

MEMORANDUM OF SETTLEMENT

DATED

MAY 11, 2017

BETWEEN

CANADIAN PACIFIC



(Hereinafter referred to as the Company)

And the

TEAMSTERS CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION



(Hereinafter referred to as the Union)

CONCERNING

APPLICATION OF WAGE INCREASES AND OTHER CHANGES
COVERING THE YEARS 2018, 2019, 2020, 2021 and 2022

The Parties reserve the right to add to, revise, modify, substitute, amend, or withdraw any of the following, at their sole discretion. Any settlement or agreement reached on any item or items is conditional upon the conclusion of a global, total, and comprehensive memorandum of settlement, which has been ratified.

PREAMBLE

The terms and conditions of this memorandum of settlement are in recognition of the term of this agreement. The items outlined in this settlement are reflective of the extraordinary efforts made by the parties in entering into a five year settlement.

1. TERM OF CONTRACT

Each Collective Agreement, as outlined in Appendix 1, attached, between the Company and the TCRC MWED will be renewed for a period of five (5) years commencing January 1, 2018 through to December 31, 2022.

Replace Section 22.5 with the following:

This Agreement effective January 1, 2018 as amended and updated shall remain in full force effect until December 31, 2022 thereafter; subject to six months' notice in writing from either party to the other of their desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2022.

2. WAGES AND OTHER COMPENSATION

A. General Wage Increase

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

- a) Effective January 1, 2018, increase by 2% the rates in effect on December 31, 2017.
- b) Effective January 1, 2019, increase by 2% the rates in effect on December 31, 2018.
- c) Effective January 1, 2020, increase by 2% the rates in effect on December 31, 2019.
- d) Effective January 1, 2021, increase by 2% the rates in effect on December 31, 2020.
- e) Effective January 1, 2022, increase by 2% the rates in effect on December 31, 2021.
- f) See letter at Appendix 2, attached, regarding Application of General Wage Increase for the Term of Agreement.

B. Change TM/TD with AIR – BTMF rate to be equal to Group 1 Machine Operator

3. BENEFITS - Plan Amendment Document

Upon final settlement and effective January 1, 2018, the appropriate documents will be updated to reflect the following benefit terms.

A. Life Insurance

- a) Effective January 1, 2018, the group life insurance coverage will be increased from \$51,000 to \$52,000 for employees who have service with the Company on or subsequent to that date.
- b) Effective January 1, 2019, the group life insurance coverage will be increased from \$52,000 to \$53,000 for employees who have service with the Company on or subsequent to that date.
- c) Effective January 1, 2020, the group life insurance coverage will be increased from \$53,000 to \$54,000 for employees who have service with the Company on or subsequent to that date.
- d) Effective January 1, 2021, the group life insurance coverage will be increased from \$54,000 to \$55,000 for employees who have service with the Company on or subsequent to that date.
- e) Effective January 1, 2022, the group life insurance coverage will be increased from \$55,000 to \$56,000 for employees who have service with the Company on or subsequent to that date.

B. Disability Benefits

- a) Effective January 1, 2018, the maximum benefit will be increased to \$720.00.
- b) Effective January 1, 2019, the maximum benefit will be increased to \$730.00.
- c) Effective January 1, 2020, the maximum benefit will be increased to \$740.00.
- d) Effective January 1, 2021, the maximum benefit will be increased to \$750.00.
- e) Effective January 1, 2022, the maximum benefit will be increased to \$760.00.

C. Dental Plan

Modify the provision concerning covered expenses as follows:

- a) Effective with treatment which commenced on or after January 1, 2018 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2018.
- b) Effective with treatment which commenced on or after January 1, 2019 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2019.
- c) Effective with treatment which commenced on or after January 1, 2020 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2020.
- d) Effective with treatment which commenced on or after January 1, 2021 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2021.
- e) Effective with treatment which commenced on or after January 1, 2022 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2022.

D. Extended Health & Vision Care Plan

- a) Effective January 1, 2018, the maximum amount of chargeable expenses for vision care will be increased from \$275.00 to \$325.00 (coverage will remain at 80%) in a 12 month period for persons under the age of 18 and in a 24 month period for persons age 18 and over.
- b) Effective January 1, 2018, Massage Therapy by a certified Massage Therapist will be added to the list of providers.
- c) The TCRC MWED's proposal regarding maximum lifetime benefit has been resolved by way of the side letter contained at Appendix 3, attached.

E. Benefits General

Effective January 1, 2018, or as soon thereafter as it may be arranged, the various contracts and policies provided in the Employee Benefit Plan Supplemental Agreement and attached as Appendices to the Dental Plan and the Extended Health & Vision Care Plan, will be amended in conformity with the aforementioned changes.

4. WORK RULES

A. Section 3.12 – On Call

Replace Section 3.12 with the following:

The Company and the TCRC MWED will review opportunities where two (2) or possibly three (3) qualified employees from designated mainline subdivisions will be placed on call on the following basis:

- a) Positions will be awarded on a senior may basis.
- b) In this application the employee on call will be the first called for any after-hours callouts during the on-call period on their home section limits. In situations for callouts off of their home section limits, the call out procedure in article 3.1 would apply. In all circumstances where additional employees are required they shall be called using procedures in accordance with the article 3.1.
- c) On call employees cover entire subdivision or terminal.
- d) Company has the ability to implement/cancel “on call” with seven (7) days’ notice depending on seasonal and/or operational requirements.
- e) Employees on call to receive eight (8) hours pay at straight time rates, for each seven (7) day period on call.
- f) Employees on call must carry a Company supplied cellular phone while protecting the service.
- g) Employees on call must be fit for duty and will be required to respond to callouts during the on call period.

B. Section 4.2 – General Holiday Scheduling (Family Day)

Separate ballot will be included with ratification vote to determine whether Family Day or its provincial equivalent is taken or the day after New Year’s decided by membership ballot.

C. Section 6 - Vacation

Add the following to Section 6.11:

Vacation carry over must be used prior to May 1 of the following year. Example: 2016 vacation that is accrued in 2015 and carried over must be used by May 1, 2017. On May 1, of each year, the calculation of Vacation Top up in accordance with the Canada Labour Code shall be made for all employees and paid no later than June 1 of that calendar year. In the event any of the previous years' vacation has not been taken, it will be paid in lieu of at the same time as the Vacation Top up.

Replace Section 6.15 with the following:

An employee who is laid off may elect to be paid for any vacation not previously taken and due at the beginning of the calendar year, and, if the employee is not recalled to service during that calendar year, shall upon application be allowed to receive pay in lieu of any vacation due to the employee at the beginning of the following calendar year, or they shall have the option to use the vacation in consecutive weekly increments while laid off until the previous year's vacation is exhausted. Such time will be used in the calculation of CCS, pension, stat holiday eligibility and benefits.

Add the following Note to Section 6.18:

NOTE: For seasonal work crews that commence after March 1, vacation requests must be submitted by the end of their first work cycle of the start of the work season. The vacation schedule for each work crew shall be posted within one month of the vacation requests being submitted. Such requests shall be made directly with the crew manager.

Amend section 6.19 as follows:

Subject to the Note in Section 6.18, unless otherwise mutually agreed, employees who do not apply for vacation prior to March 2nd or, for seasonal crews commencing after March 1, prior to the end of their first work cycle, shall be required to take their vacation at a time to be prescribed by the Company.

D. Section 7 Deduction of Dues

The TCRC's proposal regarding provision of membership cards and deduction of reinstatement fees has been resolved by way of the side letter contained at Appendix 10, attached.

E. Seniority - Seniority Lists

Add the following to Section 9.5:

NOTE: In conjunction with the annual meeting pursuant to Section 13.4, the Union representatives will also meet with the designated officers of the company to discuss any changes to seniority lists on each district and division. At least 14 days prior to such meeting the Company will provide draft seniority lists. At least 7 days prior to such meeting the Union will provide a list of any issues to be discussed.

F. Seniority - Assistant Extra Gang Foreman required training

Remove Section 9.16.

G. Seniority - Promotion and reversion from/to Union ranks

Replace Section 10.21 with the following:

- a) An employee accepting an official temporary position with the Railway will be required to pay an assessment fee equal to monthly Union dues (the "Assessment") and will continue to accumulate all seniority.
- b) An employee who has accepted an official permanent position with the Railway will have the following options in regards to seniority:
 - i) Elect to pay the Assessment and continue to accumulate seniority for a period of two years. At the end of the two year period, the seniority of the employee shall be frozen provided the employee continues to pay the Assessment. The principles set out in article 10.23 shall apply.
 - ii) For those employees who accepted a position prior to the effective date of the January 1, 2012 Agreement, and who elected not to pay the Assessment, seniority will continue to be frozen and such employee will not accumulate additional seniority.

- iii) For those employees who accepted a position after the effective date of the January 1, 2012 Agreement, and who elected to continue to pay the Assessment, seniority will continue to accrue for a period of two years from January 1, 2018, so long as the employee continues to pay the Assessment. At the end of the two year period the employee's seniority will be frozen provided the employee continues to pay the Assessment.
- c) Every employee who accepts an official permanent position with the Railway on or subsequent to January 1st, 2018:
- i) Will have 90 days, from the date of appointment, to advise the Union and the Company of his or her decision whether or not to pay the Assessment. The employee's decision will be provided in writing on the designated form and, if required, will make any necessary arrangements for deduction of the Assessment.
 - ii) If the employee chooses not to pay the Assessment, he or she shall be removed from all seniority lists and forfeit all previously accrued seniority. A copy of the employee's written declaration shall be provided to the Secretary Treasurer of the TCRC MWED via either fax or email.
 - iii) Except for employees who fall within the scope of paragraph b) ii) above, every employee that initially elects to pay the Assessment and subsequently decides to stop paying the Assessment will be removed from all seniority lists and forfeit all previously accrued seniority.

H. Section 11 – Staff Reduction and Recall

Add the following Note to Section 11.3 (a):

NOTE: Employees who already possess a preponderance of the qualifications required for a particular position or could be qualified on the job site in a reasonable period of time, shall be permitted to displace into the position in accordance with Appendix A-3. This shall not apply to positions for which Seat Stability applies, as per Article 5.17 of the Machine Operators Supplement, or positions where Train and Hold applies, as per Article 14.5A of Wage Agreement No. 41 and Article 5.3A of the Machine Operators Supplement.

In application to the Machine Operators Supplemental Agreement the Company and Union shall review annually what minimum level of qualification is to be possessed by an employee to be eligible to make such displacement by classification and machine type.

When 14 working days or less remain on a temporary position only fully qualified employees may displace into such positions.

I. Section 12.9 – Expenses (Rest Day Travel)

Add the following to Section 12.9:

For all Rest Day Travel expense claims submitted to the Company, the employee submitting such expense claim shall retain evidence (which, when possible, will include receipts) verifying the expense claimed for 1 year from the date of the expense claim. Upon formal request from a Company Officer in Forensic Audit & Investigations, Employee Relations or Labour Relations an employee shall provide the evidence verifying the expense claimed.

J. Section 12.9 – Expense Allowance Increases

Amend Section 12.9, where applicable, to reflect the following:

- Per diem (currently \$106.00/day):
 - \$4.00 increase effective January 1, 2018, and
 - \$2.00 increase effective January 1, 2020, and
 - \$2.00 increase effective January 1, 2022
- Meal allowance (ad hoc) (currently \$43.00/day)
 - \$4.00 increase effective January 1, 2018, and
 - \$2.00 increase effective January 1, 2020, and
 - \$2.00 increase effective January 1, 2022
- Forced to temporary (minimum 80 km from residence) – flat monthly rate in lieu of daily expenses (first month) (currently \$1200)
 - \$50.00 increase effective January 1, 2018
- Forced to temporary (minimum 80 km from residence) – flat monthly rate in lieu of daily expenses (subsequent months) (currently \$825/month)
 - \$30.00 increase effective January 1, 2018

- Meal allowance (other) (currently \$22.50/day)
 - \$1.00 increase effective January 1, 2018, and
 - \$2.00 increase effective January 1, 2020, and
 - \$1.50 increase effective January 1, 2022
- Meal allowance (rest day) (currently \$28.10/day)
 - \$2.00 increase effective January 1, 2018, and
 - \$2.00 increase effective January 1, 2020, and
 - \$2.00 increase effective January 1, 2022
- Meal allowance (12.27 held on duty) (currently \$15.00/day)
 - \$1.00 increase effective January 1, 2018

K. Section 12.14 – Mid-Cycle Hotel Changes

Replace Section 12.14 with the following:

Employees not traveling in boarding and sleeping cars when such cars are moved on orders of the Railway and employees required to change hotels mid cycle will, provided they were available for duty at the old work location at the completion of work and are available for duty at the new location at the commencement of work, be paid straight time for the time taken for such movements during regular working hours. Employees moved on orders of the Railway outside of regular working hours shall be paid at the overtime rate for all such hours.

L. Contracting Out

Number the Note at the end of Section 13.2 (page 131) and add further numbered Notes, so they are as follows:

Note 1: Refer to Appendix 1 of this Section concerning the Company's commitment to commence insourcing work.

Note 2: See Appendix A-19 – Letter dated May 11, 2017 with respect to the Company's ongoing obligation to reduce contracting out.

Note 3: See Appendix A-20 - Letter dated May 11, 2017 with respect to Bridge & Structures facilities work.

See Appendix 4, attached, for Appendix A-19.

See Appendix 5, attached, for Appendix A-20.

M. Training – Train and Hold

Add new Section 14.5A as follows:

An employee who is awarded a position by bid, but does not possess the requisite qualifications for an Extra Gang Foreman, Assistant Extra Gang Foremen, Track Maintenance Foreman, Lead Track Maintainer or B&S Foreman position, will remain in the position for which the training is required for a period of three (3) regularly scheduled monthly bulletin cycles following the date of award unless such employee is appointed to or obtains a bulletin position in a higher rated classification, is displaced by a senior qualified employee or upon conclusion of the position. The Company shall provide the requisite training during the hold period.

Add new Section 5.3A to Machine Operator Supplement (Green Pages) as follows:

An employee who is awarded a position by bid, but does not possess the requisite qualifications for classification and positions listed below, will remain in the position for which the training is required for a period of three (3) regularly scheduled monthly bulletin cycles following the date of award unless such employee is appointed to or obtains a bulletin position in a higher rated classification, is displaced by a senior qualified employee or upon conclusion of the position. The Company shall provide the requisite training during the hold period.

1. Special Group Operator (any equipment)
2. Group 1 Machine Operator
 - a. Autosled
 - b. Ballast Regulator
 - c. Ballast Maintenance Machine (RM76)
 - d. Snowblower – self-propelled, non-detachable
 - e. Speedswing
 - f. Cribber / Adzer
 - g. Switch Undercutter Super GO4
 - h. Spreader
 - i. Tie inserter, Tie injector (Tie extractor to be excluded)
 - j. Tie Unloading Machine/OTM Tracker
 - k. Backhoe/excavator

3. Group 2 Machine Operator
 - a. Adzer/Cribber
 - b. Rail Heater for CWR

An employee who is awarded a position by bid, but does not possess the requisite qualifications for a Group 1 Machine Operator for Trucks over 28,000 lbs. GVW and Trucks over 16,000 lbs. GVW equipped with hi-rail equipment, including all Brandt Roadrailer trucks, will remain in the position for which training is required for a period of six (6) regularly scheduled monthly bulletin cycles following the date of award unless such employee is appointed to or obtains a bulletin position in a higher rated classification, is displaced by a senior qualified employee or upon conclusion of the position. The Company shall provide the requisite training during the hold period.

Note: See Appendix A to the Machine Operator Supplement

See Appendix 6, attached, for Appendix A to the Machine Operator Supplement.

N. Training

Add the following to Section 14:

Training - Online

14.35 Technical training may involve online training modules. Such training may be self-directed and may be completed at other than a Company facility during non-working hours.

Each such training module will include estimated completion time. Employees will be paid such time at the straight time rate of their position upon successful completion of the training module.

Add the following to Section 14:

Training - Future training modalities

14.36 Should new training modalities be developed and implemented by the Company, the Joint Training Committee shall meet to discuss mutually agreeable terms of implementation, agreements not to be unreasonably withheld.

For Joint Training Committee, see Appendix 7, attached.

O. Training – Training and Mentoring Program

See Appendix 8, attached.

P. Investigations – Admission of Responsibility

Amend paragraph 1 of the Admission of Responsibility section of Appendix A-9 (page 180) and the Admission of Responsibility letter on page 181 by removing the phrase “10 demerit marks or less” and replacing it with “a suspension of up to 5 working days (which may include deferred and/or record suspensions)”. Paragraph 1 will read as follows:

- 1) Where an individual, after having been provided the opportunity to discuss the matter with the Union's Regional Director, admits responsibility for an incident where the penalty to be assessed is a suspension of up to 5 working days (which may include deferred and/or record suspensions), and the individual chooses to waive the right to a formal investigation provided for in his/her Collective Agreement, discipline may be assessed without the need for such investigation.

And the Admission of Responsibility letter on page 181 will read as follows:

ADMISSION OF RESPONSIBILITY

Canadian Pacific

Location, Province

Date:

Dear Sir/Madam;

This will acknowledge that I, (Name and Occupation), have opted to admit responsibility in connection with (incident (s)) dated _____ and in accordance with the terms agreed upon between the Company and the TCRC MWED respecting Admission of Responsibility outlined in Appendix A-9 of Wage Agreement 41, I have chosen to forego a formal investigation with the understanding that any discipline that may be assessed in consequence thereof will be a suspension of up to 5 working days (which may include deferred and/or record suspensions).

I acknowledge that I have been provided the opportunity to discuss this matter with my Union Region Director. I further acknowledge that I fully understand the terms and conditions associated with "Admission of Responsibility" and that, by opting to choose this course of action, I am waiving any and all rights to appeal discipline that may be accordingly assessed.

(Signature)

Witnessed:

Accredited Representative

Q. Investigations – Deferred Discipline

Remove Deferred Discipline portion of Appendix A-9.

R. Investigations – Held out of service

Amend Section 15.1 by removing the phrases "five (5) work days" and "five (5) day" and replacing with "forty (40) working hours". The amended portions of Section 15.1 will read as follows:

In such cases, an employee held out of service more than forty (40) working hours, or as mutually extended, will be paid a regular days pay, at the basic rate of pay, exclusive of overtime, for each day held out of service in excess of the forty (40) working hours, or such other agreed upon period, whatever the decision rendered by the Company.

If an employee is unavailable for investigation, the forty (40) working hour period shall be extended by a period equal to the period the employee was unavailable.

S. Section 15.2 – Investigations re: Union Representation and associated expenses

Replace Section 15.2 with the following:

When an investigation is to be held, the employee will be notified 48 hours in advance, in writing, with an electronic copy to the Regional Director, of the time, place and subject matter of such hearing. He may, if he so desires, have a fellow employee and/or an accredited Representative of the TCRC MWED present at the hearing. The employee involved in the investigation will not suffer a loss of regular earnings, except if held out of service. Reasonable

expenses will be provided to the employee involved when an investigation cannot be held within a reasonable commute.

The accredited Representative and/or fellow employee attending the hearing will be subject to the following:

- The Company will compensate either the accredited Representative or the Fellow Employee for attending the hearing:
 - 1 day of Regular earnings, and
 - Actual reasonable expenses.

In the event that an investigation extends beyond 1 day, the accredited Representative or the Fellow Employee may, with the prior consent of the Company, which will not be unreasonably withheld, be compensated for the time he or she attends the investigation. When such circumstances arise, the Union will, to the extent possible, direct the accredited Representative or Fellow Employee closest to the location of the investigation to attend it. Reasonable expenses for accredited Representatives or Fellow Employees who attend investigations beyond the first day will be discussed by the Company and the Union on a case by case basis. The accredited Representative or Fellow Employee will be responsible to ensure that time spent in investigations is properly coded in the Company's pay systems, as attending investigation (AI).

It is understood that expenses will not normally exceed payment for one day which includes the day of the investigation. In cases where the Union directs an accredited Representative or Fellow Employee who does not reside/work at a location closest to the location the investigation is being held, the Union will notify the VP Engineering of the reasons for their decision.

The employee will be provided a copy of the evidence with the notice of the hearing. The employee will have the opportunity to review all evidence taken, immediately prior to the commencement of the hearing, and he shall be furnished with a copy of the statement, and, on request, copies of all evidence taken. Investigations will be held during regular hours to the extent practicable. Where it can be demonstrated that an investigation could have been held within regular hours, the employee will be compensated for a maximum of three (3) hours pay at straight time rates. Electronic copies of the notice, evidence and investigation transcripts will be provided to the Union's Regional Director upon request and if available. When electronic copies of audio or video files are to be provided, the Union's Regional Director will be required to confirm in writing or by email that such files will not be provided to any other individuals and that such files are for the exclusive purpose of grievance and arbitration.

NOTE: Company agrees that initial investigations (phone calls without Union representation) will be memorialized in a memorandum and entered as

evidence in the investigation. The Company further agrees that in the event that an initial investigation (phone call without Union representation) is not memorialized in a memorandum, the contents of the initial investigation shall not be used or relied upon as evidence in any disciplinary investigation, during the grievance procedure or at arbitration.

T. Grievances – Initiating at Step 2

Amend Section 15.6 by removing the phrase “30 demerits” and replacing with “a suspension of 10 calendar days”. The amended portion of Section 15.6 will read as follows:

Grievances concerning dismissals and the assessment of a suspension of 10 calendar days or more will be initiated at Step 2 of the grievance procedure. Vacancies created by dismissals will not be bulletined as permanent during the appeal period (maximum of two (2) years). This practice will not be used by the Union during the grievance process or at arbitration to argue that dismissals are other than permanent.

U. Printing of Agreements

Add the following sentence to Section 22.4:

The printing of this agreement shall only include Wage Agreement Nos 41 & 42 and the Supplements. The Job Security Agreement and employee benefit plans will be made available to employees electronically and, upon request, will be printed for employees on 8.5” x 11” paper.

V. Appendix C – Flagging Agreement

Add the following to the end of the Flagging Agreement portion of Appendix C:

6. Flagging positions may be bulletined on the Vancouver, Toronto and Quebec Division Seniority Territories annually to establish flagging pools. Flagging positions established in this way may be assigned flagging duties as short as one day in duration at any one work location and may be required to work at any location on the BST on which the position is established.

Flagging pools may be established on other BST's as may be required under mutual agreement of the Company and the Union.

It is understood that if more than one flagman position is established within a flagging pool on the same basic seniority territory, efforts will be made to assign work locations on a seniority basis.

Flagging positions shall be headquartered and incumbents shall begin and end their days at the headquarters when the flagging assignments are within 56km of the headquarter location. When flagging assignments are greater than 56km from the headquarter location the Company shall have the option to assign an alternate assembly point. When an alternate assembly point is assigned provisions of Wage Agreement No. 41, Article 12.22, shall apply.

W. Machine Operator Supplement – Bidding for Seniority Purposes

Add the following to Section 3.7:

An employee working in a position in Column B may establish seniority by bid in any other classification in which they are qualified to work in Column B and in which they did not previously hold seniority and will thereafter accumulate seniority in that classification as provided in Article 10.14 (a) of Wage Agreement No. 41.

Further an employee working a position in Column B may establish seniority in a classification in Column A for which they are qualified to work and in which they did not previously hold seniority. This shall only apply to Trucks in the listed machines in 4.1 of the Machine Operator Supplemental.

Employees bidding for seniority purposes only under this article 3.7 shall only be awarded seniority when the advertised position is awarded to another employee. In the event the position is not awarded to another employee, the senior employee bidding for seniority purposes only will be given the opportunity to report to the position in order to obtain the seniority or withdraw their bid.

X. Machine Operator Supplement – Seat Stability

Replace Section 5.17.2 of the Green Pages with the following:

Positions selected for seat stability will be reviewed at the meeting provided for under section 8.3. Such discussions will include the application of item 5.17.2 and will be consistent where possible however might be used on a specific machine on a crew or on a crew by crew basis.

Replace Section 5.17.6 of the Green Pages with the following:

Seat stability premium payment will be paid at a flat rate as follows:

Position	Premium Payment per 5/2 & 4/3 Work Cycle	Premium Payment per 7/7 or 8/6 Work Cycle
MO Special Group	75.00	150.00
MO Group 1	50.00	100.00

Y. Housekeeping

Remove the following Appendices:

- A-11 - Letter Dated June 6, 2007 Concerning the Bid/Award System
- A-15 - Letter Dated December 8, 2012 Concerning Company and Union Communications
- F-7 - Letter Dated November 30, 2000 Concerning ES Status Employees Formerly Employed On the Canadian Atlantic Railway
- F-12 - Letter Dated June 6, 2007 Concerning Starting Rates For New Hire Employees

5. OTHER

A. Job Security Agreement (JSA) – Appendix “L”

The Parties have resolved this issue by amending Appendix “L” of the JSA to reflect 2018, 2019, 2020, 2021 and 2022.

B. JSA - Employment Security Fund Revision

Add Appendix 9, attached, as Appendix “M” of the JSA.

6. DURATION

Unless otherwise referred to herein, this Agreement (including all Supplemental Agreements) shall remain in effect until December 31, 2022.

SIGNED AT CALGARY, ALBERTA this 11th day of May, 2017.

For Canadian Pacific:



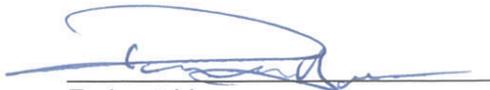
Myron Becker
Assistant Vice President
Labour Relations



Justin Meyer
Vice President
Engineering



Matt Foot
General Manager
Engineering Planning



Robert Hope
Director, Production West
Engineering

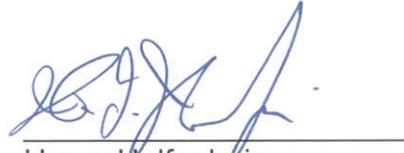


Dave Guerin
Senior Director
Labour Relations

For TCRC MWED:



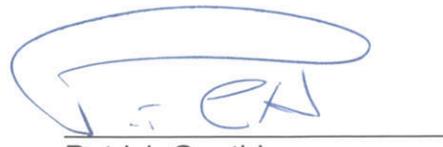
Gary Doherty
President
TCRC MWED



Henry Helfenbein
Vice President
TCRC MWED



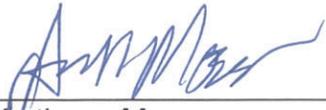
Wade Phillips
Director, Eastern Region
TCRC MWED



Patrick Gauthier
Director, Atlantic Region
TCRC MWED



David Brown
Counsel



Anthony Mosso
Assistant Director
Labour Relations



Brian Medd
Manager
Labour Relations

APPENDIX 1

Collective Agreements

Wage Agreement No.41

Machine Operators Supplemental Agreement

Timekeepers Supplemental Agreement

Work Equipment Maintainers Supplemental Agreement

Rail Yards, Rail & Frog Reclamation Plant Supplemental Agreement

Rail Butt Welding Supplemental Agreement

Thermite Welding Gangs Supplemental Agreement

Wage Agreement No. 42 Extra Gang Labourers

APPENDIX 2

Application of General Wage Increase for the Term of Agreement

Gary Doherty
President
TCRC-MWED

Dear Sir,

This refers to our discussions regarding a General Wage Increase over the 5 year term of the Collective Agreement covering January 1, 2018 to December 31, 2022.

In recognition of the 5 year term agreed upon by the parties, and acknowledging the labour stability that a long term settlement provides, the Company is prepared to tie the General Wage increases for the years 2021 and 2022 to the operating realities of the Company at that time.

The parties agree that the General Wage Increases associated with years 2021 and 2022 will be a minimum of 2%. However, there is an opportunity for these General Wage Increases to exceed this minimum based on year-over-year percentage increases to the Company's Revenue Ton Mileage (RTM). RTMs are available externally on the Investor Relations website: <http://www.cpr.ca/en/investors/key-metrics>.

As long as the Minimum Threshold, defined below, is exceeded, the available General Wage Increases for 2021 and 2022 are as follows:

Year-Over-Year (YOY) RTM % Increase	< 3%	3-4%	≥4%
Associated General Wage Increase	2%	2.5%	3%

The YOY RTM % Increase for the 2021 GWI shall be calculated as follows:

$$\frac{(\text{RTM (Dec. 1, 2019 to Nov. 30, 2020)} - \text{RTM (Dec. 1, 2018 to Nov. 30, 2019)})}{\text{RTM (Dec. 1, 2018 to Nov. 30, 2019)}} \times 100 = 2021 \text{ YOY RTM \% Increase}$$

The YOY RTM % Increase for the 2022 GWI shall be calculated as follows:

$$\frac{(\text{RTM (Dec. 1, 2020 to Nov. 30, 2021)} - \text{RTM (Dec. 1, 2019 to Nov. 30, 2020)})}{\text{RTM (Dec. 1, 2019 to Nov. 30, 2020)}} \times 100 = 2022 \text{ YOY RTM \% Increase}$$

To determine if the RTM escalation(s) are available, the RTM for the period of December 1, 2015 to November 30, 2016 will be used as a "Minimum Threshold". The RTM escalations shall only be available if the following criteria are met:

- For 2021, the RTM for the period of December 1, 2018 to November 30, 2019 must exceed the Minimum Threshold; and
- For 2022, the RTM for the period of December 1, 2019 to November 30, 2020 must exceed the Minimum Threshold.

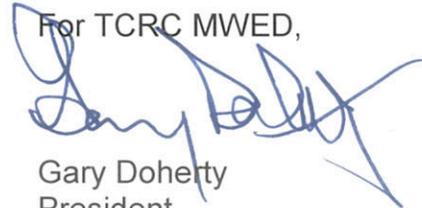
The parties agree that the Minimum Threshold criteria and the YOY RTM % Increase criteria outlined above are based on freight service only. Additionally, should the Company enter into any sale or acquisition of business during these periods, the effect of these transactions' impact will be removed from the RTM snapshots for the all the periods outlined above.

Yours Truly,



Myron Becker
Assistant Vice President
Labour Relations

For TCRC MWED,



Gary Doherty
President

APPENDIX 3

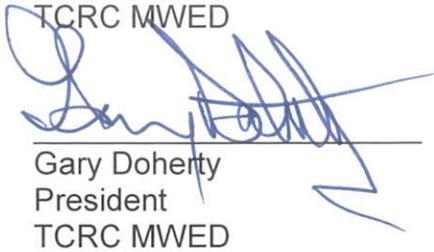
May 11, 2017
Calgary, Alberta

During the current round of negotiations, the TCRC MWED submitted a demand to increase the Maximum Lifetime amount for Extended Health and Vision Care Benefits.

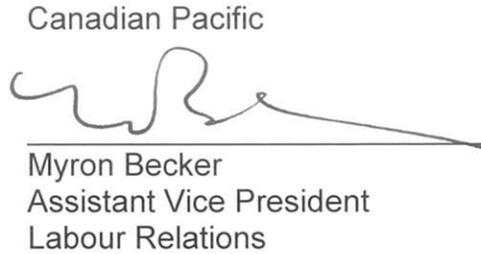
Even though the Company could not agree with the Union's demand as advanced, the Company recognized that there will be situations when it will be appropriate to provide special case employees with Benefits in excess of the current lifetime maximum of \$50,000.

When such a case occurs, the President of the TCRC MWED and the Company's AVP or VP of Labour Relations will discuss the situation and determine whether the conditions required for the provision of excess Benefits have been met.

The conditions to be considered shall include, but not be limited to, the presence of serious medical conditions that require ongoing or protracted medical treatment.

TCRC MWED


Gary Doherty
President
TCRC MWED

Canadian Pacific


Myron Becker
Assistant Vice President
Labour Relations

APPENDIX 4

May 11, 2017
Calgary, Alberta

RE: APPENDIX 1 IN SECTION 13 OF AGREEMENT NO. 41

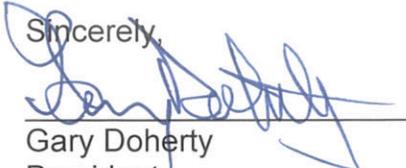
This is further to our discussion concerning the Company's ongoing obligation to reduce contracting out.

While the Union acknowledges that the Company has taken significant steps towards meeting its obligations pursuant to Appendix 1 of Section 13.9 of Agreement No. 41, the Company has not yet fully satisfied those obligations.

The Union is concerned to ensure that progress continues to be made and that the gains that have already been achieved are not lost or reduced.

In an effort to assist in this regard, the Union undertakes to continue to work with the Company to ensure that instances of contracting out are reduced.

That being said, and in order to address its concerns, the Union reserves the right to grieve in the event that after December 31, 2017 the Company fails to make every reasonable effort to meet its commitments pursuant to Appendix 1 of section 13.9.

Sincerely,


Gary Doherty
President
TCRC MWED

concur:

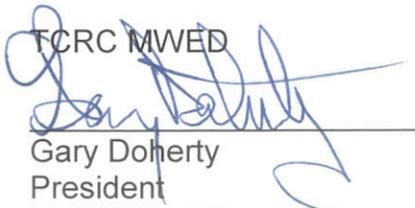

Justin Meyer
Vice President
Engineering, CP Rail

APPENDIX 5

May 11, 2017
Calgary, Alberta

Further to proposals discussed during bargaining concerning the contracting out of Bridge and Structures facilities work, the parties agree to the following;

1. The parties will meet to discuss the creation of positions within the Bridge and Structures department that will deal solely with Facility work.
2. The parties will meet as soon as possible but not later than 30 days following the ratification of the memorandum of settlement to discuss the insourcing of facility work that is currently being contracted out.
3. The parties will within 90 days from the initial meeting develop a framework to address ongoing contracting out of facility work.
4. It is understood the positions, training, and retention of employees dedicated to facilities work shall be discussed within this framework.
5. It is understood that additional flexibility or the creation of new seniority territories or work areas may be established during these meetings, to meet operational requirements and distribute manpower efficiently.
6. It is understood between the parties that cost, work quality and expedience will be considerations when developing a framework for insourcing of facilities work.

TCRC MWED


Gary Doherty
President
TCRC MWED

Canadian Pacific


Justin Meyer
Vice President
Engineering

APPENDIX 6

May 11, 2017
Calgary, Alberta

During the current round of negotiations, the parties implemented language regarding training for Group 1 Truck drivers. It was agreed that the application of Train and Hold for Group 1 Machine Operators for Trucks over 28,000 lbs. GVW and Trucks over 16,000 lbs. GVW equipped with hirails, including all Brand Roadrailer Trucks, shall only be implemented once the Company and Union, through the Joint Training Committee, agree on the details of the training program and the process to be used in the qualification of such positions.

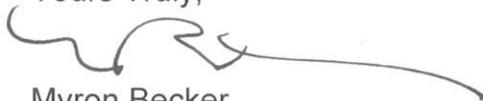
Items to be resolved include but are not limited to:

- Content and Curriculum of internal training courses.
- Required external courses and regulatory licensing.
- Costs of the program.
- Involvement of Trainer/Mentors and Management employees.
- Initial appointment of RQ candidates to positions and how Company operations will be supported during that time.

The parties agree to resolve this issue within 120 days of ratification of the agreement.

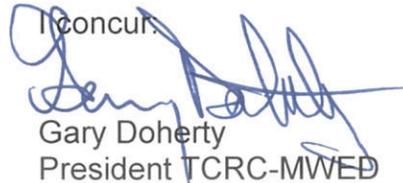
It is understood that the resolution reached would not go into effect before January 1, 2018.

Yours Truly,



Myron Becker
AVP, Labour Relations

I concur.



Gary Doherty
President TCRC-MWED

APPENDIX 7

May 11, 2017
Calgary, Alberta

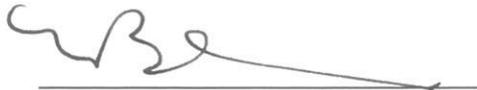
Letter Concerning the Establishment of a Joint Training Committee

During negotiation discussions, both the Company and the TCRC MWED agreed that it is in the interest of both parties to establish a closed period Training Committee composed of two Company and two Union representatives. The Committee's ongoing mandate will be to review, propose, develop and oversee training methods and programs for TCRC MWED employees. This will include reviewing the components of online training modules and determining the number of hours required to complete them.

In addition to the broad authority outlined above, the Committee shall have the power to retain experts in the field to advise on training related matters and to recommend possible programs and strategies.

Both Union and Company nominees to the Training Committee shall be named within thirty days of ratification of this collective agreement and shall meet within sixty days. Subsequently, meetings shall occur every three months or at such other time as may be required. Meetings may take place either in person or by way of conference call.

Canadian Pacific



Myron Becker
Assistant Vice President

TCRC MWED



Gary Doherty
President

APPENDIX 8

May 11, 2017
Calgary, Alberta

Mr. G. Doherty
President TCRC-MWED

Dear Sir:

This refers to our discussions during the current round of collective bargaining regarding the parties desire to develop a trainer/mentorship program for employees. We both recognize the value of such a program with a long term desire in the training, development and retention of our employees. It is agreed that Unionized Trainer/Mentor positions will be established pursuant to the following:

- The number of required trainers and locations shall be mutually established by the parties during Section 8.3 meetings that are to occur by no later than November 15 of each year preceding the next production work season.
- The Company will issue a special bulletin for employees to declare their interest for Trainer/Mentor positions. The list of those that apply shall be supplied to the Union by no later than October 15 of each year in advance of the Section 8.3 meeting. The Company will review all potential candidates with the Union, however retains final right of selection for each position chosen.
- Trainer/Mentor positions shall be paid at the Extra Gang Foreman (Section 2.8) rate of pay and entitled to an additional 3%, for all regular and overtime hours of work. The premium payment will be processed as a lump sum payment at the end of the work season, or the end of the position, as applicable.
- The duties of the trainer/mentor position shall be established jointly by the Company and the Union at the initial Section 8.3 meeting.
- A Trainer/Mentor failing to maintain an appropriate level of performance may, at the discretion of the Company and after discussion with the Union, be removed from the position. In such circumstances, the employee will have the previously earned premium paid out for the time occupied and

revert to their former position or exercise seniority per the collective agreement. The Company shall provide the Union the evidence it relied upon in deciding to remove the employee from his or her position.

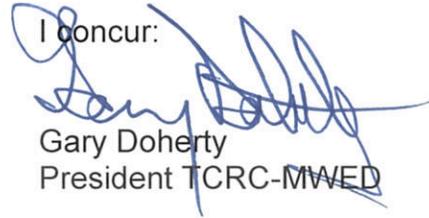
I am sure you will agree that the collaborative approach to training and mentoring will help develop our employees in a meaningful way.

Yours Truly,



Myron Becker
AVP, Labour Relations

I concur:



Gary Doherty
President TCRC-MWED

APPENDIX 9

May 11, 2017
Calgary, Alberta

During this round of negotiations the Company and Union agreed that a review of the Employment Security Fund (the "ES Fund") created in 1995 is required.

In view of the fact that there are currently no employees receiving Employment Security benefits, the parties recognize that it may be desirable to broaden the scope of the ES Supplementary Unemployment Benefits Plan Agreement and the ES Employees Benefits Plan Agreement (the "ES Fund Plans") to allow for payments and disbursements from the ES Fund that are not currently allowed by the rules of the ES Fund Plans.

In order to achieve this, and to satisfy legal and regulatory requirements, the parties acknowledge that it may be necessary to restructure the ES Fund, with consequent necessary amendments to the ES Fund Plans.

Given the complexity of the issues involved, and before changes of any kind occur, the parties recognize that experts in the fields of finance, trusts and taxation will have to be consulted.

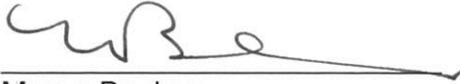
After the parties have consulted with, and received the analyses and recommendations of, the experts they have retained, the parties will meet with a view to negotiating possible changes to the ES Fund and ES Fund Plans.

Given the importance of this undertaking, the parties commit to ensuring that the experts they retain will complete their analyses, and provide their recommendations, within three (3) months of the ratification of this collective agreement.

Notwithstanding any of the above, and irrespective of any recommendation, interpretation or suggested restructuring formulation, the monies in the ES Fund (including whatever form or forms that Fund may take in future) shall continue, in the words of Appendices i of the current ES Fund Plans, to be governed by the agreed upon principle that "a surplus beyond what is

required to fully fund the ESF (Employment Security Fund), as determined by the parties, will belong to the employees of the Canadian Pacific portion of the TCRC MWED and may be used as desired.”

Canadian Pacific



Myron Becker
Assistant Vice President

TCRC MWED



Gary Doherty
President

APPENDIX 10

May 11, 2017
Calgary, Alberta

During the current round of negotiations, the TCRC MWED made proposals concerning the provision of membership information to new employees and the collection and remittance of reinstatement fees.

The Company agreed that, when it holds new hire training classes, it will advise the TCRC MWED's Regional Director of the dates and locations of the classes so that the Director, or his delegate, may be present in order to collect signed TCRC MWED membership cards.

In situations where it isn't possible for a TCRC MWED representative to be present at a new hire training class, the Company will provide the new employees with TCRC MWED membership cards. For this purpose, the TCRC MWED will supply the Company with blank membership cards on an as and when required basis.

The Company will provide the TCRC MWED with the names and contact information of new hires.

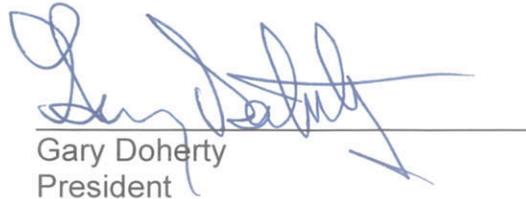
Given that Section 7.4 of Agreement No. 41 provides that membership in the TCRC MWED is dependent upon the payment of initiation and reinstatement (re-initiation) fees, and given that the Company already deducts and remits regular dues and initiation fees, the Company agrees to deduct and remit reinstatement fees. In this regard, it was agreed that the Union's Secretary-Treasurer will, from time to time, provide the Company with a list of members who are required to pay reinstatement fees. The list will include the members' names, employee numbers, and the amounts to be deducted.

Canadian Pacific



Myron Becker
Assistant Vice President

TCRC MWED



Gary Doherty
President