

MEMORANDUM OF AGREEMENT BETWEEN CANADIAN PACIFIC AND THE TEAMSTERS CANADA RAIL CONFERENCE – RUNNING TRADES DIVISION (LOCOMOTIVE ENGINEERS/CONDUCTORS/TRAINMEN/YARDMEN – WEST), CONCERNING THE VOLUNTARY/SHORT-TERM RELOCATION OF EMPLOYEES TO TERMINALS OF SHORTAGE IN SASKATCHEWAN/ALBERTA (Wilkie, Sutherland and Red Deer Terminals), DUE TO LINE OUTAGE ON THE MAPLE CREEK SUBDIVISION

1. Scope & Term

- 1.1 This agreement will cover all employees who have chosen to voluntarily/temporarily relocate to Sutherland & Wilkie, Saskatchewan and Red Deer, Alberta, and will be in effect from June 20, 2010, for a period of approximately 7 days, however, could be extended to ensure that service is restored, manpower requirements are met and employees are released from the locations of shortage.

2. Handling of Men

- 2.1 Employees who have chosen to temporarily relocate will be required to remain in the terminal of shortage for the bulletined seven day period, which can be extended by mutual agreement between the Director, Labour Relations, the employee(s) and the General Chairman, based on subsequent seven day cycle(s). This extension cycle may continue until the trackage is restored and crewing requirements return to normal.
- 2.2 Employees wishing to return to their home terminal for compassionate reasons, prior to official release in any particular seven day cycle, may make application to the Company and such application will be reviewed by the Director, Labour Relations and the General Chairman.
- 2.3 Upon arrival at the location of shortage, employees will be familiarized on the new territory. See item 4.1 re. compensation for familiarization tours.
- 2.4 Once territorial familiarization is complete, Locomotive Engineers will be placed in their respective pools and/or spareboards, respecting seniority and utilized on a first-in, first out basis. Conductors, Trainmen and Yardmen will be placed at the bottom of the respective working lists for calling purposes only.

3. Expenses

- 3.1 Employees who have chosen to temporarily relocate will be provide with reasonable accommodation (direct billed) and will receive a living expense allowance of \$500.00 per week.
- 3.2 Employees utilizing their personal vehicle from their home to the temporary work location will be entitled to the mileage rates identified in the Collective Agreement - .33/km (see Item 7 of the Memorandum of Settlement).
- 3.3 Employees will be provided with transportation to and from the temporary work location, if they so desire.
- 3.4 Employees will be afforded transportation to and from the workplace, to their temporary accommodation, as required. Employees may choose to utilize their personal vehicle in order to travel to and from the workplace from their temporary accommodation and in such cases, they may claim .33/km.

4. Compensation

- 4.1 Employees will be compensated under the dual method of pay or fixed mileage as applicable for all tours of duty, including familiarization tours.
- 4.2 Employees assigned to Pool Service will be entitled to maximum mileage for their respective mileage period (3800 chargeable miles, prorated for each 7 day time period), provided the employee does not book Excessive Rest (maximum 18 hours), LOA, Sick, or otherwise absent themselves from duty, during the temporary relocation period. The mileage assessment and compensation will be calculated on a weekly basis.
- 4.3 Employees assigned to Yard, Conductor, Trainman or Common Spareboards will be governed by the applicable spareboard guarantee provisions, including penalties and associated reductions, contained within the Collective Agreement.
- 4.4 Employees assigned to Locomotive Engineer Spareboards will be governed by the provisions contained in item 4.2 of this agreement.

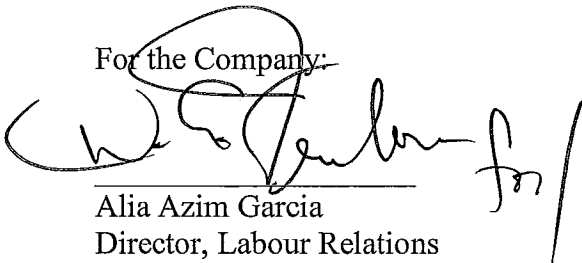
- 4.5 In the event that an employee is utilized in a lower class of service (ie. Pool Locomotive Engineer utilized as Conductor or Pool Conductor utilized as Trainman or Yard Foreman/Yard Helper), the employee will be compensated at the rate he/she would have earned if not reduced.
- 4.6 Employees who temporarily relocate under the provisions of this agreement will be entitled to one 100 mile deadhead payment for each leg of travel to and from the new location.
- 4.7 Engineers at their home terminal at the locations specified that are adversely affected by a temporarily relocated Engineer will be entitled to wage differential based on what they could have earned in their previous position had the temporary relocation not occurred.

5. Precedent or Prejudice

- 5.1 This agreement is made on a without precedent or prejudice basis and will expire when all employees are returned to their home location. In the event that employee(s) return to their home terminal, this agreement will no longer govern the terms and conditions of their employment, but they will retain the monetary benefits gained while at the temporary location. This agreement may be cancelled upon 7 days notice by either party.

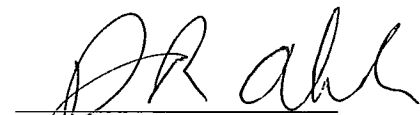
This agreement is signed the **22nd** day of June, 2010.

For the Company:

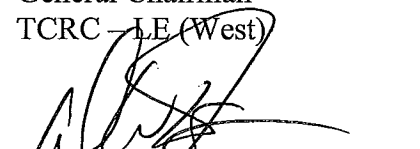


Alia Azim Garcia
Director, Labour Relations

For the Union:



Mr. D. Able
General Chairman
TCRC – LE (West)



Mr. D. Olson
General Chairman
TCRC – CTY (West)