

This Agreement made and entered into this 21st day of September, 2011.

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

(hereinafter referred to as the "Employer")

of the FIRST PART

-and-

TEAMSTERS RAIL CANADA CONFERENCE – MAINTENANCE OF WAY EMPLOYEES

-and-

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

-and-

NATIONAL AUTOMOBILE AND AGRICULTURAL IMPLEMENT WORKERS
UNION OF CANADA (CAW CANADA)

-and-

STEELWORKERS

(hereinafter referred to as the "Unions")

of the SECOND PART

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ARTICLE 1

PURPOSE

- 1.01 The purpose of this Agreement is to provide orderly collective bargaining relations between the Employer and its employees covered by this Agreement through the Unions signatory hereto, to secure prompt and fair disposition of grievances, to secure the efficient operation of the Employer's business without interruption or interference with work and to provide fair salaries, hours and working conditions for the employees. It is recognized by this Agreement to be the duty of the Employer, the Unions and the employees to co-operate fully, individually and collectively for the advancement of the said conditions.

- 1.02 The parties recognize and acknowledge the importance of the Company's main resource, its skilled staff. The Company therefore supports the personal and professional development of its people. All parties believe that a successful employment relationship is based on goodwill and mutual respect and are committed to work towards that end.

- 1.03 In this Agreement words importing the singular shall include the plural and vice versa where the context requires. Words importing the masculine gender shall include the feminine where the context requires.

ARTICLE 2

RECOGNITION

2.01 The employer recognizes each of the following Unions as the respective bargaining agent for those employees in the classifications designated:

1. Transportation

STEELWORKERS	Rail Traffic Controller
STEELWORKERS	Yard Coordinator

2. Mechanical

IAM	Motive Power Lead Mechanic
IAM	Motive Power Mechanic
IAM	Motive Power Composite Mechanic (Electrician/Machinist)

NOTE: The classification of Composite Equipment Mechanic – Electrician/Machinist will be included in the Mechanical Category, applicable to employees maintaining the dual qualifications of Electrician and Machinist

IAM	Motive Power Mechanic Apprentice
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CAW	Car Lead Mechanic
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NOTE: The classification of CAW Lead Mechanic will govern CAW employees assigned by bulletin to protect Road Repair Truck assignments. Such CAW Car Mechanic assignments will be bulletined as Lead Mechanic / Road Repair Truck and will be compensated at the Lead Mechanic rate of pay.

CAW	Car Mechanic
CAW	Car Mechanic Apprentice

3. Engineering

IAM	Machine Operator/Mechanic A
IAM	Machine Operator/Mechanic Apprentice
TCRC MofWED	Production Machine Operator A, B
TCRC MofWED	Production Gang Foreman & Assistant
TCRC MofWED	Maintenance Machine Operator A & B
TCRC MofWED	Track Foreman & Assistant
TCRC MofWED	Production Track Labourer
TCRC MofWED	Track Welder
TCRC MofWED	Welder Helper
TCRC MofWED	Maintenance Trackman
TCRC MofWED	B&B Foreman
TCRC MofWED	B&B Tradesman
STEELWORKERS	Technician A (Communications & Signal)
STEELWORKERS	Technician B (Communications & Signal)

4. Clerical

STEELWORKERS	Materials Handler
STEELWORKERS	Customer Service Representative
STEELWORKERS	Passenger Sales Representative
STEELWORKERS	Senior Clerk – Passenger Services
STEELWORKERS	Senior Clerk - Administration

5. Canyon Park

TCRC MofWED	Park Technicians
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2.02 The Company shall maintain the following seniority lists:

- (i) Motive Power Mechanics (IAM)
- (ii) Car Mechanics (CAW)
- (iii) Machine Operators/Mechanics (IAM)
- (iv) Track Employees (TCRC MofWED)
- (v) Bridge & Building Employees (TCRC MofWED)
- (vi) Seasonal Track Employees (TCRC MofWED)
- (vi) Communication & Signal Employees (STEELWORKERS)
- (vii) Clerical Employees (STEELWORKERS)
- (viii) Rail Traffic Controllers (STEELWORKERS)
- (ix) Machine Operators A, B, (TCRC MofWED)
- (x) Park Technicians (TCRC MofWED)

ARTICLE 3

MANAGEMENT RIGHTS

- 3.01 The Unions recognize and acknowledge that the management of the Railway and direction of the working forces are fixed exclusively on the Employer unless limited herein or by mutual agreement reached through the consultation process.

ARTICLE 4

DEDUCTION OF DUES

- 4.01 The Employer shall deduct on the payroll for the pay period, which contains the 10th day of each month from wages due and payable to each employee coming within the scope of this Agreement an amount equivalent to the uniform monthly dues of the appropriate Organization subject to the conditions and exceptions set forth hereunder.

- 4.02 (a) The amount to be deducted shall be equivalent to the uniform regular dues payment of:

TCRC MofWED

International Association of Machinists and Aerospace Workers;

National Automobile and Agricultural Implement Workers Union of Canada (CAW Canada);

Steelworkers

signatory to this agreement covering the classification in which the employee concerned is engaged and shall not include initiation fees or special assessments. The amount to be deducted shall not be changed during the term of the application agreement excepting to conform to a change in the amount of regular dues of the above-mentioned organizations in accordance with their respective constitutional provisions. The provisions of this Article shall be applicable to each individual Organization on receipt by the Railway concerned of notice in writing from such Organization of the amount of regular monthly dues.

- (b) Employees filling positions of a Supervisory or confidential nature not subject to all the rules of the applicable agreement as may be mutually agreed between the designated Officers of the individual Railway and of the Organization concerned shall be excepted from dues deduction.

- (c) Membership in any of the Organizations signatory hereto shall be available to any employee eligible under the constitution of the applicable Organization on payment of the initiation or re-instatement fees uniformly required of all other such applicants by the local lodge or division concerned. Membership shall not be denied for reasons of race, national origin, colour or religion.
- (d) Deductions from new employees shall commence on the payroll for the first pay period that contains the 10th day of the month.
- (e) The amounts of dues so deducted from wages, accompanied by a statement of deductions from individuals, shall be remitted by the Employer to the office of the appropriate Union, not later than forty (40) calendar days following the pay period in which deductions are made.
- (f) The Railway shall not be responsible, financially or otherwise, either to the Organization or to any employee, for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction of dues from an employee's wages, the Railway shall adjust it directly with the employee. In the event of any mistake by the Railway in the amount of its remittance to the Organization, the Railway shall adjust the amount in a subsequent remittance. The Railway's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amounts payable to the designated Officer or Officers of the Organization.
- (g) In the event of any action at law against the parties hereto or any of them resulting from any deduction or deductions from payrolls made or to be made by the Railways pursuant to the first paragraph of this Article, all parties shall co-operate fully in the defence of such action. Each party shall bear its own cost of such defence except that if, at the request of the Organizations of any of them counsel fees are incurred, these shall be borne by the Organization or Organizations so requesting. Save as aforesaid, the Organizations, jointly or severally shall indemnify and save harmless the Railways and each of them from any losses, damages, costs liability of expenses suffered or sustained by them or any of them as a result of any such deduction or deductions from payrolls.
- (h) Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Railway, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.
- (i) If the wages of an employee payable on the payroll, which contains the 10th day of any month, are insufficient to permit the deduction of the full amount of dues, no such deduction shall be made from the wages of such employee by the Railways in such month. The Railway shall not, because the employees did not have sufficient wages payable to them on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.

ARTICLE 5

NO STRIKES OR LOCK-OUTS

- 5.01 In view of the orderly procedure established by this Agreement for the settling of disputes and the handling of grievances, the Unions agree that, during the lifetime of this Agreement, there will be no strike, slowdown or stoppage of, or interference with work, or production, either complete or partial, and the Employer agrees that there will be no lock-out of employees.

ARTICLE 6

NO DISCRIMINATION & EMPLOYMENT EQUITY

- 6.01 There shall be no discrimination, intimidation, harassment or coercion by the Employer or the Unions or an employee against any employee by reason of age, marital status, pregnancy, disability, union membership, sexual orientation or conviction for which a pardon has been granted.
- 6.02 It is agreed that the terms *discrimination* and *harassment* as used in this Article, shall be defined and interpreted in the Canada Human Rights Act.”

ARTICLE 7

SENIORITY

- 7.01 Service shall mean an employee's length of continuous service with the Employer. An employee shall maintain and accumulate seniority while he is in the employ of the Employer after he has completed his probationary period, as set out in Article 7.02. Unless otherwise expressed, seniority shall be applied in accordance with Article 2.02.
- 7.02 A newly hired employee shall serve a probationary period of sixty-five (65) working days and shall have no seniority rights during this period. Upon completion of the probationary period, a new employee shall have his seniority dated back to this original date of hire by the Employer. Probationary employees may be disciplined or discharged by the Employer in its sole discretion, provided that such discipline or discharge is not discriminatory, arbitrary, or in bad faith.
- 7.03 In determining seniority under this Agreement, the Employer agrees to recognize the length of continuous service with the Algoma Central Railway of any employee it hires. The Employer shall recognize such seniority on the basis of filling positions in the various classifications based on the predominant duties of the position it is filling, hiring such employees from the classifications where such predominant duties and skills had existed on the ACR.
- 7.04 In the filling of new positions or vacant positions (other than short term vacancies covered under the other parts of this agreement) the following criteria, in order of priority will apply, unless otherwise specified in the collective agreement:
- a) The position will be awarded to the employee with highest seniority within the classification provided that he meets the minimum requirements necessary to fill the vacancy.
 - b) Where there are no applicants from within the classification for such a position, the senior applicant from within the bargaining unit, based on date of entry into the service, will be awarded the position provided he meets the minimum requirements necessary to fill the vacancy.
 - c) Where there are no applicants from the active employees from within the bargaining unit, an employee on lay-off status who holds seniority in the specific bargaining unit where the vacancy exists who meets the minimum requirements necessary to fill the vacancy, will be recalled to fill the position.
 - d) Where there are no applicants from within the bargaining unit for such a position, and no one laid off in that bargaining unit, qualified for the vacancy, the senior applicant from within the coverage of this agreement, based on date of entry into the service, will be awarded the position, providing he meets the minimum requirements necessary to fill the vacancy.
 - e) The standards of qualification, training and familiarization will be developed through consultation between the employer and the appropriate union officer.
 - f) In all cases of layoff, employees will be laid off in reverse seniority order.
 - g) In all cases of recall, employees will be recalled in seniority order.

- 7.05 Seniority, once established for an employee, shall be forfeited under the following conditions and his employment shall be terminated:
- (i) if he voluntarily quits;
 - (ii) if he is discharged and not reinstated through the Grievance Procedure;
 - (iii) if he fails to report for duty after a lay-off in accordance with the provisions of this Agreement, unless he provides an explanation satisfactory to the Employer, or
 - (iv) if forty-eight (48) months have elapsed since layoff. However, if the employer receives a written application from an employee requesting to remain on the seniority list for recall purposes, prior to the expiration of said forty-eight months, his/her name will be kept on the list. Thereafter, the employee must advise the Company (with a copy to the Union) prior to January 31st of each subsequent year of his/her desire to remain on the list for an additional year (March to February).

Note: The Company will advise all employees presently laid off, by letter to the address on file, of this change.

- 7.06 Employees shall, unless otherwise provided herein or by agreement between the Employer and the union, hold and accumulate seniority in the individual classification in which they were hired. Where employees take positions or promotions in other classifications with the Employer they shall accumulate seniority in the classifications in which they have been hired, transferred, or promoted to, for the time actually served in that bargaining unit.
- 7.07 The Employer shall, once a year, on March 1, publish seniority rosters of the respective classifications. Employees or their representatives must handle any exceptions to such roster(s) through the grievance procedure provided herein.
- 7.08 Notwithstanding anything contained in this Agreement, nothing shall preclude or limit the type of work, which an employee may be required to perform. An employee shall be classified according to the predominant duties he performs. The utilization of this Article will not alter the scope of the employees' union or adversely affect the employees' recall rights.
- 7.09 Former employees of the ACR not hired by the Employer at the time it commences operation of the Railway will have the first opportunity for vacancies at the Employer which may become available and for which they are qualified, for a period of four (4) years from the date of severance by ACR.
- 7.10 In the case of two employees hired on the same day, preference will be given to the employee with the greatest previous experience with the Employer. In the case of two new hires, the employee whose application is received first shall be given preference.
- 7.11 The Employer shall recall employees by registered mail to the last known address of the employee. It shall be the responsibility of the employee to keep the Employer advised in writing of his address. The employee shall indicate to the Employer within seven (7) days of such notice of recall his intention to return to work and shall present himself for work within seven (7) days of giving notice of intention to return. Employees who are

employed by another employer at the time of recall, will be allowed 14 calendar days from the date he receives this notification of recall by ACR, to present himself, only if required to give formal notice to the current employer.

- 7.12 The Employer shall give employees a minimum of five (5) working days notice of lay-off.
- 7.13 Any employee who has been advised in writing by the Company that his return to work is unlikely, may elect to receive severance pay as outlined in the Canada Labour Code, provided he abandons his recall rights under the collective agreement, and terminates his employment with the Company.

ARTICLE 8

POSTING

- 8.01 a) When the Employer determines that a job vacancy in the bargaining unit exists, the employer will post a notice of the vacancy for a period of five (5) working days on bulletin boards designed for this purpose and/or voice mail box designed for this purpose. The notice will specify the nature of the job, qualifications required and the position's salary range. For Engineering vacancies the bulletin will specify the machine type and classification to be operated.
- b) An employee who wishes to be considered for the position so posted shall signify his desire by making formal application to the supervisor specified on the notice within the five day posting on a form supplied by the Employer. However, a temporary vacancy of thirty (30) workdays or less shall be filled by the employer in consultation with the union.
- 8.02 Employees in the service, if qualified, will be given preference for promotion to position as supervisor when vacancies occur.
- 8.03 Employees may lodge with Human Resources applications for transfer to other positions. This application will remain valid for six months.

ARTICLE 9

INVESTIGATION & CORRECTIVE ACTION

- 9.01 (a) An employee shall not be disciplined or dismissed without his having first had a fair and impartial investigation and his responsibility having been established. An employee may, however, be held off for such investigation for a period not exceeding five (5) days and when so held off shall be notified in writing of the charges against him. The employee shall be given forty-eight (48) hours notice of such an investigative hearing. Included in such notice will be a list of those required to attend and a list of material and witnesses to be brought forth at that time.
- (b) An employee shall be assisted at the investigative hearing, by one duly accredited representative.
- (c) All material and necessary witnesses must be notified to appear. An employee shall have the right to be present during the examination of any witnesses whose evidence may have a bearing on his responsibility or be accorded the right to read the evidence of such witness at the outset of the investigative hearing and offer rebuttal thereto.
- (d) The employee and the Union shall be given a copy of tapes and/or transcripts of evidence taken at the investigation.
- (e) A decision shall be rendered within twenty-one (21) calendar days following the date of completion of the investigation, unless otherwise mutually agreed.
- (f) If the employee considers the decision rendered is unjust, an appeal may be made, commencing with Step 2 of the grievance and arbitration procedure.
- 9.02 If during any discussion with an employee, management determines that discipline or discharge of that employee may be forthcoming, the discussion will be adjourned until a Union representative can be present at a hearing. A suspension pending an investigation is covered in article 9.01.
- 9.03 Employees required to attend Company statements and/or investigations at the direction of the Company:
- a) During regular working hours will suffer no loss of pay
 - b) During a rest day will be compensated for actual time occupied at the hearing at overtime rates
 - c) Prior to or subsequent to a work shift will be compensated for actual time occupied at the hearing at overtime rates

GRIEVANCE PROCEDURE

9.04 Step 1 - Presentation to immediate supervisor or manager

Should an employee believe he has been unjustly dealt with, or that any of the provisions of this agreement (including one involving a time claim) have not been complied with, the employee or local chairman shall, within fourteen (14) days of the occurrence or awareness of the situation causing the complaint, approach his immediate supervisor or manager with the concern. The supervisor or manager shall give a decision within seven (7) days of notification. If not resolved at this level the grievance shall be progressed as follows:

Step 2 - Appeal to Superintendent

If the initial appeal is declined in Step 1, the Union may appeal the decision in writing to the Superintendent within twenty-eight (28) days from the date the grievance was declined. The Superintendent will consider the appeal and will respond in writing with his decision within twenty-eight (28) days of the date of receiving the appeal.

Step 3: Appeal to Senior Vice President Eastern Division

If the initial appeal is declined at Step 2, the Union may appeal the decision in writing to the Senior Vice President Eastern Division within twenty-eight (28) days from the date the grievance is declined. The Senior Vice President Eastern Division will consider the appeal and will respond in writing with his decision within twenty-eight (28) days of receiving the appeal.

- 9.05 (a) The settlement of a grievance shall not under any circumstances, involve retroactive pay beyond a period of sixty (60) calendar days prior to the date that such grievance was submitted at Step 1 of the Grievance Procedure.
- (b) The parties may waive any step in this procedure and/or extend the time limits by written agreement. If an extension is requested, the time limits will be frozen until such time as a written response is received. Should the Union exceed the time limits set out in this Article or fail to request an extension of time limits in writing, the Company shall give the Union notice of such. If the Union fails to respond within ten (10) days of such notice the Union must concede the grievance. If the Company exceeds the time limits or fails to respond, the Union may proceed to the next level.
- (c) A grievance based on a time claim for unpaid wages if not progressed by the Union within the prescribed time limits, it shall be considered dropped. When the appropriate Officer of the Company fails to render a decision with respect to such a claim for unpaid wages within the prescribed time limits, the claim will be paid. Payment of time claims in such circumstances will not constitute a precedent or waiver of the contentions of the Union or of the Company in this case or in respect of other similar claims.

Final Settlement of Disputes

- 9.06 (a) A grievance or a number of grievances, by mutual consent, concerning the interpretation or alleged violation of this Agreement or appeal against discipline imposed, which has been processed in the manner and through each of the steps outlined in the Grievance Procedure and still has not been settled or disposed of may be referred by either of the signatories to this Agreement to one of the following arbitrators in rotation for final and binding settlement without work stoppage:

H.D. Brown
W. Rayner
E.E. Palmer

A request for arbitration shall be made within sixty (60) calendar days from the date decision is rendered in writing by the Senior Vice President Eastern Division.

- (b) The time limits as provided in this Article may be extended by mutual agreement. Nothing in this Article prohibits the parties from mutually agreeing to expedite grievances of a policy nature by advancing past intermediate steps of the grievance procedure
- 9.07 Costs of the arbitrator will be shared on an equal basis between the Union and the Employer.

ARTICLE 10

TRANSPORTATION

- 10.01 Transportation on the Company's passenger trains shall be provided in accordance with the existing policies of Algoma Central Railway Inc. Any changes to that policy will be made only after consultation with the signatory unions.
- 10.02 Company will provide transportation on existing passenger trains for authorized Union representatives who are required to perform Union business for employees they represent

ARTICLE 11

LEAVE OF ABSENCE

- 11.01 When the requirements of the service will permit, employees, on request, will be granted a personal leave of absence for a limited time with privilege of renewal.
- 11.02 Leave of absence under this Article shall not be granted for the purpose of engaging in work outside the Company except in cases involving sickness or other exceptional circumstances, when made the subject of mutual agreement between the proper officers of the Company and Union.
- 11.03 Any employee engaging in other employment while on leave, except with the consent of management and the union, shall be considered terminated.
- 11.04 The Company will not discriminate against any employees, who as authorized union representatives represent other employees and will grant them unpaid leave of absence and free transportation over the Company's lines when required to perform Union business.

ARTICLE 12

JURY DUTY

- 12.01 An employee who is summoned for jury duty and is required to lose time from his assignment as a result thereof, shall be paid for the actual time lost with a maximum of one day's pay for each day lost, less the amount allowed him for jury duty for each such day excluding allowances paid by the court for meals, lodging, parking, or transportation, subject to the following requirements and limitations:
- (a) An employee must furnish the Employer with a statement from the court, of jury allowances paid, and the days on which jury duty was performed.
 - (b) No jury duty pay will be allowed for any day for which the employee is entitled to vacation or general holiday pay. An employee's vacation will be re-scheduled at a time mutually agreed between the Employer and the employee, if it falls during jury duty and the employee requests a change, in writing, prior to commencing scheduled vacation.
- 12.02 When attending Court as witness for the Railway, or a Coroner's Inquest in cases where the Company is involved, or subpoenaed by the Crown in cases where the Company is involved, employees will receive pay for all time lost. The Company will be entitled to a certificate for witness fees in all cases.

ARTICLE 13

BEREAVEMENT LEAVE

- 13.01 Upon the death of an employee's spouse, child or parent, the employee shall be entitled to five (5) working days' bereavement leave without loss of pay provided that the employee has not less than three months' cumulative compensated service. Upon the death of an employee's brother, sister, step-parent, father-in-law, mother-in-law, step-brother or step-sister, grandchild or grandparent, the employee shall be entitled to three (3) working days' bereavement leave without loss of pay provided that the employee has not less than three months' cumulative compensated service. It is the intent of this Article to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for that period to the employee to whom leave is granted.
- 13.02 For the purposes of this Article 13.01, eligible spouse is defined as follows: the person who is legally married to the employee, provided that if there is no legally married spouse that is eligible it means the person that qualified as a spouse under the definition of that word in Section 2(1) of the Canadian Human Rights Benefits Regulations, so long as such person is residing with the employee.
- 13.03 If an employee is bereaved while on vacation, bereavement leave days shall not be included as part of the vacation period. The vacation days not taken will be rescheduled through mutual agreement between the Company and the employee.

ARTICLE 14

ANNUAL VACATION

- 14.01 The vacation year shall be from January 1, through December 31.
- 14.02 In determining vacation entitlement, the Employer will count an employee's length of service, if any, with the Algoma Central Railway
- 14.03 An employee who on the 31st day of December in each year has:
- (a) Less than twelve (12) months continuous service with the Employer shall receive one-half day for each completed month of service, up to a maximum of five (5) days with pay at his regular rate;
 - (b) One (1) year or more continuous service but less than five (5) years of continuous service with the Employer shall receive two (2) weeks' vacation per year with pay at his regular rate;
 - (c) Five (5) years or more continuous service but less than fourteen (14) years of continuous service with the Employer shall receive three (3) weeks' vacation per year with pay at his regular rate;
 - (d) Fourteen (14) years or more continuous service but less than twenty-three (23) years of continuous service with the Employer shall receive four (4) weeks' vacation per year with pay at his regular rate;
 - (e) Twenty-three (23) years or more of continuous service with the Employer shall receive five (5) weeks' vacation per year with pay at his regular rate;
 - (f) Twenty-nine (29) years or more of continuous service with the Employer shall receive six (6) weeks' vacation per year with pay at his regular rate;

Note: Any ACR employees hired by the Employer whose vacation entitlement at the time of hire by the Employer is in excess of the above, shall continue to receive their vacation benefit existing at their time of hire.

- 14.04 An employee becoming eligible for a second, third, fourth, fifth or sixth week of vacation in accordance with Article 14.03 is entitled to the additional week of vacation in the year in which the employee qualifies for the additional week.
- 14.05 Employees shall qualify for vacation based on their previous service. Vacation is earned in the year it is taken and may not be carried over to the following year.
- 14.06 Upon termination of an employee, any unused vacation will be paid. Unearned vacation already taken will be reimbursed to the Company from any moneys held back by the Company.
- 14.07 For purposes of qualifying for the various levels of vacation referred to in Article 14.03, periods of lay-off will not be deducted from continuous service. For purposes of vacation

pay, time lost due to leave of absence or lay-off shall not be included. Vacation pay and eligibility will be pro-rated on the basis of days worked as a percentage of total days of work for the year.

ARTICLE 15

HOLIDAYS

15.01 An employee who qualifies for a holiday with pay under the *Canada Labour Code* (except the requirement to work the full shift before and after) shall be entitled to the following holidays without loss of pay:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
Civic Holiday	Boxing Day

Furthermore, one additional general holiday will be granted to eligible employees. This holiday will be a "floating" general holiday, which will be granted on another day in the same calendar year. The timing of the floating general holiday will be as agreed between the employee and his/her immediate supervisor. Should they be unable to agree, the matter will be referred to the Superintendent, and the designated Union representative for settlement. If they cannot agree, the floating general holiday will be granted on the birthday of the employee, or the regular work day immediately following the employee's birthday, if the employee's birthday falls on his or her scheduled day of rest, or it shall be paid if the birthday has passed.

15.02 An employee who is required to work on one of the above holidays shall receive additional pay at time and one half his regular rate of pay.

15.03 Where a paid holiday falls on an employee's day off or during his vacation, it shall be scheduled at a time mutually agreeable to the employee and his Manager, or shall be paid.

15.04 Governing Mechanical Employees Only

When a General Holiday falls on an employee's rest day, such holiday shall be moved to the normal working day immediately following the employee's rest day. Such General Holidays may be rescheduled through mutual agreement between the employee and the manager.

When an employee is required to work on a General Holiday, the employee shall be given advance notice of not less than four (4) calendar days except for unforeseen exigencies of the service, in which case they will be notified not later than the completion of their shift or tour of duty immediately preceding such Holiday that their services will be required. Under such circumstances the employee will receive punitive rates for hours worked and payment for the General Holiday and either; elect to receive payment for the General Holiday, or take a lieu day, or take a "comp" day.

ARTICLE 16

OVERTIME

- 16.01 Overtime assigned by the Employer will be paid in accordance with the *Canada Labour Code* and permits issued under that legislation. Employees will be given the option of taking compensatory time off in lieu of receiving overtime pay in accordance with Article 25.01.
- 16.02 Employees called in from home to work overtime which is not in conjunction with their shift, will be provided with at least four (4) hours of work. Where practicable, the senior employee at the location will be offered the overtime subject to the Employer's undertaking to endeavour to distribute overtime equitably. Any other overtime policy may be arranged by mutual agreement.
- 16.03 Any hours worked in excess of sixteen (16) in a twenty-four (24) hour period shall be paid at the rate of double time.
- 16.04 If required to work overtime for more than three hours, continuous with the completion of an employee's regular shift, said employee will be allowed twenty minutes for a meal without loss of pay as soon as the nature of the service permits upon the completion of the second hour of overtime. Employees will be given as much advance notice as practicable that overtime will be required.
- The allowance of twenty minutes upon the completion of the second hour will not apply in circumstances when an employee has accepted an overtime assignment to work a complete second shift. Under those circumstances the employee will adopt the normal meal break of that shift.
- 16.05 RTC's will receive payment of ten (10) minutes at overtime rates for transferring over the RTC desk/yard/mainline information to the RTC commencing his/her shift.

ARTICLE 17

HEALTH & WELFARE

17.01 The Employer shall pay 100% of the premium cost of the following benefits, for all employees who have completed their probationary period, during the term of this Agreement:

Extended Health Care

The Company will obtain a plan with coverage similar to a Green Shield plan. The plan shall have a ten (\$10.00) dollar single and twenty-five (\$25.00) dollar family deductible. The plan shall reimburse employees for 100% of the costs of those drugs covered by the plan, which are purchased by the employee.

Life Insurance

The Company will provide life insurance in the following amounts for employees who have compensated service with the Company on or subsequent to first day of the month following ratification.

- Effective October 1, 2011, the amount of life insurance will increase from \$37,000 to \$39,000.
- Effective February 1, 2012, the amount of life insurance will increase from \$39,000 to \$40,000.
- Effective February 1, 2013, the amount of life insurance will increase from \$40,000 to \$41,000.

Allowance for Medical Leave

Eighty (80%) percent of current rate of pay offset by any other benefits to which the employee is entitled for up to twenty-six (26) weeks in any one benefit year. Benefit commences on fourth day of absence unless absence due to accident or hospitalization in which case benefit commences on first day of absence. Temporary and temporary part-time employees are not entitled.

Long Term Disability Insurance

If an employee is disabled by non-work related illness or injury, Long Term Disability will be provided after initial 180 days on medical leave, on the following basis:

- (i) 50% of monthly salary (maximum \$5,000.00 month) offset by income from certain other sources (railroad retirement, social security benefits, etc.)
- (ii) subject to approval by LTD carrier
- (iii) this benefit shall be provided in accordance with the terms and conditions of the relevant policy, a copy of which will be made available to the Unions

Vision Care Plan

The Company will provide a vision care plan for employees and their dependents 18 years of age and older on the basis of up to \$250 every twenty-four (24) months. For dependents under 18 years of age on the basis of up to \$250 every 12 months.

Hearing Care Plan

This plan is payable at 100% after deductible. Hearing aids must be prescribed in writing by an otolaryngologist. The maximum amount payable in any 5 consecutive benefit years is \$500 for each person.

Dental Benefit Plan

i) Effective with treatment commencing on or after the first day 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 Ontario Dental Association Fee Guides for calendar years 2011, 2012, and 2013. The maximum annual benefit for the Dental Plan will be \$1725 for treatment commencing on or after the first day of the month following ratification.

ii)

Eligibility:	First day employed
Deductible:	\$50 per covered person \$100 per family
Preventive:	100% (Not subject to deductible)
Basic:	100% after deductible
Major Restorative:	50% after deductible

Orthodontia

Eligibility:	No age restriction
	50% payment, lifetime maximum (Not subject to deductible)
	\$1,500 lifetime orthodontia benefit

17.02 The following benefits will be available to employees on a voluntary basis with 100% of the premium costs of the benefits to be paid by the employee:

Voluntary Life Insurance

Life Insurance through payroll deduction in the amount of one or two times annual base salary. (Subject to insurance company medical approval).

Family life insurance may be purchased through payroll deduction, which provides for \$10,000.00 for spouse and \$5,000.00 for each eligible dependent. (Not subject to medical approval if enrolled within thirty-one days of eligibility.)

Voluntary Accidental Death & Dismemberment

Employee may purchase additional AD&D through payroll deduction. This is available for employee only as well as employee and family with a maximum amount of \$300,000.

Retirement Savings Plan

The Employer will contribute an amount equal to ten (10%) percent of the employee's regular straight time annual earnings and employees will contribute by payroll deduction five (5%) percent of such earnings to a retirement savings plan to be mutually agreed upon by the Employer and the Unions. If an employee withdraws any portion of the amount standing to his credit in such plan, the Employer will be under no further obligation to contribute to the plan on behalf of such employee.

ARTICLE 18

EXPENSE REIMBURSEMENT

- 18.01 Employees required to terminate their tour of duty away from their home terminal or headquarters point will be paid a meal allowance of \$36.00 per day for every twenty-four (24) hour period such employees are away from their home terminal or headquarters point unless meals are furnished by the Employer. At the expiry of twenty-four hours, an additional meal allowance of \$12 will be allowed for each additional 8 hours spent away from the home terminal or headquarters point. For each meal so furnished, an amount equal to \$12.00 shall be deducted from the \$36.00 per diem allowance above. The Employer will also arrange accommodation at its expense.
- 18.02 Engineering department employees required to complete their daily tour of duty away from their headquarters point will be provided with bunkhouse lodging or suitable accommodation.
- 18.03 Employees required to use their own automobile by the Employer will be reimbursed at the rate of forty-one cents (\$0.41) per kilometre.

ARTICLE 19

PAY DAY

19.01 Employees shall be paid on the 16th day of each month for the first half of each month and on the 1st day of the following month for the second half of each month. If a regular pay day falls on a Saturday, Sunday or holiday, paycheques will be available on the previous day that is not a Saturday, Sunday, or holiday.

NOTE: Amended commencing August 2006 all ACR employees administered on CN bi-weekly payroll dates.

19.02 When an employee is short paid more than a half a day's pay a special payment will be made to cover the shortage within one (1) working day of an employee's request for payment or as soon thereafter as possible.

19.03 Employees leaving the service of the Company will be furnished with a cheque covering all time due within seventy-two (72) hours or as soon thereafter as possible. The time specified shall be exclusive of Saturdays, Sundays and holidays.

19.04 All overtime earned shall be shown as a separate item on the pay cheques of employees.

Note: Notwithstanding the language of Article 19, the Company may, for operational efficiency, modify its pay procedures and adopt a bi-weekly payroll system other than the present bi-monthly arrangement. Should the Company wish to make such a change, it may do so, by providing the unions and the employees with no less than thirty calendar days' advance notice in writing. Nothing in this letter, nor in Article 19, is to be construed as limiting the Company's right to pay employees through direct deposit.

The Company and the Union also agree to meet within the first sixty days following ratification to convert the monthly rates into hourly rates. The agreed upon objective will be to address any affected articles of the collective agreement to ensure that the transition from monthly salary to an hourly rate of pay is cost and operationally neutral to the employees and to the Company.

ARTICLE 20

HOURLY RATES OF PAY

20.01 Salaries shall be in accordance with Article 25 Schedule "A". .

ARTICLE 21

PRINTING OF AGREEMENT

21.01 The Company will undertake the responsibility for the printing of the Collective Agreement as may be required from time to time and will absorb the cost of such printing. This will include the cost of printing updated pages.

ARTICLE 22

NOTICE BOARDS

22.01 Notice Boards will be provided for posting of notices by the Unions.

ARTICLE 23

INJURED ON DUTY

23.01 Employees injured while at work will not be required to make accident reports before they are given medical attention, if required, but will make them as soon as practicable thereafter. Proper medical attention will be given at the earliest possible moment.

23.02 An employee prevented from completing a shift due to a bona fide injury sustained while on duty will be paid for that full shift at straight time rates of pay, unless the employee receives Workers' Compensation benefits for the day of the injury in which case the employee will be paid the difference between such compensation and payment for their full shift.

ARTICLE 24

TERM OF AGREEMENT

24.01 This Agreement shall remain in full force and effect until January 31, 2014, 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 October 1, 2013, unless otherwise specified herein.

24.02 The provisions of 24.01 shall not preclude the parties to this agreement from making any changes to the agreement during the terms hereof that are mutually acceptable.

ARTICLE 25

JOB CLASSIFICATIONS & HOURLY RATES (ATTACHED AS SCHEDULE "A")

25.01 All employees covered by this Agreement will be paid a salary in accordance with Article 25.02. Unless otherwise specified in the job description, salary levels, assume an average five (5) day, forty (40) hour work week, which shall, unless otherwise posted in an individual job bulletin, commence on Monday of each week. Employees who work more than said number of hours in each workweek may, at their discretion, either:

- (a) be provided "Comp" time (time off with pay) the equivalent of the actual hours they worked in excess of such standard hours, or,
- (b) be paid overtime at the rate of time and one-half for the equivalent of the actual hours they worked in excess of such standard hours.

25.02 Employees who absent themselves from their assignments for any reasons during any work week shall have their monthly salaries adjusted in the next practical pay period by the actual number of hours below the standard hours in any work week that they may be so absent.

25.03 There may be positions which may so state in the bulletin, may not work five (5) continuous days during a work week. However, where possible and wherever the requirements of service permit, assignments shall in all departments be bulletined to work consecutive days, and to provide a minimum of two (2) consecutive rest days in a work week, with a presumption of Saturday and Sunday as preferred rest days if the requirements of service permit. However the parties recognize that:

Production work in some of the trades (for example, summertime track work, or, given projects in the car or locomotive shop areas), may require the establishment of a ten (10) hour per day, four (4) day work week or some other work schedule, as developed through the consultative process.

25.04 Former employees of the ACR hired by the Employer shall be hired at the base rate of pay so long as they had previous seniority on the ACR in the classification in which the Employer has designated as a position with the predominant duties requiring the skills of the former ACR craft.

Employees will be placed at their proper salary by the Employer in accordance with their skills, their previous craft seniority on the ACR and the predominant duties of the new position, and, their knowledge and demonstrated performance. In placing the employees in the salary ranges, the Employer will consider the employee's experience, if any, on the Algoma Central Railway.

25.06 **Shift Differentials**

Effective October 1, 2011, employees whose regularly assigned shifts commence between 1400 and 2159 hours shall receive a shift differential of seventy-five cents (75¢) per hour, and employees whose regularly assigned shifts commence between 2200 and 0559 hours shall receive a shift differential of eighty cents (80¢) per hour.

Overtime shall not be calculated on the shift differential nor shall the shift differential be paid for paid absence from duty such as vacations, general holidays, etc.

25.07 **Salaries Schedule "A"**

Describes the salaries for classifications covered by this Agreement:

ARTICLE 26

CONTRACTING OUT

26.01 The parties understand the Company's clear preference remains to have work performed in-house where it makes economic sense. That being said, it is understood that the Company may, from time to time, contract out work that is presently being performed by its employees. However, the Company also agrees that it is not its intention to contract out work presently and normally performed by employees of ACR if the contracting out would directly result in the layoff of regularly assigned employees. The Company will advise the union as far in advance as is practicable, but in any event, no less than thirty days in advance of the commencement of the contract.

26.02 If requested, the Company will meet with the union(s) and provide a description of the work to be contracted out, the anticipated duration of the contract, the reasons for the contracting out, and the expected date of the commencement of the contract. If the union requests costing information, related to the contracting out, to demonstrate the Company's allegations that there is a real economic advantage for contracting out the work, and to allow the union to produce a business case to argue for the return of the work, such details as may legally be communicated, shall be given to the union. During such discussions, the Company will give due consideration to the union's comments on the Company's plan to contract out and review in good faith such comments and alternatives brought forward by the union. If the union can demonstrate that the work can be competitively performed internally, in a timely fashion, in terms of efficiency, effectiveness, as economically, with the same quality as by contract, the work will not be contracted out or will be brought back in, as the case may be.

ARTICLE 27

MATERIAL CHANGE

- 27.01 Prior to implementing any technological, operational or organizational change of a permanent nature having adverse effects on employees holding permanent assignments, the Company will provide the Union(s) with no less than thirty (30) calendar days' advance notice in writing. The notice should include details of the change and the expected number of employees who could be affected. Note: Designated seasonal positions shall be considered as permanent for the purposes of this article. The expiration of a temporary vacancy or a temporary assignment does not constitute a change under this article. The terms "operational" or "organizational change" do not include normal reassignment of duties arising out of the nature of the work, nor to changes brought about by fluctuations of traffic, seasonal staff adjustments, or changes brought about by general economic conditions. The permanent reduction or elimination of excess plant capacity shall also be considered as technological, operational or organization changes under this clause. Should the Company relocate the home location of a permanent assignment, and the employee holding such assignment would be required to travel an additional 40 miles from their permanent place of residence to that new work location, that will be considered as an operational or organizational change under this provision.
- 27.02 Upon request, the parties may negotiate on items other than those provided by the collective agreement with a view to minimizing the adverse effects on the employees. If such negotiations do not result in mutual agreement within fifteen calendar days, the matters in dispute may be referred for mediation to a Board of Review composed of an equal number of senior officers of the union and the company. The matters to be reviewed shall not include any question as to the right of the Company to make the change.
- 27.03 Should a technological, operational or organizational change result in the permanent layoff of a regularly assigned employee hired by the Company (or its predecessors) before January 1, 1993 and who maintained a continuous employment relationship, the Employer shall canvass the other active employees holding permanent regular assignments within the bargaining unit for an employee whose voluntary departure would result in a vacant permanent assignment being made available to avoid the involuntary layoff. Should there be no volunteer, a severance will be offered to the adversely affected employee if eligible, who may elect layoff, or resign and take a severance payment in accordance with the following calculation. The volunteering employee would be given a severance payment equal to two weeks' base wages of the last permanent position held, for each year of cumulative compensated service, up to a maximum severance of one years' base wages or \$65,000, which ever is lesser. (Weekly base rate is calculated by multiplying the monthly base rate by 12 and then dividing by 52.1829.)

Note: Cumulative Compensated Service (CCS) means: one month of compensated service for work performed, which will consist of 21 days or major portion thereof, twelve months of CCS shall constitute one year of CCS, calculated from the last date of entry into the Company's service as a new or rehired employee. For partial year credit, six or more months of CCS shall be considered as a year of credit towards computation of severance or layoff benefits. Service of less than six months of CCS shall not be included in the computation.

ARTICLE 28

LAY OFF

- 28.01 For each year of cumulative compensated service, a permanent employee who is involuntarily laid off, temporarily or permanent, following the signing of this Memorandum of Agreement, will be allowed a gross layoff benefit credit of five weeks for each such year or major portion thereof, up to a maximum of fifty-two weeks. (N.B. see letter attached regarding TCRC M OF WED employees who are laid off at the time of settlement and their future entitlement to lay-off benefits).
- 28.02 The laid off employee, if otherwise eligible for E.I. benefits, would be entitled to a supplemental unemployment benefit which would top up his weekly E.I. benefit to 75% of the weekly base rate of the last permanent regularly assigned position held immediately prior to layoff. Should the employee be ineligible for E.I. benefits due to having exhausted his E.I. benefit entitlement, he shall receive an amount equal to the weekly E.I. maximum. Note for the purposes of this article designated seasonal positions will be considered as permanent positions. There will be a two-week waiting period, immediately following layoff without any benefits as per E.I. regulations. After exhausting benefit, the employee would remain eligible for recall as per Article 7. Outside earnings equal to less than 25% of the E.I. benefit will not be deducted from the top-up; if the outside earnings are more than 25% of the E.I. benefit, they shall be deducted from these benefits, as per E.I. regulations. An employee recalled to ACR and who works less than five days, shall have his earnings and E.I. topped up to the 75% level, if the earnings are less than said 75%. An employee in receipt of these benefits must accept recall to any vacancy, permanent, temporary or seasonal in his own bargaining unit, or for any work on the ACR for which he is qualified or is qualifiable, that remains unfilled after having been bulletined and for which no employees in the bargaining unit in question are available for recall. An employee after having depleted his credit bank may re-establish entitlement on the basis of five weeks of credit for each year of additional compensated service.
- 28.03 Notwithstanding any of the above, employees will not be considered laid off for benefit entitlement under the application of Articles 27 or 28:
- a) When their employment is interrupted by leave of absence, sickness or injury, disciplinary action or being held out of service pending investigation and subsequent decision, failure to exercise seniority, retirement, act of God or force majeure, or cessation of work due to strikes (legal or illegal) or lockouts.
 - b) During the interval following recall until they actually return to work, or if they decline for any reason recall to any work on the ACR in their own bargaining unit, if they decline to accept any other work on the ACR for which they are qualified or for which they could become qualified in a reasonable period of time.

Note: Although the lay-off benefit ceases, employees' rights and obligations under Article 7.11 remain unchanged.

- c) When they are in receipt of any other payments of any kind or nature directly from the Company.
- d) After they are discharged, dismissed, or terminated for any reason, or after they resign.
- e) During any recognized period of seasonal layoff.

28.04 Employees who satisfy the eligibility requirements above, will be eligible for a benefit payment in respect of each full week of seven consecutive calendar days of layoff provided they meet the following requirements:

- a) They have five or more years of continuous employment relationship at the beginning of the calendar year in which the period of continuous layoff in which the claim week occurs.
- b) For weekly layoff benefits, a continuous waiting period of fourteen (14) calendar days in the period of layoff has expired.
- c) Each period of layoff will require an additional fourteen (14) day waiting period, unless they are recalled and then subsequently laid off again within a period of ninety calendar days.
- d) They have applied for benefits in the manner and form prescribed by the Company.
- e) They have fully exhausted seniority rights on the ACR.
- f) Employees who elect layoff benefits will forfeit all rights to a voluntary separation payment.
- g) They have not applied for a voluntary severance payment within the fourteen days immediately following layoff.
- h) The aforementioned clauses take precedence over any other clauses in the collective agreement.

Note: The benefit entitlement period (maximum of 52 weeks) commences immediately following layoff, and is not extended if the employee delays applying for layoff benefits.

This SUB plan requires the approval of HRDC and will be null and void should said approval not be granted. If the program is not approved, the parties agree to meet within 30 days of receipt of notice from HRDC to attempt to modify these provisions to assure compliance with HRDC regulations.

PARTICIPATORY PROCESS

IMPLEMENTATION OF PARTICIPATORY PROCESS

During these negotiations the Unions expressed concerns with the ability to resolve issues at a local level. They were also concerned with the ineffectiveness of the existing consultative process.

The parties agreed that many of the problems and frustrations could be resolved if there was a genuine commitment from both parties to openly and frankly discuss them in cooperative and participatory fashion.

It was recognized that we have many issues in common that were suitable for the participatory process. They were for example:

- safety and health of employees
- self directed teamwork
- work method improvement
- promotion of inter function understanding
- involving the right people in decision making
- focusing on customer requirements
- the quality of tools and equipment
- open door policy
- improving employment opportunities
- enhancing skills
- quality of life issues
- recognition systems

This list is not exhaustive and can be added to or subtracted from at any time. We recognize that there are issues that are not suitable for this process or may be the legislated or accepted responsibilities of individual parties such as investigation procedures, dues paying, staffing levels or disciplinary decisions.

By dealing with these types of issues in a cooperative and consultative manner it is recognized that there would be improved morale and productivity, which would in turn enhance the desired objective of job security and company viability.

CONTINUATION OF PROCESS

An objective, some guiding principles and assurances are outlined on the following page which will provide the foundation for implementation of the process.

We also recognize that there is a need to ensure that the success of this process requires a strong commitment and we will empower a small task force comprising equal union and management representatives to appoint trainers and leaders to make sure our objective is achieved.

PARTICIPATORY PROCESS

All parties recognize the benefit of the involvement of all employees in improving the workplace, its conditions, the quality of life of employees and the service to our customers. In doing so, we have decided to engage in a participatory process by which employees can be actively involved with issues that they deem important.

OBJECTIVE

Our objective is to develop a safe, self-directed environment designed to improve customer and employee satisfaction through the cooperative efforts of all.

GUIDING PRINCIPLES

All parties are committed to fostering a participatory process designed to reach our objective.

All parties are committed to the principles of mutual respect and equality of contribution in this process.

All parties recognize their responsibility to support and follow up on the commitments made in the process.

ASSURANCES

The guiding principles for the participation of employees will:

- assure the maintenance of company and union values and structure
- not negatively impact job security
- recognize freedom of speech without fear of retaliation
- assure consistent rules for all participants
- respect the collective agreement and company policies
- provide for consensus decision making
- ensure that all ideas submitted are seriously considered and employees whose ideas are not implemented are told why

The company commits to provide education and training for its people to ensure the support and successful implementation of the participatory process.

SIGNATORY PAGE

Signed at Sault Ste. Marie, Ontario, this 11th day of September, 2011.

(Sgd) Ross Bateman
Director, Labour Relations

(Sgd) Perry Wilson
Chairman, Associated Non-Operating Rail Unions and
Union Steward – Steelworkers

(Sgd) Barry Hogan
Manager Labour Relations

(Sgd) Ross Terry
Vice-President
TCRC M of WED

(Sgd) Bruce Firlotte
Local Chairman
TCRC M of WED

(Sgd) Robert Thompson
Directing Business Partner
International Association of Machinists and
Aerospace Workers

(Sgd) Lyle Digby
Local Chairman
International Association of Machinists and
Aerospace Workers

(Sgd) Ron Marleau
Vice-President
Steelworkers

(Sgd) Brian Stevens
National Representative
National Automobile, Aerospace, Transportation and
General Workers Union of Canada (CAW – Canada)

(Sgd) Drew Ratajewski
Vice-President – Great Lakes Region
National Automobile, Aerospace, Transportation and
General Workers Union of Canada

Letter #1

LETTER OF UNDERSTANDING

The Employer recognizes the value of the following plans and programs and agrees to provide each to employees covered by this Agreement in accordance with its usual practice:

- (a) Employee Assistance Program
- (b) Stock Purchase Plan
- (c) Scholarship Program
- (d) Educational Reimbursement Program

The references to Employee Assistance Program, Stock Purchase Plan, Educational Reimbursement Program, and Scholarship Program will effective with the renewed collective agreement be provided in accordance with the CN policies.

LETTER #2

**LETTER OF AGREEMENT
BETWEEN
THE ALGOMA CENTRAL RAILWAY INC.
AND
THE TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION
CONCERNING THE CHANGE IN ARTICLE #25.05 (MONTHLY SALARIES)
DEVELOPED AN ENTRY AND BASE RATE FOR THE CLERICAL POSITIONS**

It is agreed that effective February 1, 1998 the following will apply with respect to the clerical salaries:

Salary Structure

It is agreed that a new monthly salary structure will consist of an entry rate and a base rate. The entry rate will be 85% of the base rate.

It is agreed that the existing "Mid" salary point will be the established base rate.

It is agreed that a 5% progression from the entry rate to the base rate will be scheduled on a 6-month basis in conjunction with the performance review.

Change in Salary

It is agreed that the Material Handler position will be paid at the General Clerk rate as outlined in ACRI Agreement of February 1, 1995.

The above change in salary structure will apply.

This agreement made and entered into this 17th day of September 1998.

(Sgd) Perry Wilson
General Chairman USWA
Algoma Central Railway Inc.

(Sgd) Richard P. White
Vice President Human Resources

LETTER #3

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (now TCRC MofWED) and
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS**

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

The Company will allow the use by members of TCRC MofWED & IAM of the bunk house at Hawk Junction to the extent rooms are available after providing for engineers and conductors.

The Company agrees in principle to provide transportation from the headquarters location to the work site and back, the details of which will be developed in the consultative process.

Any existing bunk houses used by the members of the TCRC MofWED or IAM will be retained in service subject to the same conditions as currently exist.

This agreement made and entered into this 17th day of September 1998.

(Sgd) Marc Couture
General Chairman BMWE

(Sgd) Steve Frayling
Local Chairman IAM

(Sgd) Richard P. White
Vice President Human Resources
Algoma Central Railway Inc.

LETTER #4

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (now TCRC MofWED) and
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS**

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This has reference to discussions between the parties during the current round of negotiations in connection with the travel arrangements for members of the TCRC MofWED /IAM employed on seasonal production gangs.

It is agreed that such employees will be paid the applicable mileage rate at gang start up, from Steelton to the location of accommodation to be used. Mileage rates will also apply each time the gang is moved from one location to another and on gang wind-up for travel back to Steelton.

It is further agreed and understood that the gangs' time will start and end at the designated accommodation location.

This agreement does not preclude other employees from claiming the mileage allowance under the provisions of Article 18.03 of the collective agreement.

This agreement made and entered into this 17th day of September 1998.

(Sgd) Marc Couture
General Chairman BMWWE

(Sgd) Steve Frayling
Local Chairman IAM

(Sgd) Richard P. White
Vice President Human Resources
Algoma Central Railway Inc.

LETTER #5

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (now TCRC MofWED)

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This has reference to discussions between the parties during the current round of negotiations in connection with TCRC MofWED members being set up as supervisors and maintaining their seniority standing within the ranks of the TCRC MofWED.

It was agreed that such employees will have Union dues deducted from their pay cheques in an amount equal to that paid by TCRC MofWED represented employees, in order to maintain a seniority standing on the lists they are currently listed. Such employees refusing to have deductions made, will have their names removed from all applicable seniority lists.

It is further agreed that any supervisor reverting to the ranks will be required to displace the junior permanent employee, seniority permitting, in the highest class in which he holds seniority, except in situations where the Employer institutes a change abolishing a supervisor's position where such employee will be allowed to exercise his full seniority rights. It is understood that the provisions of Article 7.06 of the collective agreement will apply.

This agreement made and entered into this 17th of September 1998

(Sgd) Marc Couture
General Chairman BMW

(Sgd) Richard P. White
Vice President Human Resources
Algoma Central Railway Inc

LETTER #6

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (now TCRC MofWED)

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This has reference to the TCRC MofWED demand during the current round of negotiations with respect to eight consecutive hours constituting a day's work.

During discussion of this demand, the Company officers concerned assured the Brotherhood representatives, that there will be no implementation of split shifts for any positions represented by the TCRC MofWED.

It is understood that this assurance will remain in effect for the term of the newly negotiated agreement.

This agreement made and entered into this 17th day of September 1998.

(Sgd) Marc Couture
General Chairman BMWWE

(Sgd) Richard P. White
Vice President Human Resources
Algoma Central Railway Inc.

LETTER #7

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (now TCRC MofWED)

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This has reference to discussions between the parties during the current round of negotiations in connection with the existing bunk house accommodations used by members of the TCRC MofWED.

It is agreed that bunk houses at Montreal Falls, Hawk Junction, Agawa Canyon, Franz and Oba currently used by the members of the TCRC MofWED will be retained in service and will be kept in good repair.

Since the Union's request to have similar accommodation arrangements at Wyborn has not been resolved in the negotiation process, the parties agree that this issue will be advanced to the new participation/consultation process to reach a mutually satisfactory resolution.

This agreement made and entered into this 17th day of September 1998.

(Sgd) Marc Couture
General Chairman BMWWE

(Sgd) Richard P. White
Vice President Human Resources
Algoma Central Railway Inc.

LETTER #8

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This has reference to the current round of negotiations and changes made to letters of understanding involving the ACRI, TCRC MofWED and IAM now reflecting agreement between the ACRI and TCRC MofWED only.

As a result of those changes, it is agreed that the letters of understanding between the ACRI and TCRC MofWED dealing with bunkhouse accommodations and travel arrangements for gang employees apply equally to members represented by the IAM.

This agreement made and entered into this 17th day of September 1998

(Sgd) Steve Frayling
Local Chairman
IAM

(Sgd) Richard White
Vice President
Algoma Central Railway Inc.

LETTER #9

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

CAW CANADA

Given the scale of Algoma Central Railway's operation, it is understood that contractors and their equipment will be used at derailment sites where the authorized manager determines the need. However as stated in Article 26.01 of this agreement, the Railway will utilize its own people and equipment where that is proven to make sound business sense.

This agreement made and entered into this 17th day of September 1998.

(Sgd) Fred Allinson
Local President
CAW

(Sgd) Richard P. White
Vice President Human Resources
Algoma Central Railway Inc.

LETTER #10

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

CAW CANADA

I am in receipt of your May 4, 1998 letter reviewing our discussion of March 27, 1998 regarding clarification of the lay-off and recall provision. Any employee on a lay-off status who has been recalled to a temporary position will be considered to have regular recall rights pursuant to our collective agreement.

This letter made and entered into this 17th day of September 1998.

(Sgd) Fred Allinson
Local President
CAW

(Sgd) Richard P. White
Vice President Human Resources
Algoma Central Railway Inc.

LETTER #11

May 6, 1998

All Managers
Algoma Central Railway Inc.

During the current negotiations for the ACRI collective agreement the issue was raised of the interpretation of 9.01(a) of the agreement.

The clause provides the ability for people to be held off work for up to 5 days while an investigation is held. There are two points to this clause that should be noted.

- (1) You cannot hold people off without pay under this clause as such an action is a form of discipline which cannot be determined without the fair and impartial hearing required in the clause. Effectively this means that the employee will continue to be paid until the hearing is held and the decision made.
- (2) It is not appropriate to hold people off work unless the behaviour has been clearly unsafe; or the employee has been grossly insubordinate; or has been involved in suspected theft, fraud, drinking, drugs, violence; or has a pattern of miscreant behaviour which has been the subject of past notice, or similar levels of unacceptable behaviour.

Should you have any need for clarification of this letter, please do not hesitate to call myself (847) 318-4655, Deb Coady (920) 436-5960 or Teresa Vavala (705) 541-2940.

(Sgd) Richard P. White
Vice President Human Resources

RPW/jvd

cc: G. Kerbs
J. E. Terbell
R. Nadrowski
W. Kelly
J. Van Huis
G. Guthrie
J. Rogers
T. Corson
D. Ingold

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

– and –

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (now TCRC MofWED)

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

- It has been agreed that TCRC MofWED and ACRI Managers of Maintenance and Production will update the Seniority roster to include the following classification changes, which will be completed and posted within 60 days.
 - Labourer Trackman “A” will be changed to Maintenance Trackman
 - Maintenance Machine Operator will be changed to Maintenance Machine Operator “A” and Maintenance Machine Operator “B”.
 - Extra Gang Machine Operator Self-Propelled and Extra Gang Machine Operator Non-Self Propelled will be changed to Production Machine Operator “A”, Production Machine Operator “B”, Production Machine Operator “C” and Production Machine Operator “D”.
- It is also agreed that thereafter will be a 30-day review period by all parties after which time the revised roster will be final and binding. It is also agreed that TCRC MofWED members will be barred from filing a grievance on the finalized roster. Previously established seniority dates will not be changed.
- Vacancies for Flagman or Flagman Foreman will be assigned on the basis of Track Labourer seniority. Employees assigned to perform flagging will be paid at the employee’s current rate but in any event at a rate no less than the rate applicable to Operator “B”.
- It has been agreed that ACRI will consult the TCRC MofWED in determining the classification of any new Engineering Department machines acquired for use on the ACRI. The Company will determine the classification of a new machine only after consultation with the union.
- Monthly salaries for TCRC MofWED job classifications covered by this Agreement will be paid at Base rate providing employee has successfully completed probationary period as outlined in Article 7.02.
- The Company will develop an Annual Vacation schedule in reference to Article 14, and will determine the number of employees who may be permitted to take vacation at any one time, at any particular location. Such determination will be exercised in good faith.
- The vacation schedule will be posted at the start of the calendar year (or at recall for seasonal employees) and employees will request vacation dates within four weeks of the posting.

- ❑ Vacation requests will be granted based upon date entered service seniority.
- ❑ The vacation schedule will be closed four weeks after posting. Any requests received after the closing will be granted by management approval on a first-come, first-served basis only. Under no circumstances may a senior employee displace a junior employee's awarded vacation after the closing of the schedule.
- ❑ Article 7.04 (a) 2 of the Collective Agreement is modified for TCRC MofWED represented employees as follows: Vacancies of new positions falling within the following particular groups will be filled by the senior applicant from within that group in descending order, prior to awarding to other applicants of the bargaining unit.

Production

Production Foreman
 Production Assistant Foreman
 Machine Operator A
 Machine Operator B
 Labourer

Maintenance

Track Foreman
 Track Assistant Foreman
 Machine Operator A
 Machine Operator B

Bridge & Building

B&B Foreman
 B&B Tradesperson

Canyon Park

Welding

Track Welder
 Track Welder Helper

Park Technician

- ❑ It is agreed that bunkhouses at Montreal Falls, Hawk Junction, Agawa Canyon, Franz and Oba currently occupied by the members of the TCRC MofWED will be retained in service and will be kept in good repair. If facilities are not in use or being occupied by TCRC MofWED members, the Employer may disconnect services until they are occupied again.
- ❑ This has reference to our discussions during the recent round of negotiations in connection with Article 16 and the process used in the utilization of employees for overtime work. For overtime work on any particular track section, the following order will be utilized:
 1. The Maintenance Foreman from that track section, if unavailable or additional men are required.
 2. The senior trackman from that section.
 3. If additional trackmen are required, employees from the closest adjoining section to the work in the same order as above will be called.

This rule is not intended to preclude the utilization of an employee whose regular duties involve the operation of a particular piece of equipment, if such equipment is required.

For overtime work on gangs the senior employees regularly performing the work and/or regularly operating the equipment required for the overtime work will be entitled to such overtime work. If unavailable, the senior employee of the class required will be utilized. In all other cases the senior employees regularly performing the work will be utilized.

This agreement made and entered into this 21st day of February 2002.

(Sgd) Marc Couture
 General Chairman, BMWWE

(Sgd) D.S. Fisher
 for Algoma Central Railway Inc.

LETTER #13

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

– and –

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (now TCRC MofWED)

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This is with regards to your concerns about the impact on the work of your members as a result of the acquisition of ACR by Canadian National.

Mr. Heller, in reply to your queries, stated that it was not his intention to have CN Engineering Services employees perform routine maintenance work on the ACR. Furthermore, Mr. Heller indicated that if he were to contemplate sending CN work equipment onto this railroad for a major work undertaking, such as the undercutter program, he committed to meeting with the TCRC MofWED to review how to ensure the optimal utilization of ACR employees on such a project prior to commencing the work. His clear intention is to use local employees to the extent practicable, and to rely on CN employees only for their specialized expertise on their equipment.

This agreement made and entered into this 21st day of February 2002.

(Sgd) Marc Couture
General Chairman
BMWE

(Sgd) D. S. Fisher
for Algoma Central Railway Inc.

LETTER #14

LETTER OF AGREEMENT
BETWEEN
THE ALGOMA CENTRAL RAILWAY INC.
– and –
INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS

This is with regards to our discussions concerning our agreement with respect to the Company initiative to bring back in-house, previously contracted out motorized machinery. It is understood that this action was designed to compensate for the loss of work to the ACR Roadway Equipment Mechanics, which arose as a direct result of the elimination of obsolete equipment.

As a general principle, if the maintenance of this work is to be performed by employees of the ACR, it will be normally assigned to Road Equipment mechanics, where the workload and circumstances permit it. This is not to be construed as giving those employees proprietary rights to the maintenance of said equipment and it is understood that they may always be assigned work in accordance with the terms of the collective agreement as a whole.

This agreement made and entered into the 21st day of February 2002.

(Sgd) R. E. Tindale
Local Chairman
IAM

(Sgd) D.S. Fisher
for Algoma Central Railway Inc.

Letter #15

February 21, 2002

Mr. Guy Scarrow
Chairman, ARU

Dear Mr. Scarrow:

This is with regards to our discussions concerning the grievance procedure found in Article 9.

It was agreed to amend the grievance procedure to indicate that Step 1 grievances will be presented to the employee's immediate supervisor or manager. Step 2 appeals should be addressed to the Superintendent (presently G. Wolnairski) ACR, and Step 3 appeals should be addressed to the Senior Vice-President, Eastern Canada Division (K. Heller). In order to expedite a reply, it would be appreciated if a copy of all step 2 and step 3 grievances was sent to Paul Bourque, Human Resources Associate, by fax at (905) 669-3333.

Yours truly,

(Sgd) D.S. Fisher
for Algoma Central Railway

LETTER #16

Mr. G. Scarrow,
Chairman ARU

Dear Mr. Scarrow,

Article 7

This is with reference to the Union's demands regarding severance, as was agreed, Article 7.13 will be added as follows

"An employee who has been advised in writing by the Company that his return to work is unlikely, may elect to receive severance pay as outlined in the Canada Labour Code, provided he abandons his recall rights under the collective agreement, and terminates his employment with the Company."

It is understood that an employee who has drawn lay-off benefits under the proposed SUB top up plan, will not be eligible for any such severance payments, until the Union(s) produce a clear interpretation from HRDC that such "after the fact" severance payments are permissible without jeopardizing the approval of the SUB plan. In that event any money paid out as SUB will be deducted from the severance payment.

The employee assumes all responsibility for any provincial or federal withholdings, and it is agreed that the Company may be required by law or regulation to withhold from said severance payment.

Furthermore, it was agreed that Article 7.11 will be amended by adding the following:

"Employees who are employed by another employer at the time of recall, will be allowed 14 calendar days from the date he receives this notification of recall by ACR, to present himself, only if required to give formal notice to the current employer."

Yours truly,

(Sgd) D.S. Fisher
for Algoma Central Railway Inc.

I agree,

(Sgd) G. Scarrow
for ARU

LETTER #17

Mr. M. Couture
General Chairman
BMWWE

Dear Mr. Couture,

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This is with reference to the union's concerns that some employees were having difficulty understanding the information as it is presented on their pay stubs.

Therefore, in order to address said concerns it is agreed that the Company will provide a sample payroll stub, which will be footnoted with explanations on how each number is calculated. Employees who need personal clarification, may ask and an individual orientation will be given.

Note: The establishment of an hourly wage and the implementation of bi-weekly payroll will make the pay stub reference in letter #25 redundant. (Implemented August 2006)

This will also confirm our agreement that job postings for Engineering vacancies will show the machine type to be operated and classification.

This will also confirm our agreement to modify Article 2.02 to add "xiii – Park Technicians – TCRC MofWED."

I trust this addresses your concerns.

Yours truly,

(Sgd) D.S. Fisher
for Algoma Central Railway Inc.

LETTER #18

Mr. Guy Scarrow
Chairman ARU

Dear Mr. Scarrow,

This is with regards to your questions about retiring and or laid off employees being permitted to pay for the continuation of extended health care and other benefits.

In order to address your concerns the matter will be referred to closed period discussions, where the Company will pursue the matter with the insurance carrier to determine the feasibility of the question under the terms of the existing benefits contracts. After such a fact finding the parties will meet to discuss the possible implementation of a benefits continuation arrangement as long as such an arrangement is permissible under the terms of the contract and as long as it remains cost neutral to the Company.

It is understood that the Company's practice regarding benefits maintenance after layoff will continue regardless of the outcome of this closed period commitment.

Yours truly,

(Sgd) D.S. Fisher
for Algoma Central Railway Inc.

LETTER #19

Mr. G. Scarrow,
Chairman ARU

Dear Mr. Scarrow

This is with reference to the concerns of the ARU, regarding opportunities for employment for employees laid off at the ACR, elsewhere on the CN system.

The Company agrees that mutual benefits would flow from assisting employees to find work within the greater CN system.

Therefore, employees laid-off from the ACR will be given preferred consideration for vacancies that may arise elsewhere on the CN system. Should the individual satisfy the qualification requirements for the CN vacancy, they shall be released temporarily from ACR. Seniority provisions and protection on the ACR list will be as per the ACR collective agreement or as agreed with the respective bargaining agent. Seniority on the CN will be in accordance with the CN collective agreements unless otherwise mutually agreed. Cumulative compensated service with the ACR will be recognized by CN for the purposes of vacation entitlement, and extended health and dental coverage only. Once an employee commences work on CN, any benefits being provided by ACR will cease (i.e. lay off benefits, extended health and dental benefits under the ACR plans, etc.)

Yours truly,

(Sgd) D. S. Fisher
for Algoma Central Railway Inc.

LETTER #20

February 21, 2002

Mr. M. Couture
General Chairman
BMW

Dear Mr. Couture,

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

This is with regards to the Brotherhood's concerns for employees presently laid off from the ACR, and the structure of the SUB plan as it might apply to these individuals.

The question arose specifically with regards to those employees who normally work on a seasonal basis, and their entitlement to benefits under the new lay off plan. The Company advised that its plans for Engineering and track maintenance work are only now being contemplated and no guarantees could be given with regards to the number of employees to be recalled.

The Company understood the impact of the uncertainty, and therefore the following measures were agreed upon:

- 1) Any TCRC M of WED represented employee presently laid off, may voluntarily elect to sever his employment relationship, and relinquish all future recall rights (under any collective agreement, with the ACR, and in return would be given a severance payment of \$5000.
- 2) Employees are under no obligation to request such a severance, but must request a severance before they are recalled.
- 3) Interested employees must sign the Company's documents related to the forfeiture of their recall rights, and acceptance of the special severance prior to June 28, 2002 at 16:00 in order to be eligible for this severance opportunity.
- 4) Employees recalled to work by the ACR to seasonal work assignments between the signing of this memorandum of agreement and August 1, will, if subsequently laid off, during the recognized seasonal work period, if otherwise eligible, be entitled to lay off benefits.
- 5) The seasonal work period will be April 15 to November 15.
- 6) Any employee who has not elected a voluntary severance and who is recalled only after August 1, 2002, will not become entitled to any seasonal layoff benefits until such time as that employee has accumulated four (4) additional months of Cumulative Compensated Service.

LETTER #20

It is understood that employees presently on lay off recalled to a position normally worked year round, or if a so-called seasonal position becomes full time year round, will if subsequently laid off, be entitled to lay off benefits regardless of when such lay off occurs.

If this represents our agreement, please countersign below, and return a copy for our files.

Yours truly,

(Sgd) D. S. Fisher
for Algoma Central Railway Inc.

I concur,

(Sgd) Marc Couture
General Chairman

LETTER #21

Mr. D. Bujold
Department Head
United Steelworkers of America

Dear Mr. Bujold,

This letter is to confirm our conversation where ACR hereby agree to adjust the monthly salary of the Rail Traffic Controller to \$4940 per month. This adjustment will be subject to any general wage increases that may be negotiated into the ARU collective agreement. This adjustment will take effect January 1, 2001.

We also confirm that in recognition of the Rail Traffic Controllers being normally scheduled to a four day on four day off work schedule, RTC's will be granted 96 hours of compensatory time per annum.

It was also agreed to modify all reference to TCIU in the collective agreement to read USWA.

Yours truly,

(Sgd) D. Coady
Vice-President Human Resources

I agree:

(Sgd) D. Bujold
Department Head

LETTER #22

Note: This Letter was amended to reflect terms contained in the negotiated Memorandum of Settlement dated November 16, 2005.

Algoma Central Railway Inc.
Engineering Department
List of TCRC M of WED Machines

Production Machines	Classification
Locomotive crane	A
Production Tamper	A
Truck crane	A
Brandt truck	A
Tie inserter	B
Tamper, Surfacing Gang	B
Tamper, Tie Gang and Rail Gang	B
Ballast Regulator	B
Spiker	B
Dump Truck	B
Dual spike puller	B
Scarifier	B
Tie Crane	B
Heater	B
Adzer	B
Plate placer	B
Anchor squeeze	B
Anchor fast	B
Cribber	B
Kicker	B

MAINTENANCE MACHINES	CLASSIFICATION
Boom truck	A
Jordan spreader/ditcher	A
Lube truck	B
Snow plow (Russell)	B
Speed swing	B
Pay loader/front end loader	B
Snow fighter	B
Typhoon Machine	B

Note: Nothing in this letter is intended to expand or diminish the jurisdictions of the IAM and/or the TCRC MofWED.

Yours truly,
(Sgd) D. S. Fisher
for Algoma Central Railway Inc.

I agree,
(Sgd) Marc Couture
General Chairman

LETTER #23

Mr. G. Scarrow,
Chairman ARU

Dear Mr. Scarrow,

POSTING, Article 8

The demand of the ARU related to posting is resolved on the basis of the following:

a) Article 8.01 last sentence modified to read:

However, a temporary vacancy of less than thirty (30) work days or less shall be filled by the employer in consultation with the union.

b) Although this was a common demand, the different types of work peculiar to each bargaining unit make a common solution impractical. Therefore, the parties agree to refer this matter to the closed period for continued discussions between each bargaining agent and the employer, to craft mutually acceptable solutions regarding job posting procedures and/or durations.

Yours truly,

(Sgd) D.S. Fisher
for Algoma Central Railway Inc.

I agree,

(Sgd) G. Scarrow
for ARU

Letter #24

September 21, 2011

Bruce Firlotte
Local Chairman
TCRC-MofWED

Ross Terry
Vice-President
TCRC – MofWED

Gentlemen:

The parties recognize the requirement to maintain flexibility in starting times to respond to changes in work blocks and available track times. While the Company recognizes the Union's express desire to be provided with advance notice of start time changes, any advance notification of changes should not negatively impact our ability to provide timely customer service or affect operational efficiencies.

The starting time for employees working at the home terminal may be established or changed to meet the requirements of the service. When the starting time is to be changed, as much advance notice as possible, but no less than 24 hours notice, shall be given to employees affected.

The starting time for employees working away from the home terminal may be established or changed to meet the requirements of the service. When the starting time is to be changed, as much advance notice as possible, but not later than at the completion of the previous tour of duty, shall be given to employees affected.

It is additionally understood that shorter notice of change in start times may be provided in instances when the Track Geometry Car or any other specialized equipment is on the ACR territory and requires protection. The Company will make all reasonable efforts to provide as much advance notice as possible.

Yours truly.

Ross Bateman
Director Labour Relations

Barry Hogan
Manager Labour Relations

Schedule A - ACR Hourly Rates of Pay

Annual hourly wage increases are effective February 1

Classification	2009	2010	2011	2012	2013
Rail Traffic Coordinator					
Entry – hourly rate	28.57	31.79	32.61	33.59	34.60
Base – hourly rate	36.52	37.40	38.37	39.52	40.71

Classification	2009	2010	2011	2012	2013
Yard Coordinator					
Entry – hourly rate			25.93	26.70	27.50
Base – hourly rate			30.51	31.42	32.36

Classification	2009	2010	2011	2012	2013
Lead Mechanic					
Entry – hourly rate	N/A	N/A	N/A	N/A	N/A
Base – hourly rate	28.86	29.55	30.32	31.23	32.17

Classification	2009	2010	2011	2012	2013
Mechanic					
Entry – hourly rate	N/A	N/A	N/A	N/A	N/A
Base – hourly rate	27.37	28.03	28.76	29.62	30.51

Classification	2009	2010	2011	2012	2013
Composite Equipment Mechanic/Electrician/Machinist					
Entry – hourly rate	N/A	N/A	N/A	N/A	N/A
Base – hourly rate	28.14	28.82	29.57	30.46	31.37

Classification	2009	2010	2011	2012	2013
Apprentice Mechanic					
Entry – hourly rate	18.63	23.83	24.45	25.18	25.93
Base – hourly rate	N/A	N/A	N/A	N/A	N/A

Classification	2009	2010	2011	2012	2013
Clerical – Materials Handler, Customer Service Representative, Sr. General Clerk, Passenger Sales Rep.					
Entry – hourly rate	20.67	21.16	21.71	22.36	23.04
Base – hourly rate	24.31	24.89	25.54	26.31	27.10

Schedule A - ACR Hourly Rates of Pay

Annual hourly wage increases are effective February 1

ENGINEERING

Classification	2009	2010	2011	2012	2013
Production Foreman					
Entry – hourly rate	26.60	26.83	27.52	28.35	29.20
Base – hourly rate	30.82	31.56	32.38	33.35	34.35

Classification	2009	2010	2011	2012	2013
Foreman A, B&B Foreman, Welder Foreman					
Entry – hourly rate	24.55	25.12	25.77	26.55	27.34
Base – hourly rate	28.86	29.55	30.32	31.23	32.17

Classification	2009	2010	2011	2012	2013
Roadway Equipment Mechanic					
Entry – hourly rate	23.94	24.50	25.13	25.89	26.66
Base – hourly rate	28.14	28.82	29.57	30.46	31.37

Classification	2009	2010	2011	2012	2013
Foreman B Machine Operator A					
Entry – hourly rate	23.30	23.83	24.45	25.18	25.93
Base – hourly rate	27.37	28.03	28.76	29.62	30.51

Classification	2009	2010	2011	2012	2013
Machine Operator B Welder					
Entry – hourly rate	22.07	22.60	23.19	23.89	24.60
Base – hourly rate	25.97	26.59	27.28	28.10	28.94

Classification	2009	2010	2011	2012	2013
Assistant Foreman					
Entry – hourly rate	20.95	21.42	21.98	22.64	23.32
Base – hourly rate	24.61	25.20	25.86	26.64	27.44

Classification	2009	2010	2011	2012	2013
Welder Helper B&B Carpenter					
Entry – hourly rate	19.79	20.25	20.77	21.39	22.04
Base – hourly rate	23.26	23.82	24.44	25.17	25.93

Schedule A - ACR Hourly Rates of Pay

Annual hourly wage increases are effective February 1

ENGINEERING

Classification	2009	2010	2011	2012	2013
Track Labourer Park Technician					
Entry – hourly rate	17.53	17.97	18.44	18.99	19.56
Base – hourly rate	27.37	28.03	28.76	29.62	30.51

Classification	2009	2010	2011	2012	2013
Technician A (C&S)					
Entry – hourly rate	26.32	26.93	27.63	28.46	29.31
Base – hourly rate	30.94	31.68	32.50	33.48	34.48

Classification	2009	2010	2011	2012	2013
Technician B (C&S)					
Entry – hourly rate	16.88	17.28	17.73	18.26	18.81
Base – hourly rate	19.84	20.32	20.85	21.48	22.12