

COMPANY PROPOSALS
CANADIAN NATIONAL RAILWAY
CONCERNING REVISION OF THE COLLECTIVE AGREEMENT
COVERING
CONDUCTORS, LOCOMOTIVE ENGINEERS, AND TRAFFIC COORDINATORS
REPRESENTED BY THE
TEAMSTERS CANADA RAIL CONFERENCE

Calgary, Alberta

April 11th, 2024

The attached reflects the Company's proposals regarding the process for moving forward with consolidation of the applicable collective agreements, as well as several proposed revisions to the collective agreements (the **Proposals**). The Company reserves the right to add to, revise, modify, substitute, amend, or withdraw any of the Proposals, at its sole discretion. Any settlement or agreement reached on any of the Company's Proposals is conditional upon the conclusion of a global, total, and comprehensive memorandum of settlement, which has been ratified. The Company reserves the right to withdraw its agreement on any or all the Proposals, without prejudice, until such time as a final agreement is ratified. The Proposals, and any subsequent offers made with respect to the Proposals, are subject to be withdrawn at the Company's discretion.

Should there be misalignment in translation to French, the English copy shall override and be used for collective agreement interpretive purposes.

There are significant impacts on CN's business resulting from environmental constraints – freight recession, volumes below what the company had planned for, a tight labour market, and the difficulty to hire and retain employees in the conductor classification. In addition to these, there have been regulatory impacts to our business that have negatively impacted employee availability – the introduction of additional sick days in December 2022 and the Duty and Rest Period Rules (DRPR) Provisions.

These business challenges are our joint realities, and it is up to both parties to seek growth opportunities for our company as we build the railway of the future, together. This means moving toward a better employee experience which, in turn, leads to an improved customer experience.

As such, CN's main objective for this round of bargaining is increased predictability and stability for customers, Canadians, and our employees, which CN aims to achieve through the following:

- I. **Work/life balance for our employees.** We understand that employees want a predictable schedule with guaranteed days off. We want to be able to provide this in a consistent way from coast to coast.
- II. **New compensation model.** We know that the current pay system is complex, difficult for many employees to understand, pay levels are inconsistent from coast-to-coast, and as a result drive many pay defects that negatively impact employee morale. We believe that a simplified method of pay that remunerates an employee for the hours worked, and is equitable across our system, will reduce payroll disputes, improve employee engagement and ultimately reduce employee turnover.
- III. **Employee productivity.** With the introduction of additional sick days and DRPR, the number of tours and/or days that an employee can work has decreased, impacting employees' ability to earn. CN is looking for a solution that will return employee productivity levels to pre-2023.
- IV. **New classification.** We know that volumes are not consistent throughout the calendar year nor from terminal – to – terminal. The result is that the company's staffing levels are never where they need to be – whether too many or not enough. To ensure more predictability for our employees and our customers, we believe that a new assignment for employees, which they bid on based on seniority, where the company moves employees in this assignment across our network to work where required.
- V. **One collective agreement.** In September 2022, the parties voluntarily agreed to consolidate all collective agreements into on single agreement. Since then, the parties have been able to consolidate two topics – duration of the agreement and benefits. It will be important for CN to have a process in place to consolidate and streamline the work rules over the course of the closed period.

A. Duration

CN is proposing a duration of four (4) years, commencing January 1, 2024, and expiring December 31, 2027.

B. Monetary

Wages for Conductors (including Trainees) and Locomotive Engineers

A wage increase of 3% on all applicable rates of pay for all employees retroactive to January 1, 2024. Payment will be made within 90 days of ratification.

CN has improved its offer since presented on November 8th, 2023, and January 31, 2024. Effective January 1, 2025, all employees will move to the following hourly rates of pay:

Rate	Trainee Rate	Assistant Conductor/ Yard Helper	Conductor	Locomotive Engineer
Regular Rate	\$31.00	\$60.00	\$65.00	\$75.00
OT Rate 1.5X	\$46.50	\$90.00	\$97.50	\$112.50

No employee will lose money with this proposal. Employees who currently earn above the proposed hourly rate offer (including OT, heldaway and statutory holidays pay), will have their salaries protected. The protection will be based on their 2023 full year earnings.

Appendix A outlines, as an example, what the company believes might be the impact of the new hourly rate on total earnings.

Please refer to **Appendix B** for the details on the hourly rate proposal, which provides details on CN's proposal as it relates to scheduling, heldaway, overtime, rest, leaves, spareboard, filling positions and vacancies.

Effective January 1, 2026, a wage increase of 2% on all applicable rates of pay.

Effective January 1, 2027, a wage increase of 2% on all applicable rates of pay.

Wages for Yard Coordinators

A wage increase of 3% on all applicable rates of pay for all employees retroactive to January 1, 2024, and then payment will be made within 90 days of ratification.

- 2.5% in 2025
- 2% in 2026
- 2%in 2027

Outpost terminal travel allowance

CN is proposing to pay mileage at a rate of .50 cents per kilometer from their home terminal to the outpost. In addition, CN is proposing to pay for the travel time to drive from the home terminal to the outpost.

For greater clarity, this proposal replaces all local agreements and applicable collective agreement language.

Training Allowance (applicable to all employees)

In response to TCRC's request to apply Addendum 23 & 24 of the 4.3 Collective Agreement to BC Rail CTY employees, CN agrees to provide a training allowance to employees' part of the BC Rail CTY agreement. This offer is in light of CN's position proposal on the consolidation process. We further proposal to provide a training allowance to apply to all employees in the recently consolidated bargaining unit at a proposal of **\$7 per hour** over and above the hourly rate proposal under monetary proposal.

Meal Allowance (applicable to all employees)

To address TCRC's various proposals on this matter, CN is prepared to provide the following improvements to meal allowances:

- Increase to \$35.00 per day where accommodations with cooking facilities are provided.
- Increase to \$55.00 where accommodations without cooking facilities are provided.
- Increase to \$90.00 for the all-inclusive allowance.

Safety Boot Allowance

In response to TCRC's demands on this matter, CN is prepared to amend the safety boot program for all employees to cover a maximum of \$250.00 per year for each employee. This includes employees on probation. Employees will be reimbursed when they provide proof of purchase.

CN's proposal is to update the collective agreement language to refer to the CN Safety Boots Purchase form.

Passport reimbursement

CN agrees with the Unions demand for the reimbursement of the cost of passports in terminals where it is required for employees. In response CN is proposing a side letter outside of the collective agreement in **Appendix C**.

Traffic Coordinator Lunch

In response to the Union's demand for Traffic Coordinators under the 4.2, CN agrees to move the lunch break to be taken in the 4th hour of work. Please refer to **Appendix D** for the proposal collective agreement language.

Traffic Coordinator Transfer Time

In response to the Union's proposal for Traffic Coordinators under the 4.2, CN agrees to increase transfer time to 15 minutes. Please refer to **Appendix D** for the proposed collective agreement language change.

C. Work Rules

Schedules

Effective January 1st, 2025, CN is proposing to implement a consistent schedule with guarantee consecutive days off for all employees. Furthermore, CN is proposing a 40-hour work week for all employees, including employees on the spareboard. To this end, CN is proposing 3 types of schedules.

- 8 hours a day, 5 days a week with two consecutive days off
- 10 hours a day, 4 days a week with three consecutive days off
- 8 hours a day, 6 days on duty followed by three consecutive days off

Employees will be paid overtime at time and a half when they work beyond their schedule to a maximum of 12 hours in line with DRPR.

There will be calling windows (8 or 12 hours) on scheduled days for all employees including those on the spareboard.

Change of card will be quarterly (first Monday of March, June, September and December). Known vacancies of 14 days duration or longer will be posted for bid as a temporary vacancy, 5 days before the vacancy commences.

As a result of the proposed schedules above, CN would cancel all scheduling local agreements effective January 1, 2025. Please refer to **Appendix E** for the official notice.

In addition to ceasing the local agreements tied to scheduling, CN proposed to eliminate the following agreements effective January 1, 2025, to be replaced by CN's scheduling proposal.

- Kingston short haul agreement
- Joffre East spareboard agreement
- Atlantic spareboard agreement
- NOD extended run principals agreement

Vacation

In support of CN's scheduling proposal, CN is proposing to move the commencement of annual vacation from Friday to Monday to align with the proposal around change of card.

Additionally, CN is proposing to improve the vacation leave entitlement effective the next calendar selection in 2025 to the following:

0 to 4.99 years of service: 3 weeks

5 to 9.99 years of service: 4 weeks

10 to 28.99 years of service: 5 weeks

29+: 6 weeks

Layoffs

The Company understands that employees may be concerned with layoffs as result of CN's new scheduling and hours of work proposal. As a result, CN is prepared on a onetime only basis to provide job security (protection against layoffs) for **all employees with a hire date on or before the date of ratification**. Nothing in this proposal has the effect of limiting CN's ability to terminate an employee for cause.

Tours of Duty at Away-From-Home Terminal

CN agrees to eliminate round-trips at the away from home terminal. (Clause 64.1 in the 4.3 Agreement, 18.10 in the 4.16 Agreement, 10.1 in the 1.2 Agreement, 26.1 in the 1.1 Agreement, Article 210 for BCR conductors and 25.6 for the BCR engineers).

Personal Rest

CN maintains its proposal from November 27, 2023. Transport Canada has assessed fatigue management science and determined the appropriate levels of rest and a process for employees to self-assess their level of fatigue. These rules were implemented on May 25, 2023. In light of the new Transport Canada rules in addition to CN's proposal on schedules, the company believes that the personal rest rules in the collective agreement for the mainline are not required. CN proposes to eliminate all reference to personal rest and refer to the Transport Canada Duty and Rest Period Rules.

Personal Leave Days (PLDs)

CN is committed to ensuring that employees are provided greater work life balance and predictability with a schedule that includes guaranteed hours and guaranteed consecutive days off. As a result of these schedules, employees will be able have consistent and known time off to plan for their personal matters.

As such, CN is proposing to reduce the **Personal Leave Days from 10 to 5. CN is further proposing to extend the 5 PLDs to all employees, including those working on the short lines. This effective January 1, 2025.**

These days would be used for any reason. CN would also require that once the 10 Medical Leave Days are exhausted, any remaining Personal Leave Days would be automatically applied to cover unpaid sick days.

PLD allotment calculation in the existing collective agreement language will be amended to reflect the 7 days proposed above.

Even though the new scheduling provisions of this proposal will provide a greater number of off days and allow all employees consistent time off, we are willing to offer a **one-time \$5,000 non-pensionable lump sum payment** to offset the reduction in PLDs for all effected in this contract. The payment would be made no later than January 31, 2025.

Further, CN would accept the Union's proposal to amend the current collective agreement language to reflect that PLD booking is restricted to no more than 3 months in advance, that PLD's can be cancelled with proper notice (24 hours) and returned to the employee, and that for such cancellations, the terminal allotment will reflect the cancellation and be made available to other employees.

Lastly, CN's position is that the Canada Labour Code PLDs would continue to not be stacked on top of the collective agreement PLDs. For clarification purposes, this proposal meets the company's obligations under the Canada Labour Code for Personal Leave (Section 206.6) and the applicable collective agreements.

Mobile Workforce

To adapt to the changing volumes across our network, whether on a calendar or terminal-to-terminal basis, which leave CN with inadequate staffing levels and employees and customers with unpredictability, CN is proposing a new classification of employees, which shall be bid and awarded on a seniority basis.

These employees shall move around the network to cover work, on an as needed basis.

Please refer to **Appendix F** for additional details.

OJT Program

Safety of employees is paramount. We believe that an OJT program supports employee safety. We further believe that a standard and consistent program is critically important to the safety of our employees. To this end, CN is proposing a national OJT program. The coordination of the program will be performed by management. Members of the bargaining unit would work as the OJTs. OJT hourly rate would be consistent across the count and embedded in collective agreement. Further discussion with the union on this program.

This proposal replaces the existing local agreements on this topic, effective the ratification of the following agreement.

Consolidation of collective agreements during this round of bargaining

CN's objective is one collective agreement for Conductors and Locomotive Engineers, with a consolidation of collective agreement clauses. We believe that consolidating the agreements will reduce the complexity of managing and administering multiple contracts, making it easier for both CN and, importantly, employees to understand and comply with the terms.

Considering the agreement reached between the parties on September 8, 2022, an important first step in the process was made with our agreement in early 2023 to consolidate all employees into one benefit plan. Further to that step, with this current round of collective bargaining, CN proposes to consolidate the following items:

- Grievance and arbitration process
- Discipline and investigation process
- Safety boot program
- Training allowances
- Meal allowances
- Outpost allowances
- Material change notice

Consolidation of collective agreements during the closed period

CN is proposing a process to consolidate the collective agreements over the life of the contract. Further language will be proposed by CN.

Grievance and Arbitration Procedure

CN is amending its earlier proposal regarding CROA to the following:

CN will drop the request to exit CROA, as the previously discussed problems with CROA have been resolved through amendments to the CROA agreement.

Given the implementation of these CROA changes, as well as the work done in early 2023 between the Parties to resolve outstanding termination grievances, and that CROA now appears to be operating as intended, CN is proposing to eliminate the ADHOC arbitration agreements. CROA has returned to regularly scheduled dates, and grievances are being heard in a timely manner (included numerous work rule topics). As such, CN believes there is no longer a need for the ADHOC arbitration agreements.

Automatic appointment from Conductor to Locomotive Engineer

CN withdraws its proposal from November 27, 2023.

Accumulation of seniority for non-unionized CN personnel

CN believes that recruiting from the ranks is an important element of our talent strategy as we build our future frontline leaders – they know the work and the employees and are very well placed to lead this workforce.

To that end, the current restriction in the collective agreements, limiting the accumulation of seniority while in a management position to 1 year, is negatively impacting our attraction and retention of supervisors from the frontline employee classifications.

Therefore, CN is proposing a change to limit the accumulation of seniority while in a management position to 2 years.

D. Other/Miscellaneous

Estoppel Letters

In response to the Union's letter authored by Ray Donegan, dated December 13, 2023, regarding coupling to cars already in a track, the Company has attached a letter as **Appendix G**.

In response to the Union's letter authored by Jim Lennie, dated December 13, 2023, specifically regarding the cancellation of the Directional Travel Agreement NOD, the Company has attached a letter as **Appendix H**.

In response to the Union's letter authored by Jim Lennie, dated December 13, 2023, specifically regarding the cancellation of the Luzenac agreement, the Company acknowledges the cancellation date of February 13, 2024. Accordingly, the Company will take all necessary steps to continue to efficiently service its clients.

In response to the Union's letter authored by Jim Lennie, dated December 13, 2023, specifically regarding the cancellation of the agreement to alter Article 84 in the 4.16 Collective agreement regarding JSI's, the Company acknowledges the cancellation date of February 13, 2024.

In response to the Union's letter authored by Jim Lennie, dated December 13, 2023, specifically regarding the cancellation of the Truro Travel Agreement, the Company acknowledges the cancellation date of February 13, 2024. CN would further note that the cancellation of this agreement is addressed with our proposal regarding Outpost Terminal Travel Allowance.

In response to the Union's letter authored by Jim Lennie, dated December 13, 2023, specifically regarding the cancellation of the Great Lakes OJT Agreement, the Company acknowledges the cancellation date of February 13, 2024. CN's position is that this cancellation is addressed with our proposal regarding the On-the-Job Trainer Program.

In response to the Union's letter authored by KC James, dated December 13, 2023, regarding Release at Final Terminals, it is the position of the Company that this issue is resolved with our Hourly Rate Proposal.

Local agreements

CN is amending its proposal from November 27, 2023. CN is proposing to maintain the following local agreements and add them the consolidated collective agreement as a NEW appendix. For further clarification, effective the ratification of the new collective agreement, all local agreements not referenced in this offer will cease to exist.

- *Tour of duty between trips
- Toronto switching limits series of yard 1996
- Mac Yard hump agreement
- *Oshawa switching agreement
- St-Clair tunnel agreement
- PNL reroute
- *Direct hit agreements (Vancouver and Thunder Bay)
- *Flowback Agreement
- Rocky Mountaineer Agreement (CTY + LE)
- *Retention Board Agreements

*These agreements will cease to exist as of January 1, 2025, in line with the implementation of the Hourly Rate and Scheduling.

Renewal letters

CN agrees to renew the following letters:

- TFSA
- ESIP
- VIA Rail Train Passes
- Brown System of Discipline
- Post-Retirement Health Care Spending Account
- SAR – Filling Vacancies Grande Prairie/Grande Cache

The terms of this offer supersede any existing language in any of the 14 collective agreements. The parties will need to work together to jointly amend update the consolidated agreement.



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Appendix A - Hourly Rate Proposal – What it means to employees

	Mileage Agreement	Hourly Proposal (@\$75/hr and \$65/hr)					
	2023 Avg Salary	Minimum guarantee (40 hr/wk)	Overtime @ 10%	Heldaway	Stat Holidays	Hourly Avg Salary	% earning more under hourly proposal
Conductor	\$120,790	\$135,200	\$13,520	\$2,966	\$5,720	\$157,406	95%
Road Conductor	\$127,396	\$135,200	\$13,520	\$4,238	\$5,720	\$158,678	94%
Yard Conductor	\$105,386	\$135,200	\$13,520	\$0	\$5,720	\$154,440	98%
Engineer	\$149,383	\$156,000	\$15,600	\$6,272	\$6,600	\$184,472	94%
Road Engineer	\$150,569	\$156,000	\$15,600	\$6,473	\$6,600	\$184,673	94%
Yard Engineer	\$112,382	\$156,000	\$15,600	\$0	\$6,600	\$178,200	100%

* 2023 Salary based on 26 pay periods

** Overtime assumption at 10% of regular wages based on experience with other unions at CN

*** Heldaway based on 2023 payroll records

**** Comparison population includes employees with at least 100 productive tickets (January to November) - ~ 4300 employees

***** Based on 2080 hours over a calendar year

******* No employee will lose money with this proposal. Employees who currently earn above the proposed hourly rate offer (including OT, heldaway and statutory holidays pay), will have their salaries protected. The protection will be based on their 2023 full year earnings.**

THIS TABLE SHALL NOT FORM PART OF THE COLLECTIVE AGREEMENT (EXAMPLE)

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Appendix B – New Compensation System and Scheduling

The following outlines the principles the parties have agreed to in regard to a new compensation system based on an hourly rate, with corresponding schedules.

The Company guarantees employees with 40 regular hours per week, paid on biweekly basis. The week is defined as 00:01 Monday to 23:59 Sunday.

A basic day will be 8 hours or 10 hours based on the work schedule. An employees may be required to work a maximum of twelve (12) hours per shift.

Overtime rates will be paid at time and one half when an employee works beyond their scheduled hours.

All unpaid absences will reduce the guarantee by the basic day.

In the case of employees working on a spareboard, if in any two weeks period, they are absent for two or more unpaid days, they will forfeit the biweekly guarantee.

A. Scheduling

Employees will work on one of the following three schedule:

- 4/3 – 4 days on and 3 consecutive days off.
 - 10 hours basic day.
 - 12 hours calling window
- 5/2 – 5 days on and 2 consecutive days off.
 - 8 hours basic day.
 - 8 hours calling window.
- 6/3 – 6 days on and 3 consecutive days off.
 - 8 hours basic day.
 - 8 hours calling window.

If an employee commences their duty period on their scheduled day off, they will be paid at overtime rates and their first working day of the following week will become a rest day.

B. Wages

Proposed Hourly Rates (all employees)				
Rate	Trainee Rate	Assistant Conductor/ Yard Helper	Conductor/ Yard Foreperson	Locomotive Engineer
Regular Rate	\$31.00	\$60.00	\$65.00	\$75.00
OT Rate 1.5X	\$46.50	\$90.00	\$97.50	\$112.50

C. Road Service

Employees will be required to assemble their train at the initial terminal.

Employees will be required if needed to perform pick up or set off on route.

Employees will be required to yard their train at the final terminal. They may be required place their train in tracks that already contains cars.

Road Switcher and Customer Service will no longer have the 30 miles radius.

Road Service employees will be paid a Trainer premium equivalent to \$7/hour.

Heldaway on single subdivision will commence after the 11th hours at the regular hourly rate. Starting at the 14th hour, the 1.5X overtime rate will apply.

- Heldaway threshold will be limited to 16 hours.

Heldaway on extended run and branch will commence after the 12th hours at the regular hourly rate. Starting at the 15th hour, the 1.5X overtime rate will apply.

- Heldaway threshold will be limited to 18 hours.

Employees being called for a turn assignment at the away from home terminal, will finish their tour of duty at their home terminal. They will not be called for a second assignment at the away from home terminal.

D. Yard Service

Yard service will include Transfer and Yard switcher service.

Conductors working in Yard service shall be belt pack qualified in location determined by CN.

Yard service employees may be required to work a maximum of twelve (12) hours per shift.

The following premium will apply to Yard service employees:

- Shift differential will be unchanged from what is currently existing in the Collective Agreements.
- Trainer premium will be \$7/hour

E. Work Train Service

All existing language in the collective agreements pertaining to work train service will be updated to reflect this agreement.

F. Rescue

All class of service may be used to perform rescues provided they are not on overtime at the start of the rescue.

G. Rest

Employees' rest periods will be as per the Transport Canada duty of rest period rules.

H. Leaves:

All paid leaves will be based on the basic day. For example:

- Employees on Jury duty or Bereavement will receive a basic day payment.
- Employees on Company business and in-class training will be paid a basic day.
- Employees taking a personal leave day, or a medical leave day (CLC article 239) will receive a basic day payment.

Statutory holidays:

CN proposes to eliminate the eligibility criteria under the collective agreements and replace with the criteria under the Canada Labour Code.

In the case of statutory holiday pay for employees who do not work on the stat holiday, pay will be calculated based on wages, excluding overtime, earned in the 4-week period immediately before the week in which the holiday occurs. Employees required to work on a statutory holiday will be paid the basic day and overtime rate at time and a half.

I. Spareboard

Each terminal, if required by the Company, will have the following Spareboard:

- One (1) Conductors
- One (1) Engineers

J. Filling positions and vacancies

Permanent positions:

Change of card will be quarterly (First Monday of March, June, September and December).

Temporary vacancies:

Known vacancies of 14 days duration or longer will be posted for bid as a temporary vacancy, 5 days before the vacancy commences. CN is making this proposal to ensure that employees benefit from their assigned consecutive days off.

Layoff:

The Company understands that employees may be concerned with layoffs as result of CN's new scheduling and hours of work proposal. As a result, CN is prepared on a one-time only basis to provide job security (protection against layoffs) for all **employees hired prior to the date of ratification**. Nothing in this proposal has the effect of limiting CN's ability to terminate an employee for cause.

Call and Cancelled:

- If an employee is cancelled before reporting for duty there will be no payment and employee will remain available in their window.
- If an employee is cancelled after reporting for duty, they will receive a basic day payment according to their work schedule (8 or 10 hours) and placed on mandatory rest.

K. General

Employees currently working under "Short lines" agreements, will be prioritized on their actual territories. If an assignment or a Spareboard position become vacant and there is no applicant, it will be open to all employees.

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Appendix C – Passport Reimbursements**Mr. KC James
General Chairman**

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9622 – 42nd Avenue
Edmonton, Alberta, T6E 5Y4

**Mr. Mark Kernaghan
General Chairman**

20 Joseph St Unit 3
Trenton, Ontario.
K8V 4A1

**M. Jean-Michel Hallé
General Chairman**

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Lévis, Québec
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**Mr. Raymond Donegan
General Chairman**

610-3530 Millar Avenue
Saskatoon, Saskatchewan
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**Mr. Jim Lennie
General Chairman**

156 Parkdale Ave. North, Unit #3
Hamilton, Ontario
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**M. Alain Gatien
General Chairman**

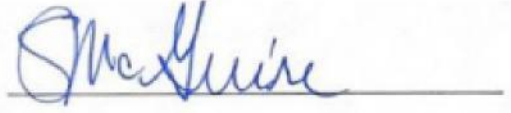
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During 2023 negotiation, the Parties discussed the payment of employee's passport.

The parties agreed that any employee working at CN represented by the TCRC required to have a valid passport to operate a train across the United State border, will be reimbursed the cost of the passport.

To be eligible for the reimbursement, the employee must renew their passport for a period of 10 years, and they must submit proper documentation to support their request. Employees will be reimbursed in according with the CN reimbursement process.

FOR THE COMPANY



Stephanie McGuire
Senior Director Labour Relations
CN



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Appendix D – Proposed Language for 4.2 Collective Agreement

Article 15 Lunch Period

15.1 Employees will be allowed 20 minutes for lunch **between the end of the fourth and the beginning of the fifth hour** on duty without deduction in pay. Employees are expected to arrange their work so as to avoid any delay or impediment to the operations for which they are responsible during such lunch period.

Article 7 Overtime

7.2 A Traffic Coordinator required to make a transfer or turnover to another Traffic Coordinator, or complete reports in connection with the operations of the yard, after his regular assigned hours of duty will be allowed **15 minutes** at time and one-half the pro-rata rate per shift.

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Appendix E – Scheduling**Mr. KC James
General Chairman**

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**Mr. Raymond Donegan
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**M. Jean-Michel Hallé
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**M. Alain Gatien
General Chairman**

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Re: Scheduling

Dear Sirs,

The purpose of this letter is to confirm CN's intention regarding scheduling, as first presented on November 27, 2023. As communicated then, CN is prepared, in exchange for the new compensation model, to provide our employees with a schedule that would guarantee consecutive days off.

Therefore, considering the proposal around schedules, effective at the ratification of the next collective agreement or January 1, 2025, whichever comes first, all scheduling agreements will end. You will find attached a list of the agreements.

This notice further serves to meet the "opt-out" notice requirements under Addendum No. 90 of the 4.3 CTY Collective Agreement as well as the 30 days cancellation in the Montreal 11 Spareboard Agreement.

Yours truly,

A handwritten signature in blue ink, appearing to read "Stephanie McGuire", is written over a horizontal line. The signature is cursive and somewhat stylized.

Stephanie McGuire

Senior Director, Labour Relations

List of Agreements

- Sioux Lookout West Pool (STP)
- Fort Frances Sprague Extended Run Pool (STP)
- Winnipeg Redditt Extended Run (STP)
- Winnipeg Redditt Extended Run (PWOW)
- Winnipeg Sprague Extended Run Pool (STP)
- Winnipeg Sprague Extended Run Pool (PWOW)
- Winnipeg Rivers Extended Run Pool (STP)
- Winnipeg Rivers Extended Run Pool (PWOW)
- Winnipeg Rivers Single Sub Pool (STP)
- Winnipeg Rivers Single Sub Pool (PWOW)
- Winnipeg Road Spareboard (SWOW)
- Winnipeg Yard Spareboard (SWOW)
- Melville Rivers Extended Run Pool (STP)
- Melville Rivers Extended Run Pool (PWOW)
- Melville Rivers Single Sub Pool (STP)
- Melville Rivers Single Sub Pool (PWOW)
- Melville Watrous Single Sub Pool (STP)
- Melville Watrous Single Sub Pool (PWOW)
- Melville Joint Spareboard (SWOW)
- Saskatoon Watrous Single Sub Pool (STP)
- Saskatoon Watrous Single Sub Pool (PWOW)
- Saskatoon Wainwright Single Sub Pool (STP)
- Saskatoon Wainwright Single Sub Pool (PWOW)
- Saskatoon Branch Single Sub Pool (PWOW)
- Saskatoon Mainline Joint Spareboard (SWOW)
- Saskatoon Branch Joint Spareboard (SWOW)
- Edmonton Wainwright Single Sub Pool (STP)
- Edmonton Wainwright Single Sub Pool (PWOW)
- Edmonton Edson Extended Run Pool (STP)
- Edmonton Edson Single Sub Pool (STP)
- Edmonton Edson Single Sub Pool (PWOW)
- Edmonton Road Spareboard (SWOW)
- Edmonton Yard Spareboard (SWOW)
- Jasper Edson Extended Run Pool (STP)
- Jasper Joint Spareboard (SWOW)
- Kamloops Joint Spareboard (SBWOW)
- Vancouver East Single Sub Pool (STP)
- Vancouver East Single Sub Pool (PWOW)
- Vancouver Road Spareboard (SWOW)
- Vancouver Yard Spareboard (SWOW)
- Prince George East Single Sub Pool (STP)
- Prince George East Single Sub Pool (PWOW)
- Prince George Extended Run West Pool (STP)
- Prince George Extended Run West Pool (PWOW)
- Prince George Joint Spareboard (SWOW)
- Smithers East Extended Run Pool (STP)
- Smithers East Extended Run Pool (PWOW)
- Smithers West Extended Run Pool (STP)
- Smithers West Extended Run Pool (PWOW)
- Smithers Spareboard (SWOW)
- Montreal 11 Spareboard Agreement

**Labour Relations**

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Appendix F – Mobile Workforce

Volumes fluctuate throughout the calendar year, making it difficult to consistently match volume to labour at the terminal level. As a result, the Company often has too many employees or not enough, depending on the location. This reality jeopardizes the Company's ability to ensure predictable service to customers. To remedy this situation, effective the signing of the collective agreement, the parties have agreed to create a new classification of employees whose sole responsibility will be to work at terminals that are under staffed.

Therefore, the parties have agreed to the following terms:

1. CN will create two new classifications:
 - Mobile Conductor
 - Mobile Locomotive Engineer
2. The classifications referenced in Point 1 will be bulletined in the quarterly change of card process outlined in this offer. These bulletins will be open to be bid by consolidated system wide seniority taking into consideration official languages requirements.
3. CN will determine the number of Mobile assignments required, which can be increased as needed during that Change of Card period.
4. These assignments will be deployed to any terminal within Canada.
5. If an employee's home terminal is under staffed, they shall not be awarded this position.
6. Employees awarded a Mobile position must remain in this assignment for a period of three (3) months. Upon completion of the three (3) months, employees will be allowed to choose to bid back to their original position at their home terminal in their seniority district, without any loss of seniority, or to bid for another Mobile position.
7. The duration of each assignment shall be twenty-eight (28) days, commencing upon arrival at the assigned terminal. The assignments will have seven (7) continuous unpaid days off at the end of each assignment, with one (1) day of

travel at either end. For further clarity, the (7) unpaid days off at the end of each assignment will not form part of the guarantee.

8. Further to point 6, if an employee elects to bid back to their home terminal at the next Change of Card, and they have commenced a twenty-eight (28) day deployment, they will be required to complete that deployment before being released to their home terminal. As further clarification, the employee will still be entitled to the (7) continuous unpaid days off.
9. All expenses related to travel and accommodations will be covered by CN. Further, CN will provide the all-inclusive allowance to cover meals, and paid transportation to and from their hotel to the assigned terminal.
0. Employees must report to the assigned terminal within three (3) days from notification of the commencement of their mobile assignment.
10. When on a Mobile assignment, employees will be guaranteed forty (40) hours per week. They will be added to a surge board in order of first in, first out principles. The schedules when on a Mobile assignment will be either 5/2, 4/3 or 6/3, as determined by the Company.
11. Employees must remain available for the duration of their assignment, exclusive of the scheduled days off. Failure to remain available for more than one absence will result in those days added at the end of their (28) days assignment.
12. In addition to Point 11, employees will be paid \$750 every week while working at the assigned terminal. Further the \$750 incentive will be prorated for every occasion that the employee is unavailable for their scheduled days.
13. In an effort to avoid losing valued members of the workforce, should an employee being laid off at their home terminal, they may in reverse seniority order be required to take a vacant mobile workforce position.



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Appendix G – CTY West Estoppel Letter – Coupling Cars

**Mr. Raymond Donegan
General Chairman**

610-3530 Millar Avenue
Saskatoon, Saskatchewan
S7P 0B6

Re: CTY West Estoppel Letter – Coupling Cars

Dear Mr. Donegan,

I am writing in response to your letter of December 13, 2023, regarding Ad Hoc 560 and the circular that UTU General Chairperson Bryan R. Boechler issued to the membership on March 30, 2006.

CN is disappointed to learn that the CTY West is taking the position that the instructions given by Mr. Boechler in this circular are incorrect and will not longer be adopting that interpretation of the collective agreement and Ad Hoc 560.

As you know, there is a longstanding requirement for road crews to couple onto and shove cars already in yard tracks, where there is insufficient room, and the cars must be shoved to clear. The circular affirmed this longstanding requirement.

In Mr. Boechler's words:

It was the action of shoving down to couple onto cars at the far end which Arbitrator Picher ruled as not work in connection with their own train and therefore a violation of the Conductor Only Agreement.

If the cars had been at the east end, the crew would have been required to couple onto them and shove to clear. That would not have been a violation.

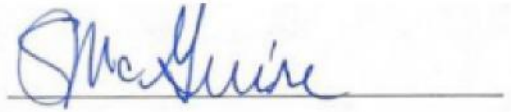
Simply put, if there is room to make the set off without coupling to cars in the track and you are instructed to couple on – it is a violation. **If there is insufficient room, we are required to couple on and shove to clear.**

CN disagrees that Mr. Boechler's instructions are incorrect. Rather, the direction in the circular is entirely consistent with CN's past practice and the collective agreement language. To this end, it

is CNs view that there is nothing in the language of the collective agreement or Ad Hoc 560 which expressly prohibits CN from directing conductor only crews to couple onto and shove cars already in yard tracks where there is insufficient room to yard the train, and the cars must be shoved to be in the clear. As a result, CN intends to continue to direct work in this manner.

Should you have any questions, please feel free to contact me directly.

Best regards,

A handwritten signature in blue ink that reads "Stephanie McGuire". The signature is written in a cursive style and is positioned above a horizontal line.

Stephanie McGuire
Senior Director Labour Relations
CN

**Labour Relations**

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Appendix H – Cancellation of Directional Travel Agreement

Mr. Jim Lennie
General Chairman

156 Parkdale Ave. North, Unit #3
Hamilton, Ontario
L8H 5X2

Re: Cancellation of Directional Travel Agreement

Dear Mr. Lennie,

I am writing in response to your letter of December 13, 2023, regarding the cancellation of local agreements, and in particular the local agreement between Canadian National Railway Company (CN) and United Transportation Union (UTU) regarding directional travel (the Directional Travel Agreement NOD). CN confirms receipt of your notice.

In that regard, it is CN's position that this agreement is limited to training obligations associated with Canadian Pacific Kansas City Railway (CPKC) trains to run on CN's. This training has long been incorporated into the CN Campus training as part of our employees' obligations to become qualified to operate trains on this territory. This agreement in no way has the effect of permitting Canadian Pacific Kansas City Railway (CPKC) trains to run on CN's track, it is CN's management right to lease its track to other railroads, a longstanding practice for the Company.

CN intends to continue to operate its trains on CPKC's track, and to allow CPKC to operate its trains on CN's track.

Should you have any question, please feel free to contact me directly.

Regards,

Stephanie McGuire
Senior Director Labour Relations
CN