

Collective Agreement

BETWEEN:

**Goderich-Exeter Railway Company
A RailAmerica Company
("the Company")**

and

**the Teamsters Canada Rail Conference
(the "TCRC")**

**Governing wages, benefits, working conditions of Locomotive Engineers,
Conductors, Conductor Trainees**

Effective January 1, 2010

FINAL

Preamble:

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

In order to successfully promote these concepts, the parties have agreed to recognize and make provisions for an orderly system of collective bargaining relations between the Company and the TCRC, the prompt and orderly resolution of grievances, the effective operation of the Company's business without interruptions or interference with work, the provision of the highest quality service to the Company's customers in the most efficient manner possible. The Company recognizes the TCRC as the exclusive bargaining agent for all employees as described in Article 2.

Goderich-Exeter Railway Company Limited – Territory

The Goderich-Exeter Railway consists of all trackage formerly Operated by Canadian National Railways on the former Guelph Subdivision between Mileage 30.00 at Silver (Georgetown) and Mileage 118.8 at London East and the initial trackage of the Goderich-Exeter Railway Company between Mileage 00.01 (Stratford) and Mileage 45.9 Goderich and Mileage 21.4 Centralia and Mileage 45.5 Clinton. All in the Province of Ontario.

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ARTICLE 1
APPLICATION AND INTERPRETATION OF AGREEMENT

- 1.1 Operating employees or their representatives will call to the attention of the supervisory officers any violation of the terms of this Agreement and if necessary, the General Chairmen will refer such matters to the proper officer of the Company.
- 1.2 Any question of interpretation which may arise will be addressed by the General Chairmen with the proper officer of the company.
- 1.3 No ruling will be made by an officer of the Company changing any generally accepted interpretation of any Article of this Agreement without first having discussed the matter with the General Chairmen. A copy of the ruling issued will be furnished to the General Chairmen.
- 1.4 No local arrangements which conflict with the generally accepted interpretation for the provisions of this Agreement will be entered into unless first approved by the affected General Chairmen affected and the proper officer of the Company.

ARTICLE 2
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective on January 1st 2010, and shall continue in effect for a period of thirty six (36) calendar months. Thereafter, this Agreement shall continue in effect from year to year unless either party gives notice to the other of the desire to revise or supersede this Agreement, such notice to be given not less than one hundred twenty (120) days prior to the date upon which this Agreement would otherwise terminate.
- 2.2 The provisions of Article 2.1 shall not be construed so as to constrain the parties to this Agreement from making any changes to or from adding to the scope or application of or from extending the provisions of this Agreement during the term of this Agreement that are mutually acceptable.
- 2.3 Local Agreements or agreed Rules necessary to meet local conditions may be negotiated on terms and conditions and made effective, subject in each case to the approval of the officer of the Company designated by the Company and of the TCRC, and subject to either parties having the right to cancel the rules on thirty (30) days written notice.
- 2.4 The Company shall not lock out any operating employee covered by this Agreement and the TCRC shall not authorize or take part in any work stoppage, slowdown, strike, or picketing of the Company during the life of this Agreement. The Company reserves the right to discipline, including the right to terminate the employment of any operating employees taking part in any violation of this provision of the Agreement.

ARTICLE 3

DEFINITIONS

- 3.1 The term TCRC shall mean the duly elected or appointed officers of the Teamsters Canada Rail Conference.
- 3.2 The term “representative” of the operating employee shall mean the duly accredited representative designated by the TCRC.
- 3.3 The term “Company” shall mean the Goderich-Exeter Railway Company Limited.
- 3.4 In this Agreement, words importing the singular shall include the plural and vice versa where the context requires. The use of such words as “he”, “his” and “him” as they may appear in the Agreement are not intended to restrict the application of the Agreement or a particular rule to a particular gender, but are used solely for the purpose of grammatical convenience and clarity. Accordingly, words importing the masculine gender shall include the feminine gender where the context requires.
- 3.5. “Temporary Vacancy” means a vacancy resulting from an employee vacating a permanent position on temporary basis which is anticipated to be in excess of seven (7) days or by the establishment of an assignment which is to anticipated to be of a temporary nature in excess of seven (7) days but less than ninety (90) days in duration.
- 3.6 “Permanent Vacancy” means a vacancy resultant from an employee vacating a permanent position on a permanent basis or by the establishment of a new permanent assignment.
- 3.7 “Operating Employee” means those employees holding the position of conductor or locomotive engineer.
- 3.8 An emergency means a personal injury, derailment which requires the restoration of service, a track dislocation, which requires the restoration of service, serious level grade crossing accident or an incident that would compromise the safety of employees, company equipment and or company property.

ARTICLE 4
RECOGNITION

4.1 The Company recognizes the TCRC as the sole bargaining agent for those employees of the Company in the classification of:

- (a) Locomotive Engineer
- (b) Conductor
- (c) Diesel Machinists/Electrician and Car Inspectors

ARTICLE 5
MANAGEMENT RIGHTS

- 5.1 It is management's right to determine the means, method, processes, materials and schedules of production to fully utilize its work force and equipment and to optimize the efficiency of its operations subject to the terms of the collective agreement and in accordance with the laws of Canada.
- 5.2 The Company will have the right to use management personnel to perform work normally performed by employees covered by this agreement only in the event of the unavailability of such employees, or in the event of an emergency. All reasonable means of calling locomotive engineers and / or conductors must be exhausted, prior to the utilization of management or other qualified personnel to perform the duties of locomotive engineers and / or conductors

ARTICLE 6
PAY DAY

- 6.1. Employees shall be paid bi-weekly by electronic funds transfer.
- 6.2. Employees leaving the service of the company shall be furnished with a payment covering all time due within forty eight hours or as soon thereafter as possible. The forty eight hours specified shall be exclusive of Saturdays, Sundays, and holidays.
- 6.3. All overtime shall be shown as a separate item on the pay summary of employees.
- 6.4. Employees will be promptly notified of changes to time sheets submitted, at the time such adjustments are made.
- 6.5. When an employee is short paid more than a day's pay, a payment will be made to cover the shortage. Within three (3) business days of an employees request for payment or as soon as possible, thereafter

ARTICLE 7
PRIOR SENIORITY RIGHTS

- 7.1 The Company agrees to recognize the prior seniority rights protection of former Goderich-Exeter Railway Limited employees on the property leased from CN (Guelph Subdivision) who transfer to the new Company on the date of commencement of operations.
- 7.2 As defined in the previous paragraph, employees with prior seniority rights, on the former Goderich-Exeter Railway Company Limited will be given preference for all newly created assignments with the new Company.

ARTICLE 8
SERVICE and SENIORITY

- 8.1 Service shall mean an employee's length of continuous service with the Company, commencing on the date of hire.
- 8.2 Employees will be hired or transferred as conductors, diesel machinists – electricians or car inspectors.
- 8.3 All operating employees will be required to become qualified as locomotive engineers, after thirty (30) months experience as an operating employee.
- 8.4 Employees shall maintain and accumulate seniority while in the full-time employ of the Company commencing with the first day of such employment. Unless otherwise specifically expressed, seniority shall be applied on a classification basis. Newly hired employees will not be placed on the seniority list until they complete their probationary period
- 8.5 Notwithstanding the provisions of Article 8.4, the seniority rights of each newly hired employee shall start from the day such employees begin their first tour of duty in a respective classification. When two or more employees begin work on the same day their seniority shall be determined by lottery.
- 8.6 A newly hired employee shall serve a probationary period of ninety (90) tours of duty or one hundred eighty (180) calendar days, whichever occurs first. During a newly hired operating employee's probationary period, the Company may terminate the employment relationship at any time and for any just cause.
- 8.7 (a) unless otherwise mutually agreed, employees shall accumulate and hold seniority in the classifications in which they were hired, and in classifications for which they are subsequently trained and become qualified for.
- (b) Employees who make application and are awarded positions in other classifications within the company will establish and accumulate seniority in such classifications
- (c) The Company will maintain separate seniority lists for each of the respective classifications provided for by Article 4 hereof, showing the established seniority date for each employee.
- 8.8 Employees making application for advertised vacancies must be qualified for the position or be expected to so qualify and pass any required examinations for the position, within a reasonable period of time.

- 8.9 After being given a reasonable period of time to qualify, employees who are unable to meet the required qualifications for a position or unable to pass any of the required examinations, will be returned to their former position.
- 8.10 Employees who accept positions and who thereafter refuse to fulfill the requirements of qualifying for the position or who withdraw their acceptance prior to meeting said qualifications, shall be returned to their former position and be restricted from making application for the same position in the future.
- 8.11 When positions are not filled from within the Company as provided for in this Article, the Company may fill such positions with employees from outside the jurisdiction of this agreement.
- 8.12 Seniority shall not be forfeited except in cases of death, retirement, dismissal, or resignation from the Company; violation of Article 29.2 or failure to accept or respond to recall as provided for in Article 17.4.
- 8.13 Seniority rosters shall be published once a year on November 1st. The Company will mail, via Canada Post, a copy of such list to each affected operating employee's last known address and in addition will provide a copy to the TCRC. The rosters shall be held open for thirty (30) days to allow employees, through the TCRC, an opportunity to appeal their position on such roster(s), in writing to the Company. Once a roster is unchallenged for thirty (30) days, it may not be changed thereafter except by mutual agreement between the TCRC and the Company.
- 8.14 Notwithstanding anything to the contrary in this Agreement, nothing shall preclude or limit the type of work that an operating employee may be asked to perform provided that the operating employees has been trained and qualified for the type of work required to perform.

ARTICLE 9
WORK SCHEDULING AND WAGES

- 9.1 All operating employees covered by this agreement shall be paid on an hourly basis. Except as otherwise provided by paragraphs 9.4 (c) and (d), the Company guarantees each regularly assigned full-time employee forty (40) hours pay weekly. Employees are expected to accept assignment outside of their regular assignments to make up forty (40) hours pay where required.

Note: Except as otherwise provided in this Agreement, all money earned by an employee, entitled to a guarantee payment, under this agreement, will be used to make up the forty (40) hour guarantee or eighty (80) hour guarantee as the case may be.

- 9.2 Overtime assigned by the Company shall be paid at the rate of one and one-half (1.5) times the operating employee's regular rate of wages for each hour of pay in excess of forty (40) hours weekly or eighty (80) hours bi-weekly, as the case may be. Overtime will be paid at the rate of 1.5 times the employee's regular rate of pay for all hours worked on assigned days off. These hours will not be used to make up weekly or bi-weekly guarantees as long as all regular shifts are covered during the 40 or 80 hour pay period.

- 9.3 Subject to the provisions of paragraph 9.4, the Company will discuss the scheduling and implementation of assignments with the operating employees and their TCRC representatives at:

- a) Each change of time;
- b) When the days off have been changed;
- c) When the starting time of the assignment has been changed by 2 hours or more.

- 9.4. Operating conditions may require the establishment of:

- (a) An eight (8) hour day, five (5) day work week;
- (b) A ten (10) hour day, four (4) day work week;
- (c) twelve (12) hour day, seven (7) working days per fourteen day cycle with an eighty (80) hour guarantee per two (2) weeks.
- (d) a joint Spareboard with an eighty (80) hour guarantee per two (2) weeks

Note: In the application of this paragraph the establishment of any such new assignments will be as mutually agreed between the designated officer of the company and the applicable local chairman.

- 9.5 Whenever the requirements of service permit, assignments will be bulletined to work consecutive days and to provide a minimum of two consecutive rest days in a work week with a presumption that Saturday and Sunday are preferred rest days.
- 9.6 The company shall designate a home terminal for each assignment.
- 9.7 All regular assignments shall be re-advertised throughout the Company at the Spring and Fall Change of Time. All assignments shall be awarded on the basis of seniority regardless of terminal location within the Company. Employees moving from one terminal to another while exercising their seniority will not be eligible for payments for travel allowance or other benefits paid by the Company.
- 9.8 Regularly assigned employees held at other than their home terminal shall be paid at their hourly rate of pay for the actual time so held after the expiration of twelve (12) hours from the time relieved from previous duty. Payments accruing under this article shall be made separately from pay for subsequent service or deadheading.
- 9.9 Regularly assigned employees who are required to deadhead will be paid for actual time occupied at the basic hourly rate. Such time will be used in the calculation of overtime and also will be used to make up the guarantees.
- 9.10 Employees authorized to use their private automobile will be reimbursed at the rate of forty-five cents per kilometer (\$0.45).

NOTE: Employees shall not be compelled to utilize their personal automobile

- 9.11 Employees may book eight (8) hours rest at the completion of a working tour of duty.
- 9.12 Employees must be at their destination terminal and off duty prior to the expiry of twelve (12) hours on duty; when employees are not at the destination terminal after the expiry of twelve hours they will be compensated for all time in excess of twelve hours, hour for hour or portion thereof, until off duty at the destination terminal.

9.14 RATES OF PAY GEXR – Effective January 1, 2010.

Year Effective	January 1, 2010	July 1, 2010	January 1, 2011	January 1, 2012
Locomotive Engineers	\$27.90	\$29.81	\$30.41	\$31.02
Conductors	\$27.40	\$29.31	\$29.91	\$30.52

In addition to the general wage increases set forth above, employees covered by this settlement shall be covered by RailAmerica's Incentive Compensation Plan commencing with the third quarter 2010 (July 1, 2010), with a minimum of one percent (1%) of gross earnings guaranteed, regardless of the performance of the plan, to a maximum of 6% as provided for in the Plan for 2010, 2011 and 2012. Payment of the incentive plan is on a quarterly basis. (See Side Letter No. 1)

9.15 Employees qualified as both Locomotive Engineer and Conductor shall receive the higher rate of pay regardless of the position they are working..

ARTICLE 10
OVERTIME

- 10.1 Employees who work in excess of 40 hours per week will be paid at one and one half (1.5) times the basic hourly rate. Spareboard employees who work in excess of eighty (80) hours in a fourteen (14) day pay period will be paid at one and one half (1.5) times the basic hourly rate for all time worked in excess of eighty (80) hours.
- 10.2 The beginning of the work week for the purpose of this agreement is 0001 Monday.
- 10.3 Employees required to report for duty with less than 8 hours rest between completion of the previous tour of duty will be paid one and one half (1.5) times the basic hourly rate.
- 10.4 Employees called, and who report for overtime, will be paid at time and one and one-half (1.5) times the rate of pay applicable to the service performed with a minimum payment of four (4) hours.

ARTICLE 11
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ARTICLE 12
SPAREBOARD - (Guaranteed)

- 12.1 The company will maintain a joint Conductors and Locomotive Engineers guaranteed Spareboard with two (2) craft qualifications.
- 12.2 If only one (1) position is available it shall be awarded to a qualified Locomotive Engineer. If more than one (1) position is available the second position will be awarded to a Conductor, working as such, then, alternating thereafter as positions are added. The same will apply only in the reverse when positions are reduced.
- 12.3 Employees will be called, if qualified, on a first in, first out basis. This may result in an employee first up being held for service to protect Locomotive Engineer vacancies or Conductors vacancies due to requirements of service.
- 12.4 Except as otherwise provided in this article, due regard to Article 12.3, qualified employees on the Spareboard will be operated first in first out. Employees standing first out in the Spareboard rotation at calling time who make themselves unavailable or who miss calls for a vacancy (or vacancies) for which called, will be placed at the bottom of the Spareboard and their eighty (80) straight time hour fourteen (14) day guarantee will be reduced by the earnings made by the replacement employee.
- 12.5 Except as otherwise provided, employees will establish their turn on the Spareboard as follows:
- a) At the time they are off duty
 - b) When more than one Spareboard employee has the same off duty time, the employee's relative standing at the time last called from the Spareboard will be used to determine the order of placement.
 - c) When displaced from a regular or temporary assignment, they will be placed at the bottom of the Spareboard.
 - d) At a change of timetable in seniority order.
 - e) Otherwise, as mutually agreed between the designated officer of the company and local chair.

- 12.6 Prior to reaching the eighty (80) hour guarantee, employees on Spareboards shall be entitled to:
- a) All extra work to complete the consists of crews, where applicable.
 - b) Extra trains which cannot be practically be made part of any assignment.
 - c) Extra assignments
- 12.7 Subject to operational requirements, the company may regulate the number of employees on the Spareboard, proactively, every two weeks, in consultation with the Local Chair. Junior employees will be reduced first.
- 12.8 Spareboard employees will be required to remain on the Spareboard and available for service seven (7) days a week until such time as the employee accumulates eighty (80) straight time hours starting from the commencement of the pay period. As soon as the employee accumulates eighty (80) straight time hours, in the two week pay period, such employee will only be allowed to work as per Article 10 Overtime / Article 14 – Extra Work List.
- 12.9 Spareboard Employees may take rest up to a maximum of twelve (12) hours from their off duty time, call time included. Spare board employees may book up to twenty-four (24) consecutive hours of rest one (1) time per week, provided such employee has already made 40 hours in that work week. If another spare board employee has booked rest under this provision at the same time, it is at the option of the Company whether to allow the additional request.
- 12.10 Guaranteed Spareboard employees will be called as close as possible to two (2) hours in advance of the required reporting time, due regard to unforeseen circumstances. A longer time may be provided. Two (2) calls only will be made to employees who are required to report for duty, one to the employees normal place of residence, if no response, the final call will be made to the employees cellular telephone. Should an employee have an answering machine a message will be left. If no response is received after the final call it will be considered a missed call and the next employee will be called. Employees who do not possess cellular telephones will receive two (2) calls at their normal place of residence.

ARTICLE 13
SPAREBOARD – (Non Guaranteed)

- 13.1 The company will maintain a non guaranteed Spareboard.
- 13.2 There will be a maximum of 3 non guaranteed employees on such non guarantee Spareboard, dependent on the number of guaranteed Spareboard employees occupying the guaranteed Spareboard, i.e. one (1) for one (1) to a maximum of three (3).

Interpretation:

1 Guaranteed Position	- 0 Non guaranteed Position
2 Guaranteed Positions	- 1 to 2 Non Guaranteed Positions
3 or more Guaranteed Positions	- 3 Non Guaranteed Positions

Note 1 - the company may institute one guaranteed position and one non guaranteed position if the number of regular assignments is six or less.

Note 2 - the company may institute more than 3 guaranteed positions, only if the number of regular assignments exceeds ten or as mutually agreed between the company and union.

- 13.3 Non guaranteed Spareboard employees will be called on a first in, first out basis as per Article 16 - Calling Procedures.
- 13.4 Except as otherwise provided, employees on the non guaranteed Spareboard will establish their turn on the Spareboard as per Article 12.5.
- 13.5 Non guaranteed Spareboard employees will be required to remain on the Spareboard and available for service seven (7) days per week until such time as the employee accumulates eighty (80) straight time hours from the commencement of the pay period. As soon as the employee accumulates eighty (80) straight time hours, in the two week pay period, such employee will only be allowed to work as per Article 10 Overtime / Article 14 Extra Work List.
- 13.6 Non guaranteed Spareboard employees may take up to a maximum of twelve (12) hours rest from their off duty time, call time included.

- 13.7 Non guaranteed Spareboard employees will be called as close as possible to two (2) hours in advance of the required reporting time, due regard to unforeseen circumstances. A longer time may be provided. Two (2) calls only will be made to employees who are required to report for duty, one to the employees normal place of residence, if no response, the final call will be made to the employees cellular telephone. Should an employee have an answering machine a message will be left. If no response is received after the final call it will be considered a missed call and the next employee will be called. Employees who do not possess cellular telephones will receive two (2) calls at their normal place of residence.

ARTICLE 14
EXTRA WORK/AVAILABILITY LISTS

14.1 When the Spareboard is exhausted, vacancies open on a tour of duty basis will be filled in accordance with the following:

- (a) Operating employees will indicate their desire to be called for extra work on their change of time application..
- (b) A separate list of Conductors and locomotive engineers desiring to be called for extra work will be developed by way of change of time applications.
- (c) Employees who have indicated their desire via change of time application for extra work will have preference over other employees in the filling of vacancies on a tour of duty basis.
- (d) Employees will be called from the extra work list on a rotational basis, beginning with the senior employee at each change of time.
- (e) An employee, who is first out, at calling time, and declines or does not respond when called for extra work, will be removed from the extra work list for the balance of the pay period. They must request in writing for reinstatement to the extra work list, prior to the beginning of the next pay period. Other employees, not first up on the extra work list, who miss the same call will be dropped to bottom of the extra work list.
- (f) An employee unable to protect a call for extra work, as a result of being already on duty, on rest, or by accepting such call, would miss their regular assignment, will retain their rotation on overtime list.
- (g) Employees will, if possible, be called at least 24 hours in advance of the time required to report for duty and will be given a reasonable time to respond. It is recognized that some vacancies may occur with little or no advance notice.
- (h) Employees who are first out on the extra work list and available will be compensated for actual time lost if not properly called.
- (i) The calling order to fill extra work list vacancies will be as follows:
 - a) The employee first up from the extra work list in the craft for which the vacancy occurs.
 - b) Other qualified employees on the extra work list starting with the first available employee

ARTICLE 15

POSTING POSITIONS

- 15.1 Employees absent for any reason during the entire period of a posting for either permanent or temporary vacancies will be entitled to claim a position which was bulletined and filled in such employee's absence, no later than upon the completion of the first tour of duty upon such employee's return from the authorized leave of absence.
- 15.2 In the application of this article, there will be two (2) change of time bulletins per year corresponding with the dates of change to and from Daylight Saving Time in April and October. All positions will be declared as permanent vacancies and bulletined at the change of time date.
- 15.3 The company shall advertise vacancies for permanent positions when it is determined that a known permanent vacancy exists. Such positions will be posted for five (5) days, and the senior qualified applicant will be assigned.
- 15.4 The company will advertise known temporary vacancies of more than seven (7) calendar days for a period of three (3) days and such vacancy will be filled by the senior applicant.
- 15.5 Employees on the non guaranteed Spareboard may make application to temporary vacancies but will only be awarded such positions with the approval of the General Manager or his designate.
- 15.6 Employees will make application on the prescribed form for positions posted with a copy to the Local Chairman.
- 15.7 Permanent changes to the starting time of regular assignments of more than two (2) hours will be posted as specified in paragraph 15.3.
- 15.8 In the event an advertised permanent vacancy:
- (a) as Conductor: remains unfilled after the bulletining period, the senior qualified laid off employee be assigned to such unfilled vacancy, subject to Article 17.
NOTE: In the application of sub-paragraph (a) of this paragraph, employees forced to unfilled vacancies as described therein will be released as soon as an employee junior in seniority becomes available.
 - (b) As Locomotive Engineer: remains unfilled after the bulletining period, the senior qualified Locomotive Engineer not working as such will be assigned to such vacancy.

15.9 In the event that an advertised temporary vacancy for a Conductor or Locomotive Engineer remains unfilled they will be filled as per the calling procedures for vacancies on a day to day basis. However, an employee from the non guaranteed Spareboard may be awarded such vacancy as provided in Article 15.5

ARTICLE 16
CALLING PROCEDURE

- 16.1 When operating employees are called and report for duty and are not required for service they shall be allowed pay at the applicable rates of pay with a minimum of four (4) hours. If held longer than four (4) hours, such employees shall be paid minute for minute for all time held.
- 16.2 Except in an emergency, the Company shall provide at least a two (2) hour call in advance of the on-duty time. The Company shall not be required to call employees in assigned service except to inform of a train delayed and of the new on-duty time.
- 16.3 Vacancies which do not fall under the guidelines of Article 15 (Permanent and Temporary Vacancies) (ad hoc) will be filled on a tour of duty basis as follows:
- Vacancy for Locomotive Engineer's position.
- a guaranteed Spareboard employees
 - b cab promotion, if applicable
 - c non guaranteed Spareboard employees
 - d overtime / extra work / availability lists
- Vacancy for a Conductors position;
- a guaranteed Spareboard employees
 - b non guaranteed Spareboard employees
 - c overtime / extra work / availability lists
- 16.4 All employees will be called as close as possible to two (2) hours in advance of the required reporting time, due regard to unforeseen circumstances. A longer time may be provided. Two (2) calls only will be made to employees who are required to report for duty, one to the employees normal place of residence, if no response, the final call will be made to the employees cellular telephone. Should an employee have an answering machine a message will be left. If no response is received after the final call it will be considered a missed call and the next employee will be called. Employees who do not possess cellular telephones will receive two (2) calls at their normal place of residence.
- 16.5 The Company will have the right to call a qualified employee at straight time before calling an employee at overtime rates.

ARTICLE 17
LAYOFF and RECALL TO SERVICE

- 17.1 In cases of layoff, junior employees shall be demoted or laid off in reverse order of their seniority, within their respective job classification as defined in Article 4. The Company shall give as much notice as possible of lay-off. In any event, employees will be given a minimum of five (5) advance working days notice of layoff or receive the equivalent pay, in lieu of such notice.

Note: in circumstances beyond the company's control, employees may be laid off with less than five (5) working days notice. In such circumstance the company will pay the affected employee no less than five (5) days pay from the date of notice, which may include actual hours worked and those offered under the provision of Article 8.14.

- 17.2 Employees will retain their original seniority date and standing as at the time of lay-off, provided they report for duty upon receipt of a notice of recall, unless relieved of such responsibility, as provided by paragraph 17.4 hereof.
- 17.3 Employees will be recalled from layoff in seniority order within their respective classification.
- 17.4 Upon recall, employees must report for duty within fourteen (14) days from the date they receive notice of recall. Employees will only be recalled for re-employment for work of an expected duration of fourteen (14) calendar days or more. Subject to the availability of junior laid off employees, an employee may waive recall without the loss of seniority for vacancies with an expected duration of less than ninety (90) calendar days.
- 17.5 Employees may make a request for voluntary lay-off, in writing provided that:
- a) There are laid off employees junior in seniority to such applicant.
 - b) Such application has the approval of the respective local chairman.
 - c) if such application originates from an employee currently working as a locomotive engineer, there must be a minimum of two (2) employees qualified as locomotive engineers still working as conductors.
 - d) Employees awarded a voluntary lay-off will not be permitted to return to active service until recalled by the company

ARTICLE 18
VACATIONS

18.1 Operating employees who qualify will receive paid vacation time on the following schedule according to their Company service:

An employee who on the 31st day of December has

- (a) One (1) year but less than four (4) shall receive two (2) weeks at four percent (4%) of the previous years earnings;
- (b) Four (4) years or more but less than eight (8) years shall receive three (3) weeks at six percent (6%) of the previous years earnings;
- (c) Eight (8) years or more shall receive four (4) weeks at eight percent (8%) of the previous year's earnings.
- (d) Vacation time shall not be accumulated from one year to the next. The Company at its discretion may allow an operating employee to carry over his vacation to the next year in circumstance where, due to illness or injury, the operating employee had not been reasonably able to take his vacation in the year it became available. There will be no pay for vacation instead of time off unless the Company cannot grant the employee his vacation during the calendar year.

18.2 To be counted as a year of service, an operating employee must have been continuously employed for a period of twelve (12) consecutive months. Time off for TCRC business, time off on account of any authorized layoff, bona fide illness, injury and vacation days, shall count as continuous service for the purpose of this Article. An operating employee with less than twelve (12) continuous months of service with the Company shall receive vacation pay in an amount equal to four percent (4%) of his total earnings. An operating employee who is hired pursuant to Article 8 and who has performed service in only a portion of a full month and is laid off shall have that portion of the month counted as a full month of continuous employment for the purposes of this Article.

18.3 Vacation requests must be submitted in writing to the operating employee's supervisor between December 1 and December 15 of each year. The Company will respond by no later that January 30 of each year. Vacations will be allotted in order of seniority except that where vacations are split, second periods of vacation will not be allotted until all junior employees have been allotted their first choice of vacation period (where vacations are split or their entire allotment where no split is made; third choices of vacation allotment will be similarly allotted.

- 18.4 With the exception of floating vacation days, all vacations will commence on a Monday and continue as consecutive week(s), except for operating employees who have days off other than Saturday or Sunday in which circumstances their vacation would commence upon completion of the last day of work in their work week, Operating employees entitled to two (2) or more weeks of vacation may split their vacation into not less than one (1) week segments. Operating employees shall be allowed to take up to five (5) of their vacation days as floating vacation days during the year, as long as the Company approves in advance of the day to be taken and as long as the day or days are not added to regularly scheduled vacations.
- 18.5 The Company reserves the right to grant or deny vacation request choices based on the needs of its operations. The maximum number of operating employees who may be on vacation at one time shall be limited to no more than ten percent (10%) of the number of operating employees in a classification. At its discretion, the Company may allow additional operating employees in a classification to be on vacation at the same time. Except in an emergency, once a vacation request is granted, the operating employee shall be allowed to take the assigned time. If the operating employee's vacation is rescheduled by the Company due to an emergency and the operating employee has prepaid for the vacation and cannot obtain a refund and/or cannot use the prepaid vacation at a later date, the Company shall reimburse the operating employee for out-of-pocket expenses.

ARTICLE 19
GENERAL HOLIDAYS

19.1 The Company recognizes the following as paid holidays:

New Year's Day
Floating Holiday
Good Friday
Victoria Day
Canada Day
Civic Holiday in August
Labour Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day

19.2 The company will give employees as much advance notice as possible, with not less than one (1) day of notice, if employees are not required to work on a general holiday. A Floating Holiday may be taken at any time during the year, but is subject to the needs of the service. At least 72 hours advance notice must be given when requesting to use a Floating Holiday.

19.3. Employees required to commence a tour of duty on a general holiday will be paid at one and one half (1.5) times their regular rate of wages for the time worked on that tour of duty, on a minute basis, in addition to the employees' regular rate of wages for the general holiday.

19.4 Employees who are normally assigned to work on the day a general holiday is observed who are not required to work on such general holiday shall be paid at the equivalent of the wages they would have earned at their regular rate of wages for their normal hours of work on that day.

19.5 When a general holiday falls on an employee's vacation or assigned rest days, such holiday will either be moved to an alternate day as mutually agreed between the employee and the proper officer of the Company or employees will be paid the equivalent of the wages they would have earned on their regular assignment at straight time rates of pay; such payment will not be used to make up guarantees.

ARTICLE 20
MEAL EXPENSE REIMBURSEMENT AND ACCOMODATIONS

- 20.1 Employees in local service will be entitled to a mealtime break of 30 minutes during their tour of duty. However, employees in other than local service will be able to obtain a meal en route if eating facilities are available, so long as no delay to their train ensues.
- 20.2 Operating employees who are required to terminate their tour of duty away from their initial terminal shall be reimbursed reasonable meal expenses if held for 24 hours and thereafter for each subsequent 24 hours, or portion thereof, from the start of their first tour of duty in such set of runs.
- 20.3 When an operating employee is tied up for rest at points other than the designated home terminal of his assignment he shall be provided suitable lodging at the Company's expense. The Company shall consult with the TCRC regarding the suitability of accommodations.
- 20.4 When an operating employee is required to work away from his headquarters point or is required to attend a Company meeting away from his home terminal, the Company shall either provide transportation or reimburse the operating employee for the necessary cost of transportation and meal expenses if necessary. If automobile, the company shall reimburse the employee at the rate of forty-five cents per kilometer (\$0.45) for the kilometers traveled via the most direct highway route. The Company will review this rate on an annual basis. Employees will maintain coverage for their own vehicle, when used under this Article, for a minimum \$1,000,000.00 for Public Liability and Property Damage.
- 20.5 Employees called to protect assignments away from their home terminal shall be compensated as follows:
- (a) Between Kitchener and Goderich – 1.5 hours one way.
 - (b) Between Stratford and Goderich – 1.0 hours one way.
 - (c) Between Kitchener and Stratford - .75 hours one way.

The above also applies where the Company directs employees of a regular assignment to report for work at other than their designated home terminal.

ARTICLE 21
BEREAVEMENT LEAVE

21.1 Due to the death of an employee's eligible spouse, child, foster child (for whom the employee is a legal guardian), step child, parent, brother, or sister, step-parent, step-brother or step-sister, the employee shall be entitled to up to five (5) consecutive days bereavement leave without loss of pay; otherwise, due to the death of an employee's, grandparent, grandchild, father-in-law or mother-in-law, sister-in-law or brother-in-law, the employee shall be entitled to up to three (3) consecutive days bereavement leave without loss of pay.

Note: This article is predicated on the make whole process.

21.2. It is the intent of this article to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of regular wages for that period to the employee to whom leave is granted. Travel time will be taken into account in determining the number of days of leave.

21.3 For the purposes of paragraph 21.1, eligible spouse is defined as being the person who is legally married to the employee, provided that if there is no legally married spouse that is eligible, it means the person that qualified as a spouse under the Canadian Human Rights Act, so long as such person is residing with the employee.

21.4 If an employee is bereaved while on vacation, bereavement leave days shall not be included as part of the vacation period. The vacation days not taken will be rescheduled through mutual agreement between the company and the employee.

ARTICLE 22
MEDICAL EXAMINATIONS

- 22.1 Company required medical and eye / hearing examinations (Periodic Medicals) will be arranged and paid for by the company. Employees will be made whole for wages lost when required to attend on a regular working day. When employees are required to attend a Periodic Medical Examination on their assigned rest day they will receive four (4) hours pay at the regular rate of pay plus an additional twenty (20) dollars for expenses such as meals and mileage.
- 22.2 Employees required to travel away from their home terminal to undergo medical examination (Special Medical) with authorization of the designated officer of the company will be made whole for wages lost when required to attend on a regular working day plus reasonable actual expenses to and from their residence. When employees are required to attend a Special Medical Examination on their assigned rest day they will receive a minimum of four (4) hours pay at the regular rate of pay plus reasonable actual expenses to and from their residence.

ARTICLE 23
MEDICALLY RESTRICTED

- 23.1 Situations may be encountered wherein operating employees with medical restrictions find their work opportunities severely limited. In such cases, it is agreed that both parties would work towards a mutually satisfactory solution based on the promise of reasonable accommodation.
- 23.2 If it is determined that the extent of the medical restriction prohibits the operating employee from retaining employment within this Agreement opportunities to provide alternate work within the Company will be explored including opportunities outside of this collective agreement.

ARTICLE 24
INJURED ON DUTY

- 24.1 Operating employees injured while at work will not be required to make accident reports before they are given medical attention, if required, but will make them as soon as practicable thereafter. Proper medical attention will be given at the earliest possible moment.
- 24.2 An operating employee prevented from completing a shift due to a bona fide injury sustained while on duty will be paid for that full shift at straight time rates of pay, unless the employee receives Workers' Compensation benefits for the day of the injury, in which case the operating employee will be paid the difference between such compensation and payment for their full shift.

ARTICLE 25
HEALTH AND SAFETY

- 25.1 The Company shall establish a Health and Safety Committee made up of at least one (1) member from management and one (1) member from the TCRC.
- 25.2 The Health and Safety Committee shall meet quarterly and shall consult and make recommendations to the Company concerning the furtherance of health and safety measures, including but not limited to the reduction of ergonomic hazards in the workplace and to conduct such other functions as required by the applicable Federal and/or Provincial legislation governing Occupational Health and Safety.

ARTICLE 26
SAFETY EQUIPMENT AND TOOLS

- 26.1 Many duties require that the employee wear personal protective equipment. The Company shall provide hard-hats, safety vests, safety glasses, prescription safety glasses, and, in addition, an annual contribution towards the total costs for CSA Approved footwear and proper work gloves of two hundred and ninety-five dollars (\$295) payable on May 1st of 2011 and each following year of this agreement. Employees failing to wear and use proper Safety equipment will be subject to the Company discipline policy where warranted. Note: Prescription safety glasses must be obtained through a supplier pre-authorized by the company.
- 26.2 The Company shall provide the basic required equipment for an employee to carry out his duties. Such equipment shall include, but not be limited to: batteries, lanterns, bulbs, radios, radio harnesses, and hearing protection. Employees are responsible for the safe keeping and the return of all such equipment.

ARTICLE 27
GROUP HEALTH AND OTHER BENEFITS

- 27.1 The Company shall maintain the benefits as described in the attached benefits schedule. The cost of these benefits will be paid one hundred percent (100%) by the Company. If the Company re-establishes a non-guaranteed spare board, the parties shall meet and determine locally whether the provisions of this Article will be applicable to the employee(s) on such spare board.
- 27.2 The employees transferred from the pre-existing operations of the Goderich-Exeter Railway Company Limited shall be eligible for these benefits at their date of transfer with the Company. Except while on maternity leave, employees must pay when due the entire premiums payable under the plans and programs while on an unpaid leave of absence in excess of one (1) month.
- 27.3 The Company may select another insurer in lieu of the current one. Provided the employees are notified at least thirty (30) days in advance.
- 27.4 The Company is deemed to have discharged its obligation under this Article once it has obtained from an insurance company or companies a policy or policies and has paid those premiums it has agreed to pay. The TCRC expressly acknowledges that the Company is not liable to make any payments to an employee or employees or any person claiming any benefits under any benefit plan
- 27.5 The Company shall make an annual contribution to the Pension Plan equal to 5% of the employee's annual regular earnings; and employees may additionally contribute to the pension plan amounts determined annually by the employee (prior to January 1st of the preceding year), by payroll deduction.
- 27.6 Within ninety (90) days of ratification the company will provide to each employee a detailed booklet with a full and accurate description of all benefits as agreed to under this article.

ARTICLE 28
SICK LEAVE

- 28.1 Effective January 1, 2011, each operating employee will be allowed a maximum of forty eight (48) straight time hours at company expense sick leave in one (1) year. This forty eight (48) straight time hours is also in conjunction with the two (2) week waiting period for EI Benefits. Sick leave will not accrue from year to year and cannot be carried over to the following year. Additionally, sick leave will not be paid during the period December 15 to January 5. (See Side letter No. 2)

ARTICLE 29
LEAVE OF ABSENCE

- 29.1 An operating employee may be granted a leave of absence without pay up to ninety (90) days at the discretion and approval of the Company. The period of leave may be extended at the discretion of the Company. An operating employee granted such leave shall sign a copy of a written authorization of leave.
- 29.2 An operating employee on leave of absence from the Company may not work for another company unless the TCRC and the Company mutually agrees to allow the operating employee to work for another company. Any operating employee who engages in such other employment without the consent of the council and the Company shall be considered terminated.
- 29.3 The Company shall grant a leave of absence without pay to any operating employee elected or appointed to a TCRC office or as a Local or General Chairman or as a delegate to any TCRC activity for the term of the office or until completing the activity, unless the activity unduly interferes with the operations of the Company.
- 29.4 Employees on unauthorized leave of absences shall be terminated, subject to appeal.

ARTICLE 30
JURY DUTY AND ATTENDING COURT

- 30.1 An operating employee who is summoned or who serves on jury duty and is required to lose time from his assignment shall be paid the difference between the amount paid by the Court for such jury service and the amount of his regular base rate of wages for his regular tour of duty he would have otherwise worked, not including, however, reimbursement from the Courts for meals, lodging or transportation. If jury duty falls during a period of the operating employee's annual vacation, then the operating employee will have his vacation rescheduled to a time that is mutually agreeable to the Company and the operating employee. Hours paid under this provision shall not be considered as time worked when computing overtime.
- 30.2 An operating employee must furnish the Company with a statement from the Court of the jury allowance paid by the Court and the days on which jury duty was performed.
- 30.3 When attending Court as a witness for the Company or a medical examiner's inquest in cases where the Company is involved, or if he is subpoenaed by the Crown or Government agencies in cases where the Company is involved, an operating employee shall receive pay for all time lost at his regular base rate of wages, or if the appearance falls on a rest day, he shall be paid actual time in attendance with a minimum of (3) hours. This Article applies to an operating employee who is party to a civil suit brought against him while performing duties on behalf of the Company. This Article does not apply if the operating employee is under criminal investigation. The Company shall be entitled to a certificate for witness fees in all cases.

ARTICLE 31
COMPANY INITIATED MEETINGS

- 31.1 When an operating employee and/or local TCRC officer or delegate who is not on duty is requested by a Company officer to attend a meeting on a matter initiated by the Company, such employee will be compensated as follows on account of such attendance:
- (a) Where necessary reimburse for actual time lost, or a minimum of four (4) hours,
 - (b) For time in excess of four hours, pro rata on a minute basis, and
 - (c) where necessary for any employee and/or official TCRC representative to travel from another terminal or if such operating employees' assignments are located at other than the location of the meeting attended, they will be reimbursed for actual reasonable expenses for meals, traveling costs and hotel/motel accommodation (in addition to payment outlined in subparagraphs (a) and (b) above), as approved in advance by a Company Officer. Expenses with receipts will be paid.

ARTICLE 32
TRAINING

- 32.1 The Company shall establish training and qualification programs for each classification after consulting with the TCRC. These programs are intended to assist an operating employee to gain better knowledge of his job and to learn new skills.
- 32.2 An operating employee not previously certified as a locomotive engineer must have the equivalent of thirty (30) months of active service prior to being accepted and enrolled in the company Locomotive Engineer training program. Employees must be able to pass the required tests prior to enrolment. Engineers who have not completed such training through no fault of their own by the expiration of forty-eight (48) months of cumulative and compensated service shall be entitled to payment of the current locomotive engineer rate at that time.
- 32.3 Employees who fail in their first attempt to qualify for a position for which trained will be granted a second opportunity to so qualify within a reasonable period of time, not in excess of one year, to again attempt to so qualify.
- 32.4 An operating employee who cannot fulfill the requirements to qualify for the position of locomotive engineer will forfeit his/her seniority and rate of pay as a Locomotive Engineer.
- 32.5 Locomotive Engineers who act as trainers for student locomotive engineers and Conductors who act as trainers for student conductors will be compensated twenty two dollars (\$22.00) per tour of duty so occupied.
- 32.6 In the application of paragraph 32.5, trainers will be required to promptly fill out, endorse and submit prescribed reports and forms.

ARTICLE 33
DISCIPLINE PROCEDURES

- 33.1 Employees who have successfully completed their probationary period shall not be disciplined or discharged without a fair and impartial fact-finding session, unless they accept discipline to be assessed (other than dismissal), in writing, and waive formal fact-finding. However, in cases management determines to be serious (such as theft, altercation, alcohol/drug violations, major accidents, serious misconduct, etc.), the employee may be held out of service pending fact-finding. If a decision is not rendered within thirty (30) days of the fact –finding session, the employee will be considered to be exonerated. When a request for an extension in the time limit is made, concurrence will not be unreasonably withheld.
- 33.2 An employee charged with an offense shall be furnished with a written notice stating the charge or charges within fifteen (15) days following the date all of the necessary information is received by the Company. Within fifteen (15) days of the employee’s receipt of such notice, the Company shall conduct a fact-finding session. The fact-finding session will be conducted between a Company representative and the employee, and his Union representative if the employee so desires. The employee and the Union representative shall be informed of discipline imposed (or if none of the fact that no discipline is imposed) within thirty (30) days following the fact-finding session. The provisions of Article 31.1 shall be applicable to meetings held under this article.
- 33.3 Discipline can be appealed through the grievance procedure stipulated in the present agreement as of the date the decision to impose the discipline under Article 33.2 is communicated to the employee.
- 33.4 If it is found that an employee has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the employee’s record. Where the Company or the arbitrator substitutes another penalty, any arbitration award and the substituted penalty shall remain on the employee’s record. He shall be compensated for loss of wages and/or benefits, if any, suffered by him, resulting from such discipline or suspension, to the extent ordered by the arbitrator, less any amount earned during such period the disciplinary action was in effect.

ARTICLE 34
GRIEVANCE AND ARBITRATION PROCEDURE

- 34.1 Should employees believe they have been unjustly dealt with, or that any of the provisions of this Agreement (including one involving a time claim) have not been complied with and it is not possible to resolve the matter directly, any grievance related thereto shall be processed in the following manner:

Step 1 - Presentation to the General Manager

Within fourteen (14) days of the date of cause of grievance, the employee and/or the Local Chairman shall present the grievance in writing to the General Manager. A decision will be rendered as soon as possible thereafter but in any case within fourteen (14) days of the date the grievance is received.

Step 2 - Appeal to Vice President Eastern Unit

Within thirty (30) days of receiving the decision under Step 1, the Local Chairman may appeal the decision in writing to the Vice President Eastern Unit, whose decision will be rendered in writing within thirty (30) days of receiving the appeal; and

Within thirty (30) days; following the decision at step 2, the General Chairman may optionally request a joint conference concerning the matter under grievance with the Vice President Eastern Unit

Step 3 - Arbitration

Within thirty (60) days from the date of the decision at Step 2, the company is notified by the General Chairman that the grievance is being progressed for final and binding arbitration; and the process of arranging for a hearing and obtaining the services of an arbitrator must commence within sixty (60) days of the decision at Step 2.

- 34.2 The time limits as specified above may be extended by mutual agreement; requests for such extensions will not be unreasonably withheld by either party.
- 34.3 The settlement of a grievance shall not under any circumstances, involve retroactive pay beyond a period of ninety (90) calendar days prior to the date that such grievance was submitted at Step 1 of the grievance procedure.
- 34.4 Any grievance not advanced by the Union within the prescribed time limits shall be considered abandoned. Where a decision is not rendered by the appropriate officer of the Company within the prescribed time limits, the grievance may be advanced to the next step in the grievance procedure.

- 34.5 In the application of this clause of the Agreement, a grievance based on a claim for unpaid wages if not advanced by the Union within the prescribed time limits, shall be considered abandoned. When the appropriate officer of the Company fails to render a decision with respect to such a claim for unpaid wages within the prescribed time limits, the claim will be paid. Payment of time claims in such circumstances will not constitute a precedent or waiver of the contentions of the Union or of the Company in this case or in respect of other similar claims.

Final Settlement of Disputes

- 34.6 A grievance concerning the interpretation or alleged violation of this Agreement or appeal against discipline imposed, which has been processed in the manner and through each of the steps outlined in the grievance procedure and still has not been settled or disposed of may be referred by any of the signatories to this Agreement to such arbitrator that is mutually acceptable to the applicable parties, for final and binding settlement.

Note: In the application of this article, the unions and the company agree that the services of the incumbent arbitrator of the Canadian Railway Office of Arbitration (CROA) will be selected as the adjudicator of disputes. If choosing a different arbitrator is deemed necessary, preference will be given to an arbitrator with experience in the railway industry. In any event, the rules and conditions which govern the adjudication of disputes before the CROA will apply.

- 34.7 The company and the unions shall respectively bear any expenses each has incurred in the presentation of the case to the arbitrator but any general or common expenses, including the remuneration of the arbitrator, shall be divided equally.
- 34.8 In the application of this article, appeals against discharge and suspensions in excess of thirty (30) days will be initiated at Step 2 of the grievance procedure.

ARTICLE 35
UNION REPRESENTATION

- 35.1 The TCRC shall notify the Company of the nature of its elected and appointed representatives.
- 35.2 For the purpose of a grievance, the Company agrees to recognize the Local Chairman as representing the employees in the bargaining unit. The Company further agrees that the Local Chairman shall suffer no loss of basic pay or benefits for attending meetings during regular working hours with the Company.
- 35.3 The Company will recognize a General Chairman who may be assigned by the TCRC to assist employees in the discharge of their Union duties, and the outside General Chairman shall be granted reasonable access to the Company's premises provided in all cases the Company's permission is granted in advance which permission shall not be unreasonable denied.
- 35.4 The Local Chairman shall be permitted reasonable time during working hours, without loss of basic pay, to investigate or process complaints or grievances. The Union agrees that the investigation or processing of complaints or grievances will be performed by its' representatives in a manner which does not interfere with the work in progress.

ARTICLE 36
MATERIAL CHANGES

- 36.1 The parties agree to be bound by the Canada Labour Code regarding Material Changes but further agree to negotiate an Article covering this subject within twelve months of the effective date of this Agreement.

ARTICLE 37
CREW CONSIST

- 37.1 Unless otherwise provided in this Article, all assignments will have two operating employees - a Locomotive Engineer and a Conductor. Additional operating employees may be assigned as required. When the auxiliary train is used in continuous service (twelve hours or more) two Locomotive engineers will be called.

ARTICLE 38
LOCOMOTIVE CAB CONDITIONS

- 38.1 Lead locomotives, in other than local service, will be equipped with a working hot plate or microwave oven. All lead locomotives will be equipped with working fridge, working heaters, drinking water, a working toilet and suitable seats. All lead locomotives will also be supplied with hand towels, wet naps or soap.

ARTICLE 39
CANADA LABOUR CODE

- 39.1 It is the understanding of both parties that items not included in this agreement or Company policies will be covered by the Employment Standards Act / Canada Labour Relations Act.

ARTICLE 40
NOTICE BOARDS

- 40.1 Notice Boards will be provided for posting of notices by the TCRC.

ARTICLE 41
LOCKER FACILITIES

- 41.1 Locker facilities will be provided at the on duty location for each operating employee and at the away from home terminal if required.

ARTICLE 42
PAGERS AND CELLULAR TELEPHONES

- 42.1 When operating employees supply their own pagers and cellular telephones, the Company will supply to operating employees the proper documentation for income tax purposes.

ARTICLE 43
PERSONNEL FILES

- 43.1 An employee shall have access during normal business hours, or such other time as may be arranged, to the personnel file that relates to the employee. Such access shall be granted upon reasonable prior notice and in the presence of a Personnel Officer.
- 43.2 An employee shall receive a copy of any disciplinary documentation placed in his file(s).
- 43.3 Employees shall have the right to make written comment on the material contained in or omitted from their personnel file and to have those written comments included as part of their file. Employees may want to respond in writing explaining such documentation.

ARTICLE 44
NO DISCRIMINATION

- 44.1 Neither the Company nor the TCRC nor any operating employee shall permit discrimination, intimidation or coercion against any person by reason of any of the prescribed grounds of discrimination as prescribed by the Canadian Human Rights Act and associated regulations.

ARTICLE 45
CERTIFICATE OF SERVICE

- 45.1 When operating employees are dismissed or resign they will:
- (a) Be paid within thirty (30) days all monies owed, including vacation pay,
 - (b) Be given a certificate, upon request, stating time of service and in what capacities they were employed by the Company.

ARTICLE 46
PRINTING OF COLLECTIVE AGREEMENT

- 46.1 The Company undertakes the responsibility for the printing and translation of, if required the Collective Agreement as may be required from time to time and will absorb the cost of such printing as well as the cost of delivery of sufficient copies to the Local Chairmen within sixty (60) days of the effective date of this Agreement. This will include the cost of printing and delivery of updated pages and the provision of a machine readable file of the Collective Agreement to the General Chairmen.

ARTICLE 47
DEDUCTION OF DUES

- 47.1 The Company shall, on the payroll for the pay period which contains the 1st day of the month, deduct from the wages of each bargaining unit operating employee within the scope of this Agreement, an amount equal to the uniform monthly dues of the TCRC or such other authorized amounts as directed by the TCRC, subject to the exceptions contained in this Article. The Company shall remit the total amounts deducted to TCRC once a month accompanied by a report showing the amount deducted. The Company shall not be responsible financially or otherwise, for any failure to make deductions or for making inaccurate or improper deductions or remittances.
- 47.2 The Company shall provide each new operating employee and each rehired operating employee a form letter outlining to the operating employee his responsibility regarding payment of council dues and initiation fees. Such forms shall be supplied to the Company by the TCRC.
- 47.3 Regular positions advertised at each change of time shall determine the constituent Union of the TCRC (LE/CTY) to which dues shall be paid. Such recognition shall continue until the next change of time.
- 47.4 Union dues received from Diesel Machinists - Electrician and Car inspectors shall be paid to the respective Union of the TCRC (LE/CTY) on a 50/50 basis. In the event the 50/50 ratio cannot be met the matter shall be resolved between the constituent Unions of the Council and the Company so advised.
- 47.5 To maintain their seniority under this agreement, all promoted employees will be required to pay a seniority maintenance fee to the TCRC (LE/CTY) under whose jurisdiction such employee was working at the time of promotion. Such seniority maintenance fee will be determined by the respective union.

Original Documents and Memorandum Signed June 18, 2010.
Ratified July 20, 2010

TEAMSTERS CANADA RAIL CONFERENCE

P. Vickers

General Chairman

Jim Robbins

Chairman

GODERICH-EXETER RAILWAY COMPANY LIMITED

Douglas MacKenzie

General Manager

APPENDIX 1

BENEFITS

These are only guidelines – for official details the Great West Like Booklet will prevail

CARRIER

Great West Life Assurance Company of Canada

1. LIFE INSURANCE AND ACCIDENTAL DEATH OR DISMEMBERMENT

All employees have life insurance amount equal to two (2) times their annual salary. Amount of insurance is reduced by fifty (50%) at the age of sixty-five (65) and terminates at 70 seventy years old. Legal dependents: spouse \$10,000.00 (ten thousand dollars), Child: \$5000.00 (five thousand dollars) each.

2. MEDICAL BENEFITS

The program covers 100% of the items after having satisfied a \$25.00 (Twenty-five dollars) deductible per individual and a \$50.00 (Fifty dollars) deductible per family. The deductible and the eligible expenses are on a calendar year basis.

- (a) Semi-private room in any hospital, in Canada;
- (b) Private duty nurse five thousand (\$5000.00) per year;
- (c) Most medications that require a prescription are covered;
- (d) Ambulance services;
- (e) Services obtained by a physiotherapist, psychologist, speech therapist and massotherapist who are members in good standing with their professional associations and who are prescribed by a doctor, are admissible at a maximum rate of \$40.00 per visit to a maximum of ten (10) visits per specialist per year;
- (f) Services rendered by a naturopath, chiropractor, podiatrist, ergo therapist, acupuncturist and an osteopath who are in good standing with their professional association are admissible at a maximum rate of \$40.00 (Forty dollars) per visit to a maximum of ten (10) visits per specialist per year;
- (g) Custom-made orthopedic shoes approved by the insurer and prescribed by a podiatrist paid at \$200.00 per twelve (12) months. Special elastic stockings are paid twice a year;
- (h) Emergency travel insurance;
- (i) Laboratory expenses are payable;
- (j) Eye glasses - Adults \$250.00 per (24) months. Children - \$250.00 per (12) months

3. DENTAL BENEFITS

After an annual deductible of twenty-five dollars (\$25.00) per individual or fifty dollars (\$50.00) per family, the program reimburses:

- (a) One hundred percent (100%) of basic services according to the current dental fee guide of general practitioners;
 - cleaning every six (6) months,
 - complete oral exams every twenty-four (24) months,
 - fillings,
 - extraction of teeth,
 - root canal treatment,
 - gum surgery.

The maximum amount per year is \$1,500.00 (Fifteen hundred dollars).

4. SHORT TERM DISABILITY

Explanation:

Commences after 2 week unpaid waiting period and a further fifteen (15) weeks of Employment Insurance Benefits of \$413.00 per week, or as amended from time to time by Canada Employment Insurance. Sick Leave under Article 28 is designed to assist in this two (2) week waiting period prior to receiving EI benefits and can be utilized for this waiting period if not used previously.

Company Plan with Carrier Great West Life:

This benefit replaces 60% of your salary without exceeding \$550.00 per week and starts as soon as the two (2) week waiting period and fifteen (15) week Employment Insurance Benefit period has expired. This benefit will be paid during thirty seven (37) weeks if you are incapable of performing several tasks of your daily duties. Details as per Great West Life Benefit Booklet.

APPENDIX 2
LETTER OF UNDERSTANDING

It is understood and agreed that operating employees holding a position as a Diesel Machinist/Electrician or Car Inspector shall, upon successful completion of any training opportunities, only be released from their current position at the option of the Company.

For the TCRC: _____

For the UTU: _____

For the Company: _____

Dated: 04th February 2000

APPENDIX 3

April 3rd, 2002

R. Dyon
General Chairman
Canadian Council of Railway
Operating Unions
Brotherhood of Locomotive Engineers
3610 rue Valiquette Street # 200
Montreal, QC H4S 1X8

R. Beatty
General Chairperson
Canadian Council of Railway
Operating Unions
United Transportation Union
412 Bay Street # 206
Sault Ste. Marie, ON P6A 1X3

Gentlemen:

During the current negotiation proceedings, the Council submitted a demand for the expansion and clarification of the current material change article.

The Council's concerns specifically related to the fact that there are no defined procedures or processes in the current article to govern the parties in the event that a major change should be introduced by the company which would have adverse effects upon employees.

The Company responded to the effect that no major change of any sort is planned or foreseen. In the event that something unforeseen arises resulting in a major change on the property, the company hereby commits to the Council, that as much advance notice as possible will be given to the Council of such a change and that the Company will negotiate with the Council measures to mitigate any adverse effects of such a change upon employees concerned.

Yours truly,

General Manager

APPENDIX 4

Seniority List, Locomotive Engineer, Conductors, Diesel Machinist, Electricians and Car Inspectors

<u>No.</u>	<u>Name</u>	<u>Locomotive Engineer</u>	<u>Conductor</u>	<u>Seniority Date</u>
1	Paul Ford	Yes	Yes	15-Sep-94
2	Ray Elgie	Car Department/Motive Power		26-Jun-95
3	Adam Smith	Yes	Yes	5-Jul-95
4	Rick Emmerson	Motive Power		1-Nov-98
5	Steve White	Yes	Yes	2-Nov-98
6	Dan Scarrow	Yes	Yes	5-Nov-98
7	Ray McCarthy	Car Department	Yes	1-Feb-99
8	Dave MacKean	Yes	Yes	8-Feb-99
9	Ted Sills	Yes	Yes	1-Jun-99
10	Paul Strub	Yes	Yes	20-Oct-03
11	Mike Williams	Yes	Yes	11-Nov-99
12	Mike Scarrow	Trainee	Yes	12-Jan-04
13	Paul Vickers	Yes	Yes	30-Apr-04
14	Chris Widmeyer	No	Yes	31-May-04
15	Rob Simon	No	Yes	29-Jun-04
16	Nicolas Nesbitt	No	Yes	27-Jan-06
17	Dennis Fleet	Yes	Yes	14-Sep-06
18	Johnathan Snook	No	Yes	14-Sep-06
19	Mike Mitsovitch	Yes	Yes	8-Oct-07
20	Shane Gerdan	Motive Power		18-Feb-08
21	Andy Walesa	No	Yes	11-Aug-08
22	John Gawel	Yes	Yes	25-Aug-08
23	Derek Ingalls	No	Yes	4-Feb-10
24	Owen Rice	No	Yes	26-Apr-10
25	Bryan Stewart	No	Yes	26-Apr-10
26	Colin Tucker	Not GEXR Qualified	Yes	14-Jun-10

Side Letter No. 1

June 18, 2010

Mr. Paul Vickers
Mr. Jim Robbins

Gentlemen:

In reference to the Memorandum of Settlement signed today, we discussed the concerns expressed by the Organization regarding the possible future modification of the RailAmerica Incentive Compensation Plan (hereinafter referred to as "the Plan"). In that respect, the Company is agreeable to the following:

1. It is understood the compensation package agreed to (2% each January 1 and participation in the Plan) is in lieu of general wage increases of 3% per year with no participation in the Plan.
2. In the event, during the closed period of this contract, the Plan is revised by RailAmerica to provide for a reduction in the potential compensation thereunder below six percent (6%) of the employees' gross wages, the Organization may, at its option, serve written notice upon the Company of its intent to discontinue participation in the Plan effective at the beginning of the next quarter. In that event, the rates of pay will be increased by 1% concurrent with discontinuance of Plan participation for the balance of that calendar year. Thereafter, for the balance of the moratorium period, the remaining general wage increases provided shall be applied at 3% instead of 2%.

Please indicate your agreement by signing in the space provided below.

Yours truly,

/s/ Douglas MacKenzie

Douglas MacKenzie
General Manager

AGREED:

/s/ Paul Vickers

Paul Vickers, General Chairman

/s/ Jim Robbins

Jim Robbins, General Chairman

Side Letter No. 2

June 18, 2010

Mr. Paul Vickers
Mr. Jim Robbins

Gentlemen:

This has reference to Article 28.1 and the changes therein which were agreed to in the Memorandum of Settlement signed today. Since the change in sick leave application is changing in the middle of the year 2010, it was understood that in 2010 the Company would provide a prorated sick leave benefit of twenty-four (24) straight time hours of paid sick leave. All other provisions shall be as agreed to. Beginning in January 2011, the full forty eight (48) straight time hours shall become effective for that calendar year.

Please indicate your agreement by signing in the space provided below.

Yours truly,

/s/ Douglas MacKenzie

Douglas MacKenzie
General Manager

AGREED:

/s/ Paul Vickers

Paul Vickers, General Chairman

/s/ Jim Robbins

Jim Robbins, General Chairman

Side Letter No. 3

June 18, 2010

Mr. Paul Vickers
Mr. Jim Robbins

Gentlemen:

This has reference to our discussions during negotiations regarding LTD benefits which were mistakenly removed from the benefit booklet following the last round of bargaining. This will confirm that the LTD benefits should have continued in place and should not have been removed from the benefit booklet. The Manager of Benefits for Canada has been instructed to immediately reinstate the benefit and to re-issue the benefit booklet indicating the same.

Please indicate your agreement by signing in the space provided below.

Yours truly,

/s/ Douglas MacKenzie

Douglas MacKenzie
General Manager

AGREED:

/s/ Paul Vickers

Paul Vickers, General Chairman

/s/ Jim Robbins

Jim Robbins, General Chairman