



M W Becker
Assistant Vice-President
Labour Relations

7550 Ogden Dale Road SE
Calgary Alberta
Canada T2C 4X9

T 403 319 6754
E Myron_Becker@cpr.ca

April 20, 2018

Peter Simpson
Federal Mediation and Conciliation Services
Ottawa

Dear Mr. Simpson

We are writing to request that the Minister of Labour exercise the authority vested to her under Section 108 of the Canada Labour Code and direct that a vote take place on the final offer submitted by the Company to the TCRC on April 20, 2018.

Sincerely,

Myron Becker
Assistant Vice-President Labour Relations

Copy: Douglas Finnson, TCRC

MEMORANDUM OF SETTLEMENT

DATED

Calgary, April 20, 2018

BETWEEN



(Hereinafter referred to as the Company)

And the

TEAMSTERS CANADA RAIL CONFERENCE
(Hereinafter referred to as the Union)

CONCERNING

APPLICATION OF WAGE INCREASES AND OTHER CHANGES
COVERING THE YEARS 2018, 2019 and 2020

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. This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

The wages and benefits provided for herein, reflect that provided for in three (3) other long term agreements negotiated in the same negotiating period and are replicated in part herein.

1. TERM OF CONTRACT

The Collective Agreement between the Company and the Union will be renewed for a period of three (3) years commencing January 1, 2018 through to December 31, 2020.

Amend Article 83 (CTY) and Article 40 (LE) to read:

83.01/40.01 This Agreement is effective January 1, 2018 as amended and updated, shall remain in full force and effect until December 31, 2020, and thereafter until revised or superseded. In accordance with the Canada Labour Code, S. 49(1), this Agreement will be subject to four months written notice preceding the date of expiration of the term, from either party to the Agreement, of its desire to revise, amend or terminate it.

2. WAGES (Addresses Union Demand Item 2, b)

It is understood that the following rate increases are in reference to wage rates only and do not apply to any other payments such as shift differentials, or any other payments not explicitly mentioned herein.

- a) Effective January 1, 2018, increase by 2% the rates in effect on December 31, 2017.
- b) Effective January 1, 2019, increase by 2% the rates in effect on December 31, 2018.
- c) Effective January 1, 2020, increase by 2% the rates in effect on December 31, 2019.

3. BENEFITS (Addresses Union Demand Item 2, b)

Plan Amendment Document

Upon final settlement and effective 30 days following ratification of this Agreement, the appropriate documents will be updated to reflect the following benefit terms:

Life Insurance

- a) Effective 30 days following ratification of this agreement, the group life insurance coverage will be increased from \$51,000 to \$52,000 for employees who have service with the Company on or subsequent to that date.
- b) Effective January 1, 2019, the group life insurance coverage will be increased from \$52,000 to \$53,000 for employees who have service with the Company on or subsequent to that date.
- c) Effective January 1, 2020, the group life insurance coverage will be increased from \$53,000 to \$54,000 for employees who have service with the Company on or subsequent to that date.

Disability Benefits

- a) Effective 30 days following ratification of this agreement the maximum benefit will be increased to \$720.00.
- b) Effective January 1, 2019, the maximum benefit will be increased to \$730.00.
- c) Effective January 1, 2020, the maximum benefit will be increased to \$740.00.

Dental Plan

Modify the provision concerning covered expenses as follows:

- a) Effective with treatment which commenced on or after 30 days following ratification of this agreement, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2018.
- b) Effective with treatment which commenced on or after January 1, 2019, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2019.
- c) Effective with treatment which commenced on or after January 1, 2020, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2020.

Vision Care:

Modify the provision concerning covered expenses as follows:

- a) 30 days following ratification of this agreement, coverage will increase for employees to a maximum of \$650.00 for laser eye surgery every two years.
- b) This increase will not apply to eyeglasses, frames, lenses, sunglasses or optometrist visits.

Benefits General

Effective 30 days following ratification of this agreement, or as soon thereafter as it may be arranged, the various contracts and policies provided in the Employee Benefit Plan Supplemental Agreement and attached as Appendices to the Dental Plan and the Extended Health & Vision Care Plan, as well as they will be amended in conformity with the aforementioned changes.

Pension (Addresses Union Demand Item 5)

See letter and attachment at Appendix 1 regarding Pension Improvement Committee.

4. WORK RULES

The following addresses Union's demands and those items previously committed to by the Company during negotiations that resulted in the 1 year tentative agreement. The work rules provided for herein will be withdrawn by the Company in their entirety in the event an agreement is not reached within the time frame provided for on the cover page and in the footnote throughout this proposal.

a) **Material Change Provisions**

Amend existing Material Change provisions to reflect the changes initiated in Appendix 2 attached hereto. The changes to date reflect the numerous discussions between the parties.

b) **Directional Pools**

As addressed in Appendix 3 hereto.

c) **Annual Vacation (AV)** (Addresses Union Demand Items 4, a & b)

Amend the AV Articles in the Consolidated Collective Agreement to include the following:

- i. Letters on Annual Vacation as follows:
 1. April 7, 2017 – AV Preponderance Letter – As addressed in Appendix 4
 2. April 10, 2017 – Calculation of the AV Flatline – As addressed in Appendix 4
 3. April 10, 2017 – Calculation of the AV Flatline – Annual Vacation Matrix – As addressed in Appendix 4
- ii. AV Vacancy Procedure:
 - Create a new article in the Consolidated Collective Agreement establishing the October 17, 2016 Decision of Arbitrator Stout regarding "*The Establishment of a Process to Fill Annual Vacation Vacancies.*"
- iii. Calendar of Employees on Annual Vacation (AV) – (Previously agreed to as per 9/13/2017 letter)
 - The Company agrees to provide a complete list of employees who are on vacation in each week for the entire year. The Company will provide an updated list monthly with the bulletin advertising AV vacancies.
- iv. AV Slot at Sparwood (Addresses Union Demand Item 8, f - Subject to ratification as per 9/13/2017 letter)
 - Commencing with the 2019 vacation period, one (1) additional slot during peak vacation period will be provided to the Sparwood Home terminal, and as a result:
 - One (1) slot during the peak vacation period in 2019 will be reduced from the Cranbrook / Fort Steele Home terminal.

- d) **Earned Days Off (EDO)/Mileage Dates** (Addresses Union Demand Item 1, a - "EDO Provisions & Item 3, a)

Employees will have the opportunity to rebid their EDO/ Mileage dates on the basis of seniority sixty (60) days after the issuance of the Consolidated Collective Agreement to employees and every three (3) years thereafter.

- e) **Bridging to Earned Days off** (Addresses Union Demands Item 1, a – "EDO Provisions and Item 3, a)

The parties agree to the following:

T&E Employees must call the CMC prior to 2100 local time in order to request a bridge. The bridge will take effect from 0001 local time up to 0759, and then the employee will be booked off on the EDO at 0800, as usual. Bridges commencing prior to 0001 will be handled on a case-by-case occurrence.

- f) **Courtesy Calls** (Addresses Union Demand Item 3, e, vi - Previously agreed to as per 9/13/2017 letter)

Courtesy calls will form part of the Collective Agreement under the following conditions:

- i. If an employee books rest and requests a courtesy call, the employee is subject to call immediately upon expiration of rest, in conjunction with the requested courtesy call.
- ii. If an employee books rest and does not request a courtesy call, the employee is subject to call upon expiration of rest, along with the standard call.
- iii. Employees will be permitted to request courtesy calls in increments of thirty (30) minutes.
- iv. Any abuse of courtesy calls will result in a loss of privilege for a ninety (90) day period.

- g) **Calling Rules** (Addresses Union's concerns - Previously agreed to as per 9/13/2017 letter)

When two employees are called from the spareboard for the same assignment or tour of duty, the senior employee will be given preference to the higher rated position. Employees will be responsible for contacting the Crew Management Centre in the event they are called out of turn.

- h) **Locomotive Engineer Extra Board (LEEB)** (Addresses Union's concerns - Previously agreed to as per 9/13/2017 letter)

The Company agrees to include the LEEB list on a terminal-by-terminal basis in the VRU and crew information screen subject to any CMA modifications/enhancements.

- i) **Road Switchers Payments** (Addresses Union's concerns - Previously agreed to as per 9/13/2017 letter)

The parties agree that, with respect to CROA 4259 and the supplementary award, ad hoc road switchers will receive all payments that are applicable to a freight crew that is called in turn service, including but not limited to, off main payments (OM), TT&J and PU claims pursuant to the respective Collective Agreement provisions.

j) **Road Switcher General Holiday** (Addresses Union's concerns - Previously agreed to as per 9/13/2017 letter)

A road switcher assignment that spends the entire shift working within the yard on a General Holiday will be paid at yard rates and conditions including overtime for the General Holiday.

k) **Road Switcher Lunch** (Addresses Union's concerns - Subject to ratification as per 9/13/2017 letter)

- a. Yard lunch provisions will apply to Road Switchers that spend the entire shift working within the yard as defined by the OMTS.
- b. Road Switchers that work outside of the OMTS but within yard switching limits will be provided the opportunity to take 20 minutes for lunch between 4 and 5 ½ hours after starting work without deduction in pay and upon advising the RTC at least 1 hour in advance. Employees will not be required to work longer than 5 ½ hours without being allowed 20 minutes for lunch, with no reduction in pay or time therefore.
- c. Road Switchers that work outside of the Terminal limits will be governed by the road provisions for Meals Enroute.

Question 1: In the application of paragraph a. how will it be determined that a Road Switcher assignment spends the entire shift within the yard for these provisions to apply?

Answer: Road Switchers that work within the yard as defined by the OMTS, or in the same manner as a conventional yard job for their entire shift, will be governed by this provision.

Question 2: Which provision above, a. or b. applies to Road Switcher assignments that operate outside of the outer main track switch but within yard switching limits?

Answer: Paragraph b applies, however it is understood that employees will take their lunch either on the locomotive or at the customer facility, if available.

Question 3: In the event the locomotive is not equipped with a functioning refrigerator, what options are available to the employees?

Answer: When the employee reports for duty and determines that the refrigerator is not functioning, they must notify their supervisor as soon as possible so that alternate arrangements can be made to accommodate lunch.

Question 4: In the event a Road Switcher performs work within both a yard and outside of the OMTS but within yard switching limits, how will it be determined which lunch provision applies for that shift?

Answer: Employees will be advised when they report for duty which lunch provision will govern their workday. In the application of this provision, in the event the crew is within close proximity to a designated lunch facility and no additional operational delay will be incurred, the employee will have the option of using the designated lunch facility.

l) **Terminal Assignments** (Addresses Union's concerns)

With respect to the Union's concern on the amount of extra assignments within a given terminal, including turns and ad hoc road switchers, the parties agree to identify where this is an issue and discuss creating assignments to minimize the impact on the employees. The local discussions will focus on establishing assignments to reduce or eliminate extra assignment calls and increase predictability and employee availability. Should local discussions fail to resolve the issues, the matter can be escalated to the respective General Chairman and Director of Labour Relations for resolution.

m) **Short Turn Rule (revise the current short turn rule to include)** (Addresses Union Demand Item 11, a - Subject to ratification as per 9/13/2017 letter)

- a. Unassigned service employees and/or employees assigned to a road or common spareboard who are called for yard service, assignments, or ad hoc road switchers, will, upon tying up, be placed in their original position on the board they were called from provided ten (10) hours, or less, rest is booked upon the completion of their tour of duty.
- b. In the application of paragraph 1. a. above, unassigned employees will be placed at the foot of their respective pool or spareboard after a second consecutive short turn.
- c. This short turn rule has no application to a Conductor holding a regular position who has advised the Local officers of their desire to do relief work of less than 6 days in either passenger, mixed, way-freight, road switcher or work service and is called as such.
- d. Essentially, if a Conductor bids spare running and receives relief work in accordance with that bid, they cannot reposition their turn.
- e. The provisions of paragraph 1. a. above, will also apply to employees who are canceled after work has commenced and are paid a 100 mile basic day.
- f. It is the responsibility of the employee to ensure that their turn is placed correctly. Employee requests to review the placement will not be entertained beyond one (1) hour after tie-up.

n) **Work Rule Clarifications** (Addresses Union's concerns)

Off Main (OM) Vaughan Terminal - In the application of OM payments, the Arbitrator's Award concerning OM payments at Vaughan will be recognized within the terms of the Consolidated Collective Agreement.

o) **Running Off Main (OM)** - all agreements to reflect current CTW West provisions as follows:

- a. Effective the first day of the month following ratification, the Articles 12.03 of the CTY East and Article 15.01 of the LE East & West pertaining to Running Off Main Line will be replaced with the following:

ARTICLE XX - RUNNING OFF MAIN TRACK

XX In all classes of Road Service, except Road Switcher and work train service, when engine is run more than one mile off main track, mileage or hours made, whichever is the greater, will be paid for in addition to pay for the trip and paid for at the rate of class of service performed.

XX A side trip on a branch line shown in the timetable as a subdivision does not constitute running off the main track.

p) **Turnaround Junction (TJ)** - all agreements to reflect current LE West provisions as follows:

- a) Effective the first day of the month following ratification amend the Collective Agreement to reflect the following pertaining to payments at Turnaround Junction points:

XX In short turnaround service between terminals and turnaround points, miles and junction switching combined, or hours, whichever is the greater, will be paid on each leg of the run; all time from arrival at turnaround point to departure and all time at final terminals, from the time of making the first stop, until 15 minutes after the engine is placed on shop track will be paid on the minute basis. A minimum of 100 miles will be allowed.

q) **No Scoop**

No Scoop - Straight Away Service to the Away From Home Terminal:

- a) Employees will be placed in sequence at the away from home terminal based on their on-duty time at the Home Terminal.
- b) The No Scoop rule only applies when two or more crews are ordered from the same terminal to an AFHT.
- c) It is the responsibility of the employee to ensure that their turn is placed correctly. Employee requests to review placement will not be entertained beyond one (1) hour after tie-up.

r) **Train Length Allowance**

Amend Train Length Allowance provisions in the Consolidated Collective Agreement to include the following:

- a) Effective the first day of the month following ratification employees hired after January 1, 2014 and thereafter will be eligible for Train Length Allowance subject to the following conditions:
- i. Employees hired after January 1, 2014 will become eligible for Train Length Allowance in the seniority order they hold on the applicable Eastern and Western Seniority roster whenever an attrition event occurs of an employee hired prior to January 1, 2014.

- ii. Entitlement is based on the total number of pre January 1, 2014 Train & Engine employees currently eligible for train length allowances as of April 20, 2019. On a go forward basis the total number of eligible employees shall not exceed 2273.
- b) Effective the first day of the month following ratification train length allowances will apply:

Train Length	Pre 2014 Rates	Post 2014 Rates
3,801 to 5,000 feet	\$4.00	\$2.80
5,001 to 6,000 feet	\$8.00	\$5.60
6,001 to 7,000 feet	\$14.00	\$9.80
7,001 to 8,000 feet	\$22.00	\$15.40
8,001 to 9,000 feet	\$32.00	\$22.40
9,001 to 10,000 feet	\$44.00	\$30.80
10,001 to 12,000 feet	\$59.00	\$41.30

s) **Heldaway**

As addressed in appendix 5 hereto.

5. General

a) **Renewal of Letters** (Addresses Union Demand Item 19 - Subject to ratification as per 9/13/2017 letter)

- a. As part of the renewal to the existing Collective Agreement, all side letters and memorandums of understanding currently incorporated into the Collective Agreement will be renewed provided they are effective the date of signing of this Agreement. Additionally issues that are subject to estoppel will remain in effect for the term of this Collective Agreement.
- b. The new hire lump sum payment provided for in the December 5, 2007 letter between the parties will apply to all employees hired prior to the signing of this Memorandum of Settlement after which time this letter will expire.

b) **Consolidated Collective Agreement**

The Consolidated Collective draft agreement provided to the Union on July 7, 2017 will be considered the final and binding version and distributed to managers and employees. This is in compliance the December 8, 2015 Justice Adams Decision. Any agreed upon updates resulting from negotiations will be added to the Consolidated Collective Agreement.

c) **Rest after Investigations** (Addresses Union Demand Item 17, b - Subject to ratification as per 9/13/2017 letter)

Employees will have the ability to book 8 hours rest following a Company initiated investigation. Rest will commence from the time stated at the conclusion of the investigation.

- d) **Cancellation of Investigations** (Addresses Union Demand Item 17, a - Subject to ratification as per 9/13/2017 letter)

When a scheduled investigation is cancelled, employees will be paid for actual lost earnings, if any. Notice of cancellation will be provided to anyone required by the Company to attend the investigation.

- e) **Field Placement Coordinator** (Addresses Union Demand Item 9, a)

Field Placement Coordinators will not perform managerial duties and will continue to accumulate seniority for the period they occupy the position.

- f) **Voluntary Relocation with Benefits** (Addresses Union Demand Item 9, b)

Amend the Consolidated Collective Agreement to include the following:

Long term - Where initiated, a lump sum of \$18,000.00 will be provided to employees who move to a location of shortage. Selection will be made on a seniority basis. Should such employees choose to relocate from that location within 2 years, they will be required to reimburse the Company on a prorated basis. Such reimbursement will not apply in cases of lay off if an employee returns to the shortage location upon recall or if the lay off period is greater than 2 months at the location of shortage.

- g) **LTD Language** (Addresses Union Demand Item 16, b)

Amend the Consolidated Collective Agreement to include the following:

An employee paid Long Term Disability Plan (LTD), implemented by the TCRC Locomotive Engineers (LE), Conductors-Trainmen-Yardmen-Switchtenders - Road Service Employee-Road Service Helper-Yard Service Employee-Yard Service Helper-Utility Yard Employee (CTY), will be administered by the Company. Administration will include payroll deduction of premiums, which will be forwarded to the Insurance Carrier. Premiums and all other costs associated with this plan will be borne by the individual TCRC LE/CTY members.

- h) **Medical Hold Pilot** (Addresses Union Demand Item 4, a - Subject to ratification as per 9/13/2017 letter)

Amend the Family Care Letter to include a pilot for the term of the Collective Agreement for the ability to hold turns for personal medical appointments and:

- a. Unless the appointment is of emergent necessity, the employee will be required to provide a minimum of 14 days' notice and proof of the appointment to the Superintendent and CMC. Application is limited to when such appointments cannot reasonably be scheduled during off-duty time.

- b. Employees cannot use this Medical Hold provision between the hours of 1700 hours Friday until 1800 hours on Sunday.
- c. During Medical Hold period employees will have their turn held.

Note: Within 30 days of ratification, the parties will identify and agree upon three trial locations across Canada, one of which will include a major metropolitan area.

i) **Kootenay Valley Railway**

Modify existing agreement to provide for the following:

1. Term - Provided for in Section 1 – Term
2. Wages - Provided for in Section 2 - Wages
3. Benefits - Provided for in Section 3 - Benefits
4. Change of Advertisements – Include same language as in Core agreement applicable to KVR – include reference for Core employees to bid into KVR every three years.
5. Include reference to EFAP in the reprint of the KVR Agreement.
6. Training rates – amend articles 19.19, 19.20 to reflect:
 - o Increase Engineer daily rate from \$35 to \$45
 - o Increase Conductor daily rate from \$25 to \$35
7. Mileage allowance – amend article 22.4 to reflect:
 - o Increase annual mileage allowance cap from \$700 to \$750.
8. McConnell Turn – amend the agreement to reflect:
 - o KVR employees to operate to Yahk when required.

j) **Grievance Reduction Initiative**

As addressed in appendix 6 hereto.

k) **Non-Disciplinary Grievance Resolve Letter**

As addressed in appendix 7 hereto.

l) **Locomotive Video/Voice Recording (LVVR)**

As addressed in appendix 8 hereto.

6. DURATION

Unless otherwise referred to herein, all other Union and/or Company proposals are withdrawn in their entirety and this Agreement (including all Supplemental Agreements) shall remain in effect until December 31, 2020.

SIGNED AT Calgary, Alberta this ____ day of _____, 2018.

For Canadian Pacific:

For TCRC:

Myron Becker
Assistant Vice President
Labour Relations

Wayne Apsey
General Chairman
CTY East

David E. Guerin
Senior Director
Labour Relations

John Campbell
General Chairman
LE East

Chris Clark
Assistant Director
Labour Relations

Greg Edwards
General Chairman
LE West

David Pezzaniti
Manager
Labour Relations

Dave Fulton
General Chairman
CTY West

Sharney Oliver
Manager
Labour Relations

Approved:

Robert A. Johnson
Executive Vice President-Operations

APPENDIX 1

Pension Plan Improvement Committee for the Term of Agreement

This letter Dated _____ shall not form part of the Collective Agreement.

Greg Edwards
General Chair LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Dave Fulton
General Chair CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

Dear Sirs,

This has reference to the Unions demands during this round of bargaining that included numerous changes to the Pension Plan.

The Company advised it was not prepared to concede to the Union demands, demands that would have negative consequences to the viability and financial well-being of the Pension Plan. The Company offered an alternative for the Union to participate in the Pension Improvement account. This would move pensions away from the bargaining table and would allow the Union to propose changes based on the financial health of the Plan. Specifically, once the Plan reaches a target solvency position, net of prepayments that CP has made to the plan. The parties agree to establish a "Pension Improvement Account" and the committee will decide on appropriate future changes to the Plan, which can be funded by this Account referred to herein.

It is understood that any such changes would be subject to the approval of the appropriate pension committee(s) and the Board of Directors.

Sincerely,

Myron Becker
Assistant Vice President
Labour Relations

For TCRC,

Dave Fulton
General Chairman CTY West

Wayne Apsey
General Chairman CTY East

Greg Edwards
General Chairman LE West

John Campbell
General Chairman LE East

Attachment to Appendix 1

Pension Plan Improvement Committee for the Term of Agreement

This letter Dated _____ shall not form part of the Collective Agreement.

Greg Edwards
General Chair LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Dave Fulton
General Chair CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

RE: Pension Improvement Account Agreement

Dear Sirs,

This refers to the Union's proposals regarding pension and retirement benefits.

In an effort to address the Union's concerns, the Company has presented a Pension Improvement Account Agreement ("PIA") for the members of the Teamsters Canada Rail Conference - T&E ("the Union").

The Company offers to enter into an agreement with the Union to establishing a PIA for CP employees represented by the Union, subject to the following conditions:

- the Union agrees not to table pension demands at bargaining as long as the PIA program exists;
- the framework of the PIA is to be based on the attached Towers Watson document entitled "CP Pension Improvement Accounts" dated November 2014 (attached), with the details of the PIA to be set out in a document to be jointly prepared and agreed to by CP and the Union;
- authority and responsibility for plan investments will remain solely with the Company; and
- the pension plan rules will be amended only at such time and to the extent necessary to provide pension benefit improvements that are being charged against an accumulated PIA balance.

Please indicate your acceptance in the space provided below and return one executed copy to me for my records.

Sincerely,

Myron Becker
Assistant Vice President
Labour Relations

For TCRC:

Dave Fulton
General Chairman CTY West

Wayne Apsey
General Chairman CTY East

Greg Edwards
General Chairman LE West

John Campbell
General Chairman LE East

APPENDIX 2

Material Change Provisions

April 20, 2018

Greg Edwards
General Chair LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Dave Fulton
General Chair CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

The following is the result of numerous discussions on amendments to the Material Change provisions of the Collective agreements that will expedite handling and provide specified benefits to employees who may be adversely affected by a change. The parties have agreed to reflect the amendments summarized below in a separate Letter *Re: Material Change* dated April 20, 2018.

The following summarizes what the Company believes was resolved between the parties at the last meeting in Calgary in March. The agreed upon changes are provided for in a separate letter and will amend the existing Material Change provisions as follows.

In the event this matter impacts the settlement of this agreement, notwithstanding the benefit to both parties the Company will withdraw this Appendix 2 in its entirety.

Timelines to Implement:

The following timelines will amend the current Material Change provisions:

- The parties will agree at the initial meeting to review available dates for the board of review and dates for an arbitration hearing with consideration to the timelines setout below:
 - **Day 50** – Cessation of negotiations.
 - * Exception of the CTY West Application governing a change in established home terminals.
 - **Day 57** – Within 7 days of the cessation of negotiations the issues remaining in dispute to be referred to the Vice-President, Industrial Relations, of the Company and the Vice-President of the Union for mediation by a Board of Review composed of two senior Officers from each party. The referral shall be accompanied by a Joint Statement of Issue, or Issues, remaining in dispute together with a copy of the notice served by the Company on the Union.
 - **Day 80** – The Board of Review must meet within 30 days and, if the Union is not able to meet within this required timeframe, the Company is entitled to proceed to the next step.

- **Day 100** – The Board of Review shall, within 20 days from the date of reference of the dispute, make its findings and recommendations.
- **Day 107** – If the Board is unable to arrive at a decision within the time limits specified or such extended time limits as provided or if its recommendations are not agreeable to either party, a Joint Statement of Issue, or Issues, remaining in dispute may be referred within seven days by either party to a single arbitrator who shall be the person from time to time occupying the position of Arbitrator for the Canadian Railway Office of Arbitration and Dispute Resolution.

In the event that the parties do not agree upon a Joint Statement of Issue, or Issues, remaining in dispute, each must submit a separate statement to the Arbitrator in accordance with the procedure outlined above for the Joint Statement and the other party will be provided with a copy thereof.

- **Day 137** - The Arbitrator shall hear the dispute within 30 days from date of the request for arbitration.
- **Day 152** – The Arbitrator shall render a decision together with reasons therefore in writing within 15 days of the completion of the hearing.
- **Day 180** – It is understood that no change will be implemented prior to 180 days from the date of the notice specified in 60.01. (Applicable to Locomotive Engineers Only)

Relocation of Employees - Expenses

- The following rates amend the current Relocation Benefits provided for under the Material Change articles as follows:

* Note – Year 1 increases will become effective 60 days after ratification of this agreement.

(2) Incidental Expenses -	Year 1 - \$ 1,285.00
(3) Employee Transportation -	Year 1 - \$ 329.00
*Dependents Transportation -	Year 1 - \$ 171.00
(6) Move of Mobile Home -	Year 1 - \$ 10,540.00
(7) Commuting Allowance -	Year 1 - \$ 343.00

Benefits

- The following material change benefits provisions will form part of the Collective Agreement and may be applied to address adverse effects as a result of a change. A list of benefit are as follows and

provided within the *Letter Re: Material Change* dated April 20, 2018.

- Maintenance of Basic Rate
- Layoff Protection
- Early Separation

Sincerely,

Myron Becker
Assistant Vice President Labour
Relations

For TCRC:

Dave Fulton
General Chairman CTY West

Wayne Apsey
General Chairman CTY East

Greg Edwards
General Chairman LE West

John Campbell
General Chairman LE East

APPENDIX 3

April 20, 2018

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

Dave Fulton
General Chairperson CTY West
Teamsters Canada Rail Conference
101-10820 24th St. SE
Calgary, Alberta
T2Z 4C9

Greg Edwards
General Chairperson LE West
Teamsters Canada Rail Conference
101-10820 24th St. SE
Calgary, Alberta
T2Z 4C9

Directional Pools – Add new clause

The parties recognize and agree the operation of Directional Pools in unassigned service requires employee availability and on that basis requires the calling rules to draw on employees to work in either pool when the supply of employees in a particular pool and / or spareboard is insufficient to operate all of the trains.

In the establishment of Directional Pools the parties agree the joint development of the standardized calling rules for that Terminal and their mutual agreement is required prior to implementation of Directional Pools and at that location.

All road employees must maintain their familiarity on all subdivisions at their terminal. To ensure that familiarity is maintained, the Parties will jointly develop a system that at each change of card operating employees can validate their familiarity for each pool so they are considered familiar and qualified to be called for work in any of the pools in that Terminal. Operating employees who do not validate their familiarity at each change of card will be required to make at least one working trip in order to validate their familiarity with runs in each pool. Local Agreements to manage familiarization trips will be in writing and filed with the General Chairman, General Manager, and AVP Labour Relations for their approval and validation.

In the event of a major line outage, the Company may exercise the right to temporarily collapse and combine the directional pools at that Terminal to maintain sufficient crew availability during the outage. The Company will notify the Local Chairmen when this will occur, along with the expected duration.

At locations where the Company has established directional pools and any train identified on the current line up is not protected by rested and available employees, who do not accept a call to work to ensure cross pool protection obligations, the following will apply:

1. In the event train delays are attributable to the existence of directional pools at a terminal, the General Manager, or delegate; and the Local Chairmen at that Terminal will review any delay. Any further train delays referred to herein will be elevated to the Senior Vice President Operations and the applicable General Chairman for their review and recommendation.

2. In the unfortunate circumstance that train delays attributed to cross pool operations continue to take place, despite the best efforts of the Company and the Union, the parties agree that pools may be restructured at that terminal.

The intent between the parties is that directional pools/ cross pool protection will enhance customer service, employee availability, and provide a more regular employee work routine; and the above provisions will rarely, if ever, have to be invoked.

For Canadian Pacific:

Myron Becker
Assistant Vice President
Labour Relations

Robert A. Johnson
Executive Vice President
Operations

For TCRC:

John Campbell
General Chairman
LE East

Wayne Apsey
General Chairman
CTY East

Dave Fulton
General Chairman
CTY West

Greg Edwards
General Chairman
LE West

APPENDIX 4

Letter re: Annual Vacation Preponderance Letter

April 20, 2018

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

Dave Fulton
General Chairperson CTY West
101-10820 24th St. SE
Calgary, Alberta
T2Z 4C9

Greg Edwards
General Chairperson LE West
101-10820 24th St. SE
Calgary, Alberta
T2Z 4C9

Dear Sirs,

This letter has reference to our discussion during negotiations that the following letters will be adopted into the Consolidated Collective Agreement.

1. April 7, 2017 – AV Preponderance Letter – As addressed in Appendix 4
2. April 10, 2017 – Calculation of the AV Flatline – As addressed in Appendix 4
3. April 10, 2017 – Calculation of the AV Flatline – Annual Vacation Matrix – As addressed in Appendix 4

The aforementioned letters are reproduced at Attachment 1-3 to Appendix 4 below.

Sincerely,

Myron Becker
Assistant Vice President
Labour Relations

For TCRC:

Dave Fulton
General Chairman CTY West

Wayne Apsey
General Chairman CTY East

Greg Edwards
General Chairman LE West

John Campbell
General Chairman LE East

Attachment 1 to Appendix 4

April 7, 2017 letter re: Annual Vacation Preponderance

April 7, 2017

RE: Annual Vacation Preponderance:

Dear Sirs,

It is agreed that in the application of the Collective Agreements (CTY Article 67.17 and LE Article 17.17), preponderance of work in the preceding year will be determined by positions held on the weekly crew change and not ad hoc trips as a Locomotive Engineer.

To clarify, employees who are set-up 27-weeks or more as a Locomotive Engineer will bid their Annual Vacation in accordance with LE Article 17, anything less than 27-weeks they will bid in accordance with CTY Article 67.

Signed this the 7th day of, April 2017.



Dave Pezzaniti
Manager, Labour Relations

I Concur:



Greg Edwards
General Chairman, TCRC LE West



Dave Fulton
General Chairman, TCRC CTY West



John Campbell
General Chairman, TCRC LE East



Wayne Apsey
General Chairman, TCRC CTY East

Attachment 2 to Appendix 4

April 10, 2017 letter re: Calculation of Annual Vacation Flatline

Wayne Apsey
General Chair –CTY East
5334-361 Queen St
Smiths Falls, ON
K7A 0A6

John Campbell
General Chair – LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Dave Fulton
General Chair – CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Greg Edwards
General Chair – LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

April 10, 2017

RE: Calculation of the Annual Vacation Flatline

Dear Sirs,

It is agreed that the application of your respective Collective Agreements CTY Article 67 and LE Article 17, Letter Re: Annual Vacation Allotment, Letter Re: Annual Vacation dated November 13, 2004, and Appendix 13 of the 2007 MOS with respect to the calculation of the Annual Vacation Flatline is further clarified as follows, on a go forward basis:

- **Local Chairmen** vacation weeks shall be excluded from the flatline calculation.
- **Preretirement** vacation weeks shall be excluded from the flatline calculation.
- **Weeks A, B, C, and Z** shall be excluded from the flatline calculation.
- **Prime Time** vacation weeks that include the last week of June up to and including the first week of September shall not be used to reduce the flatline and will be over and above the established flatline.
- **Employees on off status**, for any reason, shall be considered as follows:
 - *Known Return to Work Date*: Will be included in the flatline calculation and allowed to bid their vacation as such.
 - *Unknown Return to Work Date*: Will be excluded from the flatline calculation.

Signed this the 10th day of, April 2017.



Dave Pezzaniti
Manager, Labour Relations

I Concur:



Greg Edwards
General Chairman, TCRC LE West



Dave Fulton
General Chairman, TCRC CTY West



John Campbell
General Chairman, TCRC LE East



Wayne Apsey
General Chairman, TCRC CTY East

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

Attachment 3 to Appendix 4

April 10, 2017 letter re: Calculation of Annual Vacation Flatline – Annual Vacation Matrix

Wayne Apsey
General Chair – CTY East
5334-361 Queen St
Smiths Falls, ON
K7A 0A6

John Campbell
General Chair – LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Dave Fulton
General Chair – CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Greg Edwards
General Chair – LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

April 10, 2017

RE: Calculation of the Annual Vacation Flatline

Dear Sirs,

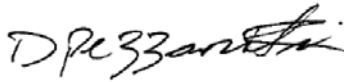
This has reference to our discussion today.

It is agreed that the application of the Annual Vacation Matrix in your respective Collective Agreements under the *November 13, 2004 Letter RE: Annual Vacation – Days Worked or Available*, was treated as voluntary until 2015 despite the plain language of the Collective Agreements. The Company will revert to the past practice on a go forward basis and treat this language as voluntary for the purposes of allowing employees with a choice to either take their entire AV allotment at a reduced rate or have their AV entitlement reduced according to the matrix.

The Company retains its right to cease this past practice and revert to the plain language of the Collective Agreements by providing notice of such during collective bargaining.

Signed this the 10th day of, April 2017.

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.



Dave Pezzaniti
Manager, Labour Relations

I Concur:



Greg Edwards
General Chairman, TCRC LE West



Dave Fulton
General Chairman, TCRC CTY West



John Campbell
General Chairman, TCRC LE East



Wayne Apsey
General Chairman, TCRC CTY East

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

APPENDIX 5

Letter re: Heldaway

April 20, 2018

Greg Edwards
General Chair LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Dave Fulton
General Chair CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

Dear Sirs,

This has reference to the topic of held-away raised by the Union during collective bargaining and the Company's commitment in this regard. In order to address your concerns the Company will implement the following procedures:

1. Individual incidents involving employees held at an away-from-home terminal for exceptionally long periods of time will be reviewed by the responsible Local Chairperson(s) with the Superintendent and General Manager, Operations within 24 hours. The purpose of such review will be to determine the root cause of exceptional held-away incidents and to develop any solutions to alleviate/reduce similar incidents in the future, if possible.
2. In addition to the above and as discussed, a joint task force on heldaway will be implemented. The task force, consisting of the responsible Senior Vice-President Operations (or designate) and General Chairmen, will meet monthly to review heldaway trends at each terminal and to explore any potential solutions where valid concerns of excessive heldaway have been raised.

In the event the Union raises concerns with respect to heldaway times/experience for a specific away-from-home terminal, the General Chairmen will forward the issue to the respective Senior Vice-President Operations at least one week in advance of the next monthly meeting so that the matter may be properly reviewed. In such instances, the Union will provide all relevant data and information to the Company in support of its concerns.

The Company looks forward to working with the Union on the important issue of held away.

Yours truly,

Robert A Johnston
Executive Vice-President Operations

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

CC: Myron Becker, Assistant Vice-President Labour Relations
Tony Marquis, Sr VP Operations East
Mark Redd, Sr VP Operations West
David E. Guerin, Sr Director, labour Relations

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

APPENDIX 6

Grievance Reduction initiative

April 20, 2018

Greg Edwards
General Chair LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Dave Fulton
General Chair CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

Gentlemen:

The parties have taken significant measures to address the existing backlog of grievances filed for arbitration. That stated, it is agreed that the parties will continue to explore various avenues to help reduce the current grievance backlog on the system. Such measures to be explored will include but are not be limited to the following:

1. Bi-Monthly grievance meetings with Senior Vice-Presidents Operations (East and West), Labour Relations and General Chairmen.
2. Monthly parties paid expedited arbitration handling (minimum of 5-6 sessions per year as needed). This doesn't preclude the Union from advancing cases through CROA.
3. Grievance mediation (minimum of 2 days, per month West and as needed in the East) with assistance of Federal Mediation Conciliation Services (FMCS).

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

If you concur with the forgoing, please sign in the spaces provided below.

Sincerely,

Myron Becker
Assistant Vice President
Labour Relations

For TCRC:

Dave Fulton
General Chairman CTY West

Wayne Apsey
General Chairman CTY East

Greg Edwards
General Chairman LE West

John Campbell
General Chairman LE East

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

APPENDIX 7

Non-Disciplinary Grievance Resolve Letter

April 20, 2018

Greg Edwards
General Chair LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Dave Fulton
General Chair CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

Gentlemen:

1. In an effort to address the current backlog of grievances, and to wipe the slate clean, the parties have agreed as follows:
 - a. Subject to the Union's executive endorsing the terms of this Appendix 7 by April 20, 2018, the Company agrees to offer all employees who were members of the bargaining unit as of April 20, 2018 with a special one-time payment of \$1,000. As a pre-condition to receiving this payment, each employee will be required to sign a settlement agreement, in the form attached as Schedule "A" to this Memorandum of Settlement (the "**Settlement Agreement**"), resolving any and outstanding Grievances filed by the employee, or on their behalf by the Union. All payments will be processed via payroll within 30 days of the date that the Company receives executed copies of each settlement agreement from the Union. All payments will be subject to the applicable statutory deductions required by law;
 - b. For the purposes of paragraph a. above, Grievances will mean any and all individual grievances and related claims filed by or on behalf of an employee that seek compensation, either directly or indirectly, for alleged breaches of the collective agreement in respect of the period up to and including the date of ratification. It is agreed that the term Grievances does not include individual grievances challenging discipline levied against an employee by the Company.
 - c. In exchange for making these payments available to the Union's members, the Union hereby agrees to withdraw any outstanding policy grievances filed by the Union on or before the date of ratification. The withdrawal of these policy grievances is without

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

prejudice to the Union's right to file new policy grievances alleging post-ratification breaches of the collective agreement on the same grounds;

- d. To confirm, eligible employees who do not have any outstanding Grievances, will still receive the \$1,000 payment provided for above. Such employees will still be required to sign the Settlement Agreement, thereby confirming that they have no outstanding Grievances; and
- e. Employees who do not sign the Settlement Agreement within 30 days of ratification, will not receive the \$1,000 payment and will be free to continue to pursue their Grievances.
- f. The parties acknowledge that any grievances outstanding in CROA Ad-Hoc 657 and any related claims are excluded from the terms of this Settlement Agreement.

If you concur with the forgoing, please sign in the spaces provided below.

Sincerely,

Myron Becker
Assistant Vice President
Labour Relations

For TCRC:

Dave Fulton
General Chairman CTY West

Wayne Apsey
General Chairman CTY East

Greg Edwards
General Chairman LE West

John Campbell
General Chairman LE East

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

Attachment to Appendix 7

SCHEDULE "A" RELEASE

IN CONSIDERATION of the receipt of One Thousand Dollars, less applicable deductions, as described in Appendix 7 of the Memorandum of Settlement dated April 20, 2018 ("Settlement Agreement") as between the Teamsters Canada Rail Conference and Canadian Pacific Railway Company, I [NAME OF EMPLOYEE and EMPLOYEE NUMBER] agree that:

1. If I have any individual grievance or grievances, I agree to the resolve of any and all non-disciplinary grievances as between me and the Company up until April 20, 2018;
2. If I have no individual grievances as of April 20, 2018, I agree that I will not bring any grievances in respect of any matter between me and the Company up until April 20, 2018.
3. I further agree not to bring any section 37 Canada Labour Code complaint against the Teamsters Canada Rail Conference.
4. Nothing in this release shall prevent me from bringing forth any grievance, including on a matter that I have previously resolved with the Company up and until April 20, 2018.
5. I understand that the Company will deduct taxes and any other deductions as permitted by law from this settlement.
6. I understand that this Release does not apply to any disciplinary grievances, which I will still maintain.
7. I understand that this Release does not apply to any grievances which are in the process of being paid pursuant to CROA Ad Hoc 657.

IN WITNESS WHEREOF, I, xxxxx, do execute this Release on this ____ day of 2018.

Name of Employee

Witness

Date

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

APPENDIX 8

Locomotive Video/Voice Recording (LVVR) Letter

Letter of Understanding- Not to Form Part of Collective Agreement

Re: Locomotive Video/Voice Recording (“LVVR”)

Whereas the issue of LVVR has been a topic of discussion between Canadian Pacific Railway Company (“CP”) and Teamsters Canada Rail Conference for some time;

And Whereas CP and the TCRC have come to understand that although the technology is available for LVVR, the use of recordings is a difficult balance between the safety of the operation and personal privacy as well as working conditions in the locomotive cab;

Now therefore the parties have agreed to a protocol that enhances the overall safety of operations of CP while minimizing the impact on personal privacy and working conditions;

1. Internal LVVR recordings can only be used at the request of the Transportation Safety Board for the purpose of incident/accident investigation.
2. The review of LVVR footage or recordings by any other agency or individual is prohibited save and except for the employee of CP who is required to retrieve the footage for the Transportation Safety Board.
3. The LVVR recording cannot be reviewed by CP for the purpose of performance testing of locomotive engineers subject to the below.
4. In the event the government enacts legislation that enables CP to utilize LVVR for other than review by the Transportation Safety Board only, the parties agree to meet with the assistance of FMCS if necessary and discuss the terms and conditions governing such technology and the use of the information obtained through LVVR.
5. The use of such technology, other than as permitted by law, shall not occur without the agreement of the parties.
6. This letter of understanding will remain in force for the duration of collective agreement.

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

If the foregoing reflects our understanding, please so indicate in the spaces provided below:

Yours truly,

Myron Becker
AVP Labour Relations
Date: April __, 2018

I concur:

John Campbell
General Chair LE East

Wayne Apsey
General Chair CTY East

Dave Fulton
General Chairperson CTY West

Greg Edwards
General Chairperson LE West

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.

**Employee Share Purchase Program
Terms & Conditions for the Term of Agreement**

(This offer expires April 20 at 20:00 MST in the event a negotiated agreement is not reached
between the parties)

This letter Dated _____ shall not form part of the Collective Agreement

Greg Edwards
General Chair LE West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

Dave Fulton
General Chair CTY West
101-10820 24 Street SE
Calgary, AB
T2Z 4C9

John Campbell
General Chair LE East
381 Queen Street
Peterborough, ON
K9H 3J7

Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
K7A 0A6

Dear Sirs,

In recognition and contingent upon a three (3) year contract renewal signed by the parties today, the Company will restore the employer contribution element of the Employee Share Purchase Plan (ESPP) for employees represented by Teamster Canada Rail Conference concurrent with ratification and issuance of the Consolidated Collective Agreement to employees.

This is not a negotiated item and does not form part of the Collective Agreement. The Company contribution element of the ESPP program will expire on December 31, 2020 unless otherwise agreed to by the Company.

Sincerely,

Myron Becker
Assistant Vice President
Labour Relations

For TCRC,

John Campbell
General Chairman
LE East

Wayne Apsey
General Chairman
CTY East

Greg Edwards
General Chairman
LE West

Dave Fulton
General Chairman
CTY West

This offer supersedes any previous proposals and will be withdrawn in its entirety at 20:00 MST on April 20, 2018, at which time, all Company items shall remain outstanding.