

**MEMORANDUM OF UNDERSTANDING BETWEEN CPR AND THE TCRC
< Assigned & unassigned work trains called to work on the Thompson Sub >**

The company (CPR) and the unions (TCRC) have agreed to establish a fixed rate of pay for assigned or unassigned work train crews that work twelve or more hours per tour of duty. This agreement also contains other related benefits and conditions and is written without precedent or prejudice to either party.

1. Conductors, Locomotive Engineers, Pilots (if applicable) and Trainpersons (if applicable) called in work train service to perform work on the Thompson Subdivision will be paid a fixed rate of pay based on the amount of hours on duty as outlined in this document.
2. This payment is based on the same principles established for the fixed mileage method of pay and includes all initial time, work train, tt&j, run miles, deadheading time into and out of service and final time and NR payments. These items will not be claimed in addition to the fixed rate.

Other payments not listed such as conductor only payments, handling revenue cars and any other payments applicable under the collective agreement will be paid in addition to the fixed rate.

3. The provisions of this local agreement will apply to all freight crews called in work train service. If work train payment under the collective agreement would exceed pay as provided for under this local agreement the crew at their option may submit a claim under the provisions of their collective agreement.
4. Future wage increases will be added to the rate established in this agreement. Rates of pay are based on the work train premium added to through freight rate.
5. In the event that the crew or a member of the crew choose to book rest in accordance with the collective agreement (in and off in 10 hours) then the provisions of this local agreement do not apply to that specific tour of duty for the member(s) of the crew booking rest.

If CMC decides to relieve an individual member of the crew who is requiring rest and the remainder of the crew continues working then the remainder of the crew will be paid the applicable fixed rate under the terms of this local agreement.

Employees providing relief on work train account a member(s) of a crew has booked rest will be paid as provided for in the collective agreement.

- less than 12 hours on duty = payment as per the collective agreement.
- 12 hours on duty = 300 miles at the applicable rate of pay.
- 14 hours on duty = 325 miles at the applicable rate of pay.
- 16 hours on duty = 350 miles at the applicable rate of pay.
- Note: On duty hours over 12 hours will be calculated on a per minute basis. (ie. 12 hours & 35 minutes would pay 307 miles). A WM claim code is to be used for all claims over and above the Collective Agreement.

6. For the purposes of payment of a General Holiday claim, if the day preceding the GH was paid on the basis of this local agreement then the total monetary earnings paid for on the working trip will be paid for on the GH.
7. All unassigned work trains called at Kamloops and/or at North Bend will be crewed by spare employees. When an unassigned work train is to be called at North Bend a spare crew will be called specifically for that job out of Kamloops.

Crew will be deadheaded to North Bend the previous night to allow for sufficient rest before start time the next day. Arrangements to allow the crew to deadhead at a later time may be made with the appropriate manager.

When calling conductors for unassigned work trains the spare running list for assigned work trains will be used first followed by normal CMA calling procedures for spare conductors.

Employees in work train service tied up at the away from home terminal of North Bend will only crew a work train on the return trip or be deadheaded home on arrival.

Crews dead heading to and from North Bend in work train service will be paid 100 miles on a separate tieup.

- 8 Crews called for work train service for more than one day who are required to tie up on line will be responsible for ensuring they have an adequate food supply for the first day.

Work train crews working their second or subsequent tour of duty and who may be required to tie up on line will have one meal per day provided and paid for by the company.

Transportation to and from an eating establishment will be arranged and paid for by the company.

Meal break will be determined after consultation with the CPR manager in charge with the intent to ensure maximum productivity. Crews will not be expected to work more than eight hours without the benefit of a meal.

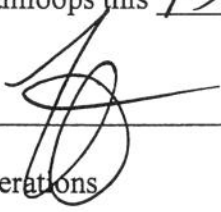
Crews who decide not to stop for a meal during the tour of duty will be compensated by claiming 13 miles using the WM claim code in addition to their daily entitlement at the completion of their tour of duty. RTE's will also claim 13 miles for claiming a meal (if they are entitled to such) when the company is expected to pay for a meal as per above.

- 9 This local agreement may be amended, revised or cancelled with a thirty day written notice from any of the parties signatory to this agreement.


Questions and Answers – Work Train Agreement

- Q1 - If CMC call me to relieve a member of the crew on a work train for the purpose of rest, what will I get paid for this tour of duty?
- A1- You will be paid as provided for in the collective agreement. You will only be entitled to the fixed rate if you are 12 hours or greater on duty.
- Q2 - If I bring the work train to North Bend and go off duty can CMC put me in the pool for a freight trip to Kamloops?
- A2 - No crew called in work train service will be positioned in the freight pool. CMC can keep you at North Bend only to crew a work train. If there is no work train to crew for the return trip the work train crew will be deadheaded home on arrival at North Bend.


Signed at Kamloops this 15th day of Sept. 2010.



T. Litowsky
Manager Operations



F. O'Genski
TCRC Conductors Representative



E. Di Credico
TCRC Engineers Representative