



Patrick Whitehead
Executive Vice-President and
Chief Network Operating Officer
10229 127 Avenue NW
Edmonton, AB T5E 0B9
T 780.643.7806

April 11, 2024

Subject: CN's offer to the TCRC union on April 11, 2024

Dear colleague,

I am reaching out to you directly to ensure you have easy access to the improved offer that CN proposed to the Teamsters Canada Rail Conference (TCRC) union on April 11, 2024. With this information at your fingertips, we hope it helps you make an informed decision for yourself, and for your family.

Specifically, we want to highlight these important improvements since our last offer:

- **Better wages** – The proposed hourly rates have been increased by \$5/hour.
- **Job security** – Employees hired before the ratification of an agreement will be guaranteed employment, with no risk of a lay-off.
- **Guaranteed earnings** – No employee will lose money with this proposal. Employees who currently earn above the proposed hourly agreement will have their salaries protected.

You will find a summary of the offer in the document attached to this letter. Full offer details can be found on www.cn.ca/TCRCinfo.

Our discussions with the TCRC have been and will remain focused on improving your work-life balance and work safety while also increasing predictability and flexibility in your schedules, giving you more time with guaranteed consecutive days off, and equitable compensation. Our goal is to continue working towards a negotiated agreement that prioritizes a better work experience for you.

To keep you informed on the collective bargaining between the TCRC and CN, please visit:
www.cn.ca/TCRCinfo.

I would like to thank you for your commitment to CN's safe and efficient operation. Stay safe.

Sincerely yours,

A handwritten signature in black ink that reads "Patrick J. Whitehead".

Patrick Whitehead
Executive Vice-President and Chief Network Operating Officer

Summary of CN's improved offer to the TCRC on April 11, 2024

› Consistent schedules with guaranteed consecutive days off

Employees will know, in advance, the days they are at work and the days they are off – giving them more flexibility and work-life balance. Further, they cannot be called to work during the scheduled days off at their home terminal.

Examples of schedules:

- 5 days a week at 8 hours a day – 2 consecutive days off with no calls for duty
- 4 days a week at 10 hours per day – 3 consecutive days off with no calls for duty
- 6 days a week at 8 hours a day – 3 consecutive days off with no calls for duty

› Wages

Retroactive to January 1, 2024, all employees will receive a wage increase of 3% on their current applicable rate of pay (including trainee rates of pay).

Effective January 1, 2025, mileage-based employees will move to an hourly rate of pay. The rates will be the following:

- Assistant Conductor/Yard Helper - \$60.00/hr
- Conductor - \$65.00/hr
- Locomotive Engineer - \$75.00/hr
- Trainee - \$31.00/hr
- Traffic Coordinators will receive a 2.5% increase on their rate of pay.

No employee will lose money with this proposal. Employees who currently earn above the proposed hourly agreement will have their salaries protected.

(The chart below gives an estimation of total earnings under the hourly rate model)

Effective January 1, 2026, a wage increase of 2% will apply to the rates of pay for all employees designated above.

Effective January 1, 2027, a wage increase of 2% will apply to the rates of pay for all employees designated above.

	Existing Mileage Agreement	Hourly Proposal (\$75/hr for Locomotive Engineers and \$65/hr for Conductors) Wage Range - \$130,080 - \$200,000+					
	2023 Average Salary	Minimum Guarantee	Statutory Holiday Payments	Guaranteed Minimum Annual Earnings	Overtime @ 10%	Heldaway	Expected Average Annual Earnings
Conductor	\$120,790	\$135,200	\$5,720	\$140,920	\$13,520	\$2,966	\$157,406
Road conductor	\$127,396	\$135,200	\$5,720	\$140,920	\$13,520	\$4,238	\$158,678
Yard conductor	\$105,386	\$135,200	\$5,720	\$140,920	\$13,520	\$0	\$154,440
Engineer	\$149,383	\$156,000	\$6,600	\$162,600	\$15,600	\$6,272	\$184,472
Road engineer	\$150,569	\$156,000	\$6,600	\$162,600	\$15,600	\$6,473	\$184,673
Yard engineer	\$112,382	\$156,000	\$6,600	\$162,600	\$15,600	\$0	\$178,200

Minimum guarantee = 40 hours x 52 weeks x hourly rate (This figure includes payments for hours worked on statutory holidays at straight time, extra payment for premium rate is not estimated)

Statutory holiday payments = 8 hours x 11 days x hourly rate (This figure does not estimate payments for hours worked on statutory holidays)

Overtime = Minimum guaranteed earnings x 10% estimation of overtime (equates to 4 hours of overtime per week). This figure will vary dependent on the overtime an employee elects to work.

Heldaway = 2023 average heldaway payments under current agreement. Actual heldaway above the minimum guarantee will vary dependent on the time an employee actually spends held way from home.



› Further wage premiums

Training Allowance

CN is proposing an allowance for any employee working with a trainee of **\$7 per hour**.

Meal Allowance (applicable to all employees)

CN is prepared to provide the following improvements to meal allowances:

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

Shift differential premiums will be unchanged from what is currently existing in the Collective Agreements.

› Guaranteed 40 hours of work per week

All employees, including those on the spareboard, will have a paid guarantee minimum of 40 hours of work per week.

› Overtime paid at time and a half

When an employee works beyond their scheduled hours, they will earn overtime paid at time and a half.

› Work-life balance

- Reset breaks will now be scheduled and employees will know in advance, allowing for more predictability.
 - Maximum hours of work will comply with those set out in the Duty and Rest Period Rules.
 - Employees will continue to self-assess their fitness for duty before going to work using the KSS Scale.
 - Heldaway on single subdivision will commence after the 11th hour at the regular hourly rate. Starting at the 14th hour, the 1.5X overtime rate will apply. Heldaway threshold will be limited to 16 hours.
 - Heldaway on extended run and branch lines will commence after the 12th hour at the regular hourly rate. Starting at the 15th hour, the 1.5X overtime rate will apply. Heldaway threshold will be limited to 18 hours.
 - Elimination of round-trips at the away from home terminal (no double pillow).
 - Elimination of employees being put to bed online (except in emergency situations).
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› Vacation

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

- 0 to 4.99 years of service: 3 weeks
 - 5 to 9.99 years of service: 4 weeks
 - 10 to 28.99 years of service: 5 weeks
 - 29+ years of service: 6 weeks
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› Job security

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

› Mobile Workforce

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

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

