIGNED THIS 22ND day of AUGUST, 2011

FOR THE COMPANY:



FOR THE UNION:



Walter [unclear]

APPENDIX "A"

RATES OF PAY

| | | RATES PER HOUR | | | |
|-------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------|------------------|------------------|
| | | Jan. 1/11 | Jan. 1/12 | Jan. 1/13 | Jan. 1/14 |
| (I) | Trackman | \$30.45 | \$31.67 | \$32.94 | \$34.26 |
| | Heavy Duty Operator | \$33.81 | \$35.16 | \$36.57 | \$38.03 |
| | Diesel Track Machine Operator & Assigned "OTE" Operator | \$33.44 | \$34.78 | \$36.17 | \$37.62 |
| | Car Man | \$33.44 | \$34.78 | \$36.17 | \$37.62 |
| (ii) | Section Foreman | 60¢ per hour above highest rate supervised excluding Assistant Foreman. | | | |
| (iii) | Assistant Foreman | 25¢ above highest rate actually supervised. | | | |
| (iv) | Foreman's Rate shall be paid when transporting paying customer's by casey car | | | | |

All wage rates are retroactive to January 1, 2011.

APPENDIX "B"
TRANSPORTATION

The Company will supply a Company vehicle for transportation of employees from Carcross to point of work and return or employees may continue to use their own vehicle in which case the Company will supply the gas.