

EMPLOYMENT SECURITY

and

INCOME MAINTENANCE AGREEMENT

for

STEELWORKERS TC LOCAL 1976

Representing

ONTERA

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THIS AGREEMENT IS:

between

**ONTARIO NORTHLAND TRANSPORTATION
COMMISSION**

called "the Company"

of the One Part

and

STEELWORKERS TC LOCAL 1976

of the Other Part

Preamble

The parties agree that Supplemental Unemployment Benefits be paid only for periods of temporary layoff (the specific duration being set out in the provisions of this Agreement). Employees in receipt of SUB continue their employment relationship with the Company, retain seniority rights, and are required to accept temporary or permanent assignments as provided in this Article or become disintitled to SUB. Although an Article 8 notice reflects a permanent change, any layoffs pursuant to this change may be temporary in nature.

ARTICLE 1

Definitions

A. (i) "Employment Security" means that an employee who has completed eight years of Cumulative Compensated Service with the Company will have Employment Security as provided in Article 7.

(ii) "Preferred Employment Security" means that an employee who has seven years of service with the Company will have preferred Employment Security as provided in Article 7A.

B. "Continuous Employment Relationship or Service" means an employee whose employment relationship with the Company is unbroken by resignation or termination

C. "Eligible Employee" means an employee of the Company represented by the Unions is eligible for the benefits pursuant to the eligibility requirements of Articles 4 or 6.

D. "Basic Weekly Rate" means the Basic Weekly Rate of pay applicable to the positions held at the time of change. (Hourly rated employees, 40 x the basic hourly rate; seasonal and spare employees, 80% of average weekly earnings over the eight weeks preceding layoff.)

E. "Seniority District/Territory" means that Seniority District/Territory as defined in Collective Agreement # 3.

F. "The Plan" means the benefits and terms and conditions relating thereto as agreed for the employees of the Company, as defined herein, which benefit, terms and conditions appear in this Agreement.

G. "Cumulative Compensated Service" means:

(i) One month of Cumulative Compensated Service will consist of 21 days or major portion thereof.

(ii) Twelve months of Cumulative Compensated Service calculated from the last date of entry into the Company's service as a new employee. For partial year credit, six or

more months of Cumulative Compensated Service shall be considered as the major portion thereof and shall be counted as a year of credit towards computation of severance of layoff benefits. Service of less than six months of Cumulative Compensated Service shall not be included in the computation.

(iii) For an employee who renders compensated working service in any calendar year, time off duty, account bona fide illness, injury, authorized maternity leave, to attend committee meetings, called to court as a witness or for uncompensated jury duty, not exceeding a total of 100 days in any computation of Cumulative Compensated Service.

I. "Admitted Group" means those groups which have been admitted to coverage under The Plan as provided in Article 3.

J. "Master Agreement" means the Master Agreement signed between the Company and the Associated Railway Unions on the 6th day of January, 2000.

Article 1.1

General Provisions

1.1(a) Employees have no vested rights to payments under the plan except to payments during a period of unemployment specified in the plan.

(b) Any guaranteed annual remuneration of deferred remuneration or severance pay benefits are not reduced or increased by payments received under this plan.

ARTICLE 2

Grievance Procedure and Final Disposition of Disputes

2.1 Except as otherwise provided in The Plan, should any dispute arise respecting the meaning, interpretation, application,

administration or alleged violation of The Plan, such dispute shall start at Step 3 of the grievance procedure as defined in the respective Collective Agreement.

2.2 Failing settlement of such dispute at the final step of the grievance procedure, should either party elect to progress the dispute, it shall do so by referring it to arbitration under the provisions of the respective Collective Agreement.

2.3 The request to arbitrate must be submitted in writing within 60 days of the date a decision was rendered at the final step of the Grievance Procedure. The request shall be accompanied by a joint statement of issue and joint statement of facts. If the parties cannot agree upon such joint statement either or each, upon notice in writing to the other, may submit a separate statement to the arbitrator.

2.4 When a question has been referred to an Arbitrator as provided for in Article 2.9 hereof, he/she shall have no power to add to, subtract from, or modify any of the terms of The Plan. The decision of the Arbitrator shall be final and binding.

ARTICLE 3

Administration of the Plan

3.1 Subject to the provisions of The Plan, the Union Representatives and the Company shall have full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters relative to The Plan, which does not add to, subtract from, or modify any of the terms of The Plan or of the Collective Agreement. They shall not have any power to deal with and adjudicate upon any benefits not specifically provided for in The Plan nor in any subsequent plan reached between the Company and any Union.

3.2(a) Notwithstanding the provisions of Article 3.1 the following types of cases not specifically covered by The Plan may be considered by the parties for adjudication and payment of benefits, but such cases shall not be subject to arbitration:

- (i) special case(s) involving extenuating circumstances

- (ii) special case(s) of temporary layoffs of not more than 16 weeks lending themselves to an orderly implementation of layoff procedures based on the principle of inverse seniority. Where it is agreed that such special case(s) exists, this principle is to be applied at the work location where the layoffs are occurring, and on an optional bases, after all employees with less than two years service have been laid off.
- (iii) special case(s) of permanent staff reductions lending themselves to special offers of optional early retirement separation allowances to employees eligible, or within one year of eligibility, to retire under Company pension rules so as to prevent the otherwise unavoidable relocation and permanent separation of employees with two or more years' service. The separation allowance to apply in each such special case of optional early retirement is to be a lump sum payment calculated on the basis of the following formula:

<u>Years of Cumulative Compensated Service</u>	<u>Number of Weeks Salary Credited for Each Year of Service Remaining to Normal Retirement</u>
35 or more	4.0
34	3.9
33	3.8
32	3.7
31	3.6
30	3.5
29	3.4
28	3.3
27	3.2
26	3.1
25 or less	3.0

NOTE:(a) A partial year of service remaining to normal retirement is to be expressed on a monthly basis, e.g., 4 years and 1 month (or major portion thereof) equals 4 1/12 (4.083) years.

(b) One week's salary shall be the employee's Basic Weekly Rate at the time of the change.

(c) The parties may only approve such special case(s) conditional upon their observation of the following governing principles:

(i) approval of such special case(s) shall not involve increasing the existing benefit levels in The Plan.

(ii) approval of such special case(s) shall not be incompatible with the terms of The Plan.

(iii) approval of such special case(s) referred to in Article 3.2 (a)(i) and (ii) above shall not involve costs higher than 90% of the costs which would otherwise have been incurred as a result of the standard application of The Plan.

(iv) approval of any special case(s) under Article 3.2(a)(ii) shall be contingent upon notification by Human Resources Development Canada that employees who avail themselves of such an inverse seniority layoff procedure will not be disqualified nor disentitled from employment insurance benefits for so doing.

(v) approval of such special case(s) shall not involve the modification of any Company plan or Agreement dealing with such matters as pensions, health and welfare, etc.

(vi) approval of special case(s) involving special offers of optional early retirement separation allowances shall include the payment of money to the Pension Fund if it is demonstrated that such early retirements result in additional costs to the Pension Fund.

(d) The foregoing procedures shall not alter the effective date of staff reductions.

3.3 The Unions and the Company shall have the power to admit to coverage under The Plan any applicant bargaining unit that has a Collective Agreement with the Company subject to such conditions as may be determined from time to time by the

parties. Unless otherwise agreed between the Company and the Union making application for admission, any admitted group can only be admitted under the same terms and conditions as apply to other employees in The Plan.

A Union and employer who wish to seek admission to The Plan for an appropriate bargaining unit must make a joint application addressed to the respective Unions and the Company.

ARTICLE 4

Weekly Layoff Benefits and Severance Payments Benefits Accumulation - Layoff Payments

4.1(a) An employee who has two years or more of continuous employment relationship at the beginning of the calendar year shall be allowed a gross layoff benefit credit of five weeks for each year of cumulative compensated service.

NOTE: In arriving at net layoff benefits available for an employee, any previous layoff payments made from the Employment Security and Income Maintenance Plan, under the provisions of Article 4 of The Plan must be taken into account on a "weeks of benefits paid" basis. For example, if an employee with five years Cumulative Compensated Service was laid off under the provisions of The Plan, he/she would be treated as follows:

Gross weeks of layoff benefits entitlement	
- 10 (yrs) x 5 (weeks)	50 weeks
Less weeks of layoff benefits paid under the provisions of previous Employment Security and Income Maintenance Plan and Article 4 of this Plan	<u>10 weeks</u>
Net Layoff Benefit Available	40 weeks

(b) Except as provided in Article 4.3 of The Plan, an Eligible employee who is laid off, and whose layoff benefit credit is reduced due to weekly layoff benefit payment being made during the period of layoff in accordance with Article 4 of The Plan, will,

on recall accumulate layoff benefit credits in accordance with the above provisions.

4.2 The above layoff benefit will apply until such time as the employee has completed 20 years of Cumulative Compensated Service, when the following maximum layoff benefit will apply:

<u>Years of Cumulative Compensated Service</u>	<u>Maximum Period for Which Weekly Benefits Payable for each Period of Layoff</u>
20 yrs. or more but less than 25 years	3 years
25 yrs. or more but less than 30 years	4 years
30 years or more	5 years

4.3 An employee who, at the beginning of the calendar year, has completed 12 years of Cumulative Compensated Service and subsequently receives weekly benefits due to layoff, in accordance with the provisions of Article 4 of The Plan, shall, upon return to service after termination of layoff, be credited with the accumulated layoff benefit weeks he had to his/her credit at the time of layoff.

4.4(a) An employee who is not disqualified under Clause (d) hereof, shall be eligible for a benefit payment in respect of each full week of seven consecutive calendar days of layoff (herein called "a claim week") or to a severance payment provided he/she meets all of the following requirements:

- (i) He/she has two years of more of continuous employment relationship at the beginning of the calendar year in which the period of continuous layoff in which the claim week occurs began, (calendar year shall be deemed to run from January 1st to December 31st);
- (ii) For weekly layoff benefit payment, a continuous waiting period of seven days in the period of layoff has expired. Each period of layoff will require a new seven-day waiting period in order to establish eligibility for weekly layoff

benefits, except that once an employee has been on layoff for more than seven days, and is recalled to work for a period of less than ninety calendar days, such employee will immediately become eligible for weekly layoff benefits upon layoff within such ninety days.

(iii) He/she has made application for benefits in the prescribed form and in accordance with the procedures prescribed by the Committee;

(iv) He/she has exercised full seniority rights on his/her basic Seniority Territory as provided for in the relevant Collective Agreement, except as otherwise expressly provided in Clause (d), paragraphs (ii) and (iii) of this Article 4.4.

(b) Notwithstanding any other provisions in The Plan, if upon the effective date of resignation from the Company's service an employee is eligible for an early retirement pension, he/she will not be eligible for a severance payment.

(c) An employee who, on being laid off, does not qualify under paragraph (i) of Article 4.4(a) shall, if still laid off in the next calendar year, qualify under said paragraph (i) if at the beginning of said next calendar year he/she has two years of continuous employment relationship. The seven-day waiting period provided in paragraph (ii) of Article 4.4(a) shall commence from the 1st day of January of that year.

(d) Notwithstanding anything to the contrary in this Article, an employee will not be regarded as laid off:

(i) During any day or period in which his/her employment is interrupted by leave of absence for any reason, sickness, injury disciplinary action (including time held out of service pending investigation), failure to exercise seniority (except as otherwise expressly provided for in Clause (d)(ii) of this Article 4.4), to retirement, Act of God, including, but not limited to fire, flood, tempest, or earthquake or a reduction or cessation of work due to strikes by employees of the Company;

- (ii) During any interval between the time that he/she is recalled to the service of the Company after a period of layoff, and the time at which he/she actually resumes work during any waiting period provided for in the relevant Collective Agreement; except that an employee who does not, as a consequence of the foregoing, return to service on the day work is available shall be governed by the provision of Article 4.6 of The Plan, on the same basis as if he/she had returned to work on the date such work became available.
- (iii) If he/she declines, for any reason, other than as expressly provided for in Clause (d)(ii) of this Article 4.4, recall to work on his/her basis Seniority Territory in accordance with the seniority provisions of the relevant Collective Agreement.
- (iv) In respect of any period in which he/she is receiving other payments of any kind or nature directly from the Company, except as otherwise expressly provided in Article 4.6.
- (v) During any recognized period of seasonal layoff as defined in Article 10.
- (vi) After his/her dismissal from the service of the Company.

Claim Procedure

4.5 An Eligible Employee, as defined in Article 4.4 may, at the expiration of the seven-day waiting period specified in paragraph (ii) of Clause (a) of said Article 4.4, make application to a designated officer, in the form and manner prescribed by the Committee, for a weekly layoff benefit as follows:

- (a) Employees with TWO or more years of continuous employment relationship and LESS THAN TWENTY YEAR'S SERVICE:
 - (i) A weekly layoff benefit for each completed week of seven calendar days laid off following the seven-day waiting period referred to in Article 4.4, of an amount which, when added to unemployment insurance benefits and/or

outside unemployment insurance for such week, will result in the employee receiving 80% of his/her Basic Weekly Rate at time of layoff.

- (ii) During any week following the seven-day waiting period referred to in Article 4.4, in which an Eligible Employee is not eligible for unemployment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for unemployment insurance benefits, nor account unemployment insurance waiting period, such employee may claim a weekly layoff benefit for each complete week of seven calendar days laid off of the maximum unemployment insurance weekly benefit currently in force (for 1992 the maximum unemployment insurance weekly benefit is \$426.) or such lesser amount which, when added to the employee's outside earnings for such week, will result in the employee receiving 80% of his/her Basic Weekly Rate at time of layoff.
 - (iii) Weekly layoff benefits provided for under Article 4.5 shall cease when benefit accumulation as specified in Article 4.1.
- (b) Employees with TWENTY OR MORE YEARS' of cumulative Compensated Service:
- (i) A weekly layoff benefit for each completed week of seven calendar days laid off following the seven day waiting period referred to in Article 4.4 of an amount which, when added to unemployment insurance benefits and/or outside earnings in excess of those allowance under unemployment insurance for such week, will result in the employee receiving 80% of his/her Basic Weekly Rate at time of layoff.
 - (ii) During any week following the seven day waiting period referred to in Article 4.4, in which an Eligible Employee is not eligible for unemployment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for unemployment insurance benefits, or account unemployment insurance waiting period, such employee

may claim a weekly layoff benefit for each complete week of seven calendar days laid off of an amount which when added to the employee's outside earnings for such week, will result in the employee receiving 80% of his/ her Basic Weekly Rate at time of layoff.

(c) It shall be the responsibility of the employee to report for each week for which he/she is claiming a weekly layoff benefit under The Plan, any amounts received from the Canada Employment and Immigration Commission in respect of such week, as well as any wages earned during such week while employed outside the Company. In the event an employee does not report all such outside earnings for any particular week, this will be interpreted as notice from him/her that his/her outside earnings for such week are the same as those for the previous week.

4.6 No weekly layoff benefit will be made for parts of a claim week as defined in Clause (a) of Article 4.4 except that:

(a) Recall not covered by Article 4.6(b) below

An employee who has qualified for weekly layoff benefits in accordance with Clause (a) of Article 4.4 and who returns to work for part of the last claim week and thereby receives earnings from the Company in the last claim week may make application for a partial weekly layoff benefit which, when added to the earnings received in that week and to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week will result in the employee receiving 80% of his/her basic Weekly Rate at time of layoff.

(b) Temporary recall for less than five working days

An employee who has qualified for weekly layoff benefits in accordance with Clause (a) of Article 4.4 will not have his/her weekly benefit payment reduced for any claim week during which he/she returned to the service temporarily for less than five working days.

Example of Payments for Part Week on Recall

4.7 Assume that an employee with a rate of \$15.00 per hour (\$120.00 per day, \$600.00 per week) is laid off Friday, February 8, 1992 (last day worked February 7th) and recalled to work Wednesday, March 17, 1992. This is 41 days, or 5 weeks and 6 days.

For the purpose of this illustration, the employee's plan claim week is Friday to Thursday and the unemployment insurance claim week is Sunday to Saturday.

In these circumstances the employee's benefit entitlement would be as follows:

Plan Claim Week 1

Nil (waiting period)

Plan Claim Week 2

- (i) employee with less than 20 years of service unemployment insurance maximum - \$426.00 (from The Plan).
- (ii) employee with 20 or more years of service - $(80\% \times \$600.00 = \$480.00)$ from The Plan

Plan Claim Weeks 3, 4 and 5

80% of Basic Weekly Rate at the time of layoff - $(80\% \times \$600.00)$ - \$480.00 (\$426.00 unemployment insurance and \$54.00 from The Plan).

Last Plan Claim Week (March 8 - March 14/92 Inc.)

For unemployment insurance purposes, employee works 2 days, (March 14 and 15 - both of which days fall in one unemployment insurance claim week) - Earnings **\$240.**

Deduct unemployment insurance allowable earnings (25% of employee's unemployment insurance entitlement of \$426) **\$106.**
Net earnings for unemployment insurance purposes **\$134.**

Unemployment insurance entitlement during last plan claim week (\$426.00 - \$134.00) = **\$292.**

In order to make up the 80% of the Basic Weekly Rate during the last plan claim week - i.e., \$480., the employee would receive:
One day's wages for Thursday, March 14, the last day of the plan claim week..... **\$120.**

Unemployment insurance entitlement..... **\$292.**
From The Plan..... **\$ 68.**

TOTAL \$480.

Severance Payment

4.8(a) For each year Cumulative Compensated Service or major portion thereof, an employee will be allowed credit weeks as follows for the calculation of severance payment.

- (i) For each of the first 10 years - one week's basic weekly pay
- (ii) For each of the eleventh and subsequent years - two week's basic weekly pay

(b) An employee eligible for a severance payment who resigns and, who at a later date will become eligible for an early retirement pension. The basic pay is to be calculated at the employee's Basic Rate in effect at the time of his/her resignation.

(c) An Eligible Employee may, upon submission of formal resignation from the Company's service, claim a severance payment as set forth above, but such severance payment will not in any event exceed the value of one and one-half year's salary at the Basic Weekly Rate of the position held at the time he/she was laid off.

(d) An employee will have seven calendar days from the date of lay off to decide to claim a severance payment under this Article.

Special Provisions for Employees with 20 Years or More of Cumulative Compensated Service

4.9(a) An employee with 20 years of Cumulative Compensated Service who, in any calendar year, is laid off and unable to hold work on his/her basic Seniority Territory shall, upon return to work, count the period of layoff, up to a maximum of 100 days in any such calendar year from 1976 on, towards the qualifying period for vacation in the ensuing years: such period of layoff in one year shall, upon return to work, also count as service for determining the vacation entitlement in the following year. Layoff days credited for vacation purposes shall not be used in any other manner to obtain additional credit.

(b) An employee with 20 years of Cumulative Compensated Service who is laid off and unable to hold work on his/her basic Seniority Territory will have his/her group life insurance continued during the period of layoff, up to a maximum period of two years from date of layoff.

(c) An employee with 20 years of Cumulative Compensated Service who is laid off and unable to work on his/her basic Seniority Territory, in a province where medicare premiums the Company will pay the medicare premiums up to the amount of the maximum medicare allowance provided under the existing Collective Agreements, up to a maximum period of two years from date of layoff.

4.10 Any agreement reached between parties will not be valid in respect of benefits under The Plan unless approved by the Canada Employment and Immigration Commission on the unemployment insurance payments by reason of Supplemental Unemployment Benefits. Notwithstanding anything contained in The Plan, no Eligible Employee will receive for any week, a layoff payment under The Plan in excess of that which can be allowed the employee without any reduction in his/her unemployment insurance payment.

4.11 An employee who is on layoff on the effective date of The Plan and not receiving weekly layoff benefits, but who now qualifies for benefit payments in accordance with the terms of The Plan, shall be entitled to claim weekly layoff benefit payments for the period of layoff subsequent to the date such

claim is received by the designated Company officer provided such claim is submitted within 60 calendar days of the effective date prior to the date claim is received by the designated Company officer shall be applied to the waiting period defined in Article 4.4(a)(ii). Such employee who fails to file a claim within 60 calendar days of the effective date of The Plan will forfeit his/her right to any benefit payments unless subsequently returned to work and again laid off.

4.12 Supplemental Unemployment Benefits (SUB) Plans provide that payments in respect of guaranteed annual remuneration or in respect of deferred remuneration or severance pay benefits are not reduced or increased by payments received under the SUB plan.

ARTICLE 5

Training of Employees

5.1 An employee who has Employment Security under the provisions of Article 7 of The Plan who has his/her position abolished and is unable to hold work due to a lack of qualifications, will be trained for another position within (if necessary) in order to fill a position in keeping with the provisions of Article 7. Training (if necessary) will be provided for a position for which he/she has the suitability and adaptability to perform the duties of that position. Such employee will receive the 40-hour straight time pay associated with his/her last Railway classification during his/her period of training (hourly rate employees, 40 x the basic hourly rate: seasonal and spare employees, 40 x the average hourly earnings over the eight weeks preceding layoff).

5.2 An employee who does not have Employment Security under the provisions of Article 7 and has two or more years of Cumulative Compensated Service and:

(a) has been laid off or who has been advised that he/she may be laid off and who is, or will be, unable to hold other work in the Company because of lack of qualifications, or,

(b) will be adversely affected by a notice served pursuant to Article 8 of The Plan requiring an employee to relocate or suffer a substantial reduction in his/her rate of pay, will be considered for training for another position within or without his/her seniority group, providing he/she has the suitability and adaptability to perform the duties of that position and provided he/she has indicated a willingness to work in the job for which he/she may be trained whenever vacancies exist.

5.3 At the option of the Company, training provided under the provisions of either Articles 5.1 or 5.2 may be:

(a) at training classes conducted by qualified Company personnel

(b) at classes conducted by an approved training agency.

The type of training for which an employee may apply must:

(i) qualify the employee for a recognized Company position;

(ii) offer a likelihood of employment in the Company on completion of the training period in a position for which the employee has been qualified; or

(iii) in the case of employees with 20 or more years of Cumulative Compensated Service, include the possibility of qualifying the employee for employment within or without the railway industry.

5.4 An employee covered by the provisions of Article 5.2 will receive 80% of the Basic Weekly Rate of his/her last job classification during his/her period of training. In addition, he/she will be provided for the training period with books, equipment, tools and allowed other necessary supplementary expenses associated with the training program.

5.5 Should an employee covered by the provisions of Article 5.2 be recalled from layoff before the scheduled completion of training, the employee will be allowed to complete the program without forfeiture of pay or seniority rights.

5.6 Notwithstanding any agreement to the contrary, the Company may require an employee who has completed a training program to take a position for which he/she has been trained.

5.7 In addition, the Company, where necessary and after discussion with any Organization signatory to The Plan, will provide classes (after work or as arranged) to prepare present Company employees for upgrading, adaptation to technological change and anticipated new types of employment in the Company. The cost of such retraining will be borne by the Company.

5.8 Upon request, the subject of training of an employee or groups of employees under any of the above provisions will be discussed by the Local Chairperson or equivalent and the appropriate officer of the Company either prior to or at the time of layoff or at the time of the serving of the notice pursuant to Article 8 or as retraining under Article 5.7 is considered. Any unresolved differences between the parties concerning the usefulness of training for future Company service, the necessity for retraining, or the suitability and adaptability of an employee for training, may be progressed to arbitration in keeping with Article 2.10 of The Plan.

ARTICLE 6

Relocation Expenses

Eligibility

6.1 To be eligible for relocation expenses an employee:

(a) must have been laid off or displaced, under conditions where such layoff or displacement is likely to be of a permanent nature, with the result that no work is available at his/her home location and in order to hold other work in the Company, such employee is required to relocate; or

(b) must be engaged in work which has been transferred to a new location and the employment moves at the instance of the Company; or

(c) must be affected by a notice which has been issued under Article 8 of The Plan and he/she chooses to relocate as a result of receiving an appointment on a bulletined permanent vacancy which at the time is not subject to notice of abolishment under Article 8 of The Plan and such relocation takes place in advance of the date of the change provided this will not result in additional moves being made; or

(d) must have Employment Security under the provisions of Article 7 or preferred employment security under Article 7A and be required to relocate to hold work under the provisions of Article 7 or 7A of The Plan.

6.2 In addition to fulfilling at least one of the conditions set forth above, the employee:

(a) must have two years' Cumulative Compensated Service; and

(b) must be a householder, i.e., one who owns or occupies unfurnished living accommodation. This requirement does not apply to Articles 6.5, 6.6, 6.7 and 6.10; and

(c) must establish that it is impractical for him/her to commute daily to the new location by means other than privately-owned automobile.

Relocation Benefits

6.3 Payment of door-to-door moving expenses for the Eligible Employee's household goods and his/her automobile including packing and unpacking, insurance and up to one month's storage; the mode of transportation to be determined by the Company.

6.4 An allowance of up to \$825.00 for incidental expenses actually incurred as a result of relocation.

6.5 Reasonable transportation expenses from his/her former location to his/her new location by rail, by bus or employee-owned automobile, and up to \$210.00 for an employee without dependants and that an additional amount of \$65.00 will be paid for each dependant for meals and temporary living

accommodation. Receipts will be required for rail and bus transportation.

6.6 An employee may drive his/her automobile to his/her new location at the allowance per kilometer specified in the current Master Agreement.

6.7 In order to seek accommodation in his/her new location, an employee will be allowed a continuous period of leave up to one week (seven consecutive days). Payments for such leave shall not exceed one week's pay at his/her Basic Weekly Rate.

6.8(a) Except as otherwise provided in Article 6.8(c), reimbursement of up to \$14,000.00 for loss sustained on the sale of a relocating employee's private home which he/she occupied as a year-round residence. Loss sustained is determined as the difference between the value determined at the outset plus any real estate agent fees, legal fees, including those legal fees on purchase of a home at the new location, and any mortgage closure penalties, and the amount established as the selling price in the deed of sale.

(b) The procedure to be followed in respect of determining the loss, if any, on the sale of a home is described in Article 6.12.

(c) Notwithstanding the provisions of Article 6.8(a):

- (i) should a change take place involving relocation of Company employees whereby the number of homes being listed for sale by such Company employees represent 15% or more of the residential homes in the municipality, the employees required to relocate shall be reimbursed for the full loss on such homes, which loss shall be determined by the procedures described in Article 6.12 of The Plan. The number of Company employees' homes referred to above shall, for the purpose of establishing the 15%, include the homes of all Company employees which are being offered for sale as a result of, and at time of the change; or
- (ii) should a change occur involving relocation of Company employees covered by The Plan as well as Company employees covered by other Collective Agreements, the

maximum amount of \$9,500.00 specified in paragraph (a) of this Article 6.8 shall be adjusted upward to equal the maximum amount paid account loss on sale of home to any employee covered by such other Collective Agreement.

(d) An eligible Employee who desires to sell his/her house and receive any benefit to which he/she may be entitled under Article 6.8 must advise the Company's officer concerned accordingly within twelve months of the date the initial changes takes place. No employee shall be entitled to any claim under Article 6.8 if the house is not listed for sale within 60 days of the sale of the final determination of value and thereafter the house continues to be listed for sale. Any claim for reimbursement under Article 6.8 must be made within twelve months of the final determination of value.

NOTE: Notwithstanding other provisions of Article 6.8, special cases of loss on sale of homes may be submitted to the Committee for adjudication, but such special cases will not be subject to arbitration.

6.9 Payment of the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the cost of moving the mobile home shall require the prior approval of the Company and shall not, in any event, exceed a total cost of \$7,000.00. Receipts shall be required.

6.10 If an employee, who is eligible for moving expenses does not wish to move his/her household to his/her new location he/she may opt for a monthly allowance of \$215.00 which will be payable for a maximum of 12 months from the date of transfer to his/her new location. Should an employee elect to transfer to other locations during such 12-month period following the date of transfer, he/she shall continue to receive the monthly allowance referred to above, but subject to the aforesaid 12-month limitation.

An employee who elects to move his/her household effects to a new location during the twelve month period following the date of his/her initial transfer will only be eligible for relocation expenses under this Article for one such move and payment of the monthly

allowance referred to above shall terminate as of the date of his/her relocation.

6.11(a) Alternatively to Article 6.8, the cost of terminating an unexpired lease and legal costs connected therewith up to a value of three months' rent where the relocation employee was renting a dwelling, will be paid. Should the law require payment of more than three months' rent in order to terminate a lease, such additional amount will be paid providing the employee first secures the Company's approval to pay in excess of the three month's rent.

(b) Where a lease was entered into following the notice of the change without prior approval of the Company, no benefit will be provided. Such prior approval will not be unreasonably withheld.

Appraisal Procedure

6.12 When an Eligible Employee desires to sell his/her home, under the provisions of Article 6.8(b), the following procedures will apply:

(a) In advising the Company officer concerned of his/her desire to sell his/her house, the employee shall procure a formal appraisal from a recognized appraiser which will include pertinent particulars. In so doing, the employee shall advise the Company of the chosen appraiser and on completion shall submit such appraisal to the Company.

(b) Within 15 working days from date of receipt of employee's advice of his/her desire to sell his/her home, the Company officer shall arrange a second appraisal of the home. The fair market value shall be the average of the two appraisals provided they are not in excess of 10%.

(c) If, however, the average of the appraisals is greater than 10%, then an effort shall be made to resolve the matter through joint conference of the officer and the employee concerned and the appropriate Union representative if so desired by the employee; such joint conference to be held within 5 working days from date of advice to employee concerned as referred to in Article 6.12(c).

(d) If such joint conference does not resolve the matter, then within 5 days from the date of the final joint conference arrangements shall be made for an impartial appraisal to be undertaken as soon as possible by an independent real estate appraiser. The fair market price established by such appraiser shall become the fair market value for the purpose of The Plan, and such price shall be binding on both parties.

(e) The employee and Company officer concerned shall endeavour to mutually agree upon the independent appraiser referred to in Article 6.12(e). If they are unable to agree, then the Minister of Labour shall be requested to appoint such an independent appraiser.

(f) This fair market price of the house shall be the price determined as of a date sufficiently prior to the date of the change in order that the fair value will be unaffected thereby.

(g) The residence shall not be listed for sale prior to the establishment of fair market value. Should the residence be sold prior to the establishment of a fair market value then the provisions of this Article are not applicable.

(h) The fees and expenses of any appraiser appointed in accordance with Article 6.12 shall be paid by the Company.

NOTE: In the event an employee desires to sell his/her home at a price which is less than the fair market value as determined by the provisions of this Article, the Company will be given the right in priority to everyone else to purchase the home.

Particulars of House to be Sold

Name of Owner
.....

Address

Type of House, i.e. Cottage / Bungalow / Split Level

Year Built

No. of Rooms.....Bathrooms

Type of Construction, i.e. brick, veneer, stucco, clapboard
.....

Finished Basement: Yes No

Type of Heating, i.e., oil, gas, electricity

Garage: Yes..... No

Size of lot

Fair Market Value: \$

Other Comments
.....
.....

Date

Signature

ARTICLE 7

Employment Security

7.1 Subject to the provisions of this Article, and in the application of Article 8.1 of The Plan, an employee will have Employment Security when he/she has completed 8 years of Cumulative Compensated Service with the Company. New employees hired subsequent to February 17, 2004 will not become entitled to the provisions of this Article 7.

7.2 An employee who has Employment Security under the provisions of this Article will not be subjected to layoff as the result of a change issued pursuant to Article 8.1 of The Plan. Wage replacement benefits shall be paid for up to six years or up to the normal retirement date under the ONTC Contributory Pension Plan, whichever comes first.

7.3 An employee who has Employment Security under the provisions of this Article and who is affected by a notice of change issued pursuant to Article 8.1 of The Plan, will be required to exercise his/her maximum seniority right(s), e.g., location and system, in accordance with the terms of the Collective Agreement applicable to the employee who has Employment Security.

7.4 An employee who has Employee Security under the provisions of this Article and is unable to hold a position on his/her seniority district e.g., at a location and system, will be required to exercise the following options provided he/she is qualified or can be qualified in a reasonable period of time to fill the position involved. In filling vacancies, an employee who has Employment Security must exhaust such available options, initially on a local basis, then on his/her seniority district:

- (a) fill an unfilled permanent vacancy within the jurisdiction of another seniority group and the same Collective Agreement;
- (b) there being none, fill an unfilled permanent vacancy within the jurisdiction of another seniority group with another Collective Agreement and the same Union;

(c) there being none, fill an unfilled permanent vacancy within the jurisdiction of another seniority group and another signatory Union; and

(d) there being none, fill an unfilled permanent vacancy in a position which is not covered by a Collective Agreement.

NOTE: In the application of Article 7.4(d) and notwithstanding the provisions of any Collective Agreement to the contrary, an employee who has Employment Security while employed on a position which is not covered by a Collective Agreement will remain, and continue to accumulate seniority, on the list from which transferred.

7.5 An employee who has Employment Security and who transfers from one seniority group to another under the provisions of Article 7.4 will, notwithstanding any provision of a Collective Agreement to the contrary, retain and continue to accumulate seniority in the seniority group from which transferred and will be subject to recall to his former seniority group.

7.6 An employee who has Employment Security and who fails to comply with the provisions of this Article will lose his/her Employment Security. Such employee will, however, be entitled to such other benefits under The Plan for which he/she is eligible. (i.e., Article 4)

ARTICLE 7A

Preferred Employment Security

7A.1 An employee who was in the service on February 17, 2004 and who has, or subsequently attains 7 years' service shall be defined as having "Preferred Employment Security."

7A.2 Such employee, who is displaced or has his/her job abolished, shall exercise his/her seniority as presently provided in his/her Collective Agreement, up to and including his/her basic seniority territory if necessary, in order to retain his/her Employment Security.

7A.3 If still unable to hold a position, then in order to retain Employment Security he/she shall (subject to qualifications);

- (i) fill an unfilled vacancy within the jurisdiction of another seniority group of the same Union covered by the same Collective Agreement;
- (ii) there being none, fill an unfilled permanent vacancy within the jurisdiction of another seniority group and another signatory Union;
- (iii) there being none, fill an unfilled permanent vacancy within the jurisdiction of another seniority group and a non-signatory Union or in a position which is not covered by a Collective Agreement.

NOTE: In the application of above Clauses (i), (ii) and (iii) maintenance of basic wage rates shall apply.

- (iv) there being none, unless eligible for job protection under Article 7, be placed in a "waiting" status until such time as a vacancy occurs within his/her classification on the seniority territory, or as per Clauses (i), (ii) and (iii) above. During this period the employee's U.I. benefits (subject to U.I. approval) and/or outside earnings, will be supplemented to a level equal to 80% of his/her weekly base pay continuing until such time as a position is found for the employee in accordance with the foregoing or up to six years, or the normal retirement date under the ONTC Contributory Pension Plan, whichever comes first.

Also during this period the employee must accept temporary work at his/her layoff location.

7A.4 In each of the above cases, before proceeding to the next option, the employee shall be required to fill such unfilled vacancy as far as the basic seniority territory if necessary.

7A.5 Such employee shall retain and continue to accumulate seniority on his/her original list and be subject to recall. There will be no transfer of seniority rights on moves except as may be already provided by the current rules.

7A.6 Training shall be provided if necessary, to achieve qualifications, with maintenance of earnings as described above to prevail throughout the training period.

7A.7 An employee who declines to exercise any of the options detained in Article 7A.3 hereof, or who while on "waiting" status refuses recall to any permanent vacancy or temporary work as therein described, or refuses recall to a permanent position on his/her original basic seniority territory, shall forfeit his/her employment security. Such employee will, however, be entitled to such other benefits under The Plan for which he/she is eligible.

7A.8 This Article 7A does not apply to reductions in forces made necessary by strikes or lockouts in the railway industry.

ARTICLE 8

Technological, Operational, and Organizational Changes

8.1 The Company will not put into effect any technological, operational, or organizational change of a permanent nature which will have adverse effects on employees without giving as much advance notice as possible to the Local Chairperson representing such employees or other such other officer as may be named, by the Union concerned, to receive such notices. In any event, not less than three month's notice shall be given, with a full description thereof and with appropriate details as to the consequent changes in working conditions and the expected number of employees who would be adversely affected.

8.2 When a notice is issued under Article 8.1 and it becomes known to the Company that the change will be delayed for reasons over which the Company has no control, advice will be issued to the Local Chairperson, or such other officer as may be named by the Union concerned, and employees involved, explaining the situation and revising the implementation dates. If necessary, more than one such advice may be issued.

8.3 When the implementation of a technological, operational, or organizational change is delayed or is to be delayed, at the

instance of the Company, in excess of 30 calendar days, a new notice as per Article 8.1 shall be given.

8.4 Upon request the parties shall negotiate on items, other than those specifically dealt with in The Plan, with a view to further minimizing the adverse effects on employees. Such measures, for example, may be related to exercise of seniority rights, or such other matter as may be appropriate in the circumstances, but shall not include any item already provided for in The Plan.

8.5 If the above negotiations do not result in mutual agreement within 30 calendar days of the commencement of such negotiations, or such other period of time as may be agreed upon by the parties, the matters in dispute may be referred for mediation to a Board of Review composed of an equal number of senior officers of the Company and of the Union.

8.6 If the Board of Review is unable to resolve the differences within a fixed period of time to be determined at the commencement of its meetings, or some mutually agreed extension thereof, the matters in dispute may be referred for final and binding settlement to an arbitrator as set out in Article 2.10 of The Plan. The matters to be decided by the arbitrator shall not include any question as to the right of the Company to make the change, which right the Unions acknowledge, and shall be confined to items not otherwise dealt with in The Plan.

8.7 The terms operational and organizational change shall not include normal reassignment of duties arising out of the nature of the work in which the employees are engaged nor to changes brought about by fluctuation of traffic or normal seasonal staff adjustments.

8.8 In addition to all other benefits contained in The Plan which are applicable to all Eligible Employees, the additional benefits specified in Article 8.9 and 8.10 are available to employees who are materially and adversely affected by technological, operational, or organizational changes instituted by the Company.

Maintenance of Basic Rates

8.9 An employee whose rate of pay is reduced by \$2.00 or more per week, by reason of being displaced due to a technological, operational or organizational change, will continue to be paid at the basic weekly rate or hourly rate applicable to the position permanently held at the time of the change providing that, in the exercise of seniority, he/she;

(a) first accepts the highest-rated position at his/her location to which his/her seniority and qualifications entitle him/her; or

(b) if no position is available at his/her location, he/she accepts the highest-rated position on his/her basic Seniority Territory to which his/her seniority and qualifications entitle him/her.

The maintenance of basic rates, and four-week guarantees if applicable, will continue until:

- (i) the dollar value of the incumbent above the prevailing job rate has been maintained for a period of three years, and thereafter until subsequent general wage increases applied on the basic rate of the position he/she is holding erase the incumbent differential; or
- (ii) the employee fails to apply for a position, the basic rate of which is higher, by an amount of \$2.00 per week or more than the basic rate of the position which he/she is presently holding and for which he/she is qualified at the location where he/she is employed; or
- (iii) the employee's services are terminated by discharge, resignation, death, or retirement.

In the application of (ii) above, an employee who fails to apply for a higher-rated position, for which he/she is qualified, will be considered as occupying such position and his/her incumbency will be reduced correspondingly. In the case of a temporary vacancy, his/her incumbency will be reduced only for the duration of that temporary vacancy.

An example of the application of Article 8.9 (b)(i) follows:

Date	Basic Rate	Level
Oct.1, Yr.1	\$450.00	\$500.00
Jan.1, Yr.2 (4%)	468.00	518.00
Jan.1, Yr.3 (3%)	482.04	532.04
Jan.1, Yr.4 (3%)	496.50	546.50
Jan.1, Yr.5 (3%)	511.40	546.50
Jan.1, Yr.6 (3%)	526.64	546.50
Jan.1, Yr.7 (3%)	542.54	546.50J
Jan.1, Yr.8 (3%)	558.82	Incumbency Disappears

For the purpose of this Article 8.9, the basic rate of a position paid on a four-week guarantee basis of the basic rate of a position with standby earnings shall be converted to a basic rate on a forty-hour week basis.

Example-Four-Week Guarantee

The basic rate of an employee who is guaranteed 179.3 hours for each four-week period, compromised of 160 straight time hours and 19.3 hours at time and one-half which is the equivalent of 189 straight time hours, is \$10.00 per hour at the straight time rate. In as much as his/her guarantee represents \$1,890.00 per four-week period, his/her Basic Weekly Rate shall be considered as \$472.50 and his/her basic hourly rate shall be considered as \$11.81.

Example-Standby Earnings

The basic rate of an employee who receives a 25-hour straight time standby allowance for each four-week period (which is equivalent to 46.25 hours per week) is \$10.00 per hour at the straight time rate. Such employee's Basic Weekly Rate shall be considered as 426.50 and his/her basic hourly rate shall be considered as \$11.563.

ARTICLE 9

Government Assistance Program

9.1 All payments under The Plan are to be reduced in whole, or in part, in each case by an amount payable for the same purpose under a Government Assistance Program.

ARTICLE 10

Seasonal Employees

10.1 Seasonal Employees are defined as those who are employed regularly by the Company, but who normally only work for the Company during certain seasons of the year. Articles 4 and 8 of The Plan shall apply to these employees except that payment may not be claimed by any seasonal employee during or in respect of any period or part of a period of layoff falling within the recognized seasonal layoff period for such group. In respect of seasonal employees laid off during the recognized seasonal working period, the seven and 30-day waiting periods provided for in Articles 4.4(a)(ii) and 4.4(a)(iii) will apply, except that in the case of a seasonal employee who is not recalled to work at the commencement of the recognized seasonal working period, the even or 30-day waiting period, as the case may be, will begin on the commencement date of the recognized seasonal working period. Seasonal employees and recognized seasonal working period shall be defined in Memoranda of Agreement signed between the Company and the affected Organizations signatory thereto.

ARTICLE 11

Casual and Part Time Employees

11.1 Casual and part time employees are those who work casually on an as required basis from day to day, including those who work part days as distinguished from employees who work on regular or regular seasonal positions.

11.2 Casual and part time employees are entirely excluded from the provisions of The Plan.

ARTICLE 12

Non-Applicability of Sections 52, 53 and 54, Part 1, and Sections 214 to 226 inclusive of Part III of the Canada Labour Code

12.1 The provisions of The Plan are intended to assist employees affected by any technological change and Sections 52, 53 and 54, Part 1, of the Canada Labour Code do not apply.

12.2 The provisions of The Plan are intended to minimize the impact of termination of employment on the employees represented by The Unions and are intended to assist those employees in obtaining other employment and Sections 214 to 226 of Part III of the Canada Labour Code do not apply.

ARTICLE 13

Amendment

13.1 The parties hereto may at any time during the continuance of the Plan amend its provisions in any respect by mutual agreement.

ARTICLE 14

Commencement

14.1 Payment of benefits under The Plan shall commence on February 24, 1986.

ARTICLE 15

Duration

15.1 This Plan cancels and supersedes the Employment Security and Income Maintenance Plan dated June 17, 1996 between Ontario Northland Railway Company and the Associated Railway Unions.

15.2 The Plan will remain in effect until revised in the manner and at the time provided for in respect of the revision of the Master Agreement for which is current from time to time.

IN WITNESS WHEREOF the parties hereto have caused The Plan to be executed this 28th day of November, 2008 at North Bay, Ontario.

For the Company:

For the Union:

Steve Carmichael
President & CEO
Ontario Northland
Transportation Commission

Ron Marleau
Chief Steward
Steelworkers TC Local 1976

APPENDIX “A”

Organization	Classification
B.M.W.E. Brotherhood of Mtce of Way Employees	<div>7.1 All BMW employees in Track and B & B Departments</div> <div>Work Equipment and Welding Employees</div> <div>7.2 Extra Gang Labourers</div>
I.B.E.W. International Bro. of Electrical Workers	<div>Signal Foreman</div> <div>Signal Technician</div> <div>Asst. Signal Tech.</div> <div>6 Signal Maintainer</div> <div>Signal Assistant</div> <div>Signal Apprentice</div> <div>Signal Helper</div>
CAW National Automobile, Aerospace, Transportation and General Workers Union of Canada Local 103	<div>1 Office Clerks</div> <div>4 Clerks and Other Classes of Employees including Stores Dept. (except office)</div> <div>5 Train Service Employees, Passenger Operations Dept.</div>
USWA Steelworkers TC Local 1976	<div>2 Train Operations-Agents, Operators Dispatchers</div> <div>3 Telecommunications Employees</div>