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AGREEMENT

for the Period

January 1, 2008 to December 31, 2010

between

THE ESSEX TERMINAL RAILWAY COMPANY

and

THE TEAMSTERS CANADA RAIL CONFERENCE

Covering

Rates of Pay and Rules

for

Conductors and Brakemen

13800(01)

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AGREEMENT
between
THE ESSEX TERMINAL RAILWAY COMPANY
and
THE TEAMSTERS CANADA RAIL CONFERENCE
for
Conductors and Brakemen

THE TEAMSTERS CANADA RAIL CONFERENCE acknowledges that it is the exclusive function of the Company to operate and manage its business in all respects and, without limiting the generality of the foregoing, the Union acknowledges that, subject to the express provisions of this Agreement, it is the right of the Company to:

- (1) hire, direct, layoff, promote, suspend, discipline and discharge employees for just cause, subject to the right of a seniority employee to lodge a grievance as hereinafter provided;
- (2) maintain order, discipline and efficiency;
- (3) make and alter, from time to time, rules and regulations to be observed by the employees, which rules and regulations shall not be inconsistent with the express provisions of this Agreement; and
- (4) determine the location of buildings and equipment, the schedules of crews, the methods and means of operation.

Without restricting or limiting the generality of the foregoing, the Company retains all rights not specifically relinquished or modified by this Agreement.

The Company agrees that it will exercise its rights in a fair and equitable manner.

The Essex Terminal Railway Company acknowledges the regularly constituted Committee of **The Teamsters Canada Rail Conference** to be the bargaining representatives on behalf of the Conductors and the Brakemen. The right to make and interpret contracts, rules, rates of pay and working Agreements for Conductors and Brakemen shall be vested in the Company and those representatives.

The word "**Conductor**" or "Brakeman" as used hereinafter shall be understood to mean any employee holding seniority under this Agreement.

RULE 1 Rates of Pay

RULE 1.1 The rates of pay for Conductors/Brakemen will be calculated on an hourly basis effective January 1, 2008:

Year	Existing Employees		Employees Hired After Jan 1/08		
	Conductor	Brakeman	Conductor	Brakeman	Trainee
2008	\$27.44	\$24.97	\$ 19.50	\$ 17.78	\$14.00
2009	\$27.44	\$24.97	\$ 19.50	\$ 17.78	\$14.00
2010	\$27.71	\$25.22	\$ 19.70	\$ 17.96	\$14.14

RULE 1.2 Shift Differentials: Shift differentials will be paid at 50 cents per hour to all employees whose regularly assigned shifts commence between the hours of 14:30 hours and 22:29 hours, and 55 cents per hour paid for those commencing their shifts between 22:30 hours and 06:29 hours. The shift differential will be paid on time worked only, and overtime shall not be calculated on the shift differential nor shall the shift differential be paid for absence from duty such as vacations, general holidays, etc.

RULE 1.3 Pay Cheques: The Company will issue pay cheques every second Thursday at the end of the employee's regular shift and in no case earlier than 14:00 hours. When the Friday of pay week is the only holiday in the week, the cheques will be issued on Wednesday at the end of the shift, but no earlier than 16:00 hours.

RULE 2 Benefits

RULE 2.1 Master Policy: Claims made under the following items are governed by the respective master policy.

RULE 2.2 Weekly Indemnity: Effective January 1, 2008, a 1/4/26 Plan will be purchased providing payment of equivalent to disability benefits provided by the Unemployment insurance Commission, for non-occupational bodily injury, disease or pregnancy. The Company will pay the employee's share of the expense.

RULE 2.3 Group Life Insurance: Effective January 1, 2008 the program provides \$50,000 coverage with the Company paying all premiums. Employees will be permitted to

purchase additional group coverage on a voluntary basis at their own expense in \$5,000 units, maximum \$100,000 additional.

RULE 2.4 Accidental Death and Dismemberment: Effective January 1, 2008 the Company will pay the premium cost for \$50,000 of coverage.

RULE 2.5 Extended Health Care: An 80%-20% co-pay plan will be purchased for each employee and their dependants, the annual premium cost paid by the Company. The plan will exclude over-the-counter drugs.

RULE 2.6 Dental Plan: Employees will receive an 80%-20% co-pay preventative plan which includes checkups, cleaning, fillings, extractions, x-rays, root canals, periodontal and endodontal services to a maximum of \$1200 per family member per year. The insurance will be maintained at annual ODA levels during this contract.

RULE 2.7 Vision Plan: The Company agrees to pay \$125.00 per eligible family member every two (2) years upon presentation of satisfactory evidence that the employee or family member has purchased glasses prescribed by a qualified physician.

RULE 2.8 Boot Allowance: Employees will be provided with a \$125 safety boot allowance once yearly on submission of suitable proof of purchase.

RULE 2.9 Doctor's Note: Employees will be reimbursed for the cost of physician's explanation of illness, where required by the Company.

RULE 2.10 Conditions for Loss of Benefits: If for any reason other than a work stoppage or a voluntary leave of absence an employee is unable to perform his normal or assigned duty for a period longer than three (3) months, the Company paid or Company-Employee paid medical and dental benefits described will be suspended as of the first day of the fourth month. Benefits other than dental and medical will be suspended in accordance with provisions of the Group Insurance Contract. Benefits will be continued for a further six (6) month period, with the Company and the employee sharing the cost of the premium equally, provided the employee has paid his portion of the premium to the Company prior to the first of the month for which coverage applies. Employees on layoff for three (3) months or longer will have to work thirty (30) tours of duty before benefit

coverage or Company premium contribution is reinstated.

RULE 2.11 Retirees: For employees retiring after ten (10) years of cumulative service a life insurance policy of \$3,000 will be purchased by the Company for the retiree. At the retiree's option a retiring allowance may be substituted for Company paid life insurance, in an amount equal to the premium otherwise payable by the Company.

RULE 2.11.1 Employees age sixty-three to sixty-five (63 - 65) retiring with pension after fifteen (15) years or more of continuous service, the Company will provide extended health care, 80%-20% Co-pay, \$10.00-\$20.00 deductible. No extended Health Care benefit is provided for retirees after age sixty-five (65).

RULE 2.12 Bereavement: Upon the death of an employee's spouse, child, parent, brother, sister, step-parent, father-in-law, mother-in-law or grandchild, the employee shall be entitled to three (3) consecutive calendar days' bereavement without loss of pay. Time off may be adjusted to cover the actual date of the funeral service. The employee will be entitled to one day of bereavement leave to attend the funeral service of a grandparent without loss of pay.

RULE 2.12.1 It is the intent of this Rule to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for that period to the employee to whom leave is granted, (provided he has not less than six months' cumulative compensated service). It will be the Company's intention here to reserve the right to ask for proof of death.

RULE 3 Hours of Work, Meal Period and Rest Breaks

RULE 3.1 Definition of Work Week: Thirty-five to forty (35 - 40) hours will constitute a week's work.

RULE 3.2 Reporting for Duty: Regularly assigned crews shall have designated points for going on and off duty.

RULE 3.2.1 If conductor or brakeman (other than spare board) is held for duty in excess of four (4) hours he will be paid for eight (8) hours. In the event they perform any Yard service after reporting for work, eight (8) hours will be paid.

- RULE 3.2.2** A Spare Conductor/Brakeman cancelled after reporting for duty will be paid two (2) hours at schedule rates.
- RULE 3.3** Rest: Conductor/Brakeman may book rest after one or more hours of overtime on their scheduled shift by giving the Yardmaster at least four (4) hours notice along with the number of hours of rest desired. This shall not apply to employees in covered service unavoidably delayed or required for emergency service resulting from unforeseen occurrences.
- RULE 3.3.1** The men are to be the judge of their own condition.
- RULE 3.3.2** Conductor/Brakeman will not be required to report for duty until they have had eight (8) hours off-duty for rest, if desired. Such time off-duty must be booked on completion of tour of duty, and in no case shall period off-duty be less than eight (8) hours nor more than fourteen (14) hours including call time. The period booked off-duty shall be in even hours and not to a certain hour, and once booked cannot be changed or cancelled.
- RULE 3.4** Overtime: Assigned Conductors/Brakemen worked more than the bulletined number of hours of his assignment in a work week shall be paid one and one-half (1 1/2) times the basic straight-time rate for such excess work except:
- RULE 3.4.1** when working through two shifts to change off;
- RULE 3.4.2** where exercising seniority rights from one assignment to another;
- RULE 3.4.3** where paid straight-time rates for a second tour of duty in another class of service.
- RULE 3.4.4** No Overtime on Overtime: There shall be no overtime on overtime, neither shall overtime hours paid for nor time paid for at straight rate for work referred to in RULE 3.4.3 of this RULE 3 be utilized in computing overtime payments referred to in such RULE 3.4.3 of this RULE 3, nor shall time paid for in the nature of special allowances such as attending court, inquests, investigations, examinations, etc., be utilized for this purpose except when such payments apply during assigned working hours in lieu of pay for such hours, or where such time is now included under existing rules in computations leading to overtime.

RULE 3.5 Meal Period: Crews will be allowed twenty (20) minutes for lunch beginning between four (4) hours and five (5) hours and ten (10) minutes after starting work without deduction in pay, and will not be required to take work orders during lunch period.

RULE 3.5.1 Overtime Meals: The Company will provide \$9.00 toward the value of an overtime meal if an employee is required to work ten (10) hours or more on one shift. In the event of two (2) shifts worked in a twenty-four (24) hour period \$9.00 meal allowance will be paid for sixteen (16) hours or more.

RULE 3.6 Injured or Relieved from Duty: Conductor/Brakeman injured or relieved from duty at Company's request will be paid a full day's pay; however, if a Conductor/Brakeman is relieved on his own account or on account of sickness, he will be paid only the portion of the shift he actually worked. Employees who are considered to have abused sick leave privileges, resume duty after sick leave, or who book sick when called, or while on duty after being called, may be required to produce a medical certificate or submit to an examination from a Company medical officer. In the application of the foregoing the employee will be allowed forty-eight (48) hours from the time he reported for duty to comply. Employees, who are not satisfied with the Company medical opinion, may appeal through their Chairperson to the General Manager within thirty (30) calendar days of receipt of a decision based on this opinion. The General Manager will have fifteen (15) calendar days to respond to the employee and his representative with regard to the appeal so filed and this decision will be final.

RULE 3.7 Booking Off: Employees requiring time off will request in writing to the Superintendent or the Assistant Superintendent who will advise his decision in writing as soon as possible. Employees who must book off for an emergency or illness must notify the proper authority as to the reason they are unavailable as soon as known. Doctor's notes for illness or verification from Union Officer (for leave to perform union duties) shall be provided on request. Employees will be reimbursed for the cost of doctor's notes to a maximum of \$45 when requested by the Company. When booking on, employees will advise the proper authority at least three hours prior to the beginning of employee's shift, during regular Essex Terminal Railway Company working hours.

RULE 4 Assignments

RULE 4.1 Definition of Assignment: A Yard engine crew working regularly for five (5) consecutive days shall be considered a regular assignment.

RULE 4.1.1 Regularly assigned crews shall have the same hours daily for all members of a crew. Assignment shall be restricted to thirty-five to forty hours (35 - 40) per week.

RULE 4.1.2 Regularly assigned crews, shall each have a fixed starting time and the starting time shall not be changed without at least twelve (12) hours advance notice. When the starting time of an assignment is changed, the Conductor/Brakeman affected may make another choice of assignments, such choice to be made at the time change is made known.

RULE 4.1.3 Two Shifts: Regularly assigned men who are required to work two (2) shifts in their twenty-four (24) hour period will be paid actual hours for 2nd shift at time and a half of the hourly rate. When management is required to work as a Conductor or Brakeman and a qualified member of this agreement has completed his shift, and such member has requested to replace the management personnel he will be permitted to do so, and will be paid number of hours otherwise determined by this agreement for first (1st) shift, and actual hours for second (2nd) shift at time and a half on the subsequent assignment when relieving management personnel.

RULE 4.2 Reducing Crews: The Company may, on twenty-four (24) hours notice, reduce the number of regularly assigned crews when in its opinion it becomes necessary, and Conductors so affected may exercise their seniority. Conductors and Brakemen will be given twenty-four (24) hours advance notice of layoff.

RULE 4.2.1 Reducing / Increasing Forces: When reducing forces, seniority rights shall govern. When forces are increased, employees shall be returned to service in the order of their seniority rights. Employees desiring to avail themselves of this rule must file their addresses with the Superintendent at the time of reduction and advise promptly of any change of addresses. If the employee is not gainfully employed, he will have forty-eight hours (48) hours to return to work. Employees who are actively engaged in other employment must return to service

within 7 days after being notified or shall be considered permanently out of service.

RULE 4.3 Compensation for Assignments: **An** employee used in two classes of service under the Collective Agreement will be compensated actual hours worked in each service.

RULE 4.3.1 Spare or Extra Conductors/Brakemen who are required to work in excess of eight (8) consecutive hours, or who are required to commence work on a second tour of duty within a twenty-four (24) hour period without an interval of eight (8) hours or more having intervened between the completion of work on the previous Yard job and the time required to report for work on a second Yard job, will be paid for time worked in excess of eight (8) hours continuous service and for the second tour of duty, at one and one-half (1 1/2) times the pro rata rate.

RULE 4.4 Days Off: Regular assignments will be granted two (2) consecutive days off each week.

RULE 4.5 While it has been the practice of the Company to schedule Yardmasters to coincide with crew schedules, the Company reserves the right to not schedule Yardmasters during crew hours, for periods not exceeding two (2) hours per day. During such periods crews will be directed by designated Management personnel.

RULE 5 **Job Descriptions / Crews**

RULE 5.1 Conductors/Brakemen's Work Defined: The work of Conductors/Brakemen includes switching, transfer, industrial work, including the weighing of cars and all other work traditionally performed by the Conductors/Brakemen in the service of the Essex Terminal Railway Company. Employees may be required to use electronic scanning equipment to record car numbers.

RULE 5.1.1 Conductors/Brakemen will be required to couple or change hosebags. It is understood that hosebags will be coupled or changed only on cars that the crew is required to move in the normal course of their tour of duty.

RULE 5.1.2 Conductors/Brakemen will be required to clean snow from switches at isolated locations when there are no section force employees available.

- RULE 5.1.3** Any non-Company operated equipment running on Company rail will be piloted by a Conductor/Brakeman in possession of an 'A' card. This rule will not apply to equipment on trackage that is under the control of the Maintenance of Way department. This does not include weed spraying or track x-raying equipment.
- RULE 5.1.4** Conductors/Brakemen will not be required to work with engines that do not meet Transport Canada Standards.
- RULE 5.2** Conductors will not be compelled to work with an inexperienced helper. New employees with prior C.R.O.R. certification will have not less than twenty-five (25) tours of duty. New employees with no previous training will have not less than thirty-five (35) tours of duty, as a trainee on the Essex Terminal Railway Company.
- RULE 5.3** Protected Conductors/Brakemen: All Conductors/Brakemen holding seniority on or before February 7, 1983, will be "protected Conductors".
- RULE 5.3.1** Protected Conductors/Brakemen will be permitted to work assignments in accordance with their seniority and for which he makes application.
- RULE 5.3.2** Protected Conductors will not be moved from one regular assignment to another in order to fill out a helper position, except in cases of shortages of employees.
- RULE 5.3.3** Definition of Shortages of Employees: will be defined as times when the Spare Board is exhausted or when there is no one available on the Rotary List.
- RULE 5.4** Trainees: A trainee is an employee receiving entry level pay during his training or familiarization period, and who will, on completion of such training (not to exceed forty-five (45) tours of duty), commence work as a Conductor/Brakeman and a crew member.
- RULE 5.4.1** The members of The Teamsters Canada **Rail** Conference covered by the current Collective Agreement will receive a training allowance of \$21.28 per training shift for 2008 and 2009 and \$21.50 for 2010 to be divided equally among the crew members.
- RULE 5.5** New Employee: A new employee shall not be regarded as permanently employed until after sixty-five (65)

tours of duty as a Conductor/Brakeman or a Conductor/Brakeman trainee, and within such period may, without investigation, be removed for cause which in the opinion of the Railway renders him undesirable for its service. If retained, his seniority as a Conductor/Brakeman shall commence from the date on which he first performed service as a Conductor/Brakeman trainee. A new employee will qualify for his Birthday holiday and the Floater RULE 16 after having completed twelve (12) months of compensated service.

RULE 5.5.1 A new employee will work as a Brakeman only, during his first thirty-five (35) tours of duty.

RULE 5.6 Crew Consist: A yard crew shall consist of one (1) Conductor and one (1) Brakeman.

RULE 6 **Advertisement of Positions**

RULE 6.1 Postings: All assignments will be advertised twice a year for three (3) days, closing date being the Wednesday prior to April 1st and October 1st, and all Conductors/Brakemen will be required to bid on assignments of their choice. Each assignment, when advertised shall describe the hours, days of the week, and location.

RULE 6.2 Permanent and Temporary Vacancies: All permanent and temporary vacancies will be advertised for three (3) days. All applicants must make their choice known either in writing, by telephone or by radio to the Assistant Superintendent or the Superintendent by 12:00 hours of the third day. Bids closing on a Saturday, Sunday or Holiday will close at 12:00 hours of the next regular business day.

All vacancies will be filled by employees on the spare board working first in and first out, except for the conductor positions which will be filled by the regularly assigned brakeman, if qualified. Subsequent vacancies may be claimed in 24 hours and will not be advertised.

No employee will be displaced from any assignment until the employee who owns/or claims the job physically does so. At which time the employee being displaced may return to his own assignment or exercise his seniority on any temporary vacancy created during that period.

- RULE 6.3** All known vacancies of five (5) days or more will be advertised in advance.
- RULE 6.4** Absent During Advertisement: **An** employee who is absent during the entire period that the position is under bulletin may claim such vacancy upon return to the active working list and must do so prior to the completion of the first tour of duty after returning to work.
- RULE 7** **Filling of Positions**
- RULE 7.1** Conductor Vacancies: Should there be no applications received for a temporary or permanent vacancy, as a Conductor, the junior qualified Conductor, not working as such shall be assigned.
- RULE 7.1.1** Temporary Vacancy: The brakeman on the job will be used in filling a temporary vacancy of the conductor, while under advertisement. In the event of a regularly assigned man being called to fill a temporary vacancy when Spare Board is exhausted, he will be considered a spare man and may not exercise his seniority in choosing the conductor position on the crew.
- RULE 7.2** Brakeman Vacancy: In the event there are no applications received for a position of Brakeman, on a temporary or permanent vacancy, the junior employee on the Spare Board shall be assigned.
- RULE 7.3** Conductors/Brakemen: **An** employee appointed to fill a vacancy on which he had bid, will not have the right to bid the position he had vacated, when advertised as a result of his leaving it.
- RULE 7.3.1** In the application of Rule 7.1 and 7.2, when an employee is forced on to an assignment with no work days remaining in the work week, the employee will remain on the spare board. **An** employee forced to an assignment with one or more days left in the work week, will be placed on the rotary board. And should a junior employee subsequently become available, the senior employee may force the junior employee on to the assignment. The option must be exercised prior to the senior employee completing his first tour of duty, following the return of the junior employee.
- RULE 7.4** Rotary Board: A Rotary Board will be maintained for regular assigned Conductors/Brakemen desiring the extra work when the Spare Board is exhausted.

Employees filling a three (3) days vacancy or subsequent vacancy closing on Friday will be placed on the Rotary Board for Saturday and Sunday. The employee creating the vacancy will also remain on the Rotary Board.

- RULE 7.4.1** Should a vacancy occur and the Spare Board is exhausted during the regular working days of an assignment, a Conductor/Brakeman who has regular days off or has completed or will have completed his assignment will be used, provided this vacancy does not interfere with his existing assignment.
- RULE 7.4.2** A Conductor/Brakeman working on assignment where his regular days off fall between Monday and Friday, inclusive, and desiring the extra work, will have preference on a spare vacancy during his days off in accordance with **RULE 7.4.1**.
- RULE 7.4.3** Where no regular days off Conductors/Brakemen are available, then the Conductor/Brakeman who has completed or will have completed his assignment and desiring the extra work will be called, to be worked in accordance with **RULE 7.4.1** and **RULE 7.4.2** provided this vacancy does not interfere with his existing assignment.
- RULE 7.4.4** When a Conductor/Brakeman is required off the Rotary Board, he will be called first in - first out. The Conductor/Brakeman will be paid time and one half when filling vacancies off the Rotary Board after he has completed compensated service for the weekly number of bulletined hours of his assignment. His status will be determined by the last assigned shift worked prior to being called off the Rotary Board (for example, if last shift work was 35 hours assignment, overtime will be after 35 hours, etc.) (holiday and vacation will be included in computing hours) in accordance with **RULE 3.2.1**. Nothing herein shall negate the payment provided for in **RULE 4.1.3**.
- RULE 7.4.5** Should no Conductors/Brakemen be available as specified in **RULE 7.4.1**, **RULE 7.4.2** and **RULE 7.4.3**, the most available Conductor/Brakeman will be used provided this does not interfere with his existing assignment.
- RULE 7.4.6** An available employee who declines to accept work under this Rule will drop to the bottom of the Rotary Board list.

RULE 7.4.7 Name Removed From Rotary Board: Should a Conductor/Brakeman wish his name removed from the Rotary Board, fifteen (15) days' written notice will be required. To have his name again added to same Rotary Board fifteen (15) days' notice shall be required in writing.

RULE 7.5 Emergency Crews: Should in the opinion of the Company, an emergency arise which requires a yard crew, the persons living closest to the Engine House and shown on the emergency list will be called to service same. The application of Rules and Procedures provided in the Collective Agreement will be waived on such occasions. Persons answering such a call will be paid a minimum of eight (8) hours at the scheduled rate. **An** engineer and a conductor will suffice for the majority of emergencies.

RULE 7.6 Weekend Work: Conductors/Brakemen are to advise by 12:00 hours on Friday, and/or the day preceding a holiday, if they are available for Spare Board or Rotary Board work on Saturday/Sunday and/or holiday. The Company will call for Spare Board or Rotary Board work by 14:00 hours on Friday or the day preceding the holiday.

RULE 8 **Spare Board**

RULE 8.1 Spare Board List: Conductors/Brakemen will be required to notify the on-duty Yardmaster of any errors or omissions of their relative standing on either the Spare Board or the Rotary List, within seventy-two (72) hours of the infraction coming to his attention. It will be the employees' responsibility to check their board position upon returning to work after their assigned days off or absences of more than two (2) days.

RULE 8.1.1 Employees will have their name removed from the Spare Board if they are on a permanent, temporary or subsequent vacancy, or on a leave of five (5) days or more. **An** employee returning to the Spare Board will be placed at the end at 00:01 hours, Monday morning.

RULE 8.2 Protection of Vacancies: Conductors/Brakemen will be called from the Spare Board in rotation order to protect all vacancies as prescribed in RULE 7. When an earlier vacancy is created after a Spare Board employee has accepted a call to work a later assignment, he may be called for the earlier vacancy. If the employee does not work the earlier

assignment he will retain his position on the Spare Board.

- RULE 8.3** Failing to Report for Duty: A Spare Board employee who accepts a call and fails to report for duty will be held off the Spare Board until the employee used in his place has completed the tour of duty in question. At this time he will be placed behind the man used in his stead. In any case the time held off the board will not be less than twelve (12) hours.
- RULE 8.4** Days Off: Spare Board employees may work any five (5) days in a work week, and their days off need not be consecutive. It is understood that Spare Board employees will not be required to work more than five (5) regular shifts in a work week. Statutory Holidays and approved vacation days will be used in the computation of "five regular shifts".
- RULE 8.5** Guarantee - Conductor/Brakeman's Spare Board: The number of employees maintained on a Spare Board shall be regulated by the Company, and the starting day will be a Monday. The Local Chairman will be advised of particulars should he so request. A spare Conductor/Brakeman accepting a duty call not falling under the Conductors and Brakemen Collective Agreement, shall have his name removed from the Conductor/Brakeman spare board. His name will be placed at the bottom of the Spare Board List at the completion of his shift.
- RULE 8.5.1** Employees who have accepted such holiday work assignment and then fail to report for and perform such work without giving reasons satisfactory to the Company shall not receive pay for the holiday.
- RULE 8.5.2** A qualified employee whose vacation period coincides with any of the scheduled statutory holidays will receive an extra day's vacation with pay at a time concurred in by the Superintendent.
- RULE 8.5.3** Spare Conductors/Brakemen required to perform Yard service on the specified holidays RULE 16.1 shall be paid in accordance with the applicable rules of the Wage Agreement and shall receive in addition eight (8) hours pay for the position filled at pro rata rates.
- RULE 8.5.4** Only one basic day's pay shall be paid to an employee for a statutory holiday irrespective of the number of shifts worked. Such payment shall be at

the rate of the highest rated position worked in Yard service on that day.

RULE 8.5.5 Recalled Employees: In the application of RULE 8.5 the Company shall place recalled employees at the bottom of the Spare Board rotation list, at 23:59 hours, on the date of recall.

RULE 8.6 Guaranteed Payments: Effective January 1, 2008 an employee on a Spare Board who is available for duty for an entire payroll period will be guaranteed for each fourteen (14) day period, sixty-four (64) hours pay. Regular hours, overtime hours and hours paid for work in another class of service will be included in the calculation of the guarantee.

RULE 8.6.1 For each calendar day an employee who misses a two (2) hour call, books sick or is otherwise not available for duty, the guarantee will be reduced by one (1) day, subject to the following:

RULE 8.6.2 *An* employee shall only be penalized once in a calendar day, which is defined as the period from 00:01 hours to 23:59 hours of any particular day.

RULE 8.6.3 Employees shall be entitled to a two (2) hour call, and their guarantee shall not be reduced, if less than a two (2) hour call is afforded.

RULE 8.6.3.1 Conductors/Brakemen called will make every attempt to report for duty as soon as practicable to cover unknown vacancies in order to reduce crew downtime.

RULE 8.6.4 The only exception to the foregoing provision, is that if an employee is contacted with less than a two (2) hour call, and such employee declines the work, his guarantee shall be reduced by the one (1) day penalty.

RULE 8.6.5 Missed Calls: *An* employee on a Spare Board who stands first and misses more than four (4), two (2) hour calls in the guarantee period will not be entitled to any guarantee under RULE 8.6.

RULE 8.6.6 Booking Rest: *An* employee on a Spare Board who books rest in excess of twelve (12) hours will have his guarantee reduced in accordance with the provisions of RULE 8.6.1.

RULE 8.6.7 *An* employee entitled to the guarantee under the provisions of this Rule who is assigned to the Spare Board for only a portion of the guarantee period will be paid his full proportion of the guarantee

pro-rated according to the number of days the employee was on the Spare Board as related to the number of days in the pay period.

RULE 8.6.8 In the calculation of guaranteed payments provided under the provisions of RULE 16 all compensation paid to the employee under this Agreement, as well as compensation paid as Locomotive Engineer, Hostler or Yardmaster, will be used to offset any such guarantee payments.

RULE 8.7 This Rule will not be construed to mean that the earnings specified are the maximum which Conductors/Brakemen will be permitted to make.

RULE 9 Promotions

RULE 9.1 Promotions with the Company: Men accepting promotion with the Company, will be granted a leave of absence for one (1) year. Employees on leave of absence may retain and accumulate seniority rights for one (1) year, and pay Union dues as per RULE 19 during that time, except as otherwise provided by this Agreement a sixty (60) day prior written notice will be given to the employee and the Chairperson.

RULE 9.2 Yardmasters: Appointment of Yardmasters will be made primarily from the ranks of Conductors/Brakemen according to seniority, merit, fitness and ability.

RULE 10 Seniority

RULE 10.1 Seniority List: Employees in Yard service will have access at all times to a seniority list to be posted in a conspicuous place in the Yard Office which will contain a current list of all Conductors/Brakemen concerned and their seniority standing in the Company's service. Such lists will be compiled and posted April 1st and October 1st each year, and a copy will be furnished to the Chairperson. Conductors/Brakemen whose standing is incorrectly shown must protest in writing in thirty (30) days or no action will be thereafter taken. The standing of any man who is absent on leave or through illness will not be affected by this rule. The seniority list will be adjusted to reflect changes due to retirement, death, resignation or rightful dismissal. Employees on lay-off without compensated service for twelve (12) months will be removed from the seniority list.

RULE 11 Held Off on Company Business

RULE 11.1 Conductors/Brakemen held off on Company's orders or business (Company medical or rule classes) will be paid schedule rates for time lost with a maximum of eight (8) hours in each twenty-four hour period, and actual reasonable expenses incurred.

RULE 11.1.1 Employees will be paid a standard two (2) hour regular rate allowance while securing medical examinations requested by the Company when performed outside of regular working hours.

RULE 11.2 Company Called Witness: Conductors/Brakemen called as witnesses by the Company, or as a result of an incident involving the Company before a court, tribunal or coroner's inquest will be allowed the time consumed in court or until discharged eight (8) hours minimum rate for each twenty-four (24) hours or portion thereof detained from duty. The employee is expected to report his time of discharge and be available for work three (3) hours later.

RULE 12 Jury Duty

RULE 12.1 Summoned for Jury Duty: **An** employee summoned for jury duty and who is required to lose more than three (3) working days time from his assignment as a result thereof shall be paid for actual time lost excluding the first three (3) days. The pay will be based on eight (8) hours at the straight-time rate applicable to the service last performed, less the amount allowed him for jury duty for each such day (excluding allowances paid by the court for meals, lodging and transportation), subject to the following requirements and limitations:

RULE 12.2 Statement From the Court: **An** employee must furnish the Company with a statement from the court of jury allowances paid and the days on which the jury duty was performed.

RULE 12.3 Maximum Number of Days Paid: The number of working days for which jury duty shall be paid is limited to a maximum of thirty (30) days in any calendar year.

RULE 12.4 Jury Duty and Vacation or Holidays: No jury duty pay will be allowed for any day for which the employee is entitled to vacation or general holiday pay. **An** employee who has been allotted his vacation

dates will not be required to change his vacation because he is called for jury duty.

RULE 13 Run Around

RULE 13.1 In the event a man is run around avoidably, he will be entitled to actual lost wages with a minimum of four (4) hours pay at the rate for the classification that he would have worked, and retain his position on the rotary or Spare Board.

RULE 14 Investigations and Discipline

RULE 14.1 Conductors/Brakemen will not be disciplined or dismissed until after a full and impartial investigation held within fifteen (15) calendar days from the time the event becomes known to the Company. They may, however, be held off for investigation not exceeding three (3) days, during which time they will be furnished with a written notice containing a complete statement of the charge or charges to be investigated. Conductors/Brakemen may have the assistance of a fellow-employee in stating their case, and the evidence against them will be stated to them.

RULE 14.2 Notification of Investigation: All concerned will receive notification to be present. If not satisfied with decision the accused may appeal through their representatives to the General Manager within thirty (30) calendar days after having been advised of such decision who will respond in writing within fifteen (15) calendar days. Should investigation prove them blameless, Conductors/Brakemen who have been held off shall resume duty and be paid eight (8) hours per day for each twenty-four hours or portion thereof detained from duty at schedule rates covering service in which they were employed at the time of the alleged offense.

RULE 14.2.1 Employee's File: No record of discipline or caution will be placed in an employee's file unless a copy of such record is given to the employee at the time of the disciplinary or cautionary action. Copies of such letters or memoranda will be delivered to the Local Chairman. All such records will be removed from each employee's file on the fourth anniversary of such discipline or caution.

RULE 14.3 Discharge or Resignation: When a Conductor/Brakeman is discharged or resigns, he will within five (5) working days be paid and as soon as possible be given a certificate stating term of service and in what capacity he was employed.

RULE 14.4 Brakemen: In the event any Conductor feels that a Helper is incompetent, he shall make written complaint to the Superintendent, who will, before taking any action, conduct an investigation as to the validity of the charges.

RULE 15 **Grievance Procedure**

RULE 15.1 General Description: Should an employee who has acquired seniority have a complaint arising from the interpretation or alleged violation of this Agreement, or if he considers he has been unjustly disciplined, the grievance procedure shall be as follows:

RULE 15.2 Step 1: The employee who has a grievance will meet with the Assistant Superintendent or other official designated by the Superintendent to discuss his grievance within three (3) working days of when the employee knew or should have known of the violation or matter complained of but in no circumstance later than 15 days after the occurrence. This will initiate the grievance procedure.

RULE 15.3 The employee may be accompanied by a Union Representative and the Assistant Superintendent may be accompanied by another member of management. The Assistant Superintendent shall provide an oral decision within three (3) working days following oral notification of the complaint to the Assistant Superintendent.

RULE 15.4 Step 2: If a satisfactory settlement is not reached at the foregoing step, the grievance shall then be submitted in writing to the Superintendent or his representative by the local Chairman within seven (7) days of the Assistant Superintendent's decision from Step 1, submitting any information relating to the grievance which may help to clarify the matter. The Superintendent will render his decision in writing within seven (7) days of receipt of the grievance.

RULE 15.5 Step 3: If the decision of the Superintendent is not satisfactory the General Chairman may appeal in writing to the General Manager or his representative

within thirty (30) days of the Superintendent's decision. At the same time, the Union may submit any additional information relating to the grievance which may help clarify the matter. The General Manager will render his decision in writing on a grievance within thirty (30) days of receipt of the grievance.

RULE 15.6 Time Claims: Conductors/Brakemen will be advised promptly in writing through the proper officer, with the reason, if time claimed is not allowed in full. In case time is disputed, the time not in dispute will be paid in the current pay period. Time cheques will be issued upon request for any shortage of eight (8) hours or more.

RULE 15.7 Time Limitation: The time limits foreseen at the various steps of the grievance and arbitration procedure may be extended by mutual consent, in writing, by both the Company and the Union.

RULE 15.7.1 The use of the word "day" with respect to actions to be taken in the grievance procedure shall be interpreted as meaning calendar day except where otherwise provided herein.

RULE 15.8 Arbitration: Any allegation by either the Union or the Company that the other party has violated or misinterpreted this Agreement may be lodged in writing as a policy grievance, if by the Union to management, and if by the Company to the Chairman of the Committee. Such grievance shall be submitted to the other party within five (5) working days of the alleged violation or matter complained of.

RULE 15.8.1 Thereafter, the grievance shall be dealt with at Step 3 of the grievance procedure. In the case of a Company policy grievance, references to General Chairman and General Manager shall be reversed and the word "employee" shall be substituted with "the Company". Failing satisfactory settlement at Step 3, the policy grievance may be referred by either party to arbitration within the time limits provided in this Agreement.

RULE 15.8.2 An Arbitrator shall have the power, with respect to policy grievances filed by the Union or the Company, to award damages as a remedy with respect to said policy grievance.

RULE 15.8.3 If the decision from Step 3 of the grievance procedure is not satisfactory to the grieving party, such grievance may be submitted to arbitration

provided written notice of the referral to arbitration is served on the other party within fifteen (15) days of the Step 3 reply or the expiry of the time period for delivery of the Step 3 reply.

RULE 15.8.4 Upon notice from one party, following a failure to reach a satisfactory settlement at Step 3, that it intends to proceed to arbitration on a grievance, that party shall propose the names of three (3) possible Arbitrators to adjudicate the grievance.

RULE 15.8.5 The party receiving the notice referring the matter to arbitration shall have seven (7) days to respond in writing to the proposed Arbitrators, either agreeing to have one of those proposed to adjudicate the grievance, or proposing the names of three (3) different Arbitrators.

RULE 15.8.6 Failing agreement on the Arbitrator to hear the grievance within fourteen (14) days, either party may request that the Minister of Labour appoint an Arbitrator to hear the matter.

RULE 15.8.7 The parties shall each pay an equal share of the expenses of the Arbitrator.

RULE 15.8.8 The Arbitrator selected to hear the grievance shall have authority to make a final and binding determination with respect to the grievance. The Arbitrator shall have the power, in addition to the power conferred by the Canada Labour Code, to modify, cancel or substitute another penalty in respect of any disciplinary measures imposed by the Company, provided that reasonable grounds exist for so doing, and may order the Company to compensate an employee for losses occasioned as a result of any wrongful action by the Company. Notwithstanding the foregoing, the Arbitrator shall not have the jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provision in lieu thereof, or to give any decision inconsistent with the terms and conditions of this Agreement, or to deal with any matter not covered by this Agreement.

RULE 15.9 Retroactive Pay: Any settlement of a dispute which involves retroactive pay will be remitted to the employee as soon as possible, and not later than thirty (30) days after the settlement.

RULE 16 **Holidays**

RULE 16.1 Regularly assigned Conductors/Brakemen who do not lay off of their own accord will be paid no less than the bulletined days of the assignment. It is understood that the following eleven (11) general holidays will be paid in accordance with RULE 16.4. Canada Day will be observed on the day recognized by the majority of ETR's customers.

New Year's Day Good Friday Victoria Day Canada Day Civic Holiday Labour Day	Thanksgiving Day Christmas Day Boxing Day Birthday * RULE 5.5 Floater * RULE 5.5

RULE 16.1.1 Assigned employees will receive the number of hours pay for the Holiday that he would have received if he had worked that day. Unassigned employees will be paid the number of hours calculated by totalling the number of bulletined hours for all shifts worked in the immediately preceding eleven (11) tours of duty, divided by the number of tours worked during that period.

RULE 16.2 Substitution Days: Provided that when any of the above holidays fall on a Saturday or Sunday, the day substituted by the Federal Government shall be observed. Canada Day excepted.

RULE 16.3 Work on a Holiday: **An** employee who is required to work on any of these eleven holidays will receive payment at the rate of time and one-half (1 1/2) in addition to his regular rate of pay.

RULE 16.3.1 Work Days Cancelled: **An** assignment will not be cancelled on a regular working day of the assignment and worked on a statutory holiday to avoid penalty payment for the working day cancelled.

RULE 16.4 Holiday Entitlement: In order to qualify for pay for a general holiday an employee must be entitled to wages for at least twelve (12) shifts or tours of duty during the thirty (30) calendar days immediately preceding the general holiday, and existing provisions are amended to provide that an employee who is laid off or suffering from a bona fide injury, or who is hospitalized on the holiday, or who is in receipt of, or, who subsequently is

qualified for Weekly Indemnity benefits because of illness on such holiday but who otherwise qualified for general holiday pay, shall be paid for such holiday.

RULE 16.4.1 Regularly assigned employees entitled to payment for a statutory holiday on which his assignment does not work shall be paid at the rate of the position he would have filled, less shift differentials, had his assignment worked on the holiday. Unassigned employees will be paid on the basis of the majority of service he worked on the previous eleven (11) tours of duty.

RULE 17 **Vacation**

RULE 17.1 Less Than One Year Employment: **An** employee who at the beginning of the calendar year has less than one year of continuous employee relationship, but who has had more than thirty (30) days compensated service and/or available for duty in preceding calendar year, shall be allowed one working day's vacation with pay for each twenty-five (25) days' worked and/or available for service, with a maximum of ten (10) working days, until qualifying for further vacation under **RULE 17.2** of this Rule.

RULE 17.2 Five Years Employment: **An** employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least five (5) years and has completed 1,250 days compensated service and/or available for duty, shall be allowed one working day's vacation with pay for each **16-2/3** days' worked during the preceding calendar year with a maximum of fifteen (15) working days, until qualifying for further vacation under **RULE 17.3** of this Rule.

RULE 17.3 Ten Year Employment: **An** employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least ten (10) years shall be allowed one working days' vacation with pay for each 12-1/2 days' worked during the preceding calendar year, with a maximum of twenty (20) working days until qualifying for further vacation under **RULE 17.4** of this Rule.

RULE 17.4 Nineteen Years Employment: **An** employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least nineteen (19) years shall be allowed one working day's vacation with pay for each ten (10) days'

worked during the preceding calendar year, with a maximum of twenty-five (25) working days.

- RULE 17.5** Twenty-eight Years Employment: **An** employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least twenty-eight (28) years shall be allowed one day vacation for every eight (8) days worked in the preceding calendar year to a maximum of thirty (30) days. Such employee qualified for six (6) weeks vacation may accumulate one week per vacation-year until retirement. This accumulated vacation may be taken immediately prior to the employee's retirement date in conjunction with the vacation currently due.
- RULE 17.6** Computation of Service: In computing service under RULE 17.1, RULE 17.2, RULE 17.3, RULE 17.4 and RULE 17.5 of this Rule, days' worked in any position covered by similar vacation rules will be accumulated for the purpose of qualifying for vacation with pay.
- RULE 17.6.1** Definition of One Years Service: A year's service is defined as 250 days' of cumulative compensated service.
- RULE 17.6.2** Time Off-duty: on account of bona fide illness, injury or to attend organization business, not exceeding a total of 100 days in any calendar year or lay-offs subsequent to December 31, 1998, not exceeding 30 days in any calendar year shall be included in the computation of service for vacation purposes.
- RULE 17.6.3** Deductions: Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving.
- RULE 17.6.4** Majority of Service: An employee will be compensated for vacation on the basis of the majority of the service he worked on the previous eleven (11) tours of duty immediately prior to taking his vacation.
- RULE 17.6.5** Employees will be entitled to the number of days as set out in the collective agreement and will be paid eight (8) hours per vacation day.
- RULE 17.7** Vacation Entitlement: An employee covered by RULE 17.2, RULE 17.3, RULE 17.4 or RULE 17.5 will be entitled to vacation on the basis outlined therein if on his fifth, tenth, nineteenth, or twenty-eighth

or subsequent service Anniversary date he achieves the required days' of cumulative compensated service, otherwise his vacation entitlement will be calculated as set out.

- RULE 17.7.1** *An* employee who has become entitled to a vacation with pay shall be granted such vacation within a (12) twelve-month period immediately following the completion of the calendar year of employment in respect of which the employee became entitled to the vacation.
- RULE 17.8** Vacation and Rest Days: Employee's vacation period will start on the day following his assigned rest days except as defined in RULE 8.5.2.
- RULE 17.9** Application for Vacation: Applications for vacation from employees filed between December 15th of the previous year and March 1st, shall, in so far as it is practicable to do so, be given preference on the period selected as their first choice in order of seniority of the applicants. Such applicants will have preference over later applicants. All applicants will be advised in March of the dates allotted them and unless otherwise mutually agreed employees must take their vacation at the time allotted.
- RULE 17.9.1** Unless otherwise mutually agreed, employees who do not apply for vacation prior to March 1st shall be required to take their vacation at a time to be prescribed by the Company.
- RULE 17.10** Length of Vacation: Employees entitled to less than two weeks vacation must take such vacation in a continuous period. *An* employee entitled to three or four weeks vacation may, provided proper application is made and there is no additional expense to the Company, take his vacation in two or more portions, neither of which will be less than one week.
- RULE 17.11** Time Off on Account of Vacation: under the terms of this Agreement will not be considered as time off on account employee's own accord under any guarantee rules and will not be considered as breaking such guarantee.
- RULE 17.12** Vacation Days as Personal Leave: Employees may utilize five (5) days' earned vacation as personal leave days provided there is no additional cost incurred by the Company. Such time may be taken as required upon written notice of not less than forty-

eight (48) hours to the Superintendent. RULE 17.6.4 will apply.

RULE 17.13 Vacation Days and Lay-off: **An** employee who is laid off shall be paid for any vacation due him at the beginning of the current-calendar year, and if not subsequently recalled to service during such year shall, upon application, be allowed pay in lieu of any vacation due him at the beginning of the following calendar year.

RULE 17.14 Vacation Days and Termination: **An** employee terminating his employment for any reason at a time when an unused period of vacation with pay stands to his credit shall be allowed vacation calculated to the date of his leaving the service as provided for in RULE 1, and if not granted shall be allowed pay in lieu thereof.

RULE 17.15 Re-qualification for Vacation: **An** individual who leaves the service of his own accord, or who is dismissed for cause and not reinstated in his former standing within two years of date of such dismissal shall, if subsequently returned to the service, be required to qualify again for vacation with pay as provided RULE 1.

RULE 18 **Leave of Absence**

RULE 18.1 Leave of absence up to ninety (90) days may be secured from a Company officer, request to be in writing and reason thereof stated. Extensions of thirty (30) days may be granted when approved by the Superintendent or a Company officer and Chairperson for a maximum of one (1) year.

RULE 19 **Union**

RULE 19.1 Dues: The Company will grant check-off of Union dues. Not more than one payment of Union dues shall be made by an employee in any one month. Employees filling positions coming within the scope of more than one wage Agreement in a month, shall pay Union dues to the Union holding the Agreement under which the employee was assigned as at 00:01 hours on the first calendar day of the month. Where dues have been deducted from the wages of an employee pursuant to this Agreement, and dues are payable by such employee to another Union in accordance with the foregoing, application to the Company for refund of

dues deducted under this Agreement shall be made by such employee.

RULE 19.2 Long Term Disability Premiums: The Company will provide payroll 'deduction service for the employees' LTD "premiums, and will remit premiums as instructed by the Union.

RULE 19.3 Employment with Union: Those accepting employment with the Union will be granted an indefinite leave of absence. Employees on leave of absence may retain and accumulate seniority rights for the leave period subject to the payment of Union dues under RULE 19.

RULE 20 **Miscellaneous**

RULE 20.1 Lockers and Lunch Rooms: Suitable locker and lunch rooms will be provided by the Company.

RULE 20.2 Notice of Change in Working Conditions: The Company will give notice of any material change in working conditions or alterations in conditions of employment of a permanent nature and be prepared to discuss same with the employees.

RULE 20.3 Communication Equipment: It is recognized that the use of communication systems, including the use and carrying of portable radios, is a part of the duties of employees covered by this Rule. Each two man crew shall be supplied with a portable radio and separate frequencies utilized to the extent that such frequencies are available and practicable.

Radios: Employees will be responsible for the loss or damage to radios. When it has been clearly proven the loss or damage is due to deliberate negligence on the part of the employee, the Company may initiate disciplinary action.

RULE 20.3.1 The Company will offer to all employees covered by this Agreement, the use of a chest or hip radio holster.

RULE 21 **Agreement ?/0-**

RULE 21.1 Settlement of all Issues: This Agreement is in full settlement of all Collective Agreement issues raised by either party prior to July 25, 2008.

RULE 21.2 Supercedes All Previous Rulings: This Agreement supersedes all previous Agreements, rulings,

practices and interpretations which are in conflict with it, and shall continue in effect until December 31, 2010, and thereafter, subject to 90 days' notice from either party of its desire to cancel or revise same, which notice may be served any time after September 30, 2010.

RULE 21.3 * Agreement Effective Upon Execution: This Agreement is effective upon the latter of, signing date or January 1, 2008, except as otherwise provided herein, and supersedes all previous Agreements. It will remain in effect until December 31, 2010, and thereafter until revised or superseded, subject to ninety (90) days' notice in writing from either party to the Agreement of desire to revise, amend or terminate it. Such notice may be served at any time subsequent to September 30, 2010.

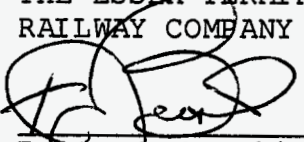
RULE 21.4 Retroactive Features: The retroactive features of this Agreement cover only those employees on the active payroll sixty (60) days prior to the date of signing, retirees excepted.

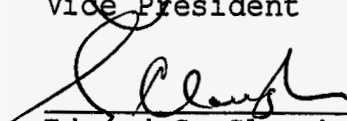
RULE 21.5 Interpretation of Agreement: Any question of interpretation which may arise will be adjusted by the Chairperson with the Superintendent or his designate or if necessary with the President or his designate.

RULE 21.6 Violation of Agreement: Conductors/Brakemen may on their own behalf call the attention of Management to any violation of this Agreement, and if necessary their representatives will refer such matters to the Superintendent.

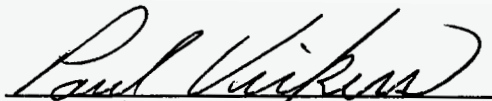
Signed for:

THE ESSEX TERMINAL
RAILWAY COMPANY


Terry J. Berthiaume
Vice President


Edward G. Clough
Superintendent

THE TEAMSTERS CANADA RAIL
CONFERENCE


Paul Vickers
General Chairman


Gerald Paterson
Local Chairperson

Dated at Windsor, Ontario,
this 20 day of December, 2007.

Letter of Undertaking
Additional Helper

In instances, when it has been determined by the Company, that they require an additional helper on an assignment, the Company may utilize an employee from the Spare Board to assist a regular crew, or crews, as deemed necessary.


Such employee shall be referred to as a Roving Helper and can be used on more than one crew during his working hours. The rates of pay and working conditions shall be the same as that of a Brakeman.

Such employee shall not be used as an additional crew member, but solely to assist the regular assigned crew, or crews.

The Roving Helper need not start at the same time as the regular assigned crew, nor will he automatically finish at the same time of the crew(s), in which he was used on.

If such employee is called for a crew on which another employee has booked sick, injured, etc., it will then be considered that he was part of that crew, with due regard to the employee's rights under the rest, eating or overtime provisions of the Collective Agreement.

It is the Company's option to determine whether they wish to order a spare man in such circumstances, or to utilize the Roving Helper.

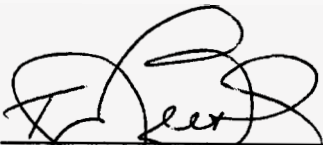


Terry Berthiaume
Vice President

December 20, 2007

Letter of Undertaking
Fair Distribution of Overtime

Within the constraints of existing Collective Agreements and established past practice, the Company will endeavour to ensure the fair distribution of overtime to the **Teamsters Canada Rail Conference** members. The Company is willing to meet with a representative of the **Teamsters Canada Rail Conference** within the closed period of the Collective Agreements to determine if there is a compromise acceptable to both parties.

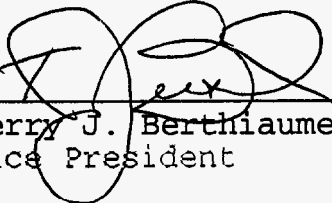


Terry J. Berthiaume
Vice President

December 20, 2007

Letter of Undertaking
Lay Off

Where a **Teamsters Canada Rail Conference** member is laid-off and temporary or part-time **work** becomes available for which the member qualifies, the member will be given the opportunity to apply for the position at the established rate and conditions for that position.



Terry J. Berthiaume
Vice President

December 20, 2007

HONEYWELL APPENDIX "D" TO THE AGREEMENTS COVERING:

Locomotive Engineers and Hostler

and

Conductors and Brakemen

The following is agreed by the Unions and the Company with regards to crew working the "Honeywell" assignments.

Note: The terms and conditions of the Collective Agreement shall apply unless as otherwise modified herein.

A reduced crew consisting of one (1) engineer and one (1) conductor will be used on the Honeywell assignments. The work will be limited to interplant switching at Honeywell, pulling and delivering cars to/from Ojibway yard and switching Honeywell, Diageo, AES as required. Additional work will require a third man to be called (i.e. including but not limited to pulling the CN interchange, or spotting Canadian Salt) and the crew will operate like any other full crew (foreman and helper). The Company, at their option, may call a foreman for this assignment. If a full crew is called there are no work restrictions.

Engineers will be required to perform a daily safety pre-start inspection.

This will be a 5 day assignment with a 35 - 40 hours work week and 2 consecutive days off.

The starting location of the Honeywell assignments may change to accommodate Honeywell and/or ETR business requirements.

Mileage will be reimbursed at the rate of \$12 per shift for all employees working the Honeywell assignments and starting at a location other than Lincoln Road. This payment is non-taxable under current legislation.

To be eligible to work the Honeywell assignments, employees must have a police clearance, attend a Honeywell orientation on plant safety and comply with Honeywell's "no beard" policy. The company will pay for the cost of the clearance and the training.

A Honeywell Rotary Board will be established for all ETR employees wishing to work at Honeywell on weekends and holidays. Initially turns will be established on a seniority basis. The board will rotate having employee's turns placed at the bottom of the board after working or missing a call. Employees called from


the Honeywell rotary board will be paid a minimum of four (4) hours at overtime rate and at scheduled rates for hours worked in excess of 4 hours.

The Company will ensure that any health and safety concerns are addressed and that suitable lunchrooms and washrooms are available.

It is understood and agreed that neither party shall invoke any or all of the principles of this Agreement as constituting a precedent or as constituting in any way admissions or concessions by either party.

Signed for:

THE ESSEX TERMINAL
RAILWAY COMPANY



Terry J. Berthiaume
Vice President

THE TEAMSTERS CANADA RAIL
CONFERENCE



Paul Vickers
General Chairman

Dated at Windsor, Ontario,
this 20 day of December, 2007.