

MEMORANDUM OF SETTLEMENT

Dated

February 23, 2015

Between

CANADIAN NATIONAL RAILWAY COMPANY

And

UNIFOR Council 4000 / Local 4001

Collective Agreement covering train and engine service employees on the CN - Savage Alberta Railway

RE:

Application of Wage Increases and Other Changes Covering the
Years 2013, 2014, 2015, 2016, 2017 and 2018

Rates of Pay effective as Indicated

Changes effective the 1st of the month following ratification,
or as otherwise indicated

The Company reserves the right to add to, revise, modify, substitute, amend or withdraw any of the following, at its sole discretion. Any settlement or agreement reached on any item or items is conditional upon the conclusion of a global, total, and comprehensive memorandum of settlement, which has been ratified. The Company reserves the right to withdraw its agreement on any item or items, without prejudice, until such time as a final agreement is ratified.

1. Term of Contract

The Collective Agreement covering train and engine service employees on the CN- Savage Alberta Railway represented by UNIFOR Council 4000, will be renewed for a period of six (6) years and three (3) months commencing January 1, 2013.

2. Wages

- a) Effective January 1, 2013, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2012.
- b) Effective January 1, 2014, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2013.
- c) Effective January 1, 2015, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2014.
- d) Effective January 1, 2016, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2015.
- e) Effective January 1, 2017, a wage increase of 3.5% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2016.
- f) Effective January 1, 2018, a wage increase of 3% on all basic hourly, daily and weekly rates of pay in effect on December 31, 2017.

3. Pension and Benefits

To be administered as detailed in "Attachments A and B."

4. Article 5 – Hours of work and rest days

Amend paragraph 5.08 to show current language as Item a), and add new Item b) as follows:

"b.) Notwithstanding Article 5.08(a) and the assigned work schedules of other assignments, work that is performed on the Grande Cache North and Grande Cache South Subdivisions (between Grande Prairie and Swan Landing) will be assigned an eight (8) hour call window, inclusive of the two (2) hour call."

5. Article 12 – Bereavement Leave

Amend paragraph 12.02 to include "still-born child" and "step child".

6. Article 17 - Sick Days

Amend paragraph 17.03 to indicate that employees hired after March 1, 2015, may not carry over unused sick days to the next calendar year.

7. Article 18 - Meal Allowance

Amend paragraph 18.04: Increase meal allowance from \$30 to \$40.

8. Article 21 - Spareboard

Add following Note to paragraph 21.01: "Note: see Addendum #2".

9. Article 24 – General

Amend paragraph 24.04 to reflect effective January 1, 2016, the Company will reimburse employees for the purchase of Safety Boots, up to \$200.00 annually.

10. Article 27 - Grievance Procedure

Amend paragraph 27.01 Step 1: change the designated Company officer from "Director of Operations" to "Assistant Superintendent".

11. Article 31 – Training (Transportation cost)

Amend paragraph 31.02 from \$25 to \$41.52.

Add New paragraph 31.03:

"Employees required by the Company to take training in excess of 50 km away from their home station will be provided transportation or reimbursed the necessary costs of transportation. If the employee is authorized by the Company to use their own vehicle, the Company will reimburse the employee at the rate of thirty cents per km travelled via the most direct highway route, unless otherwise approved by the Company.

12. Roadswitcher Service

The Union's proposal is resolved per the Letter of Understanding attached in "Attachment C".

13. General


The foregoing changes are in full and final settlement of all requests served, by either party signatory hereto, on or subsequent September 1, 2012.

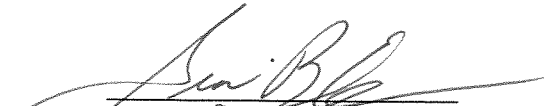
The collective agreement shall remain in full force and effect until March 31, 2019, and thereafter, subject to notice in writing by either party to this agreement to revise, amend, or terminate it. Such notice may be served at any time as of December 1, 2018, unless otherwise specified herein.


This Memorandum of Settlement is subject to ratification by the Union and the Company and, unless otherwise indicated, the provisions herein shall become effective on the first day of the month following such ratification.

Signed at Gatineau, Quebec this 23rd day of February 2015.

FOR THE COMPANY



Kimberly A. Madigan
Vice-President, Human Resources

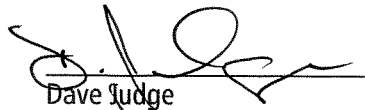

Susan Blackmore
Sr. Manager, Labour Relations



Doug Ryhorchuk
General Manager



Joe Torchia
Director, Labour Relations

FOR THE UNION


Barry Kennedy
President
UNIFOR-Canada, National Council 4000


Dave Judge
Local Chairperson
UNIFOR-Canada, National Council 4000
S.A.R.


Ron Shore
Regional Representative
UNIFOR-Canada, National Council 4000
Mountain Region


National Director

This letter shall not form part of the Collective Agreement



Human Resources

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Ressources humaines

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February 23, 2015

Barry Kennedy
President
Unifor National Council 4000
14923 – 107 Avenue
Edmonton, AB T5P 0X8

Mr. Kennedy,

This is in reference to our discussions regarding pensions and benefits for train and engine service employees working on the Savage Alberta Railway (SAR) territory and represented by Unifor Council 4000 (the "Employees").

Benefits

Effective January 1, 2016 (the "Effective Date"), Employees who are active at that time will be migrated under the group benefit plans applicable to CN employees who are members of the Unifor Council 4000 clerical bargaining unit at that time. This change may result in changes of providers/insurers. For example, it is to be noted that for CN employees who are members of the Unifor Council 4000 clerical bargaining unit, the Extended Health Care plan is currently provided by Green Shield, the Dental plan is provided by Sun Life and Disability and Life insurance benefits are provided by Great-West Life. These providers may change from time to time.

All medical and dental claims incurred prior to the Effective Date must be submitted under the current SAR policies/plans and providers and within 3 months of the Effective Date, i.e. no later than March 31, 2016.

All disability claims filed before January 1, 2016 will be administered under the current SAR policies/plans, until completion. All new disability claims starting on or after January 1, 2016 will be administered under the CN plan applicable to members of the Unifor Council 4000 clerical bargaining unit.

Effective January 1, 2016, all future changes to the CN plan applicable to members of the Unifor Council 4000 clerical bargaining unit will also apply to the Employees.

Pension Plan

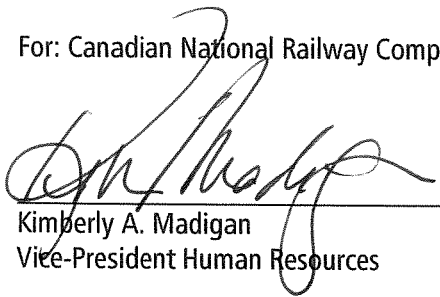
Employees who are active on the date of ratification will become eligible to participate in the CN Pension Plan, no later than 90 days following ratification. Upon joining the CN Pension Plan, Employees will cease participation in the current SAR Defined Contribution Pension Plan. It should be noted that past required Member and Employer contributions cannot be withdrawn from the SAR Defined Contribution Pension Plan until retirement, termination or death, whichever comes first. Employees can, however, continue to make investment decisions on such contributions.

Employees will not be afforded the opportunity to purchase any past service in the CN Pension Plan for any time prior to the Effective Date when they were not Active Members of the CN Pension Plan. Only past service where Employees previously participated in the CN Pension Plan can be purchased, but then only in strict accordance with the official CN Pension Plan rules.

It is understood that the CN Pension Plan does not form part of the SAR collective agreement or any other collective agreement at CN.

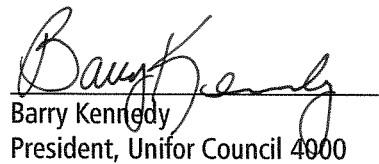
Signed at Gatineau, Quebec this 23rd day of February 2015.

For: Canadian National Railway Company



Kimberly A. Madigan
Vice-President Human Resources

For: Unifor, Council 4000



Barry Kennedy
President, Unifor Council 4000



Human Resources

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Montreal, Quebec, Canada
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This letter shall not form part of the Collective Agreement

February 23, 2015

Barry Kennedy
President
Unifor National Council 4000
14923 – 107 Avenue
Edmonton, AB T5P 0X8

Mr. Kennedy,

This is in reference to our discussions regarding benefits for train and engine service employees working on the Savage Alberta Railway (SAR) territory and represented by Unifor Council 4000 (the "Employees"), and with reference to Attachment A.

The parties agree that employees who are 50 years of age or older can make a one-time irrevocable choice, at the time of conversion to the CN DB Pension plan, as provided for in Attachment A of the Memorandum of Agreement dated February 23, 2015, to convert to the CN Benefit Plan for Unifor employees effective January 1, 2016, or to retain their benefits under the current SAR Benefit Plan.

The SAR Benefit Plan will be maintained until the last of the above-named individuals (over 50 years of age who elect to remain in the SAR plan) no longer work for SAR. The parties' will meet immediately following ratification to identify these individuals and identify their personal irrevocable election.

Yours truly,

A handwritten signature in black ink, appearing to read 'Kimberly A. Madigan'.

Kimberly A. Madigan
Vice-President Human Resources



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February 23, 2015

Barry Kennedy
President
Unifor National Council 4000
14923 – 107 Avenue
Edmonton, AB T5P 0X8

Mr. Kennedy,

This is in reference to our discussions during bargaining regarding employees operating in Road Switcher service and their ability to have a meal during their tour of duty.

This will confirm that train service employees in Roadswitcher service will have the opportunity of having a meal at a reasonable hour by previously advising the Train Dispatcher, or, when not under the jurisdiction of a Train Dispatcher, the proper supervisor.

Yours truly,


Doug Ryhorchuk
General Manager



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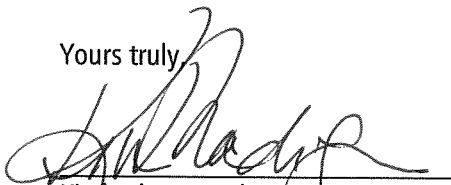
Barry Kennedy
President
Unifor National Council 4000
14923 – 107 Avenue
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Mr. Kennedy,

This has reference to our discussions during current contract negotiations for SAR concerning issues of attracting and recruiting qualified individuals at specific locations across the system.


The Company will provide a base rate adjustment of 1% effective January 1, 2018 to address attraction and retention issues in Northern Alberta.

Yours truly



Kimberly A. Madigan
Vice-President, Human Resources

I CONCUR.



Barry Kennedy
President, Unifor Council 4000