

RECEIVED
NOV 22 2007

COLLECTIVE AGREEMENT

AMONG

HUDSON BAY RAILWAY COMPANY
("HBR")

AND

TEAMSTERS CANADA RAIL CONFERENCE
("TCRC MWED")

AND

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW-CANADA) LOCAL,
100
("CAW")

AND

TEAMSTERS CANADA RAIL CONFERENCE ("TCRC")

AND

THE UNITED TRANSPORTATION WORKERS UNION ("UTU")

12511 (03)

TABLE OF CONTENTS

<u>Article</u>	<u>Page Number</u>
Preamble	1
Article 1: Definitions	1
Article 2: Recognition	2
Article 3: Management Rights	2
Article 4: Term of Agreement	3
Article 5: No Strikes or Lock-Outs	3
Article 6: Seniority	3
Article 7: Grievance and Arbitration Procedure	6
Article 8: Leaves of Absence	8
Article 9: Vacation	8
Article 10: General Holidays	10
Article 11: Bereavement Leave	10
Article 12: Jury Duty and Attending Court	11
Article 13: Discipline Procedures	11
Article 14: Deduction of Dues	13
Article 15: Posting	13
Article 16: Pay Day	14
Article 17: Overtime	15
Article 18: Meals, Expense Reimbursement, and Accommodations	15
Article 19: Employee Health and Physical Fitness	16
Article 20: Work Scheduling and Wages	16
Article 21: Group Health and Other Benefit Plans	17
Article 22: Reporting Pay and Calling Procedure	18
Article 23: Scope of Agreement	18
Article 24: Safety and Health	18
Article 25: Material Changes	19
Article 26: Training	19

Appendix A
TCRC MWED Annex
TCRC/UTU Annex
CAW Annex

COLLECTIVE AGREEMENT

PREAMBLE

The following Collective Agreement and the attached Annexes ("Agreement") between the Hudson Bay Railway Company ("HBR"), on the one hand, and, on the other, the Teamster Canada Rail Conference Maintenance of Way Employee Division ("TCRC MWED"), the Teamsters Canada Rail Conference ("TCRC"), the United Transportation Union ("UTU"), and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) Local 100 ("CAW") (the labour organizations may, from time to time, be referred to as the "Union" and collectively as the "Unions") recognizes the unique principles and conditions existing within the short line railroad industry that are not applicable to the major railroads. In addition, this Agreement recognizes the unique circumstances facing employees who live and work in the North. It is further understood that the Annexes are bargaining unit specific.

HBR **and** the Unions **and** the employees further recognize that they have a common interest in the railroad industry. Therefore, a working system of harmonious relationships is necessary to maintain a rapport among these parties and with customers, the public, and other stakeholders. All concerned will benefit by continued peaceful and harmonious relationships, and **any** differences must be settled through rational common sense methods. The basis for the relationship between HBR and the Unions is one of co-operation for the benefit of all stakeholders in this Agreement as well as the customers and other stakeholders in the business of HBR.

In order to successfully promote these concepts, the parties have agreed to recognize and make provisions for **an** orderly system of collective bargaining relations between HBR and the Unions, the prompt and orderly resolution of grievances, the efficient operation **of** HBR's business without interruptions or interference with work, the provision of fair salaries, hours, **and** working conditions for the employees, **and** the provision of the highest quality service to HBR's customers in the most efficient manner possible. HBR recognizes that the Unions are the sole and exclusive bargaining agents for all employees covered under the bargaining certificates issued to the Unions by the Canada Industrial Relations Board.

ARTICLE 1 DEFINITIONS

1.1 The term Unions or Union shall **mean** the duly elected or appointed officers or General Committee of the TCRC MWED, the TCRC, the United Transportation **Union**, and **the** National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) Local 100.

1.2 The term representative of the employee or employees representative shall mean the duly accredited representative designated **by** the Union or Unions.

1.3 The term HBR shall mean the Hudson Bay Railway Company.

1.4 The term emergency shall include but not be limited to the following: accident to machinery, equipment, plant or persons; urgent and essential work to be done to machinery, equipment or plant; or other unforeseen or unpreventable circumstances.

1.5 In this Agreement, words importing the singular shall include the plural and vice versa where the context requires. The use of such words as "he", "his", and "him" as they may appear in the Agreement are not intended to restrict the application of the Agreement or a particular rule to a particular gender, but are used solely for the purpose of grammatical convenience and clarity. Accordingly, words importing the masculine gender shall include the feminine gender where the context requires.

ARTICLE 2

1

HBR recognizes the following Unions as the particular bargaining agent **for** those employees covered under their bargaining certificates, which include the following job classifications:

- (a) TCRC MWED - Trackman, Track Foreman, Extra ~~Gang~~ Foreman, Group 1 Operator, Group 2 Operator, Group 3 Operator, Machinist/, Field Maintainer, Welder, and Casual Labourer
- (b) CAW - Carman, machinist, electrician, training position, and serviceman.
- (c) TCRC - Locomotive Engineer
- (d) UTU - Conductor **and** Assistant Conductor

Prior to establishing new positions **or** pay rates in any of the above classifications, HBR will negotiate ~~with~~ the involved Union regarding the same.

ARTICLE 3 MANAGEMENT RIGHTS

3.1 It is recognized that the management of the business is vested in HBR, whose discretion **and** judgment shall control **as** to the operations of the company, the selection **and** retention **of** employees, the work and duties to which employees are assigned, and the right to hire, transfer, promote, demote, suspend and discharge for cause, so long **as** the rights granted in this Article are not in violation of the provisions of this Agreement or any applicable federal or provincial laws.

3.2 HBR management shall be permitted to perform work normally performed by an employee in the event of the unavailability of an employee or in the event of work of an urgent or emergency nature.

ARTICLE 4
TERM OF AGREEMENT

4.1 This Agreement shall become effective on **January 1, 2004**, and shall continue in effect until **December 31, 2008**. Thereafter, this Agreement shall continue in effect from year to year unless either party gives notice to the other of its desire to revise or supersede this Agreement. Such notice is to be given not less than one hundred twenty (120) days prior to the date upon which this Agreement would otherwise expire or terminate.

4.2 The provisions of Article 4.1 shall not be construed so as to constrain the parties to this Agreement from making any changes to or from adding to the scope or application of or from extending the provisions of this Agreement during the term of this Agreement that are mutually acceptable.

4.3 Rules necessary to meet local conditions may be negotiated and made effective, subject **in** each case to the prior approval of the officer of the company designated by HBR **and** a proper officer of the Union designated by the Union, and subject further to either party having the right to cancel the rule on thirty **(30)** day's written notice.

ARTICLE 5
NO STRIKES OR LOCK-OUTS

HBR shall not lock out any employee covered by this Agreement and the Unions shall not authorize or take part in any work stoppage, slowdown, strike or picketing of HBR during the life of this Agreement. HBR reserves the right to discipline, including the right to terminate the employment of, any employees taking part in any violation of this provision of the Agreement.

ARTICLE 6
SENIORITY

6.1 Service shall mean an employee's length of continuous service with HBR. An employee shall maintain **and** accumulate seniority while he is in the full-time employ of HBR from *the* first day of his employment with HBR. Unless otherwise specifically expressed, seniority shall be applied on a classification basis. **The** employee's name shall not, however, be added to the seniority list until the employee has completed his probationary period as set forth in Article 6.3 of this Agreement.

6.2 The seniority rights of each new employee shall start from the date he begins his first tour of duty in the respective classification **as** an employee **of** HBR. Those employees who transferred to HBR from Canadian National Railroad on the date of commencement of HBR's operations **will** continue to hold their seniority positions as established on that date. Where two or more new employees begin work on the **same** day, HBR and the Unions will determine seniority by a lottery conducted **by** the Unions and HBR.

6.3 A newly hired employee shall serve a probationary period of ninety (90) calendar days. During a newly hired employee's probationary period, HBR may terminate the employment relationship at any time and for any non-discriminatory cause.

6.4 (a) Employees shall, unless otherwise provided in this Agreement or by agreement between HBR and the Unions, hold and accumulate seniority In the classification in which they were hired,

(b) An employee will establish and accumulate seniority beginning at the time he is awarded or promoted to a position in another bargaining unit (the "Current Bargaining Unit").

(c) An employee is required to either exhaust his seniority rights in the Current Bargaining Unit throughout the HBR system prior to being allowed to return to the bargaining unit he previously occupied or take a voluntary lay off. If he has exhausted his seniority rights, he may either return to his previous initially occupied bargaining unit and displace the most junior qualified employee in that bargaining unit or take a voluntary lay off.

(d) A qualified locomotive engineer may exhaust his seniority rights to remain as a locomotive engineer on the HBR system rather than as a conductor at his home terminal as defined in Section 10 of the TCRC/UTU Annex. If he has exhausted his seniority rights, he may either return to his previously occupied bargaining unit and displace the most junior qualified employee in that bargaining unit or take a voluntary lay off.

(e) HBR shall publish a separate seniority list showing the established seniority date of each employee.

(f) In filling a permanent vacancy, HBR shall post the vacancy in accordance with Article 15.2 for non-operating employees and Article 15.3 for operating employees. If HBR is unable to fill the vacancy from within the specific craft, employees from other crafts who make application may be awarded the position on the basis of their HBR seniority. If a position is not filled from within HBR as provided in this Article 6.4(f), HBR may fill it from the outside.

(g) The employee making application for the advertised vacancy must be able to meet the qualifications of the job or reasonably be expected to qualify for the position claimed, and pass any required examinations for the job. The posting for a job vacancy will include a job description and the qualifications for the job. In accordance with bulletins posting a training opportunity for any of the respective crafts, the senior applicant from within the craft will have first preference. If there are no applicants, the senior entered service employee from ail other crafts who made application may be awarded the training opportunity.

(h) If an employee is unable to meet the required qualification to perform the job or pass any required examination for the job, after being given a reasonable period of time to qualify as defined in the training program, he will be returned to his former position.

(i) If an employee accepts the position and then refuses to fulfill the requirements of qualifying for the position or withdraws his acceptance prior to meeting said qualifications, he

shall be returned to **his** former position and be restricted from making application for the same position for one year.

(j) An employee who fails in his first attempt to the position or classification for which he took training will be given a second opportunity within a reasonable period of time, not to exceed one year, in which to qualify or meet the required qualifications of the position for which training was provided or **pass** any required examination for the job.

(k) **Any** employee who twice fails to meet the required qualifications or **pass** the required examinations for the job or if the employee accepts the position and then refuses to fulfill the requirements of qualifying for the position or withdraws his acceptance prior to meeting said qualifications, will only be considered for further training at his own expense and on his own time. Such employee requesting further training must apply in writing to his supervisor requesting the opportunity,

6.5 In cases of lay off, junior employees shall be demoted or laid off in reverse order of seniority within their job classification as defined in Article 2. HBR shall **make** an effort to provide employees with as much notice as possible of lay-off but in any event, the respective Union and the affected employee(s) shall be advised at least five (5) working days in advance of the date the layoff shall commence or pay in lieu of notice. Employees will be recalled to service in seniority order within their classification and will retain their original seniority date and standing provided they report for duty within fourteen (14) days from the date they receive notice of recall. Seniority shall accrue during periods of vacation, leave of absence, and lay off.

6.6 Seniority shall not be forfeited except in cases of death, retirement, resignation from HBR, discharge, violation of Article 8.2 or failure to accept or respond to recall as provided in Article 6.10. If an employee is on a seniority list with the designation "NQ", he will lose his place on that seniority list if he fails to qualify as provided for in Article 26. **An** employee **who** is discharged **and** subsequently reinstated may, by virtue of a mutual agreement between the Union and HBR or as a result of arbitrator's decision, be placed on the seniority list consistent with his seniority date prior to the discharge.

6.7 Acceptance of management positions will be handled as follows:

(a) After ratification of this Agreement, existing employees who are then in a management position will have ninety (90) calendar days to return to the classification from which they were promoted. If they choose not to do so, they will then be removed from all seniority lists.

(b) After ratification of this Agreement, any employee who accepts a permanent management position will forfeit all seniority after ninety (90) calendar days.

(c) **An** employee covered by this Agreement may occupy a temporary management position for **up** to ninety (90) calendar days in each calendar year without losing any seniority. This period may be extended under exceptional circumstances by agreement of the Union.

6.8 HBR shall provide and maintain separate classification seniority rosters for its employees. The rosters shall be published once a year on June 1 and HBR shall provide a copy of the rosters to the Unions. The rosters shall be held open for a period of thirty (30) days to allow an employee through his Union the opportunity to appeal his position on the roster(s) in writing to HBR. For employees on leave of absence, annual vacation, lay off or absent due to illness and injury, the thirty (30) days shall begin on the date the employee returns to active service. Once the roster is unchallenged for thirty (30) days, it may not be changed thereafter except by mutual agreement between the Union and HBR except in cases where the employee's name is removed or slotted incorrectly for other than the above excepted reasons as set forth in Article 6.6.

6.9 Notwithstanding anything to the contrary in this Agreement, nothing shall preclude or limit the type of work that an employee shall be asked to perform for which he is qualified and within his classification.

6.10 HBR shall recall employees by written notice sent to the employee by registered mail at his last known address or hand delivered to him. It shall be the responsibility of the employee to provide HBR his current address, current telephone number, and e-mail address (if he has one) in writing. An employee must both notify HBR of his intent to return to work within five (5) days of receiving the written notice and present himself for work within fourteen (14) days of receipt of the written notice.

6.11 Subject to the availability of junior employees, an employee may waive recall without the loss of seniority, for vacancies with an expected duration of less than ninety (90) calendar days.

ARTICLE 7

ARTICLE 7 ARBITRATION PROCEDURES

7.1 If any employee feels aggrieved by an action of HBR and believes such action is in violation of this Agreement, (except any matter arising out of or related to the suspension or discharge of an employee, which shall be handled pursuant to Article 13 of this Agreement), he may file a grievance and it shall be disposed of in the following manner:

Step 1: The employee or the Union's local representative shall present a written detailed grievance to the appropriate HBR officer within fifteen (15) calendar days of the dispute. The officer must respond in writing within fifteen (15) days stating the supervisor's decision regarding the grievance. These time limits may be extended only by mutual agreement of HBR and the local Union representative.

Step 2. A grievance not resolved in Step 1 may be progressed by the employee's designated representative to the General Manager in writing within thirty (30) days of receipt by the employee of the supervisor's written decision, requesting that the General Manager review the supervisor's decision. The General Manager must render a final decision within fifteen (15) days of receipt by him of the request for review. These time limits may be extended only by mutual agreement of the Union and HBR.

Step 3. A grievance not resolved in Step 2 may be progressed by HBR or the Union to a Joint Conference of the Union and HBR for mediation and resolution. The members of the Joint Conference shall be individuals with the authority to resolve the issues brought to it. The party who progresses the grievance to Step 3 must do so within forty-five **(45)** days of the receipt of the General Manager's decision in Step 2. The notice requesting the Joint Conference will contain sufficient information to apprise the other party of the facts and nature of the issues. The Joint Conference **will** meet in person or by conference call in an attempt to resolve the issues sent to it within thirty **(30)** days of the receipt of the notice. The Union and HBR may extend these time limits by mutual agreement,

7.2. The settlement of a grievance shall not under any circumstances involve retroactive pay beyond thirty **(30)** days prior to the date the grievance was submitted at Step 1 of this grievance procedure.

7.3 Any grievance not advanced by the employee or his designated Union representative within the prescribed time limits shall be deemed to be abandoned. Where a decision is not rendered by the appropriate officer of HBR within the prescribed time limits, the grievance may be advanced to the next step in the grievance process. Any grievance abandoned **by** the Union will not be considered as a precedent or waiver **of** the contentions of the Union as to similar cases.

7.4 (a) If a grievance concerning an alleged violation of this Agreement has **been** processed in the manner and through each of the steps outlined in Article 7.1 or **an** appeal against the discipline imposed has been processed in the manner and through each of the steps outlined in Article 13, and still has not been settled or disposed of, the grievance may be referred to arbitration by any of the signatories to this Agreement for final and binding settlement without a work stoppage. Proceedings for submitting the grievance to arbitration must be instituted **by** the Union or HBR within forty-five **(45)** days of receipt of the General Manager's decision unless the grievance is progressed pursuant to Step 3. If it is, then the forty-five **(45)** days shall commence at the conclusion of Step 3, if needed. This time limitation may be extended by mutual agreement of the Union and HBR. No dispute may be submitted to arbitration until it has been processed through the grievance procedures **set** forth in Article 7.1 or Article 13 of this Agreement.

(b) The grievance shall be referred to one of the arbitrators designated by the applicable party who is mutually acceptable to the applicable parties. The costs of the arbitrator shall be shared on an equal basis between the Union and HBR.

(c) **As** soon as the arbitrator is selected, the applicable parties will contact the arbitrator to set a hearing date. Prior to the hearing or such other time as the parties agree, HBR and **the** Union shall submit a joint submission of the issues containing a statement of the claim, a statement of the facts, and a statement of the respective positions of the parties. If the parties cannot agree on the contents of the joint submission, each party may submit its separate statement of position.

(d) At the hearing, the parties may each present their case verbally or in writing to the arbitrator. The arbitrator shall consider only the dispute or question presented to him in the notice and the decision shall be limited to the dispute or questions contained in the request for arbitration. The decision shall not add to, subtract from, modify, rescind or disregard any provision of this Agreement. The arbitrator's decision shall be final and binding.

(e) If arbitration is not utilized, the General Manager's decision shall be final and binding. In that case, the matter will be closed but will not be considered as a precedent or waiver of the contentions of the Union as to similar cases.

7.5 Notwithstanding the grievance procedure set forth above, when there is a question regarding time to be paid, any portion not in dispute will be paid, and HBR will notify the employee within fifteen (15) days from its receipt of the time claim whether it is allowing or disallowing the claim. If HBR disallows the claim, it must state its reason(s) for doing so in writing. Any claim made pursuant to this Section not responded to by HBR within the fifteen (15) day time frame shall be deemed approved and shall be paid by HBR. The decision to disallow a claim is subject to the grievance procedure, starting at Step 2.

7.6 No employee shall be disciplined or discriminated against for lawful union activities, for reporting an alleged violation of any provision of this Agreement to the Union or for performing services on union committees outside of working hours.

7.7 Any matter concerning the interpretation, meaning or application of this Agreement shall be referred to the Managing Director of OmniTRAX and the applicable officer of the involved Union for handling and resolution. If the matter cannot be resolved, it may be submitted to arbitration pursuant to Article 7.4.

ARTICLE 8 **LEAVES OF ABSENCE**

8.1 An employee may be granted a leave of absence without pay of up to ninety (90) days upon approval and at the discretion of HBR. The period of leave may be extended at the discretion of HBR. An employee granted such a leave shall sign a copy of a written authorization of leave.

8.2 An employee on leave of absence from HBR may not work for another company unless the Union and HBR mutually agree to allow the employee to work for another company. Any employee who engages in such other employment without the consent of the Union and HBR shall be considered terminated.

8.3 HBR shall grant a leave of absence without pay to any employee elected or appointed to a Union office or as a General or Local Chairman, Vice President, Director or as a delegate to any Union activity for the term of the office or until completing the activity, unless the activity unduly interferes with the operations of HBR

ARTICLE 9
VACATION

9.1 Employees who qualify will receive paid vacation time on the following schedule according to the time they **began** service with HBR:

After one year of service	Two (2) weeks at four percent (4%) of the previous year's earnings
After two (2) years of service	Three (3) weeks at <i>six</i> percent (6%) of the previous year's earnings
After four (4) years of service	Four (4) weeks at eight percent (8%) of the previous year's earnings
After fifteen (15) years of service	Five (5) weeks at ten percent (10%) of the previous year's earnings

Vacations shall be earned by service year and are to be taken in the calendar year after it is earned. The above schedule shall apply to all otherwise qualified employees except and unless that employee has been unable to **work** in the previous year **for** a period of one (1) month or more due solely to illness or injury, in which case that employee shall receive paid vacation time at their regular rate of **wages** for their regularly scheduled hours, or at the rate as calculated above, whichever is greater.

Vacation time shall not be accumulated from one year to the next. HBR, in its discretion, may allow an employee to carry over his vacation to the next year in circumstances where, due to illness or injury, the employee has not been reasonably able to take his vacation in the year it became available. There will be no pay for vacation instead of time off, unless HBR cannot grant the employee his vacation during the calendar year.

9.2 To be counted **as** a year of service, an employee must have been continuously employed for a period of twelve (12) consecutive months. Time off for union business, time off duty on account of an authorized lay-off, bona fide illness, injury, and vacation days shall count **as** continuous service for the purposes of this Article. **An** employee with less than twelve (12) continuous months of service with HBR shall receive vacation pay in **an** amount equal to four percent (4%) **of** his total earnings. An employee who is hired pursuant to Article 9.1 and who has performed service in only **a** portion of a month and is laid **off** shall have that portion of the month counted **as** a full month of continuous employment for purposes of this Article.

9.3 Vacation requests must be submitted in writing to the employee's supervisor between December 1 and December 15 of each year. HBR will respond by no later **than January 15** of each year. Those employees with the greater amount of HBR service will have priority if duplicate requests for the same vacation times are received. When submitting requests, employees should include a sufficient number of choices in case of duplicate requests.

9.4 With the exception of floating vacation days, all vacations will commence on a Monday and continue as consecutive week(s), except for employees who have days off other than Saturday or Sunday in which circumstances their vacation would commence upon completion of the last day of work in their work week. Employees entitled to two (2) or more weeks of vacation may split their vacation into not less than one (1) week segments. **An** employee shall be allowed to take up to five (5) of his vacation days as floating vacation days during the year so long as HBR approves of the day to be taken seven (7) days in advance and so long as the day or days are not added to regularly scheduled vacations. HBR may waive the seven (7) day advance notice requirement upon request of **an** employee and such waiver will not be unreasonably withheld.

9.5 HBR reserves the right to grant or deny vacation request choices based on the needs of its operations. The maximum number of employees who may be on vacation at one time shall be limited to no more than ten percent (10%) of the number of employees in a classification. In its discretion, HBR may allow additional employees in a classification to be on vacation at the same time. Except in **an** emergency, once a vacation request is granted, the employee shall be allowed to take the assigned time. **If** the vacation must be rescheduled due to an emergency, the employee and HBR shall mutually agree to the rescheduled time. **If** the employee's vacation is rescheduled by HBR due to an emergency and the employee has prepaid for the vacation and cannot obtain a refund or cannot use the prepaid vacation at a later date, HBR shall reimburse the employee for reasonable out-of-pocket costs.

9.6 If any of the general holidays listed in Article 10.1 occur during **an** employee's vacation or rest day, the employee may either be given a day of holiday pay in addition to his vacation pay **or an** additional day off at the end of his vacation and the holiday pay at his choice. **The** employee must notify HBR in advance of taking his vacation of which option he will choose.

9.7 **If an** employee ceases to be employed, HBR shall pay to the employee any vacation pay then owing by HBR to the employee. In these circumstances vacation pay shall be calculated at the rate of two percent (2%) per week of vacation to which the employee's service entitles him, multiplied by the regular wages of the employee for the period of service for which the employee has not already received vacation. Any accrued vacation pay in a year shall be paid to the estate of an employee who dies while in the employ of HBR.

ARTICLE 10
GENERAL HOLIDAYS

10.1 HBR recognizes the following days as paid holidays: New Year's Day, **January 2**, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, and Boxing Day.

10.2 An employee who is not required to work on a general holiday shall be paid in accordance with the Annex for each Union. When a general holiday falls on an employee's rest day, such holiday will either be moved to the normal working day immediately following the employee's rest day or to such other time the employee and HBR agree.

10.3 HBR will give an employee three (3) day's notice if it requires **an** employee to work on a general holiday except in **an** emergency. Anyone required to work on a general holiday will be paid at one and one-half (1½) times his regular rate of wages for the time worked on that day in addition to his regular rate of wages for that day.

ARTICLE 11 BEREAVEMENT LEAVE

11.1 Bereavement leave is designed to allow an employee time off when a death occurs in the immediate family. **An** employee will be given a leave of three (3) days with pay calculated in accordance with the Annex for each Union. A leave for bereavement shall not be deemed to have interrupted continuity of employment.

11.2 An employee's immediate family is defined as the employee's spouse (**as** defined in Section 2(1) of the Canada Human Rights Benefits Regulations), child, parent, grandparent, parent-in-law, step-parent, step-child, step-brother, step-sister, the employee's sibling(s), and the Employee's brothers or sisters in-law.

11.3 If the employee wishes to have HBR grant **an** exception to this policy, he must present his request to the General Manager of HBR for consideration. The General Manager may grant an exception in his sole discretion. No pay will be granted to **an** employee for this purpose who is already on leave of absence or lay off. Time paid for bereavement shall not be included in the computation of overtime.

ARTICLE 12 JURY DUTY AND ATTENDING COURT

12.1 **An** employee who **is** summoned or who serves on **jury** duty and is required to lose time from his assignment shall be paid in accordance with the Annex for each Union, not including, however, reimbursement from the Court for meals, lodging or transportation. No pay shall be granted if the employee is on leave of absence, lay-off, vacation or holiday. However, **an** employee's annual vacation will, **if** the employee so requests, be rescheduled to a time mutually agreeable to HBR and the employee if it falls during a period of **jury** duty. Hours paid under this provision shall not be considered as time worked when computing overtime.

12.2 An employee must furnish HBR with a statement from the court of the **jury** allowance paid by the court and the days on which jury duty was performed.

12.3 An employee shall receive the overtime rate of time and one-half (1½) for all time after eight (8) hours when attending court as a witness for HBR or a medical examiners inquest in cases where HBR is involved or he is subpoenaed by the Crown or government agencies in cases where HBR is involved. If the appearance falls on a rest day, he shall be paid a basic day and one and one-half (1½) times the employee's regular rate of wages after eight hours. This Article does not apply if the employee is under criminal investigation or is party to a civil suit unless HBR and the Union agree to provide it. HBR shall be entitled to a certificate for witness fees in all cases.

ARTICLE 13
DISCIPLINE PROCEDURES

13.1 Subject to the rights granted in Article 3 of this Agreement, HBR shall not suspend or discharge an employee without just cause and without a fair and impartial hearing as set out in this Article. If, however, an employee is in violation of a federal or provincial statute or regulation or **is** endangering the safety of himself, a fellow employee or the public, HBR may hold **him** out **of** service **with** pay pending a hearing.

13.2 HBR shall notify an employee in writing of the **incident(s)** for which suspension or discharge is or may be imposed. The notice shall summarize the nature of the **incident(s)**, give the time, date, and place of the occurrence of the **incident(s)**, set the time and date of the hearing, and inform the employee he has the right to Union representation and to bring witnesses.

13.3 The hearing will be scheduled within fifteen **(15)** days of the date **of** notice and shall be presided over by the General Manager of HBR or his designee. The parties shall not be represented by or utilize legal counsel at the hearing. HBR shall provide the employee and the Union a list of Witnesses it intends to call at the hearing no less **than** forty-eight **(48)** hours in advance **of** the hearing. The employee shall also supply HBR with a list of witnesses he intends to **call** at the hearing **forty-eight (48)** hours in advance of the hearing. These time limitations may only be changed by mutual agreement between the Union and HBR.

13.4 The General Manager of HBR or his designee shall conduct the hearing in an informal manner and only he and the employee's Union representative may examine witnesses. **A** transcript of the hearing will be kept and it and copies of all documents or audio or video tapes utilized in the hearing **will** be provided to the employee and his representative at their request.

13.5 HBR witnesses who attend a hearing shall be compensated for time **lost** and be reimbursed for reasonable out-of-pocket expenses. **If** the employee is held for more than eight (8) hours, he shall be paid one and one-half (1½) times the employee's regular rate of wages on a minute basis for all time over the eight (8) hours. Employees who are already receiving compensation for the day(s) serving as a witness shall not be paid any additional compensation for testifying.

13.6 **A** decision will be rendered in no longer than twenty (20) days after the hearing, Such decision shall be in writing and served on the employee and the Union. This time limitation may be changed only by mutual agreement between the Union and HBR. Once a decision has been rendered, HBR may implement the decision.

13.7 If the Union disagrees with the decision rendered, it may appeal the decision to the General Manager of HBR within ten (10) days of receipt of the decision. Such appeal must be in writing and must specify the grounds or reasons the decision is incorrect or the level of discipline inappropriate. Failure to **file** an appeal by the due date shall render the decision final and not appealable. The General Manager shall have ten (10) days to render a decision on the appeal. That decision must be in writing and served on the employee and the Union. The time limitations may be extended only by mutual agreement of HBR and the Union.

13.8 A grievance concerning the discipline imposed, which has been processed in the manner **and** through each of **the** steps outlined in **this** Article and still has not been settled or disposed **of**, may be referred by any of the signatories to this Agreement pursuant to the procedures set forth in Article 7.4.

ARTICLE 14 **DEDUCTION ~ DUES**

14.1 HBR shall, on the payroll for the pay period which contains the tenth (10th) day of each month, deduct from the wages of each bargaining unit employee within the scope of this Agreement an amount equal to the uniform monthly dues of the appropriate Union or such other authorized amounts **as** directed **by** the Union. The amount of the Union dues paid and to whom paid for an employee will be based on the classification in which the employee worked on the first day of the month. HBR shall remit the total amounts deducted to each Union once a month accompanied by a report showing the amount deducted. HBR shall not be responsible, financially or otherwise, for any failure to make deductions or for making inaccurate or improper deductions or remittances.

14.2 HBR shall provide each new employee and each rehired employee a form letter outlining to the employee his responsibility regarding payment of union dues and initiation fees.

14.3 Employees filling positions of a confidential, supervisory or management nature and who are therefore not subject to any of the provisions of this Agreement shall be excepted from the deduction of dues.

ARTICLE 15 **POSTING**

15.1 Except in an emergency, the following posting procedures for non-operating employees will be followed:

(a) Temporary vacancies of twenty (20) working days or less may be filled by HBR with the senior qualified employee working within the craft at the time of the vacancy.

(b) Temporary vacancies exceeding twenty (20) working days will be bulletined to all HBR employees for fifteen (15) calendar days and training will be administered according to Article 26.

(c) If a non-operating employee is on authorized leave during the entire period of the posting provided for in Article 15.1(a) and (b) above, he can exercise his seniority to claim the position no later ~~than~~ the completion of his first tour of duty upon his return from the authorized leave of absence.

15.2 When HBR determines that a permanent job vacancy in the non-operating crafts exists, HBR shall post a notice of the vacancy for a period of fifteen (15) calendar days before the job is

to be filled. The posting shall specify the nature of the job, the qualifications required, and the salary range for the position. An employee who wishes to be considered for the position so posted shall signify his desire by making formal application to the officer specified in the posting within fifteen (15) calendar days of the date of the posting of the notice. The officer specified before the close of the posting must receive the bid application.

15.3 For operating employees, the following posting procedures will be followed

(a) HBR will post a notice of **all** available assignments at least fifteen (15) calendar days prior to a change of card. The notice shall specify the nature of the job, the qualifications required, and the salary range for the position. All assignments will include the assigned rest days of the assignment. Operating employees will submit their preferences for available assignments in writing and on the prescribed form at least five (5) days prior to the effective date of the change of card.

(b) Operating employees will be awarded available assignments in order of seniority at the change of card and each subsequent Friday. Such changes will take effect at 0001 each Saturday.

(c) Operating employees must advise HBR in writing by Thursday at 1200 to be posted on Friday at 1200 of any altered choices (deletions **of** choices or additions of newly created assignments) to become effective at 0001 the following Saturday. Operating employees must ensure that a copy of all bid preferences is submitted to the applicable Union representative.

(d) Once an operating employee deletes an assignment, that choice **may** not be added again until the next change of card. Deletion of choices that result in **an** operating employee displacing into another classification or craft or being laid off will not be allowed.

(e) **All** vacancies of less than five (5) working days will be filled by the spare board or overtime.

(f) If an employee is on authorized leave during the entire period of the card change provided for in (a) through (c) above, he can exercise his seniority to claim the position no later than the completion of his tour of duty upon his return from the authorized leave of absence.

In all cases of posting described above, HBR will post the bulletin so that it is accessible to all employees on a timely basis.

ARTICLE 16 **PAY DAY**

16.1 **All** employees shall receive wages in accordance with Article 20 of this Agreement. Employees shall be paid bi-weekly.

16.2 Employees leaving the service of HBR shall be furnished with a payment 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,

16.3 All overtime shall be shown as a separate item on the pay summary of employees.

16.4 Employees shall be paid by electronic funds transfer.

16.5 An employee who has been short paid may request HBR to issue a voucher to cover such shortage.

ARTICLE 17 **OVERTIME**

17.1 Overtime assigned by HBR shall be paid at the rate of one and one-half (1½) times the employee's straight time rate of wages for each hour of work over eight hours a day or in excess of forty (40) hours in each work week or in excess of the maximum hours of work permitted by the Minister. Any hours worked in excess of sixteen (16) in a twenty-four (24) hour period shall be paid at the rate of double time.

17.2 Employees in non-operating service may be required to work up to twelve (12) hours and in yard service may be required to work up to ten (10) hours. Except in an emergency, HBR will give notice of the requirement to work overtime prior to the expiration of the sixth (6th) hour.

17.3 Overtime will not be paid when exercising seniority from assignment to assignment or when an employee works a regularly scheduled relief assignment. There will be no pyramiding of overtime.

17.4 Employees called in from home to work overtime for a specific task which is not in conjunction with their shift shall be paid a minimum of four (4) hours of pay at the applicable overtime rate. Where practicable, the senior employee at the location will be offered the overtime subject to HBR's endeavour to distribute overtime equitably.

ARTICLE 18 **EAI EXPENSE REIMBURSEMENT AND ACCOMMODATIONS**

18.1 Employees in non-operating and yard service shall be entitled to two (2) ten (10) minute paid breaks per regular shift and an additional paid meal time of thirty (30) minutes.

18.2 Employees required to terminate their tour of duty away from their home terminal or headquarters point will be paid a meal allowance of Twenty-Seven Dollars and Fifty Cents (\$27.50) for operating employees and Thirty Dollars (\$30.00) for non-operating employees per day for each twenty-four (24) hour period from the start of their tour of duty such employees are away from their home terminal unless meals are furnished by HBR. In the alternative, the employee may take a deduction for his meals on his income tax in lieu of the allowance at his option, but he must declare which option he chooses on June 15 of each year and the employee

must stay with the option chosen for that year. The meal allowance will be prorated equally for each of the eight (8) hour segments in the following twenty-four (24) hour periods. Employees leaving their home terminal on a work assignment and returning to their home terminal will be allowed a meal allowance at the pro rata rate.

18.3 HBR will arrange suitable accommodation at its expense for seasonal gangs working at remote locations where accommodation is not otherwise available. HBR shall also make suitable arrangements for meals for seasonal gangs working at remote locations. HBR shall consult with the applicable Union regarding the suitability of accommodations. When an employee is tied up for rest at points other than the designated home terminal of his assignment for four (4) hours or more, he shall be provided suitable lodging at HBR's expense.

18.4 When an employee is required to work away from his headquarters point or is required to attend a company meeting, HBR shall either provide transportation or reimburse the employee for the necessary cost of transportation. If the employee is permitted by HBR to utilize his own automobile, HBR shall reimburse him at the rate of thirty-two cents (\$.32) a kilometre or the kilometres traveled via the most direct highway route unless otherwise approved by HBR. HBR will review this rate on an annual basis.

ARTICLE 19 EMPLOYEE HEALTH AND PHYSICAL FITNESS

19.1 The nature of HBR's business and work generally requires that employees are physically fit, ready, and able to work. In addition, certain of the job functions at HBR require that the employee be capable of communicating both orally and in writing in a clear and concise manner. Appropriate and reasonable tests of health and fitness and other skills may be made from time to time by HBR and may be included in job descriptions. HBR may require job applicants to take and pass a physical examination prior to employment and, if applicable, take and pass such other examinations necessary to show that the applicant can perform the functions of the job. HBR may also require employees to take such periodic examinations as are allowed or required by law.

19.2 Medical and eye examinations will be arranged and paid for by HBR. For those medical and eye examinations to which HBR directs the employee, HBR shall pay that employee the actual time at his regular rate of wages for the time he spends traveling to and from the place of the examination, the time spent in the examination, and his reasonable costs of travel if HBR requires the employee to travel away from his home terminal for the examination. If the employee misses his regular assignment as a result of the HBR ordered examination, he will be paid what he would have earned on that regular assignment.

19.3 Any employee who is required by law to maintain a valid motor vehicle license and who receives a suspension of his motor vehicle operating license must immediately report the matter to an officer of HBR. HBR and the Union will use their best efforts to find another job for this employee at HBR during the term of the suspension of his license. An employee whose duties require him to have a motor vehicle operating license in good standing may receive a suspension from duty without pay, if no other job is found for this employee.

ARTICLE 20
WORK SCHEDULING AND WAGES

20.1 Except as otherwise provided for in this Agreement, all employees covered by this Agreement shall be paid on an hourly basis. Unless otherwise specified in a particular job description or **as** covered in Article 20.3, a basic day is defined **as** eight (8) hours. Each regularly assigned employee shall be guaranteed a forty (40) hour work week which shall, unless otherwise posted in an individual job bulletin, start on a Monday of each week. Regular day shifts shall start at or between 0500 hours and 0800 hours. Notwithstanding the above, the starting time for an employee may be established or changed to meet the operational requirements of HBR by giving the employee forty-eight (48) hours notice of the change. Unless otherwise posted in an individual job bulletin or as covered by Article 20.3 below, the work week shall be defined as a period beginning at 0001 hours of each Monday through 2359 hours of each Sunday.

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

20.3 Work assignments are covered **as** provided in the Annexes to this Agreement. Where possible, however, and wherever the requirements of service permit, assignments will 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 that Saturday and Sunday are the preferred rest days if the requirement of service permit. HBR will discuss the scheduling and implementation of assignments with the applicable Union. The parties recognize that to meet the service needs and operating conditions of HBR, the employees work week may be bulletined with the scheduled rest days other than Saturday and Sunday.

20.4 HBR **may** request an employee to be moved from his regular assignment or may force such a move in an emergency. For the purposes of Article 20.4, emergency does not include manpower shortages or delays to a customer.

20.5 An employee who is absent for any authorized reason shall advise HBR at least two (2) hours in advance **of** his intention to return to work.

20.6 The attached wage schedules are incorporated into this Agreement by this reference and are made a part of it.

ARTICLE 21
GROUP HEALTH AND OTHER BENEFIT PLANS

21.1 HBR shall maintain a group health benefit plan for its employees. A booklet outlining the coverage may be obtained from HBR. Employees must first meet the qualifying criteria as described in the group plan and **as** implemented by the insurance carrier or provider, before they are eligible to receive benefits. This insurance is only effective **as** long as the employee is eligible for insurance and becomes and remains insured as provided in the group policy.

21.2 HBR shall maintain a pension plan, an accidental death and disability, life, short-term disability, and long term disability insurance ~~plan~~ for its employees. A booklet outlining the coverage shall be provided by HBR to each employee and the Unions. Employees must meet the qualifying criteria as described in the group plan and as implemented by the insurance carrier or provider, before they are eligible to receive benefits. These benefits are only in effect as long as the employee is eligible for such coverages and becomes and remains covered as provided in the group policy.

21.3 HBR reserves the right to change insurance carriers, providers or policies. HBR will consult with the Unions concerning changing benefit levels **and** so long as those benefit levels remain the same or better, HBR may implement them. If any reductions to the benefit levels or the employer's pension contribution level are to be made, HBR will obtain the approval of the Unions, which approval shall not be unreasonably withheld.

21.4 HBR will establish an Employee Assistance Program in consultation with the Unions.

21.5 HBR will establish an Employee Educational Loan Program that will loan money to employees for courses taken by an employee that **are**, in the sole discretion of HBR, job related. This program will be developed after consultation with the Unions and shall consist of a forgivable loan whereby the loan will be forgiven over a given **period** of time after the completion of the approved course if the employee continues his employment with HBR.

ARTICLE 22 REPORTING PAY AND CALLING PROCEDURE

22.1 When **an** employee is called **and** reports for duty and, for any reason other than his own, is not used, he shall be allowed pay at the applicable straight time rate of pay for the first four **(4)** hours he is held, with a minimum of two (2) hours. If he is held longer than four **(4)** hours, he shall be paid eight **(8)** hours of pay at his applicable straight time rate of pay.

22.2 Except in **an** emergency, HBR shall provide at least a one and one half (1½) hour call in advance of the on-duty time. HBR shall not be required to call **an** employee who is in assigned service except to inform him if a train is delayed and to inform him of the new on **duty** time.

ARTICLE 23 SCOPE OF AGREEMENT

From **and after** the execution of this Agreement and its **Annexes** and appendices, the parties agree that all existing collective and job security agreements to which HBR may have succeeded shall **terminate** and that this Agreement and schedules shall supersede all prior agreements, understandings, and practices arising out of such prior agreements.

ARTICLE 24
SAFETY AND HEALTH

24.1 HBR shall establish a Safety and Health Committee made up of at least two members from management **and** one member from each of the Unions.

24.2 The Safety Committee shall meet no less **than** quarterly and shall consult about and make recommendations to HBR concerning the furtherance of safety and health measures, including but not limited to the reduction of ergonomic hazards in the work place, and conduct such other functions as required by the *Canada Labour Code*,

24.3 HBR shall furnish, for those employees requiring the appropriate safety gear, hard hats, safety **vests**, non-prescription safety glasses, gloves, welders' protective clothing, and an allowance for safety boots pursuant to HBR's safety boot program. HBR will provide **an** allowance of up to one hundred twenty-five dollars (\$125) every twenty-four (24) months for those employees who require prescription safety eyeglasses with side shields. Employees failing to wear and use proper safety equipment for their position shall be subject to the Disciplinary Policy of HBR.

ARTICLE 25
MATERIAL CHANGES

25.1 If HBR proposes a technological change that is likely to affect the terms and conditions or security of employment of a significant number of HBR's employees, it will provide the affected Union with notice of the technological change one hundred twenty (**120**) days prior to the date on which the technological change is to be effected. The notice shall state the nature of the technological change, the date on which HBR proposes to effect the technological change, the approximate number and type of employees likely to be effected by the technological change, and the effect the technological change is likely to have on the terms and conditions or security of employment of the employees affected.

25.2 For purposes of this Article, technological change means the introduction by HBR into its work, undertaking or business of equipment or material of a different nature or kind than previously used by HBR in the operation of the work, undertaking or business and a change in the manner in which HBR carries on the work, undertaking or business that is directly related to the introduction of that equipment or material.

ARTICLE 26
TRAINING

26.1 HBR shall establish training and qualification programs for each classification after consulting with the Unions. These programs are intended to assist **an** employee to gain better knowledge of his job and learn new skills.

26.2 An employee who applies or accepts training **and** then refuses to fulfill the requirements for qualifying for the position or withdraws his acceptance prior to meeting **said** qualifications

will be returned to his former position and be restricted from making application for the same position for one (1) year. In situations where extenuating circumstances are involved, the employee's case will be reviewed by HBR and the appropriate Union officer.

26.3 An employee who is in apprenticeship or familiarization training shall be paid a special training rate. If an employee is in any other type of training directed by HBR, he will be paid his regular rate of wages while traveling to and from training (pursuant to the mode of travel designated by HBR) and for the actual time spent in training and shall be reimbursed for his reasonable costs of travel.

26.4 If an employee successfully completes a training program established by the Union and HBR and is qualified to perform the duties of the new classification, HBR may hold him in that new classification without penalty to the maximum amount of time equal to the training period unless otherwise agreed to by the parties. After the hold period, an employee may bid for a higher rated position and, if so awarded and then held by HBR in his current position, HBR will pay the employee the higher rate of pay during the period the employee is so held.

SIGNED at Winnipeg, Manitoba this 21st day of July, 2006.

HUDSON BAY RAILWAY COMPANY

By: Michael J. Johnson
Its: MANAGING DIRECTOR

TEAMSTERS CANADA RAIL CONFERENCE (LOCOMOTIVE ENGINEERS)

By: Bullens
Its: R. VICE-GERMAN CHAIRMAN

TEAMSTERS CANADA RAIL CONFERENCE MAINTENANCE OF WAY DIVISION

By: Dany Deloitte By: Russell By: J. G. L.
Its: Director Prairie Region Its: Local Chairmen Its: DIRECTOR PACIFIC REGION

UNITED TRANSPORTATION UNION

By: [Signature]
Its: Vice General Chairman

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW-CANADA) LOCAL 100

By: L. Lally
Its: VICE PRESIDENT

APPENDIX A
RATES OF PAY

Percentage Increases	1.50%	1.75%	2%	2%	2.25%
	1/1/04- 12/31/04	1/1/05- 12/31/05	1/1/06- 12/31/06	1/1/07- 12/31/07	1/1/08- 12/31/08
CAW					
Lead Hand	\$ 25.19	\$ 25.63	\$ 26.14	\$ 26.67	\$ 27.27
Carman	\$ 21.68	\$ 22.06	\$ 22.50	\$ 22.95	\$ 23.47
Machinist	\$ 21.68	\$ 22.06	\$ 22.50	\$ 22.95	\$ 23.47
Electrician	\$ 21.68	\$ 22.06	\$ 22.50	\$ 22.95	\$ 23.47
Serviceman	\$ 19.44	\$ 19.78	\$ 20.18	\$ 20.58	\$ 21.04
ICRC MWED					
Lead Hand	\$ 25.19	\$ 25.63	\$ 26.14	\$ 26.67	\$ 27.27
Machinist/Field Maintainer	\$ 21.68	\$ 22.06	\$ 22.50	\$ 22.95	\$ 23.47
Extra Gang Foreman (with 10 employees or more)	\$ 21.68	\$ 22.06	\$ 22.50	\$ 22.95	\$ 23.47
Extra Gang Foreman (with 9 employees or fewer)	\$ 20.07	\$ 20.42	\$ 20.83	\$ 21.25	\$ 21.72
Track Foreman	\$ 20.07	\$ 20.42	\$ 20.83	\$ 21.25	\$ 21.72
Group 1 Operator	\$ 20.07	\$ 20.42	\$ 20.83	\$ 21.25	\$ 21.72
Group 2 Operator	\$ 20.07	\$ 20.42	\$ 20.83	\$ 21.25	\$ 21.72
Group 3 Operator	\$ 17.48	\$ 17.79	\$ 18.14	\$ 18.50	\$ 18.92
Trackman	\$ 17.48	\$ 17.79	\$ 18.14	\$ 18.50	\$ 18.92
Casual Labourer	\$ 14.15	\$ 14.40	\$ 14.69	\$ 14.98	\$ 15.32
ICRC					
Engineer	\$ 28.00	\$ 28.49	\$ 29.06	\$ 29.64	\$ 30.31
UTU					
Conductor	\$ 26.66	\$ 27.13	\$ 27.67	\$ 28.22	\$ 28.86

HBR will allocate five thousand dollars (\$5,000) of each employee's total compensation as a travel assistance benefit. HBR will provide the administrative assistance to its employees to allow them to take a deduction for travel benefits the employee received for living in a prescribed zone pursuant to the guidelines set forth by Canada Revenue Agency as described in Publication T2222 E (05), *Northern Residents Deductions* and as set forth by law.

23

**CAW ANNEX TO
COLLECTIVE AGREEMENT**

Section 1. Ten Hour Days

Production **work** in some of the non-operating trades may require the establishment of a ten (10) hour per day, four (4) day work week or some other schedule. HBR will discuss the scheduling and implementation of assignments with the CAW.

Section 2. Manning of Equipment

Manning of auxiliary equipment, hi-rail cranes, wreck dozers, road repair trucks, and repair cars shall be by carmen. Carmen may bid on the assignment to said equipment in seniority order. If the assignments are not filled by carmen, machinists and electricians shall next be given the opportunity to bid the assignment, in seniority order. **If** the road repair trucks or hi-rail crane are used in maintenance-of-way service, they will be manned by maintenance-of-way employees.

Section 3. Qualifying for Serviceman Position

In order to bid for the serviceman's position, the applicant will have to pass the aptitude test given by HBR for the position. In order to become a carman, machinist or electrician, a person has to complete the serviceman position training. HBR and the **CAW will** jointly determine the training regime within ninety (90) days of the ratification of the Collective Bargaining Agreement or such other time frame to which the parties agree. The rate of **pay** for trainees in this training regime will be established at the **same** time the regime **is** established and will be based on a percent of the rate of pay for the position for which the person is training, increasing over a set period of time to the full rate of pay. If a person accepts a training position, he must successfully complete that training **and** if he bids out of that training position, he will lose his **CAW** seniority.

Section 4. Payment for General Holiday, Bereavement, **and** Jury Duty

Employees will be paid the equivalent of straight time pay for each day of General Holidays, Bereavement, **and** Jury Duty. Payment for Jury Duty is modified further pursuant to Article 12 of the Agreement.

Section 5. Training

Carmen, machinists, servicemen, **and** electricians will participate in the training of employees in each of those respective crafts. These individuals will be compensated for one (1) hour for each tour of duty up to twelve (12) hours and for two (2) hours for each tour of duty that exceeds twelve (12) hours at the rate of pay applicable to the service in which training is provided. This allowance for training shall not be used to calculate the forty (40) hour work week or overtime. The employee doing the training will be required

to fill out progress reports on a tour of duty basis **and** submit the reports to HBR to assist in the evaluation of the students.

Section 6. Tools

HBR will provide hand tools to the machinists, carmen, and electricians.

Section 7. Contracting Out

Work presently and normally performed by CAW employees who are subject to the provisions **of** this Agreement shall not **be** contracted out except under the following circumstances:

- (a) When technical skills are not available from within HBR; or
- (b) Where sufficient employees, qualified to perform the work are not available from the active or laid-off list of employees and such work cannot be delayed until such employees become available; or
- (c) When essential equipment or facilities are not available and cannot be made available at the time and place required from either HBR owned property or bona fide leased from other sources at a reasonable cost without the operator; or
- (d) When the nature or volume of work is such that it does not justify the capital or operating expenditure involved; or
- (e) The required time of completion of the work **cannot** be met with the skills, personnel or equipment on the property; or
- (f) Where the nature or volume of the work is such that undesirable fluctuations in employment would automatically result.

In no event will contracting out result in the lay-off or bargaining unit employees.

HBR will provide CAW reasonable notice of its plan to utilize contractors. At a mutually convenient time, HBR and CAW shall meet to discuss HBR's plans to contract out work, If CAW is unavailable for such a meeting, such unavailability shall not delay implementation of HBR's contracting out plan. If HBR is unavailable for such a meeting, it may not proceed ~~with~~ the contracting out until after the meeting **is** held.

If a contingency other than that covered by this Section arises, causing HBR to need to contract out work pursuant to this Section during the course of the calendar year, HBR shall notify CAW of that need. Except in **cases** of emergency, notice of any contract will be given CAW at least thirty (30) days **prior** to commencement of the work, If CAW requests a meeting to discuss the notice, the meeting will be arranged without undue delay.

Section 8. Trainee Entry Level Rates

The trainee entry level rates *are as* follows:

Trainee entry level	\$19.50
Six months	\$20.00
Twelve months	\$20.50
Eighteen months	\$21.00
Twenty-four months	Full rate

These rates **will** be adjusted by the percentage increases set **forth** in Appendix A.

**TCRC MWED ANNEX
HUDSON BAY RAILWAY
COLLECTIVE AGREEMENT**

Section 1. Temporary Work

HBR may hire temporary employees for special work projects. The projects will not constitute work that normally or regularly forms part of the regular work of the regular or seasonal forces. Employees hired under this Section will occur only if there are no laid off employees covered by the TCRC MWED seniority list. HBR will recall laid off employees before hiring casual workers and will notify TCRC MWED of what work will be performed and how long that work will be performed. Any person hired under this Section will be subject to displacement by regular or seasonal employees who are issued lay-off notices or their assignment is terminated or completed,

Section 2. Accommodations for Seasonal Gangs

2.1 HBR will provide seasonal **work** crews with both accommodations and a meal allowance of thirty dollars (\$30) a day or a per diem of eighty-five dollars (\$85) for meals and accommodations at its discretion.

2.2 HBR will arrange suitable accommodations at its expense for seasonal work crews working at remote locations where accommodation is not otherwise available. HBR will also make suitable arrangements for meals for seasonal work crews working at remote locations. HBR will consult with TCRC MWED regarding the suitability of accommodations.

Section 3. **Work** Cycle Arrangements

Various work cycle arrangements may be established by mutual agreement between the proper officer of HBR and TCRC MWED. Such work cycle variations may include, for example, four (4) ten (10) hour days followed by three (3) rest days, ten (10) work days followed by four (4) rest days, fifteen (15) work days followed by six (6) rest days or eight (8) work days (of ten (10) hours each) followed by six (6) rest days. Where such arrangements are reached, the parties will make a joint application to the Minister of Labour in accordance with the provisions of the Canada Labour Code.

Section 4. Contracting Out

Work presently and normally performed by TCRC MWED employees who are subject to the provisions of this Agreement shall not be contracted out except under the following circumstances:

- (a) When technical skills are not available from within HBR; or

- (b) Where sufficient employees, qualified to perform the work are not available from the active or laid-off list of employees and such work cannot be delayed until such employees become available; or
- (c) When essential equipment or facilities are not available and cannot be made available at the time and place required from either HBR owned property or bona fide leased from other sources at a reasonable cost without the operator; or
- (d) When the nature or volume of work is such that it does not justify the capital or operating expenditure involved; or
- (e) The required time of completion of the work cannot be met with the skills, personnel or equipment on the property; or
- (f) Where the nature or volume of the work is such that undesirable fluctuations in employment would automatically result.

In no event will contracting out result in the lay-off of bargaining unit employees. Notwithstanding the right of HBR to contract out under this Section, HBR will endeavour to utilize seasonal gangs wherever feasible before contracting out that work.

At a mutually convenient time but no later than February 1 of each year, HBR will provide TCRC MWED reasonable notice of its plan to utilize contractors. At a mutually convenient time, HBR and TCRC MWED shall meet to discuss HBR's plans to contract out work. If TCRC MWED is unavailable for such a meeting, such unavailability shall not delay implementation of HBR's contracting out plan. If HBR is unavailable for such a meeting, it may not proceed with the contracting out until after the meeting is held.

If a contingency other ~~than~~ that covered by this Section arises, causing HBR to need to contract out work pursuant to this Section during the course of the calendar year, HBR shall notify TCRC MWED of that need. Except in cases of emergency, notice of any contract will be given TCRC MWED at least thirty (30) days prior to commencement of the work. If TCRC MWED requests a meeting to discuss the notice, the meeting will be arranged without undue delay.

In December of each year, HBR will provide the Regional Director of the Prairie Region of TCRC MWED or his authorized representative, on a confidential basis, a summary of the amount spent on contracted out projects.

Section 5. Payment for General Holidays, Bereavement, and Jury Duty

Employees will be paid the equivalent of straight time pay for each day of General Holiday, Bereavement, and Jury Duty. Payment for Jury Duty is modified further pursuant to Article 12 of the Agreement. Employees who are not required to work on a General Holiday shall be paid eight (8) hours pay at the straight time rate of their regular

assignment. Employees working a cycle other than eight (8) hours per day will be compensated ~~an~~ equal number of hours for the General Holiday.

Section 6. Training

The track foreman, extra gang foreman, machine operator, machinist/field maintainer, and welder will participate in the training of employees in each of those respective crafts. These individuals will be compensated for one (1) hour for each tour of duty up to twelve (12) hours and for two (2) hours for each tour of duty that exceeds twelve (12) hours at the rate of pay applicable to the service in which training is provided. This allowance for training shall not be used to calculate the forty (40) hour work week or overtime. The employee doing the training will be required to fill out progress reports on a tour of duty basis and submit the reports to HBR to assist in the evaluation of the students.

Section 7. Bidding

In conjunction with Article 15.1, prior to filling permanent positions externally, all positions will be posted internally. Successful applicants must be able to qualify. Positions will be awarded on the basis of seniority first within that classification in which the position was posted and then on senior service with HBR. Qualified conductors will be given preference for locomotive engineer positions.

Section 8. Abolishment of Permanent Positions

(a) When an employee's permanent assignment is abolished or when he is displaced from his permanent assignment while he is working on a temporary assignment, he ~~will~~ be required to declare to another permanent assignment on the effective date of the notice. Employees not claiming a permanent assignment at the time they are affected will not be permitted to displace a junior employee holding a permanent position until such time ~~as~~ they re-establish themselves by bulletin on a permanent position.

(b) In the event of reduction of staff, senior employees who could have applied for a permanent position in a classification in which they hold seniority and do not hold a permanent position will not be permitted to displace a junior employee holding a permanent position.

Employees placed in a situation to exercise their displacement rights from a permanent position will not be permitted to displace ~~a~~ junior employee holding a permanent position until such time as they re-establish themselves, by bulletin, on a permanent position.

(c) In cases of displacement from a permanent position or ~~the~~ abolishment of a permanent position, employees placed in a situation to exercise their displacement rights may declare to a permanent position or may displace to a temporary position before reporting to their new permanent position.

Section 9. Special Considerations in Conditions of Employment in Gillam, Manitoba.

(a) HBR will pay those employees who provide their own housing accommodations in Gillam a monthly domicile allowance of one hundred thirty-seven dollars and sixty-six cents (**\$137.66**) for married employees and eighty-two dollars and sixty cents (\$82.60) for single employees. In addition, HBR will pay a utilities allowance of one hundred twenty-five dollars (\$125) a month for private homes. Employees who occupy housing accommodations subsidized by HBR are not eligible for this payment. For purposes of this Section, the following definitions of marital status shall apply: married status – an employee who maintains a domicile for his spouse and/or dependent children at his headquarters or an employee who is legally separated or widowed and maintains a domicile for dependent children at his headquarters. Single status – a single employee whose spouse is also employed by HBR, an employee without a spouse, an employee with or without dependent children, who maintains a domicile solely for himself at his headquarters.

(b) An employee with three or more years cumulative service with HBR and who has maintained a permanent residence at Churchill or Gillam for a one (1) year period, shall be provided once annually with return transportation from his work headquarters to The Pas for himself and dependent members of his family. HBR shall determine the means of transportation.

Section 10. Weekend Travel Allowance

HBR will pay twenty cents (\$0.20) a kilometre for seasonal **work** crews when the employee's work location is sixty (**60**) kilometres or more away from his home address. The allowance will be paid from his work location to the closer of his home location or The **Pas**. If the employee travels north of The **Pas**, the allowance will be paid from the work location to his home address. The allowance is payable to the owner of the vehicle only, for each cycle. The vehicle must be used or the allowance will not be paid and there will be no allowance if HBR provides the transportation.

Section 11. Travel Time Provision

HBR will pay travel time for temporary and work crew (utility) employees working ten (10) days on and four (**4**) days off for those employees working on the Herchmer Subdivision north of **Gillam** and on the Sherridon Subdivision. The travel time will be the actual time traveled not to exceed eight (8) hours from the work location on the Herchmer Subdivision to Gillam and from the work location on the Sherridon Subdivision to Cranberry Portage.

Section 12. Provision of Tools

HBR will provide hand tools for the machinists/field maintainers. If the machinist/field maintainer already has his own tools, he will provide HBR with a list of those tools and HBR will determine the value of said tools and pay the machinist/field maintainer up to

one thousand five hundred dollars (\$1,500) for those tools. HBR will exchange a replacement tool for a broken tool for machinists/field maintainers for those tools on the list. In recognition that these tools are shared by other employees, HBR will replace any such tools on the list that are lost up to a value of two hundred dollars (\$200) per year. HBR will also provide the machine operators hand tools.

Section 13. Expenses for Temporary Trackmen, Track Foremen, and Machine Operator (Exclusive of Seasonal Work Crews) at Away from Home Locations

(a) HBR will provide a temporary employee as defined above with either accommodations and a meal allowance of thirty dollars (\$30) a day or a per diem of eighty-five dollars (\$85) for meals and accommodations at HBR's discretion and twenty cents (\$0.20) a kilometre weekend travel allowance if the employee is displaced or is awarded a temporary vacancy position to remain working if there is no work available at the employee's home location. The weekend travel allowance will be paid from his work location to the closer of his home location or The Pas. Any employee at the date of ratification who moves outside the network or further away from the network than he is at the time of ratification will no longer be entitled to temporary expenses as defined in this Section. If the employee travels north of The Pas, the allowance will be paid from the work location to his home address. The allowance is payable to the owner of the vehicle only. The vehicle must be used or the allowance will not be paid and there will be no allowance if HBR provides the transportation.

(b) It is understood that when an employee has occupied a temporary vacancy position away from his or her home location and a temporary position that the employee's seniority entitles the employee to later becomes available at the employee's home location, the employee will have the option of returning to his or her home location to fill that temporary position or stay on the temporary position away from the home location. If the employee opts to stay on the temporary position away from his or her home location, he or she will not be eligible for expenses.

Section 14. Manning of Equipment

If the road repair truck or hi-rail crane is used in maintenance-of-way service, maintenance-of-way employees will operate it.

TCRC/UTU ANNEX TO COLLECTIVE AGREEMENT

Section I. Work Scheduling

Transportation employees who receive a bulletin to that effect may not work five (5) continuous days during the work week. Any change in the starting time of an assignment will be subject to an employee being given eight (8) hours rest between tours of duty. If the employee has booked for twelve (12) hours rest and as a result misses the assignment, that employee will receive the earnings for that assignment. In the event an employee books off for rest after being advised of the change in an assignment, that employee is not eligible for receipt of the earnings of that assignment.

Section 2. Extra Board

Extra board transportation employees may be required to remain on the extra board and available for service seven (7) days a week until such time as the employee accumulates forty (40) straight time hours on the extra board. As soon as an extra board employee accumulates his forty (40) straight time hours, that employee's name will be placed on a list indicating that he has accumulated forty (40) straight time hours. Placement on the list means that he will be ineligible to work overtime unless there are no other extra board employees available at straight time rates. Overtime assignments will be filled in seniority order by those employees who wish to work overtime when there is no conflict with filling that employee's regular assignment.

Extra board employees who either book off or miss a call will forfeit the hours of that trip from their forty (40) hour guarantee. When such an employee books off or misses a call, he will be held off the extra board for a minimum of eight (8) hours from the assignment start time. Rest booked in compliance with Section 6 of this Annex will not be used to penalize extra board employees.

Section 3. Home Terminal Provisions

An employee in freight or passenger service held at other than his home terminal shall be paid on a minute basis for his hourly rate of pay for the actual time so held after the expiration of sixteen (16) hours from the time relieved from previous duty.

A trip from a home terminal to an objective terminal and return will constitute a tour of duty in each direction and a basic day's pay of eight (8) hours will be paid for each tour. Hours in excess of eight (8) hours on either tour of duty will be paid at one and one-half (1½) times the regular straight rate of pay. If a round trip to a turn around point can be made in less than twelve (12) hours, the actual time worked will be paid at the straight time rate and overtime will be paid at the overtime rate. Crews will not be called to an away from home terminal in turn around service. Payments accruing under this Section shall be made separately from pay for subsequent service or deadheading.

If **an** employee is called for service or ordered to deadhead after held away from home pay begins, such pay shall cease at the time pay begins for such service or deadheading. In the event an employee is ordered for service that does not depart from the away from home terminal or is returned from the away from home terminal, all time worked shall not be used in the calculation or deduction of held away pay or time.

In order to avoid excessive held away from home terminal time, HBR may deadhead an employee to the home terminal of his assignment and use other road service employees to operate the train.

An employee at **an** away from home terminal will not be called for more than one (1) tour of duty where he will not reach his home terminal,

For purposes of this Section, HBR shall designate a home terminal for each assignment.

Section 4. Deadheading

Employees who are called to deadhead shall be allowed a minimum of one (1) day's pay or actual time consumed, whichever is greater, in deadheading. A combination of service and deadheading is permissible when the time is computed as continuous, provided that not less than one (1) day's pay is allowed for the combination. Deadheading resulting from the exercise of seniority shall not be paid.

When **an** employee is entitled to compensation for deadheading under this Section, HBR shall provide or arrange for the necessary transportation. If railway or public transportation is not available and HBR authorizes the employee to use his private automobile, the employee will be reimbursed at the rate of thirty-two cents (\$.32) per kilometre for the kilometres traveled over the most direct highway route. Nothing in this Section shall be construed to impose an obligation on an employee to use his personal automobile to deadhead.

Section 5. Crew Consist

Unless otherwise provided in this Section, all freight and yard crews will consist of a conductor, assistant conductor, and a locomotive engineer. In the event HBR determines to utilize a conductor only crew, it will pay the remaining crew members thirty-five dollars (\$35) per person per tour of duty. Unless otherwise agreed by the parties, passenger assignments will consist of a conductor, an assistant conductor, and two (2) locomotive engineers. When the auxiliary train is used in continuous service (sixteen hours or more), two (2) locomotive engineers will be called. When a Sperry **Car**, rail detector car, track mobile or Speno Rail Grinding equipment, is used or operated as a train, a conductor pilot will be used and placed in charge of the operation. Where work is unduly heavy, HBR may use **an** additional assistant conductor.

Section 6. Rest

Operating employees in freight service may book up to twenty-four (24) hours of rest at the home terminal and no more than eight (8) hours rest at the away from home terminal. Operating

employees in yard service may book up to twelve (12) hours rest. Such rest must be booked on the completion of the shift or tour of duty. Employees in train and engine freight service who have been on duty twelve (12) hours or more have the right to book rest en route, if they so desire, in accordance with the provisions of this Article. Train and engine service employees are to be the judge of their own condition. Not less than three (3) hours notification of the desire to book rest will be given to the rail traffic controller ("RTC"), with the notice including the number of hours of rest required. Train and engine service employees taking rest en route under the provisions of this Article will arrange to clear their train from the main line. When accommodations are to be provided en route, the RTC may instruct the train and engine service employees to take rest prior to the expiration of the twelfth hour on duty so that accommodations may be readily provided. Except in circumstances beyond the control of HBR, employees will be at their place of rest when rest booked is due to commence.

Section 7. Training

Locomotive engineers will participate in the training of student locomotive engineers. Locomotive engineers will be compensated for one (1) hour for each tour of duty up to twelve (12) hours and for two (2) hours for each tour of duty which exceeds twelve (12) hours at the rate of pay applicable to the service in which training is provided. This training shall not be used to calculate the forty (40) hour work week or overtime. Locomotive engineers will be required to fill out progress reports on a tour of duty basis and submit the reports to HBR to assist in the evaluation of the student locomotive engineers. Conductors participating in the training of student conductors as directed by HBR will be computed in the same manner and with the same conditions as described above.

Section 8. Cash Floats

HBR shall provide each conductor who works the VIA passenger service with a cash float amount so that the conductor may make change for those passengers who purchase tickets on board. The amount of such cash float will be determined by HBR and set forth in a separate letter of understanding. The conductor will be strictly accountable for the full amount of the cash float unless there are extenuating circumstances, which shall be reported to the General Manager.

Section 9. Employees Not Properly Called

An employee not properly called in the proper order for a position he is entitled to will be entitled to receive a penalty payment of eight (8) hours at the applicable straight time rate of pay. The payment will be made only to the first employee affected by not being properly called. Such payment will be in addition to the forty (40) hour guarantee.

Section 10. Terminals

The HBR terminals are as follows: The Pas, Wabowden, Gillam, Thompson, Churchill, Flin Flon, and Lynn Lake. HBR may establish home terminals as necessitated by its business needs. It shall discuss the establishment of such terminals with the BLE and UTU. If HBR determines

to permanently abolish any home terminal, it will negotiate, with the BLE **and** UTU regarding any costs that may be associated with moving any CCROU employees from the terminal HBR is going to permanently abolish before proceeding with the permanent abolishment.

Employees at the home terminals at The Pas, Churchill, and Gillam will only be able to move between these three (3) terminals by one of the following methods:

- (a) When a vacancy is created as a result of death, retirement, resignation or dismissal*, that vacancy will be bulletined to the terminals and said vacancy will only be filled by senior qualified employees from within the craft so long as no shortage is created; or
- (b) All work trains of one (1) week, i.e., five (5) working days or more duration, will be bulletined to these terminals. Qualified employees at either terminal would be allowed to bid within their classification. If awarded the position, that employee may choose to stay at the other terminal by exercise of seniority thus relocating to the other terminal at the completion of the job; or
- (c) At a change of card, employees who want to relocate between these terminals must, thirty (30) days prior to the change of card, submit their intention to the appropriate company officer and union representative. The employee will be advised who the junior employee working in their classification at the other terminal is. Employees will then submit their bid application on available assignments at the other terminal and will or will not be awarded **an** assignment based on seniority and qualifications within their class at the other terminal.
- (d) If **an** employee is laid off at his home terminal **and** chooses to go to another terminal and displace a junior employee, he must immediately return to his home terminal when he can fill a job within his classification at his home terminal.

*Vacancies caused by a dismissal will not be considered permanent until the grievance procedure is exhausted.

Section 11. Reporting Pay and Calling Procedures

- (a) When an employee is called and reports for duty and, for any reason other than his own, is not used, he shall be allowed pay at the applicable straight time rate of pay for the first four **(4)** hours he is held, with a minimum of two **(2)** hours. If he is held longer **than** four **(4)** hours, he shall **be** paid **eight (8)** hours of **pay** at his applicable straight time rate of pay. Employees held in excess of four **(4)** hours will have the opportunity to book up to eight (8) hours of rest.
- (b) Except in an emergency, HBR shall provide at least a one and one half (1½) hour call in advance of the on-duty time. HBR shall not be required to call an employee who is in assigned service except to inform him if a train is delayed and to inform him of the new on duty time.

Section 12. Payment for General Holidays, Bereavement, and Jury Duty

Engineers and conductors will be paid the average daily rate for the assignment at his straight time rate **of** pay for General Holidays for holidays not worked. They will be compensated for their lost time off for Bereavement, and Jury Duty **as** further modified by Article 12 of the Agreement.

Section 13. Special Considerations in Conditions of Employment in Gillam, Manitoba.

(a) HBR will pay those employees who provide their own housing accommodations in Gillam a monthly domicile allowance of one hundred thirty-seven dollars and sixty-six cents (\$137.66) for married employees and eighty-two dollars and sixty cents (\$82.60) for single employees. In addition, HBR will pay a utilities allowance of one hundred twenty-five dollars (\$125) **a** month for private homes. Employees who occupy housing accommodations subsidized by HBR are not eligible for this payment. For purposes of this Section, the following definitions of **marital** status shall apply: married status – an employee who maintains a domicile for his spouse **and/or** dependent children at his headquarters or **an** employee who is legally separated or widowed **and** maintains a domicile for dependent children at his headquarters. Single status – a single employee whose spouse is also employed by HBR, an employee without a spouse, **an** employee with **or** without dependent children, who maintains a domicile solely for himself at his headquarters,

(b) An employee with three or more years cumulative service with HBR and who **has** maintained a permanent residence at Churchill or Gillam for a one (1) year period, shall be provided once annually with return transportation from his work headquarters to The Pas for himself and dependent members of his family. HBR shall determine the means of transportation,

36