

THIS AGREEMENT IS ENTERED INTO THIS 23rd DAY OF OCTOBER 2008.

B E T W E E N :

RAILTRAN SERVICES INC. & ALLOY TRANSPORTATION SERVICES INC.  
(Hereinafter referred to as the "Companies")

Party of the First Part:

- and -

THE EMPLOYEES ASSOCIATION OF  
RAILTRAN SERVICES INC. &  
ALLOY TRANSPORTATION SERVICES INC. –  
CANADIAN NATIONAL FEDERATION OF INDEPENDENT UNIONS  
LOCAL 3019  
(Hereinafter referred to as the "CNFIU")

Party of the Second Part:

The Parties hereto agree with each other as follows:

#### ARTICLE 1 - RECOGNITION

1.1 The Companies recognize the CNFIU as the sole and exclusive bargaining agent for all employees of the Companies working at or out of Brockville, Ontario, excluding foremen, those above the rank of foremen, office and sales staff, and students employed during the school vacation period.

1.2 The term "employee" shall mean all employees, save and except foremen, those above the rank of foremen, office and sales staff, and students employed during the school vacation period.

1.3 Work normally performed by the employees shall not be performed by supervisory, office and sales staff, foreman, those above the rank of foreman, students employed during the school vacation period, sub contractors and independent contractors, while bargaining unit employee's able to perform the work are laid off unless it is to provide assistance on an occasional or emergency basis.

A Weekend Work Form will be posted on Monday of each week. As of 8:00 am on Wednesday we will offer the additional weekend work based on Seniority. After 8:00 am on Wednesday the work will be dispatched based on who volunteered for the work first.

1.4 The effective date of this Agreement shall be November 1, 2008, and the terms shall be from this date to October 31, 2011.

1.5 The Companies and the CNFIU each agree that the purpose and the intent of this Agreement is to establish mutually satisfactory relations between the Companies and its employees, to promote co-operation and harmony, to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours of work and wages for all employees who are subject to the provisions of the Agreement.

## ARTICLE 2 - CNFIU SECURITY

2.1 It is agreed by the Companies that all employees of the Companies covered by this Agreement must become and remain members of the CNFIU in good standing during the life of this Agreement as a condition of employment.

2.2 The Companies agree that all employees hired on or after the signing of this Agreement, shall be placed on both the Companies seniority list and the relevant individual seniority list, and thereby acquire seniority status as soon as their probationary period is completed and shall remain as members in good standing of the CNFIU for the duration of this Agreement as a condition of employment.

2.3 The Companies further agree to inform all newly hired employees that CNFIU membership is a condition of employment after thirty (30) working days or forty-five (45) calendar days whichever comes first. The Companies shall introduce new employees to a Union representative during this period.

2.4 The Companies agree that when new employees are hired they shall sign an Application for Membership in the CNFIU and also a Dues and an Initiation Fee deduction form on the date of hire.

2.5 The Companies agree for the duration of this Agreement to deduct dues in the amount of two (2) hours at the base rate per employee per month in equal instalments from each of the first two pay periods of each month and to remit such monies so deducted to the CNFIU along with a checkoff list of employees from whom monies were deducted not later than the fifteenth (15th) day of the month following the date upon which such monies were deducted. Employees who work less than five (5) loads per month will have zero (\$0.00) dollars deducted from their first pay period of the month. In the case of an employee on Workers' Compensation, the checkoff shall indicate that such employee is on "W.C.B.".

2.6 The Companies shall each month add the name of each new employee hired on since the remittance of the previous checkoff along with the starting date and the Companies will give an explanation alongside the name of each employee who appeared on the previous month's checkoff sheet for whom a remittance is not made for any reason.

2.7 Membership Forms & Dues Deduction Authorization Forms shall be signed by all new

employees on the day of hire. It will be the responsibility of the Company to ensure that all completed Applications for Membership forms are returned to the CNFIU. All forms shall be returned to the CNFIU within fourteen (14) days from the date of hire.

2.8 The deduction of Dues shall be made from every employee excluding students working during school vacation. Probationary employees are required to pay dues.

2.9 The Companies shall show the Dues deduction on employee's T4 slips.

2.10 The Companies agrees to provide up to date pay and deduction codes accompanied by thorough explanations as changes are made to all new employees and yearly with T4's and as changes are made.

2.11 The CNFIU will advise the Companies of any employee who is exempt from paying dues according to the CNFIU by-laws.

#### ARTICLE 3 - MANAGEMENT'S RIGHTS

3.1 The CNFIU recognizes that the Companies have the right to manage the business, to exercise all of the prerogatives of management and without affecting the generality of the foregoing, it has the right to maintain order, direct the work force and establish and enforce reasonable rules and regulations, to hire, classify, transfer, lay off and promote employees, except to the extent that the said rights and prerogatives have been modified and limited by this Agreement. The Companies also have the right to discharge, suspend or otherwise discipline employees for just cause.

3.2 The Companies agrees that in no case shall they exercise any of the above responsibilities of Management contrary to any of the terms and conditions of this Agreement.

3.3 The above clause shall not deprive the CNFIU or an employee of the right to exercise the Grievance Procedure as outlined in this Agreement.

#### ARTICLE 4 - DISCRIMINATION

4.1 There shall be no discrimination, interference, restriction, coercion, harassment, intimidation or stronger disciplinary action exercised or practiced with respect to an employee by reason of age, race, creed, colour, national origin, political or religious affiliation, sex, physical or emotional handicap, sexual orientation, marital status, family status, conviction for an offence for which a pardon has been received, or membership or activity in the Union.

4.2 Representatives of the CNFIU shall be allowed to enter the Companies premises to deal in the administration of this Agreement, provided they do not interfere with the normal operation of the Companies.

## ARTICLE 5 - DATA TO BE SUPPLIED TO AND BY THE CNFIU

5.1 The Companies will supply, monthly, to the CNFIU the following information concerning employees, probationary employees, part time employees, and employees working during school vacation.

- (1) Who was hired?
- (2) Who completed his/her probationary period;
- (3) Divisional changes;
- (4) Those who transferred into or out of the CNFIU;
- (5) Who went on leave of absence;
- (6) Who was off on disability or compensation and the date each went off;
- (7) Those laid-off and recalled;
- (8) Those who lost seniority; and
- (9) Those who retire, with their home addresses.

5.2 In January of each year, the Companies will supply the CNFIU with a list of names and addresses of all active employees.

5.3 The Company will inform the CNFIU when supervisors change.

5.4 The CNFIU will inform the Companies, in writing, of changes to any executive, steward or committee members.

## ARTICLE 6 - STEWARDS

6.1 The Company acknowledges the right of the CNFIU to appoint or otherwise select one (1) steward for each Company and one (1) steward for the Yard/Shop employees.

6.2 Wherever possible grievances shall be processed during the normal working hours of the steward. A steward or alternate steward shall receive his/her regular rate of pay when grievances or pending grievances are processed with the Companies on Companies property or at any other place which is mutually agreed upon by both the CNFIU and the Companies.

6.3 If the Companies representative is unable to meet the steward or alternate steward during the stewards or alternate stewards normal working hours, the steward or alternate steward shall be paid at his/her regular rate of pay for all time spent during the processing of the grievance with the Companies on the Companies property or at any other place which is mutually agreed upon by the CNFIU and the Companies.

6.4 The CNFIU will inform the Companies in writing of the name of the stewards and any

subsequent change in the name of the steward or alternate steward. The Companies shall not be asked to recognize any steward until such notification from the CNFIU has been received.

#### ARTICLE 7 - CNFIU COMMITTEES

7.1 The Companies recognize the right of the CNFIU to appoint or otherwise select both a Negotiating Committee and an Executive Committee and the Company undertake to recognize and deal with both these Committees. These Committees shall consist of reasonable numbers. The Companies agree to pay for all time spent in the aforesaid Committees in Company called meetings as well as negotiations with the Companies relating to this Agreement, amendments to this Agreement, subsequent Collective Agreements and grievances.

#### ARTICLE 8 - GRIEVANCE PROCEDURES

8.1 The grievance procedure herein provided is among the most important matters in the successful administration of this Agreement. The Companies and the CNFIU therefore agree that the designated grievance procedure, as hereinafter set forth, shall serve as and constitute the sole and exclusive means to be utilized by the griever for the prompt disposition, decision and final settlement of the grievance arising in respect of the interpretation, application, administration, or alleged violation of this Agreement. Wherever the term "grievance procedure" is used in this Agreement, it shall be considered as including the arbitration procedure.

8.2 A "Grievance" shall mean a complaint or claim concerning improper discipline or discharge, or dispute with reference to the interpretation, application, administration or alleged violation of this Agreement.

#### 8.3 Grievance Procedure

- Step 1
- (a) An employee who has a grievance shall first discuss it with his/her steward/Executive Committee. The steward/Executive Committee shall, within seven (7) working days of the receipt of the grievance, discuss it with the President or Vice-President of the Companies. If the grievance is settled during the discussion, the President or Vice-President of the Companies and the steward/Executive Committee will acknowledge the settlement, in writing. If the grievance is not settled during the discussion with the steward/Executive Committee, the President or Vice-President of the Companies shall have ten (10) working days to provide his/her decision, in writing, to the steward/Executive Committee.
  - (b) When the CNFIU has a grievance, a member(s) of the Executive shall discuss it with the President or Vice-President of the Companies. If

the grievance is settled during the discussion, the President or Vice-President of the Companies and the member(s) of the Executive will acknowledge the settlement in writing. If the grievance is not settled during the discussion with the member(s) of the Executive, the President or Vice-President of the Companies shall have Twenty (20) working days to provide his/her decision, in writing, to the CNFIU.

Step 2 If the CNFIU is not satisfied with the decision of the President or Vice-President of the Companies, as provided in Step 1 herein, the CNFIU will submit the grievance in writing to the President or Vice-President of the Company within ten (10) working days from receipt of the decision of the President or Vice-President of the Companies.

Step 3 Within Twenty (20) working days after the Companies receipt of the written grievance, the Grievance Committee will meet to discuss same. The Grievance Committee shall consist of at least two (2) CNFIU representatives (the members of the Grievance Committee may not be directly involved with the grievance in question) and at least (1) Management representative. The Companies agree to pay those committee members while meeting with the Company officials on matters arising out of, or relating to the disposition of the grievance.

Step 4 If a settlement is reached by the Grievance Committee it will be acknowledged in writing and signed by all members of the Grievance Committee. If a settlement is not reached within fifteen (15) working days after the commencement of its discussions by the Grievance Committee, a mutually agreed arbitrator will be appointed pursuant to the provisions of the Canada Labour Code. The arbitrator's decision will be final and binding on all parties. The costs of the arbitrator will be paid for by the unsuccessful party.

8.4 A settlement reached at any stage of the grievance procedure shall be final and binding upon all parties thereto including the grieving employee, and shall not be re-opened, if the settlement is in writing and is signed by the Companies and the CNFIU, unless all parties agree in writing to do so.

8.5 Both the Company and the CNFIU have the right to follow this procedure as outlined in Section 8.3.

8.6 All monetary grievances that are mutually agreed upon shall be paid the following pay period, either by separate cheque or, in the alternative, the employee's regular cheque and shall be accompanied by a written statement outlining the amount and grievance settlement involved.

8.7 Any employee covered by this Agreement approached by management for any discussion

regarding grievances, disciplinary action, potential disciplinary action, or anything relating to this Agreement must be accompanied by a Steward, a member of the executive committee or full time representative of the CNFIU.

8.8 An employee grievance must be submitted in writing to the President or Vice-President of the Companies within thirty (30) days from the date that the employee first becomes aware that a possible grievance exists in order for the said grievance to be valid.

8.9 A CNFIU grievance must be submitted in writing to the President or Vice-President of the Companies within thirty (30) days from the date that the CNFIU first becomes aware that a possible grievance exists in order for the said grievance to be valid.

## ARTICLE 9 - ARBITRATION

9.1 Where a matter is referred to Arbitration pursuant to Article 8.3, step 4, the referral shall be by notice in writing to the other party and such notice shall specify the names of two (2) persons whom that party would like to see act as the Impartial Arbitrator. The party receiving the notice shall either agree with one of the names in the notice or propose two (2) other persons to act as the Impartial Arbitrator. If the parties fail to agree on an Impartial Arbitrator, the appointment shall be made by the Canada Labour Relations Board upon request of either party.

9.2 The Impartial Arbitrator shall hear and determine the grievance and shall issue a decision, which shall be final and binding upon the parties and the employees.

9.3 The Impartial Arbitrator shall not have the authority to make any decision inconsistent with the provisions of this Agreement nor shall he alter, modify or amend any part of the Agreement.

9.4 The Impartial Arbitrator shall have the authority to make monetary awards or grant remedies which are just and equitable and which are consistent with the provisions of this Agreement.

9.5 The cost of the Impartial Arbitrator shall be borne by the unsuccessful party.

9.6 Mediation. Notwithstanding the process outlined in Article 8, the parties may, by mutual consent, enlist the services of a Mediator/Arbitrator specialist who shall meet with the parties in an attempt to have the matter resolved. The timelines outlined in Article 8 shall be postponed until such time as it has been determined that the mediation process has failed.

## ARTICLE 10 - STRIKES, LOCKOUTS AND PICKET LINES

10.1 During the term of this Agreement there shall be no lockout by the Companies or any strike, sit-down, work stoppage or suspension of work either complete or partial for any reason by the employees.

10.2 The Companies acknowledges the right of the employees to recognize and refuse to cross a picket line.

10.3 The CNFIU recognizes the right of the Companies to protect its business and the property of its customers.

#### ARTICLE 11 - MERGERS

11.1 If the Companies acquire by way of purchase or in any other manner the business or undertaking of any other Business Entity (or Corporate Entity) and such operations are merged all employees of the company being purchased will be treated as new employees of Railtran Services Inc or Alloy Transportation Services Inc. for the purpose of seniority. Merged for this purpose means, two or more transportation companies merged together.

#### ARTICLE 12 - NEW TYPES OF EQUIPMENT AND CATEGORIES OF WORK

12.1 When new types of equipment or categories of work for which rates of pay are not established by this Agreement are put into use or effect, rates governing such operations shall be subject to negotiations between the parties. In the event of failure to reach agreement on such rates, the Company shall establish the rates and such discussion shall be deferred to the next formal contract negotiations.

#### ARTICLE 13 - BULLETIN BOARDS

13.1 The Company agrees to permit the posting of any notices of CNFIU meetings or functions on a separate CNFIU Bulletin Board, conspicuously placed and provided for that purpose, provided they are authorized and signed by an officer of the CNFIU.

#### ARTICLE 14 - EQUIPMENT SAFETY

14.1 It is to the mutual advantage of both the Companies and the employees that employees shall not operate equipment which is not in safe operating condition and not equipped with the safety appliances required by law. Equipment declared unsafe by a Supervisor will not be put back into service until necessary repairs have been completed.

#### ARTICLE 15 - SAFETY AND HEALTH

15.1 The Company and the CNFIU recognize the importance of promoting safe working



conditions and the safe handling of equipment at all times. The Companies shall ensure that qualified first aid training is available to employees. The Companies agree to train and the CNFIU agrees to partake in the training of a sufficient number of employees to ensure that qualified first aid treatment is available during all hours of operation. The Company shall supply a list of all trained employees to the CNFIU in January of each year.

15.2 It is understood that there is a specific obligation on the part of the employees to immediately report to the Companies any accident which involves damage to any vehicle or equipment or Companies property or damage to cargo being handled by an employee. The employee is also responsible to immediately fill out all accident reports as required by the Safety Supervisor.

15.3 In the event that an employee alleges the existence of any unsafe practices, conditions or equipment, the employee is obliged to report such practice, condition or equipment to the Companies through the Safety Supervisor or Shop Manager and the Supervisor or Shop Manager shall record the complaint in writing with a copy to the Safety Committee. The Companies will undertake to investigate the allegation immediately and within reasonable time take whatever steps are deemed necessary to correct unsafe practice, conditions or equipment. The employee will not be required to operate equipment that is not in sound operating condition or work under conditions that are unsafe. The determination in respect to the condition of equipment (or unsafe conditions) shall rest with the Safety Supervisor or Shop Manager

15.4 The Companies shall make reasonable provisions for the safety and health of employees during the hours of their employment. Protective devices and other equipment to safeguard employees from injury shall be provided by the Companies and placed in an accessible location. The employees will advise the Companies forthwith if there is any problem with any of the safety equipment as soon as it comes to the employee's attention. The employees acknowledge that they are required to use all protective devices and equipment in the performance of their duties.

15.5 If an employee meets with an accident after starting work incapacitating him/her from carrying out his/her duties, he/she shall be paid his full day's wages for the day of his injury providing he is not receiving compensation pay for that day. If the injury prevents the employee from working, the Companies shall supply his transportation directly from work premises to a hospital or doctor, and then to his residence.

15.6 A Joint Health and Safety Committee shall be constituted and shall consist of an equal number of representatives of the Companies and of the CNFIU selected by the Executive Committee, which shall identify potential dangers and recommend means of improving the health and safety of employees. The Committee shall meet monthly. Time spent in such meetings is to be considered time worked. Minutes must be taken of all meetings and copies must be sent to the Company and the CNFIU.

15.7 The Companies will reimburse the cost of safety footwear up to the amount of Two Hundred dollars (\$200.00) per calendar year, to all employees who have accumulated six (6) months seniority with the Company. This amount shall be paid by separate cheque to the employees upon delivery of

a cash register receipt evidencing proof of recent purchase.

15.8 No employee shall be penalized if he/she refuses to work under conditions which make-work hazardous or under conditions contrary to the *Canada Labour Code*.

15.9 A member of the Health and Safety Committee, appointed by the Executive Committee in conjunction with Management, shall have the right to participate in a workplace accident investigation.

#### ARTICLE 16 - HOLIDAYS

16.1 An employee shall be compensated for time lost as a result of one of the following holidays being observed on his/her regularly scheduled workday. The foregoing shall be subject to the other qualifying requirements of this Article 16. Compensation shall be equivalent to the employee's standard rate of ten (10) hours. If a designated holiday falls on Saturday or Sunday, the employee shall be paid for the holiday at his/her standard rate as set out herein, or the Companies may declare an alternative day as being the paid Holiday to replace one of the specific days listed in this Agreement, provided, however, that in so doing, the Companies shall give adequate prior notice to the CNFIU and to the employees. The designated holidays are:

Christmas Day	Canada Day
Boxing Day	Civic Holiday (which replaces Remembrance Day)
New Years Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	

16.2 In order to qualify for payment for any of the holidays designated in Article 16.1, the employee must work the full scheduled shift the day before and the day following the holiday, unless absent because of bonafide illness or injury or approved leave. The Companies may require a medical certificate, at their option, as proof of sickness or injury.

16.3 Any employee who requests one day off will be required to fill out a form.

#### ARTICLE 17 - VACATIONS

17.1 The choice of vacation period shall be according to seniority provided that it does not conflict with the Companies obligations to maintain an efficient working force. For greater certainty it is understood that there will be no more than 3 drivers & 1 mechanic on vacation at any given time.

17.2 Employees with less than one (1) year continuous service as of June 30th in any year shall be granted vacation pay in accordance with the *Canada Labour Code*.

17.3 An employee having at least one (1) year continuous service with the company as of June 30th of any year shall be entitled to two (2) weeks vacation. Vacation pay will be computed at the rate of four percent (4%) of the employee's earnings with the Companies in the twelve (12) month period immediately proceeding such June 30th.

17.4 1) An employee having at least five (5) years continuous service with the Companies as of June 30th in any year shall be entitled to three (3) weeks vacation. Vacation pay will be computed at the rate of six (6%) of the employees earnings with the company in the twelve (12) month period immediately following such June 30th.

2) Where the employee's fifth year anniversary date falls after June 30th the employee shall receive three weeks vacation. Vacation pay will be computed at four (4%) percent up to his/her anniversary date and at six (6%) percent from the anniversary date.

17.5 1) An employee having at least ten (10) years continuous service with the Companies as of June 30th in any year shall be entitled to four (4) weeks vacation. Vacation pay will be computed at the rate of eight per cent (8%) of the employee's earnings with the Companies in the twelve (12) month period immediately following such June 30th.

2) Where the employee's tenth year anniversary date falls after June 30th the employee shall receive four weeks vacation. Vacation pay will be computed at six (6%) percent up to his/her anniversary date and at eight (8%) percent from the anniversary date.

17.6 Any employee who knows he is going to be laid off, may request his accumulated vacation pay prior to a lay off date as long as he gives the office reasonable time to process the said pay.

17.7 If holidays are booked, they must be taken at that time. If they are not wanted or taken, the Companies must be notified at least two (2) weeks prior to the holiday date. These holidays will then be offered to the next person on the seniority list who has not had an opportunity to take holidays.

17.8 The Companies agree that the senior employee in each division will choose his/her vacation and then choose in descending order of seniority. The schedule of each division will be circulated commencing February 1, of each year and each employee must be prepared to book his/her vacation when they receive the schedule. Once the employee has booked his/her vacation he/she cannot ask for a time that someone else has booked. All vacations to be booked by March 31 of each year. Once the employee has booked his/her vacations the employee shall not be forced to work or change his/her vacations. If an employee wishes to change his scheduled vacation with another employee he may do so provided it does not interfere with the proper running of the business. The Company will post the Vacation Schedule on the Bulletin Board immediately after the March 31 signing.

17.9 The Companies agree to pay the total accumulated vacation pay for each year on the week following the last pay period in June of each year. The last pay period in June includes a pay period

where five or more of the days worked are in June. This payment shall be made as a separate payroll deposit and is subject to an adjustment for amounts paid out under section 18.6.

## ARTICLE 18 - SENIORITY

18.1 There shall be two types of seniority within the Company, namely overall seniority and Company seniority. There shall be a seniority list for each of these two lists.

18.2 The Companies seniority commences the first day of hire and is used for length of vacation and severance purposes.

18.3 An employee's overall seniority date remains unchanged for as long as the employee is retained on the active or inactive payroll of one of the Companies, regardless of any moves, which he/she may make between the two companies.

18.4 In the event of one of the Companies deciding to close the operations, an employee shall have the right to have his/her seniority transferred to the other Company.

18.5 Employees shall be considered probationary until placed on the seniority list. Such employee shall work under the provisions of the Agreement and shall be employed on a probationary basis for ninety (90) calendar days, during which period he/she may be terminated or disciplined without recourse to the grievance procedure. The Company may not terminate such employee for the purpose of forcing an additional probationary period. Upon completion of the 90th Calendar day the employee shall be placed on the regular Company and overall seniority lists as of the date of commencement of his/her probationary period.

18.6 The appointment or selection of employees for supervisory positions or any position not subject to the provisions of this Agreement is not covered by this agreement, but if any employee on a seniority list is so transferred or appointed and later is transferred back to a position which is governed by this Agreement, then such employee shall retain all accumulated seniority if they return within six (6) months of accepting the position outside of the bargaining unit. Employees shall be allowed to leave the bargaining unit once during the life of the collective agreement.

18.7 An employee shall lose all seniority and service rights if:

- (a) An employee voluntarily quits;
- (b) If the employee is discharged for just cause;
- (c) If the employee fails to report to work for three (3) consecutive working days without an acceptable reason;
- (d) If a laid-off employee fails to return to work after recall within two (2) working days from notification requiring him/her to return to work or fails to advise the Company within the aforesaid two (2) days of his/her intention to work within five (5) working days without a reasonable cause;

- (e) if for a period of twenty four (24) consecutive months, the employee does not perform any work for the company unless disabled or on Workers Compensation;
- (f) If an employee fails to work immediately after the expiration of any leave granted to him/her, without a reasonable cause; or
- (g) If he/she retires or is retired.

18.8 If an employee is terminated or resigns either party shall have a forty-eight hour cooling off period, during which time they may revoke the termination or resignation and be reinstated to their previous job with their previous seniority.

18.9 A) It shall be the duty of the employee or laid-off person to notify the Companies promptly, in writing, of any change of address and telephone number. If an employee or laid-off person fails to do this, the Companies will not be responsible for failure of a notice to reach him/her and any notice sent by the Companies personnel department shall conclusively be deemed to have been received by the employee or laid-off person.

B) The Companies will give the CNFIU and any affected employee at least five (5) days notice of lay-off, except for lay-off of less than one (1) day.

C) Whenever it becomes necessary to decrease the working force, the Companies shall execute layoffs in each division in the following order: All of the "summer students" will be laid off first, then all the part time employees, followed by all of the probationary employees, and then all full time employees will be laid off in reverse order of divisional seniority, such that those with the least seniority of the division are laid off first, provided those remaining employees with more seniority are able and willing to do the work available.

D) Employees who have been laid off in accordance with the above provisions shall be recalled to work by the Companies in line of seniority opposite to which they were laid off (i.e. last employee laid off, first employee recalled) when it becomes necessary for the Company to re-increase its working force, provided they are able and willing to do the work available. All of the employees must be recalled to work in their previous position, before any summer student, part time employee or probationary employee may be hired or re-hired by the Companies.

E) The Companies will provide the CNFIU with a list of employees to be laid off or recalled, as well as any cancellation of such notices.

18.13 If a laid-off employee informs the Companies and the CNFIU, in writing, that he/she does not want to be recalled until a certain date, because he/she has obtained alternate seasonal employment, and the Companies wish to recall an employee, the Companies shall recall the next employee on the seniority list. As a result of requesting to not be recalled, the employee shall switch places on the seniority list, on an interim basis, with the recalled employee until such time as both employees are working full time with the Companies. At that time, the employees will be placed back in their original position on the seniority list.

18.14 It is further understood that Companies and overall seniority lists will be prepared at the signing of each contract and on an annual basis thereafter. Up-dated lists will be provided to the CNFIU on a more frequent basis if requested in writing by the CNFIU.

18.15 The President, Vice President, and Secretary/Treasurer of the CNFIU shall be deemed to have the highest seniority with respect to both the overall seniority list and the Companies seniority list, and the Companies agree to and acknowledge the above stated seniority principal for the purpose of lay offs, recall, daily call in and any other matter contained in this Agreement. Such seniority shall be maintained so long as the employees maintain the positions of President, Vice-President and Secretary/Treasurer of the CNFIU.

#### ARTICLE 19 - LEAVE OF ABSENCE

19.1 (a) "Leave of Absence" shall mean an absence from work requested by an employee in writing and consented to by the Companies. Leave granted shall be in writing covering a specific period of time. Leave of absence shall be at the discretion of the Companies and shall be without pay or any other form of compensation or benefits, and the employee shall not work in any other position during such leave of absence unless agreed to by the Companies in writing. The Companies will not exercise its discretion in an unfair or discriminatory manner.

(b) An application for leave of absence is to be made in writing at least fourteen (14) days in advance of the date on which the employee desires to leave, except in case of an emergency. A copy of the leave of absence is to be given to the CNFIU.

#### 19.2 Sick Leave

If an employee is unable to work due to illness or some other legitimate reason, it is his/her responsibility to contact the supervisor with an explanation of the pending absence, giving as much notice as possible. The absence must be reported each day unless an understanding has been established as to the expected duration of absence. The Companies may request a doctor's certificate, paid for by the Companies for any employee absent more than three (3) days.

#### 19.3 Bereavement Leave

An employee with established seniority, who suffers a loss in his/her immediate family, shall be granted up to three (3) working days leave of absence with pay for purposes of making funeral arrangements and/or attending the funeral. "Immediate family" for the purposes of this Article shall mean:

Mother	Father
Spouse	Children

Mother-in-law	Father-in-law
Step-mother	Step-father
Brother	Sister
Grandmother	Grandfather
Grandchildren	Sister-in-law
Brother-in-law	

One day with pay will be granted to attend the funeral in the event of death for an:

Aunt	Uncle
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The Companies will recognize a common-law relationship so long as it meets the definition as set out under our Group Insurance Plan. i.e. "spouse" means your legal spouse or your partner who is publicly maintained and represented as your spouse. Common-law spouse must be publicly maintained for a minimum period of one (1) year.

#### 19.4 Jury Duty

An employee covered by this Agreement who is required to serve on a Jury shall be deemed to be excused from attendance at work for those days he/she is required to serve and shall receive pay at his/her regular hourly rate (10) hours. The employee is obliged to turn over to the Company any funds received on account of attendance, providing:

- (a) That he/she notified the Personnel Office not later than one (1) working day immediately following receipt of notice to serve for jury duty, and
- (b) That he/she contacts his/her Supervisor promptly at any time he/she is temporarily excused from attendance at Court during his/her normal time and further providing that he/she furnishes the Companies with certification by a proper authority of the date and any and all payments received for such service.

#### 19.5 Court Appearances

If subpoenaed as a witness, you are granted the required time off with pay as set out in 19.4. A leave of absence without pay will be granted if you are required to appear in court as a plaintiff, defendant or voluntary witness.

### ARTICLE 20 - HEALTH and WELFARE

20.1 Commencing September 1, 2008 the benefits were provided by the Power Sector Benefit Trust. The CNFIU members agree to contribute the sum of \$60.00 per month for Family coverage & \$35.00 per month for Single coverage.

The benefits for each employee will be paid monthly up to and including the two months after an employee becomes disabled, is terminated or quits. The employee will pay the total cost of the benefits for the two months after employment is ended.

## 20.2 Substance Abuse

The Companies and the CNFIU recognize substance abuse as a serious medical and social problem that can affect employees, and they have a strong interest in encouraging early treatment and assisting employees toward full rehabilitation. All employees must abide by the terms and conditions as set out in the Company Alcohol & Drug Policy.

## 20.3 Incapacitated Employees

In the event an employee becomes physically handicapped and is unable to continue his/her job, exception will be made in favour of such employee on the following basis:

- (a) If a job vacancy occurs, which an incapacitated employee can perform, he/she will be placed in the job without the necessity of a job posting.
- (b) A Doctor's certification of disability from the employee's own doctor must be submitted.
- (c) An employee placed on a job because of a disability will have that disability-reviewed semi-annually.
- (d) Where a job can be accommodated

The Company will review all the circumstances with the CNFIU, before exercising this provision. All exceptions to the seniority provisions of the collective agreement must be mutually agreed to by the parties.

## ARTICLE 21 - SPECIAL CONDITIONS ATTACHING TO DRIVERS

21.1 The Company shall provide employees seven (7) pairs of coveralls bi-weekly and shall be responsible for the costs of laundering same.

21.2 Lodging allowance of \$30.00 Canadian will be paid when required to overnight.

21.3 The Companies reserves the right, at their sole option to pay an employee additional lodging funds if the circumstances warrant.

21.4 Employees whose lodging, or any part thereof are provided by the Company or customer will not be entitled to a lodging allowance for that day on the condition that the services provided are equal or better than the quality the Employee could have obtained with his/her lodging allowance. If lodging is provided the amount of the lodging allowance paid to the Employee will be



determined by the Company and the Employee involved on a case-by-case basis. Employees are required to submit receipts for expenses incurred.

21.5 The Company agrees that it shall pay for all over load tickets based upon axle weight, if the employee has exercised due diligence.

21.6 Drivers shall pay for all overload tickets based upon weight unless they have been instructed by the Company to proceed with the load, given an incorrect weight by the customer or the weight of the load is unknown.

21.7 The Company agrees that it shall pay for all tickets received by employees due to the Company's faulty equipment that would not be detected by the daily circle check or daily operation of the truck by its driver. Any tickets received by employees due to the Company's faulty equipment that would have been prevented by a circle check or should have been identified by the daily operation of the truck will be the responsibility of the driver involved.

21.8 If an employee obtains a ticket that should have been prevented through the exercise of a circle check or common sense, the employee will be responsible for the cost of the ticket. In addition, the Employee will attend court on his own time if requested by the Company.

21.9 The Company agrees to supply good quality leather gloves (winter gloves & summer gloves).

21.10 Drivers working by the mile will be paid the loading rate as per Article 24.1. After two (2) hours loading/unloading detention the Driver will be paid at his/her regular hourly rate.

21.11 Drivers working by the mile will be paid Twelve dollars (\$12.00) lodging allowance when loaded and going into U.S. and Twelve dollars (\$12.00) lodging allowance when loaded coming into Canada.

## ARTICLE 22 - SPECIAL CONDITIONS ATTACHING TO SHOP & YARD DIVISIONS

22.1 The Company shall pay for the costs of supplying and laundering ten pairs of coveralls, five shirts and five pants bi-weekly for the shop division employees.

22.2 The Company agrees to supply two hydro parkas as needed to be kept in the shop premises for use by employees on Company business during winter months.

22.3 The Company agrees to supply winter gloves for employees in the Shop division.

22.4 The Company is responsible for one hundred percent (100%) of the cost of repair of air powered tools and torque wrenches utilized by mechanics in the course of the performance of their ordinary job duties. The employee must be employed by the Company for one year for this

provision to take effect.

22.7 Mechanics shall be allowed a reasonable period of paid time in order to meet with representatives on the mobile tool truck and to discuss with them new technology relating to the use of tools in the performance of their normal job functions.

22.8 Tool Allowance, after six (6) months employment, shall be paid as follows:

Ten Dollars\$10.00 per week worked for all Shop division Employees excluding the Parts Man and General Help.

One half to be paid on or before June 30th of each year of this contract and one half to be paid on or before December 31st of each year of this contract.

22.11 The Company will supply all drill bits and saw blades used in the shop.

ARTICLE 23 - HOURS OF WORK AND OVERTIME

23.1 Any driver accepting a load will finish delivery of such load providing hours of service left permit it. Specifically, when a driver brings more than one load back to the yard in a day he will be offered the last load provided the driver and/or truck he operates is not required on a specialized job the following day.

23.2 Where any employee notifies the Company three (3) days in advance of their desire not to work more than eight (8) hours in a day, the Company, where possible, will endeavour to accommodate the employee's request. The employee will receive a copy of the approved request form.

23.3 Each employee shall receive a fifteen (15) minute break during the first half and a fifteen (15) minute break during the second half of each shift.

23.4 Employees shall receive a ½ hour unpaid lunch break each day.

ARTICLE 24 - CLASSIFICATIONS, RATES OF PAY AND SPECIAL ALLOWANCES

24.1 Classifications are as follows:

- Drivers
- Loader Operators
- Shop

Drivers Wages – Mileage

	Year 1
Loaded/Empty Tandem Trailer	\$0.385 per/mile
When travelling empty (Four Axle Trailer)	\$0.41 per/mile
When travelling loaded (Four Axle Trailer)	\$0.45 per/mile

November 1, 2009 - \$0.005 increase on all mileage rates listed above.

November 1, 2010 - \$0.005 increase on all mileage rates listed above.

Tandem load/unload	\$20.00
Quad load/unload	\$25.00

Border crossing	\$12.00
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Drivers Wages – Piece Work

Brockville to Oswego	\$98.00
After 1 year	\$100.00
After 2 years	\$104.00
After 3 years	\$105.00

November 1, 2009 - \$1.00 increase on all Brockville to Oswego rates listed above.

November 1, 2010 - \$2.00 increase on all Brockville to Oswego rates listed above.

Combination loads Brockville to Oswego additional	\$15.00
Oswego to Brockville	\$65.00
Oswego to Kingston	\$80.00
Oswego to Montreal	\$145.00
Montreal split	\$20.00
Oswego to Etobicoke	\$215.00
Oswego to Weston	\$215.00
Oswego to Kingston/Etobicoke split	\$240.00

Each additional trip to Kingston in any given pay week will be paid and additional

\$5.00 per trip above the previous trip.

All hourly rates are \$16.00 per hour.

November 1, 2010 - \$0.25 increase on hourly rate listed above.

Waiting Time

Waiting time will be paid in fifteen-minute increments at the prescribed hourly rate after waiting for one hour. If you are reloading at the same facility waiting time will be paid after a total of two hours.

Work Incentive

In the event a driver completes 10 loads from Brockville to Oswego in a pay week, he/she will be paid an additional \$20.00 per load for every additional load. A Kingston load will count as a load on days when you are only scheduled to complete one down and one back.

In the event a driver completes 12 loads from Brockville to Oswego, Oswego to Kingston or Oswego to Montreal in a pay week, he/she will be paid an additional \$20.00 per load for every additional load. A Weston/Etobicoke load will count as two loads. You are only eligible to receive a pay incentive on one of the above pay incentives.

Wages - Shop Division

Year 1

Class "A" Mechanic and Welders	\$16.50 to 22.00 per/hr
Apprentice Mechanics	\$14.00 per/hr to \$16.75 per/hr
General Help (No Tool Allowance)	\$10.00 per/hr

Wages - Shop Division

Year 2

Class "A" Mechanic and Welders	\$16.50 to 22.25 per/hr
Apprentice Mechanics	\$14.00 per/hr to \$17.00 per/hr
General Help (No Tool Allowance)	\$10.25 per/hr

Wages - Shop Division

Year 3

Class "A" Mechanic and Welders	\$16.50 to 22.50 per/hr
Apprentice Mechanics	\$14.00 per/hr to \$17.25 per/hr
General Help (No Tool Allowance)	\$10.50 per/hr

Each Mechanic, Apprentice and/or General Help will receive a \$0.25 increase annually.

Wages - Loaders

Lead Hand	\$20.25
Loader Operators	\$15.00
After 1 year	\$15.50
After 2 years	\$16.00
After 3 years	\$16.50

Each Loader Operator will receive a \$0.25 increase annually.

24.3 The Parties acknowledge that occasionally special jobs arise where it is necessary to change the compensation paid to employees. The parties undertake and agree that when these special arrangements occur they will work together to agree on a compensation package for the involved employees. These special arrangements will be made on a case-by-case basis. The Union will be present or informed in writing, in advance, of these undertakings.

ARTICLE 25 - PART TIME EMPLOYEES

25.1 Part time employees are to be paid the same wages as the full time employees and shall work under the provisions of this Agreement.

ARTICLE 26 – DISPATCH PROCEDURES

26.1 Dispatching will be done by seniority.

26.2 Daily shift starting times will be established by the Company and the Union to harmonize the work relationship and bid on by seniority.

26.3 The Companies reserve the right to assign equipment where the operational needs require it.

26.4 Employees will be allowed to bid by seniority their preference with respect to additional work the Companies do from time to time.

26.5 Loads will be offered on the way down the seniority list and forced on the way up.

26.6 If the number of backhauls available exceeds the number of southbound loads available on any given day, an equal numbers of southbound loads and backhauls will be assigned

by seniority. The extra backhauls will be assigned to the next drivers (one each) scheduled to work that day.

26.7 When there are sufficient loads to assign two southbound loads and a backhaul, those drivers will be assigned ingot loads and hotmill loads. Combo loads and Coldmill loads will be assigned to drivers who are only assigned one southbound load, or one southbound load and one backhaul.

26.8 On days when the number of loads exceeds the number of drivers scheduled, each driver will be assigned one load, then the Company will return to the top to offer the remainder of the loads. If not all available loads are accepted on the way down the seniority list, the Company will then (per 26.5) force on the way up, until all loads are covered.

26.9 If / when the Companies revert back to a “shared truck” operation, employees sharing a truck with an employee on another shift will be restricted from working excessive hours so as not to deprive the other employee his/her rightful days work. It will be the responsibility of the Company to manage the operation to achieve this principle.

26.10 It is the employees’ responsibility to notify dispatch if they are not on the schedule on their regularly scheduled day (dispatch error). It is the employee’s responsibility to notify their CNFIU Representatives if he/she has a concern regarding the following days dispatch. The CNFIU Representatives will follow up with the Company at the beginning of the next day. (7:00am – 3:00pm)

26.11 In the event of scheduled train arrival delays the Companies will notify the affected drivers (via GPS message during normal business hours and/or updating the dispatch message 613-342-7992) and the dispatch will be adjusted for that day only.

26.12 Where bid runs may be set up, or where there are special operations, the Companies and CNFIU will meet to establish bid conditions governing such operations. These conditions shall be reduced to writing and shall be subject to all provisions of this article. Bid runs will only be established by agreement with the CNFIU involved. The CNFIU’s approval will not be unreasonably withheld. Where the Companies has temporary work for five (5) days or less, the work will be assigned to the long haul drivers by seniority.

26.13 Bid operations, which are open, shall be posted and employees shall have three (3) days (Tuesday, Wednesday, and Thursday) from the date of posting to bid and the Companies shall then have three (3) days (Friday, Saturday, and Sunday) in which to make bid allocation.

26.14 Allocation of bids for any specific bid operation shall be by seniority and qualification. If there are in-sufficient bids submitted within the required three (3) day period as set out above, the Companies shall make the assignment to the junior employees in the general dispatch commencing with the most junior driver and working upwards.

26.15 The Work Bid Attached as Schedule "A" will be completed by each driver. Drivers who wish to change their current bid, will be able to move by making such request in writing. If the desired position has not become available within 3 months the Companies will then move them by seniority to the division requested by the employee. Each employee may switch his bid 3 times over the term of the collective agreement.

26.16 Where the Companies has additional work to be performed it shall be allocated to qualified personnel in the following manner: 1- To the senior employee on duty, who is willing to perform the work, 2-Where no-one is available under (1) or in the event additional personnel are required, off duty employees will be called in, in order of seniority, providing they are willing to perform the work. 3-When not enough employees found, the Companies can force, in reverse order of seniority. 4- It is the driver's responsibility to notify dispatch when they are available for additional work.

26.17 Loads out of Kingston will be assigned to Kingston based drivers whenever possible.

26.18 When dispatching by seniority results in Kingston based drivers being assigned Brockville backhauls, the schedule will be adjusted so the Kingston drivers receive Kingston loads & the junior most driver's assigned Kingston backhauls will instead be assigned Brockville backhauls. These Loads will be counted in the additional \$5.00 per load for the Brockville Cold Mill.

26.19 In the event the train is scheduled to arrive late, priority for loads on the ground will be given to drivers assigned backhauls destined for Weston or, when the drivers' daily hours of service may be compromised by the delay or, when the customer requires an appointment for delivery.

26.20 Drivers can only be scheduled to work an average of 5 days per week. Drivers working on their scheduled days off will be dispatched after regularly scheduled drivers. Drivers presently scheduled more than five (5) days will be allowed to continue this practice.

## ARTICLE 27 - SAFETY & DEDICATION BONUS

27.1 In addition to any of the monies otherwise payable in accordance with the provisions of this Agreement, each Driver, Yard or Shop division employee shall be entitled to a bonus of 5.00% of their wages, commencing the first pay period in December of each year and is payable with regular earnings on the first pay period of December of the following year. The CNFIU Safety Committee shall be made up of three (3) representatives.

27.2 If you are fired or quit, you do not get any bonus.

27.3 The amount payable to the employees shall, however, be reduced as a result of incidents of employment negligence which result in costs to the Companies or violation of the Companies rules. The reductions in the amount otherwise payable to employees shall be calculated as follows:

Damage/Cost of Incident	Amount of Reduction
Each Accident	
Regardless of Cost	One-half of the cost to a maximum of \$500.00

\* If an employee is in three accidents and the total damage for the three accidents totals \$7,500.00 or higher the employee will receive no bonus. If an employee is involved in four accidents regardless of cost the employee will receive no bonus.

If an employee is found to have caused an accident by way of his negligence or has an accident with a company vehicle when he has not had prior permission to have the vehicle, they will have the total cost of the damages deducted from their safety bonus to a maximum of Seventy Five Hundred (\$7,500.00) dollars. This provision may carry over from year to year if necessary, until the damages are paid in full.

27.4 The responsibility for the damage and the amount of damage aforesaid shall be jointly determined by a committee composed of three (3) representatives selected by the CNFIU and three (3) representatives from management who shall meet bi-annually to make determinations respecting incidents occurring throughout the year. The employee involved in an accident may make submissions to the committee. In the event the responsibility for the damage can not be jointly determined, the decision will be left to the President of the Companies.

ARTICLE 28 - DURATION

28.1 A) This agreement shall be in full force and effective from November 1, 2008 to October 31, 2011 and thereafter from year to year, until either party gives notice in writing of termination or of amendment of not more than ninety (90) days and not less than thirty (30) days prior to the date of expiration.

B) During the period of negotiations resulting from any of the provisions above this agreement shall remain in full force and effect.

ARTICLE 29 - PAY INCENTIVE

29.1 Any Employee who finds a return load and books the load through dispatch will be paid a bonus of \$35.00



IN WITNESS WHEREOF the parties hereto have executed the within Agreement under their hands and seals on the date set out above by the duly authorized signing officers in that regard.

SIGNED, SEALED AND DELIVERED)

In the presence of)

\_\_\_\_\_) ALLOY TRANSPORTATION  
\_\_\_\_\_) SERVICES INC.  
\_\_\_\_\_)  
\_\_\_\_\_)  
\_\_\_\_\_) \_\_\_\_\_  
Witness: \_\_\_\_\_) Per: Michael Anderson  
\_\_\_\_\_) President  
\_\_\_\_\_)

SIGNED, SEALED AND DELIVERED)

In the presence of)

\_\_\_\_\_) RAILTRAN SERVICES INC.  
\_\_\_\_\_)  
\_\_\_\_\_)  
\_\_\_\_\_) \_\_\_\_\_  
Witness: \_\_\_\_\_) Per: Michael Anderson  
\_\_\_\_\_) President  
\_\_\_\_\_)

\_\_\_\_\_) SIGNED ON BEHALF  
\_\_\_\_\_) OF THE UNION  
\_\_\_\_\_)  
\_\_\_\_\_) \_\_\_\_\_  
Witness:) \_\_\_\_\_) Per:  
\_\_\_\_\_) President  
\_\_\_\_\_)

\_\_\_\_\_) \_\_\_\_\_  
Witness:) \_\_\_\_\_) Per:  
\_\_\_\_\_) Vice-President  
\_\_\_\_\_)