

AN AGREEMENT BETWEEN

DAKOTA, MINNESOTA & EASTERN RAILROAD (DM&E)

AND

THE KANSAS CITY SOUTHERN RAILWAY

AND

**ITS ENGINEERS REPRESENTED BY
BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN**



January 17, 2023

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PREAMBLE:

This agreement is intended to provide enhanced quality of life, employment security and compensation enhancements to the BLET membership in addition to providing operating flexibility to the Company, resulting in increased productivity. Therefore, **it is hereby agreed:**

ARTICLE 1 - PURPOSE

The fundamental objective of the Company is to operate a safe, efficient and effective railroad transport operation and a key component to the success of this venture is the contribution of Locomotive Engineers (hereinafter referred to as Engineers).

This Agreement is founded on a principle of paying for Engineer's time on an all-inclusive basis and contemplates that in order for the operation to be successful, individuals will perform all duties requested of them, subject to the provisions contained herein.

ARTICLE 2 - GENERAL PRINCIPLES

- A. In this Agreement, words implying the singular shall include the plural and vice versa where the context requires. Words implying the masculine gender shall include the feminine where the context requires.
- B. This Agreement is intended to be applied in a non-discriminatory manner without regard to age, race, creed, color, gender, national origin, disability, sexual orientation or marital status.
- C. The parties recognize that this is a new Agreement, which replaces any and all existing Agreements, unless otherwise provided, and introduces changes in the workplace. In recognition of this a committee consisting of the BLET General Chairperson, a BLET Member appointed by the General Chairperson, and the Company's General Manager (s) Operations and Director Labor Relations or their respective designates, two from each party, will be established. This committee will be known as the Labor / Management Resolution Committee, and will meet quarterly (during the months of January, April, July and October unless otherwise agreed) to review the application of this Agreement.

ARTICLE 3 - RECOGNITION

- A. This Agreement covers all Engineers within the Consolidated Territory employed by the Company and represented by the Brotherhood of Locomotive Engineers and Trainmen under the Railway Labor Act, as amended.

- B. The term "Engineer" as referred to shall mean Engineers represented by the Brotherhood of Locomotive Engineers and Trainmen, except where otherwise specifically provided for herein. The term "Company" shall mean the Dakota, Minnesota & Eastern Railroad and The Kansas City Southern Railway. The term "Union" or "General Committee" shall mean the General Committee of the Brotherhood of Locomotive Engineers and Trainmen. (Q&A# 1)
- C. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of Engineers covered by this Agreement shall be vested in the regularly constituted General Committee of the Brotherhood of Locomotive Engineers and Trainmen.
- D. Where the term "duly accredited representative" appears herein, it shall be understood to mean the regularly constituted General Committee and/or the Officers of the Brotherhood of Locomotive Engineers and Trainmen of which such General Committee or Officers are a part.

ARTICLE 4 - SCOPE OF AGREEMENT

- A. The parties recognize that the scope of this Agreement is unlike traditional agreements in the rail industry and that it must be interpreted accordingly. That being said, the primary role of an Engineer is to perform transportation duties associated with the operation of locomotives.
- B. The parties recognize that in order to meet a customer's immediate service need, or to meet operational exigencies at a time a regularly assigned crew is not present and available in the terminal for such service and time will not permit calling a rested extra Engineer, a qualified Engineer may be used, without penalty, to perform such service. A qualified employee who is a manager will only be utilized in accordance with the terms and conditions of Side Letter 2.
- C. The parties recognize that to achieve maximum efficiency of operations and to expedite movement of trains, Engineers may perform incidental work for which they are qualified without additional compensation in the absence or unavailability of another Engineer who would otherwise perform such work.

ARTICLE 5 - WAGES

- A. Except as otherwise provided herein for "Non-Service", the rate of pay on the effective date of this agreement will be as shown in the Table below:

First Increase – The following rates are in effect on the effective date of this agreement.

	Hourly Rate:	Overtime Rate:	General Holiday Rate:	Weekly Guaranteed Extra Board Rate:	Non Service Hourly Rate:
Engineer	\$50.53	\$75.80	\$60.64	\$1,680.79	\$39.13
Conductor/AE *	\$44.99	\$67.49	\$53.99	\$1,525.40	\$34.33
Brakeman *	\$41.91	\$62.87	\$50.29	\$1,525.40	\$32.05

Second Increase – The following rates are in effect January 1, 2024.

	Hourly Rate:	Overtime Rate:	General Holiday Rate:	Weekly Guaranteed Extra Board Rate:	Non Service Hourly Rate:
Engineer	\$52.05	\$78.08	\$62.46	\$1,732.21	\$40.30
Conductor/AE *	\$46.34	\$69.51	\$55.61	\$1,571.16	\$35.36
Brakeman *	\$43.16	\$64.74	\$51.79	\$1,571.16	\$33.01

*Conductor / Assistant Engineer and Brakeman rates are only subject to DM&E employees in the Consolidated Territory operating between Ottumwa and Kansas City, including Kansas City.

- B. Except as otherwise specified in Article 7, Section 1 of this agreement, ten (10) hours or less will constitute a basic day and pay for all time on duty after ten (10) hours, or the hours encompassed in the basic day of the job to which assigned if other than ten hours, will be at the rate of time and one half. Engineers requesting to be relieved during their tour of duty will be paid actual time on duty. (Q&A #3)
- C. Engineers who perform service, at the request of the Company, which starts on their assigned rest days shall be paid for such service at the rate of time and one-half. Extra Board Engineers that perform service on their assigned rest days will not have their guarantee offset by the time and one half earnings provided the Engineer has been fully available on his scheduled work days during the entire week. In the application of this provision, overtime applies when you are called and listed to work or deadhead, with an on duty time on or after 00:01 on your rest day at your home terminal. (Q&A #3)
- D. The Non- Service eight (8) hour rate of pay on the effective date of this agreement will be based on the service to which assigned and as shown above in the table in Paragraph A of this Article

5. This rate will be paid for the following service categories when Engineers do not perform train service: Attending Court and Inquests, Jury Duty, Company Required Training, Company Initiated Meetings, Bereavement, Personal Leave Days, Company or regulatory agency (e.g. FRA) required Medical Examinations and Attending Investigations when no Discipline is assessed.

- E. When Engineers are called to commence work on General Holidays they shall be paid at a rate of 1.2 times the regular hourly rate (blended rate) for the basic day and 1.5 times the blended rate for time worked in excess of the number of hours of their advertised basic day.
- F. Unless otherwise provided in this agreement, the rates of pay as indicated herein represent complete and total payment for the performance of all work which is associated with the Engineers covered by this agreement.

ARTICLE 6 - SENIORITY

Section 1 General

- A. The right of Engineers to perform service will be governed by seniority, qualifications being equal. The Engineer longest in service will have preference.
- B. The Company will keep the General Chairperson and each Local Chairperson of the BLET supplied with lists of Engineers and their seniority dates and rank numbers as in conformity with their standing as recorded on the seniority lists subject to the rules hereinafter provided for.
- C. The entire (Territory) will comprise a single seniority roster. Engineers who request and are granted authority to transfer from their current Zone to a different Zone identified in Section 5 of this Article will be required to remain at the location for a minimum of ninety (90) calendar days once qualified and marked up at the new location. At the Company's discretion, the ninety (90) day period may be reduced based on the needs of service.

Section 2 Establishment

- A. Except as otherwise provided herein, the seniority date of the hired Engineer shall be the date of his first compensated service as Engineer under this agreement.
- B. In the event an Engineer is hired who is previously certified, this Engineer will establish seniority on the date of his first tour of duty as Engineer. The date that this Engineer establishes his seniority will also be the effective date for establishing seniority for any Engineers in active training as a Locomotive Engineer. The previously certified Engineer will be placed on the seniority roster behind those Engineers already in training, or if assigned to the class will be placed on the roster by his seniority ranking in relative order of other newly hired Engineers in the Engineer Training Program. It is the intent that these provisions operate to

prevent the runaround of Student Engineers by hired, promoted and certified Engineers while those Students are actually involved in a recognized training class.

Section 3 Demoted Engineers

- A. Subject to manpower requirements, Engineers may be demoted.

- B. Engineers who are demoted will be used to fill Engineer vacancies in accordance with their seniority when extra Engineers are unavailable to fill such vacancies. This applies to vacancies ordinarily filled by extra board Engineers.

NOTE: "Availability" as used in this article means the demoted Engineer is rested according to law or Agreement and is in proper order to be contacted under the terms of the calling rule.

Section 4 Re-Entering Service

Engineers reinstated retain their rank of seniority. Engineers reemployed lose their former rank and enter the service as new Engineers.

Section 5 Seniority District and Extra Board Locations

A. Upon the effective date of this Agreement, the following Seniority District will be established and will replace all Seniority Districts and Seniority Rosters in the Consolidated Territory previously in effect, subject to provisions of this agreement herein:

Seniority District 1 Consolidated Territory		
<u>Zone No.</u>	<u>Extra Board Location(s) & Source of Supply Point(s)</u>	<u>Protects</u>
1	Ottumwa	All DM&E assignments headquartered at or between Ottumwa to Kansas City, excluding Kansas City.
2	Kansas City	All assignments headquartered at or between Kansas City and/or Mexico, including International Freight Gateway (IFG); and/or to Ottumwa, excluding Ottumwa; and/or Pittsburg.
3	East St. Louis	All assignments headquartered at or between East St. Louis and Mexico; and East St. Louis and Springfield.
4	Pittsburg	All assignments headquartered at or between Pittsburg and Kansas City; including Kansas City; and between Pittsburg and Watts.

Note: Yard assignments headquartered at Kansas City will continue to operate under the Joint Agency Equity Agreements (See Side Letter 10).

B. The Company shall provide notice, in writing, of not less than sixty (60) days to the General Chairperson, of its intent to establish a new terminal and one hundred twenty (120) days of its intent to abolish an existing terminal. Such notice shall identify the terminal (s) involved, the operational reasons for the change and the effective date of the intended change.

Section 6 Entitlements of affected Engineers

A. When an Engineer is required by the Company to permanently relocate to a new work location as a result of Section 5, Paragraph B, above, which is in excess of fifty miles from the Engineer's existing work location, the Company will pay, in lieu of any and all other moving and/or relocation benefits, including real estate protection from loss on sale of the home, a "relocation allowance" of \$25,000; provided the new work location is more than 50 miles from the Engineer's existing work location and is a greater distance from the Engineer's present residence than was the former work location. Such allowance shall be paid in the increments and upon completion of the requirements set forth immediately below:

- (i) \$5,000; paid to an Engineer upon reporting to and marking up at the new location.
- (ii) \$10,000; upon receipt by the Company of documentation showing a receipt from a moving or rental company identifying that; 1) the Engineer's personal household goods were delivered to the location of the Engineer's new residence and 2) provide proof in the form of a lease or ownership of his residence at the new location.
- (iii) \$10,000; payable sixty (days) from the Company's receipt of proof of the later occurrence of either event specified in (ii) above.

All events in Paragraphs (i) – (iii) above, and corresponding payments therefore, must be concluded one (1) year from the date the Engineer was notified of the requirement to relocate or from abolishment of the Engineer's position and the former location, whichever occurs later.

This Section 6 does not apply to any relocation resulting from the normal exercise of seniority or force assignment occurring in accordance with this agreement.

Section 7 Seniority Roster

- A. Current Engineers will be placed on a District Seniority Roster in accordance with their former relative seniority standing on the applicable seniority roster of the property on which employed on the day prior to the effective date of this agreement.
- B. Seniority rosters for the Seniority Districts outlined in Section 5 herein will continue to be compiled by the Company and posted on or before January 30 of each year with copies furnished to the General Chairperson and Local Chairmen. Rosters will show each Engineer's name, number, date of seniority, status and prior rights code if applicable. A seniority date not protested within ninety (90) days from its first posting will be considered permanently established, and future requests for changes will not be considered except to correct typographical errors.

- C. Engineers establishing seniority on or after the effective date of this Agreement will be placed at the bottom of the Engineer roster in order of their date of hire.
- D. Employees hired after the effective date of this agreement must accept promotion in seniority order consistent with the current practice in place at the signing of this agreement.
- E. The current practice in place as outlined in Article 6, Sections 9 and 10 of the current 2015 DM&E Agreement will be applicable to all DM&E employees hired after January 1, 2006.

Section 8 Prior Rights

- A. Engineers possessing prior System Seniority District rights on their respective seniority districts will continue to possess relative prior rights to any existing former System Seniority District positions on their seniority district(s).
- B. Equity between former prior right districts will be determined between the Local Chairperson(s) and General Manager(s) involved. Disputes regarding equity will be resolved by the General Chairperson. (Q&A #4) (Side Letter #10)

ARTICLE 7 - JOB VACANCIES AND BIDDING

Section 1 Regular Assignments and Extra Boards

- A. A train/job starting 4 consecutive days during the same 4-hour window, or 6 days of a 7 day period during the same 4-hour window will be included in the 7 day mark for the following week.
- B. The Company shall determine the work rest schedule(s) for each type of service.

Unless otherwise agreed by the parties and in compliance with the RSIA, Work/Rest schedules for regular assignments may be any of the following arrangements:

<p>6/2 - 4/2 work schedule</p> <p>6 working days with 2 assigned days off for the first week and,</p> <p>Then 4 working days with 2 assigned off days for the second week.</p> <ul style="list-style-type: none"> • 10 hour basic day • Overtime paid after 10 hours on duty 	<p>6/2 work week</p> <p>6 working days with 2 assigned days off</p> <ul style="list-style-type: none"> • 10 hour basic day • Overtime paid after 10 hours on duty
<p>5/2 work week</p> <p>5 working days with 2 assigned off days in the work week.</p> <ul style="list-style-type: none"> • 10 hour basic day • Overtime paid after 10 hours on duty 	<p>5/2 work week</p> <p>5 working days with 2 assigned off days in the work week.</p> <ul style="list-style-type: none"> • 8 hour basic day • Overtime paid after 8 hours on duty
<p>4/3 work week</p> <p>4 working days with 3 assigned off days in the work week</p> <ul style="list-style-type: none"> • 12 hour basic day • Overtime applies after 12 hours on duty. 	<p>3/4 Work Week</p> <p>3 working 12 hour days with 4 assigned off days in the work week</p> <ul style="list-style-type: none"> • 12 hour basic day , Overtime does not apply to this scheduled work week <p>This schedule is paid 40 hours per week minimum that is contingent upon the assigned Engineer protecting all shifts assigned during a pay period.</p>

C. Regular assignments will have consecutive rest days unless otherwise agreed upon by the parties to accommodate a unique operational circumstance necessitating split rest days.

D. (i) Regular assignments will be bulletined with a four (4) hour calling window or an assigned start time at the home terminal. The Company may adjust the starting time of an assignment within the designated calling window (spread). In the event a regular assignment is called to report for duty or annulled two hours or more beyond the close of its advertised spread time, the Engineer shall be paid for such time at the Non-Service rate applicable to the service in which assigned. In the event the requirements of service necessitate calling an Engineer prior to the opening of his advertised starting spread time, the Engineer will be paid on a minute basis for the time required to report ahead of the advertised spread time, with a minimum of 2.5 hours, at the basic daily rate.

Engineers who are not called for service or annulled upon the expiration of twelve (12) hours after the close of their assigned window/spread will be considered to have been automatically annulled at that time and spread pay will cease.

Example 1: Engineer Winter has an advertised spread time to start between 10:00 to 14:00 hours. Employee A is called at 14:00 for a 17:00 start time. *What time does Engineer Winter go on pay?*

Answer: For pay purposes only, Engineer Winter goes on pay at 16:00.

Example 2: Engineer Winter is called to report for duty at 10:00. *What time does Engineer Winter go on pay?*

Answer: 10:00.

Example 3: Engineer Winter is called in advance of his advertised spread time to report for duty at 09:00. *What time does Engineer Winter go on pay?*

Answer: 09:00. However in addition to his earnings for that day, Engineer Winter will be allowed actual time with a minimum of two and one-half (2.5) hours pay at the basic rate. In the event Engineer Winter misses a call to commence duty in advance of his advertised spread time, he shall not be disciplined or censured for that missed call and will continue to be required to protect his advertised spread.

(ii) Engineers in assigned service who are tied up at the away from home terminal shall run first in, first out among other Engineers in assigned service from the same home terminal and shall run ahead of unassigned service Engineers from the same home terminal who are tied up at that terminal.

E. (i) Guaranteed Extra Board (GEB) assignments will be established where the needs of service dictate and will initially be bulletined to work six (6) days with two (2) scheduled rest days or pursuant to Paragraph B above.

(ii) Alternatively, at the discretion of the Company, GEB assignments may be bulletined to work less than six (6) days with two (2) or more consecutive scheduled rest days, with the GEB guarantee reduced proportionately.

F. Each terminal will maintain a bulletin listing all positions, including pool and guaranteed extra board positions, which will include (a) the job title and the normal assigned duties of the job, (b) the home terminal and, where applicable, the away from home terminal, (c) whether the job is anticipated to tie up at the on-duty point, (d) the starting time or spread time of regular assignments, if applicable, and (e) the assigned day(s) off. (Q&A #5)

- G. Newly established positions will be bulletined for a period of five (5) days to enable interested Engineers to update their preferences in the crew calling system. Additional positions on existing GEB's or in existing chain gang pools will not be bulletined, but will be assigned based on standing bids on file.

Section 2 Unassigned Pool Service

- A. Unassigned pool service may be established by the company subject to the terms and conditions set forth herein. The bulletin for establishment of a new pool shall include the home and away from home terminals of the run(s). Engineers in unassigned pool service will run first-in, first-out among other Engineers in the same pool.
- B. Unless the parties agree to a different work rest arrangement, Engineers occupying positions in unassigned pool service will have a 6 on, 2 off work/rest arrangement. The provisions of Article 10, Section A, Paragraph 2 will apply to Engineers assigned to Unassigned Pool service who do not elect to use "DT" provision.
- C. To increase the opportunity to be at the home terminal to commence rest days, Engineers in unassigned pool and Extra Board service shall have the opportunity to drop their turn ("DT") subject to the following conditions.
1. The Engineer must declare DT with the Crew Management Center as follows:
 - (i) Not less than twenty-four (24 hours) prior to the start time of the first rest day or at the time of tie up on the trip which ends during that 24 hour period, whichever is later.
 2. Upon declaring DT for the day preceding the rest cycle, at such time as the Engineer becomes first out the Engineer's turn will be dropped from the Pool/GEB rotation and such turn will be placed at the bottom of the board and will continue to rotate up in sequence until:
 - (i) The Engineer is called for a tour of duty that will tie up at the home terminal, or
 - (ii) The Engineer commences his rest days.
 3. Engineers who do not notify the Company as outlined above, will be subject to a call for service until 21:59 hours for a start time at 23:59 on the day immediately preceding the scheduled start of the rest days.
 4. Engineers utilizing the DT provision remain and are considered available for service while in DT and may be used in other than first in/first out order without penalty so long as they are used for service with an on duty time prior to 1800 hours and called for service that will tie up at the home terminal.

5. At the end of either the rest day period or 48 hours from tie up, whichever is later, an Engineer utilizing the DT provisions of this Article who was used while in DT status shall be marked up last out on the respective Extra Board or Pool.
 6. It is understood there may be instances when it is necessary for an Engineer who utilizes the DT provisions of this Article to be used for service in the event the pool or Extra List is exhausted that causes the Engineer to not be able to commence his rest days until after 0600 on the first rest day. This is intended to be an intermittent occurrence and if it becomes systemic, the parties will meet promptly to determine the cause and attempt to resolve the matter.
- D. The number of turns in the pool shall be regulated in a manner that will normally provide that each individual assigned in the pool shall make no less than ten (10) starts in a two (2) week checking period. This is not intended to operate as or constitute a guarantee.
- E. Subsequent to the initial establishment of the pool, positions in the pool will not be bulletined but will be assigned to Engineers in accordance with the provisions of the Seven Day Mark (See Appendix 1).
- F. Unassigned pool service may be cancelled at any time by the Company.

Section 3 Assignment to Positions

Assignment to positions shall be governed by seniority. A 7 DAY MARK (APPENDIX 1) bid system will operate and Engineer's job preferences will be maintained in the crew calling system and can be updated at any time to become effective at 0001 on the Friday following the date submitted. Unless otherwise provided for in this Agreement, the senior Engineer having a properly filed bid and the qualifications for a position will be assigned.

Section 4 Transfers

A. Temporary Transfers

1. Internal Temporary Transfer

- a. Positions will be advertised for seven (7) days in in the event of a known or anticipated temporary shortage of Engineers at a specific location(s). Applicants will be selected from among appropriately qualified volunteers based upon seniority and the requirements of service at each applicant's seniority district, qualifications being equal. Should temporarily transferred Engineers come from more than one seniority district, their relative seniority standing among themselves, on the district to which transferred, shall be based on their earliest seniority date as an Engineer.

- b. Successful applicants may be required to protect service at the shortage location for a minimum of thirty (30) days but not to exceed one (1) year, unless released by the Company earlier. These time frames may be extended as mutually agreed by the Company, the Engineer and the General Chairperson of the BLET.
- c. Engineers transferred pursuant to this provision shall be compensated as though assigned to the Guaranteed Extra Board at the location to which transferred and, in addition, shall be paid a per diem of \$60.00 for each full calendar day they are marked up and available for duty or on assigned rest days to cover all expenses except lodging. Lodging, meeting the requirements of Article 16, Paragraph B, will be made available to the Engineer at Company's expense during the period of the temporary transfer under this provision.

2. Temporary Transfer to/from Other Properties

- a. If the need for temporary Engineers is still not fulfilled after utilizing the Temporary Transfer provisions above, if work load demands do not permit the release of Engineers from other terminals to such temporary transfers, offers to Engineers from other properties to work temporarily on another property where the need exists may be posted according to the terms and conditions set forth below. The positions will be considered temporary positions, and Engineers who accept transfer may be required to work on the other property for up to 90 days.
- b. The General Manager(s) involved will determine the number of Engineers who may be released to accept temporary transfer to another property. Subject to final approval by the General Manager(s), Engineers will be permitted to transfer based on their seniority and the requirements of service in their home District.
- c. Engineers approved to work on another property will be granted a Leave of Absence. The leave of absence shall expire seventy-two (72) hours from the time the Engineer is notified of his/her release from the other property and they shall immediately thereafter mark up for service in their home district. Engineers shall not lose their home district/road seniority as a result of anything resulting from their temporary employment on another property, unless they fail to mark up or return to service on their home district upon conclusion of their leave of absence.
- d. If all such temporarily transferred Engineers are from the same seniority district on their home road, they shall rank among themselves in order as on their home seniority district roster. In the event temporarily transferred Engineers are from more than one seniority district or more than one road, their standing among

themselves on the district to which they temporarily transfer shall be based on their earliest seniority date as an Engineer.

- e. At the discretion of the General Manager, Engineers may be offered additional temporary assignment(s) (not to exceed an additional 90 days) at the conclusion of the initial assignment. In the event not all temporary Engineers can be released simultaneously, volunteers will be released in seniority order. If there are not enough volunteers, Engineers will be released in reverse seniority order.
- f. At the end of every 90 day period (or when released), temporary Engineers will relinquish their rights to work on the property where the temporary service was performed and must return to their home property, unless otherwise mutually agreed upon between the General Manager and the General Chairperson.
- g. Engineers transferred pursuant to 2 and 3 of this Section 4 shall be paid a per diem of \$60.00 for each full calendar day they are marked up and available for duty or on assigned rest days at the location to which transferred. Engineers transferred under these provisions shall be permitted to mark off for a period of up to four days, once during each twenty-one (21) day period (beginning not less than 21 days after the first day at the temporary location and from the date of resuming service after each four day period thereafter.
- h. Engineers will not make less than a basic day when available and protecting (other than rest days) on another property. All time worked and available by Engineers while on a temporary assignment on another property will be counted towards any applicable employment time with regards to seniority accrual, vacation and PLD qualification and Health & Welfare benefits. Engineers on temporary assignments on another property shall be allowed Company provided lodging.
- i. Engineers accepting temporary transfer to another property will continue to be covered under the applicable Health & Welfare and benefit provisions as contained herein.

B. Permanent Transfers

- 1. Engineers who request and who are authorized to permanently transfer from one Seniority District to another will forfeit their seniority rank on the District which they leave and will have a new seniority date established on the territory to which transferred. The General Manager of each respective Division must approve requests for permanent transfer.

2. Seniority will be established (and cease on their former District) on the date the Engineer first performs service as an Engineer following the date and time of his reporting for duty to the company official in charge at the location where he has been instructed to report. The Company Official in charge at the Engineer's new location shall make a record of the date and hour the Engineer reports.

Note: DM&E employees who permanently transfer from one DM&E Seniority District to another DM&E Seniority District will continue to be ranked according to their standing on the DM&E System Seniority Roster.

3. An Engineer temporarily transferred and desiring to make it permanent shall not be given credit for time served as temporary.

ARTICLE 8 - ANNULMENT OF ASSIGNMENTS

- A. When assignments are to be annulled on holidays, the Company, when provided with the appropriate advance notice from Customer(s), will provide Engineers assigned thereto at least twenty-four (24) hours' notice.
- B. When an assignment is annulled or works on New Year's Day, President's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, the Day after Thanksgiving, Christmas Eve Day, Christmas Day or New Year's Eve Day, at the Engineer's option he may utilize a personal leave day.
- C. When assignments are annulled on other than one of the General Holidays referred to in Paragraph B herein, the Engineer assigned to the position may be called under the applicable rules and used on other available work within the scope of this Agreement. Engineers not used will be paid for the day or time lost, whichever is greater.
- D. On a day that an Engineer's regular assignment is bulletined to tie-up at an away-from-home-terminal and such Engineer is annulled or tied-up at the home terminal, the Engineer must be available for service on the next day and may be called ahead of the GEB, without penalty, subject to the following conditions:
 - The Engineer must be listed within the same four (4) hour calling window as scheduled for the next outbound trip.
 - The Engineer must tie up at his home terminal.
 - Engineers available but not used shall be compensated ten (10) hours at the straight time rate.

ARTICLE 9 - ABOLISHMENT AND DISPLACEMENT

- A. Engineers whose positions are abolished will be placed in accordance with the individual's standing bid in accordance with the Seven (7) Day Mark.
- B. In the application of Paragraph A herein, if unable to displace a junior Engineer in the terminal, the Engineer shall exercise his seniority to displace a junior Engineer within his Seniority District within forty-eight (48) hours. An Engineer who is forced to exercise seniority to a location that is more than 100 miles from the location from which he is displaced will be permitted a reasonable time not exceeding two (2) days to take the position.
- C. Permanent changes in rest days, home terminal or a change in the assigned start time of one (1) hour or more shall entitle the affected Engineer to a displacement, which must be requested at the time he is notified of the change.

ARTICLE 10 - GUARANTEED EXTRA BOARD (GEB)

- A.
 - 1. Where Guaranteed Extra Boards (GEB) have been established the scheduled weekly rest day(s) will commence at 00:01 hours, with the Engineer automatically marked back to the board at 00:01 following the rest day(s). Except when utilizing the DT provisions as provided in Article 7, Section 2, Paragraph C, Extra Board Engineers at their home terminal will not be called for duty that commences on or after 23:59 hours on the day preceding their rest day.
 - 2. If the Engineer is currently working or away from the home terminal at the time the scheduled rest day(s) are to begin, the rest day(s) will begin upon the Engineer's tie-up time at his home terminal and run for forty-eight (48) hours, with the Engineer automatically marked back to the bottom of the board at the expiration of that time. However, if the Engineer's tie-up time occurred between 0001 and 0601 on the scheduled rest day, the Engineer will automatically be marked back to the bottom of the board at 0601 following expiration of the forty-eight (48) hours.
- B. GEB's will operate on a first-in, first-out basis, based on tie-up time. Where more than one Engineer is marked back up to the Board at the same time their previous tie up time will govern relative order.
- C. Unless otherwise provided for herein, Engineers assigned to GEB's will fill temporary vacancies and extra assignments at the location of the Board, within the Zone and at outlying points within the Seniority District, as necessary. In the event the GEB from which the assignment would normally be filled is exhausted, the assignment will be filled in accordance with the vacancy fill procedures contained in Section 12 of APPENDIX 1.

- D. Except when held for mandatory rest pursuant to RSIA, when Engineers mark back up for any reason they will be placed to the bottom of the GEB and the following will apply:
1. Engineers who are first-out on the GEB and miss a call or book off for any reason other than approved compensated leave will be considered first out and available for service upon mark up.
- Note: Engineers who book off for other than approved leave will forfeit any guarantee due for that week.
2. Engineers who are held from the GEB to obtain mandatory rest pursuant to RSIA will retain their relative standing while obtaining the required period of rest after which they shall be subject to call in accordance with governing calling rules.
- E. The number of Engineers assigned to GEB's will be regulated at the start of each week by the Company, consistent with the Seven Day Mark as provided in APPENDIX 1.
- F. Except as specifically noted below, all compensation paid by the Company to Engineers while assigned to a GEB in a work week will be credited toward the guarantee excluding personal automobile mileage allowances, expenses, and payments that involve an alleged violation of this Agreement, such as runarounds, etc. Compensation received pursuant to Article 16 Section 1. D. and Article 16 Section 3 and Section 4 will be credited toward the guarantee. Compensation received when used to supplement an exhausted GEB in an adjacent seniority district which is located more than forty (40) miles from the location of the Engineer's home GEB location will not be used to offset the weekly guarantee.
- G. GEB Engineers who mark off on unpaid leave during any week shall forfeit any guarantee pay for that week.
- H. The rate established for extra boards under this Agreement shall be subject to general wage increases.
- I. GEB positions will not be advertised. Assignments shall be made on the basis of seniority.
- J. Extra board Engineers shall be called for service not less than two (2) hours prior to the time required to report for duty.
- K. The Company will provide the General Chairperson ten (10) days' advance notice for any new Guaranteed Extra board it intends to establish. Such notice shall also identify the jobs/assignments which shall be protected by the newly established Extra Board.

- L. All guarantee compensation paid to extra Engineers shall be considered as service rendered for purposes of qualification for vacation pay and holidays.
- M. Except in cases of emergency which affect the continued operation of the railroad, increases or decreases to the GEB should occur at the time of the weekly board mark.
- N. Deadheading will be paid when it occurs as a result of force-assignment to the extra board of an Engineers holding an assignment at an outlying point.
- O. Except as provided for in Article 16 Section 3 when called for service extra board Engineers will not make less than a basic day at the rate applicable to the service in which operated.
- P. Engineers assigned to the GEB may, at their option, take payment in lieu of a personal leave day on holidays described in Article 8, Paragraph B.

ARTICLE 11 - APPROVAL OF APPLICATION FOR EMPLOYMENT

- A. Applications for employment as an Engineer will be disapproved in writing within sixty (60) days following the day the Engineer first becomes qualified for and performs service as an Engineer under this Agreement with the Company.
- B. An application that is rejected anytime within such period will result in termination of the Engineer's relationship with the Company.

ARTICLE 12 - RULES / INSTRUCTION CLASSES

- A. Engineers who are required to attend rules or instruction classes on their own time shall be paid actual time, except that no pay shall be required for Engineers attending remedial classes in lieu of or as part of the discipline process or as described below. The Company will schedule the rules and instructions classes for the Engineers.
- B. Where training takes place away from the Engineer's home terminal, lodging will be provided, and the Engineer shall be entitled to allowances for meals and for expenses related to travel (Examples: fare, tolls, mileage, parking etc.) between the home terminal and the course accommodation.
- C. Where an examination or test forms part of the training requirement, an Engineer is expected to meet the required standard on the first attempt. If an individual is unable to achieve the necessary standard, he will be offered one additional opportunity to successfully pass the failed portion(s) (without compensation) and which must take place within not less than five (5) nor more than fourteen (14) days of the first attempt

and which will be on the Engineer's own time. An Engineer who fails to attain the required standard at the completion of this period will be deemed to have disqualified himself for employment and will forfeit all seniority.

- D. Engineers who are required to attend rule, Engineer re-certification, or instruction classes during a normal tour of duty (i.e.; combined with other service) will not be paid additional compensation.
- E. Regular Engineers who lose time as a result of being required to attend rule or instruction classes shall be paid for the time lost at the Non-Service rate of pay.
- F. Extra Engineers required to attend rule, Engineer re-certification, or instruction classes will be paid for any loss of time at the Non-Service rate of pay and in no case will be paid less than actual time in attendance. Engineers required at the request of the Company to attend the classes referred to herein on their assigned rest days shall be paid for such service at the rate of time and one half.
- G. Engineers required at the request of the Company to attend the classes referred to herein on their assigned rest days shall be paid for such service at the rate of time and one half of the non-service rate of pay.

ARTICLE 13 - ON AND OFF DUTY POINT

- A. Except as provided below, Engineers shall have a designated point for going on and off duty each day. The Company will consult with the BLET Local Chairperson with jurisdiction on the respective territory prior to bulletining positions where it is proposed to change any on or off duty points.
- B. The starting time of an Engineer shall commence at the time he is required to report for duty, and his pay shall continue until the time he is tied up at a proper off duty location.
- C. When Engineers are relieved at points other than the point of going on duty, the Company shall provide transportation to the appropriate off duty point which shall be at a recognized location as designated by the Company.
- D. An Engineer operated to an away from home terminal that is not his normal away from home terminal location will be considered first-out upon completion of his legal rest. Upon the expiration of twelve hours, or sooner if available, an Engineer used in this manner will only be called to deadhead or to work back to his home terminal. Upon the expiration of twelve hours, an Engineer referred to herein that is not called as

described shall be considered on pay until called for duty; and such time shall not be counted towards his hours of service.

- E. Except as otherwise agreed, changes will not be made in reporting and relief points until suitable wash and locker room facilities have been provided. Wash, locker, toilet facilities and hot and cold running water will be provided for Engineers on all assignments. An adequate parking area, with all-weather surfacing (gravel, slag, stone, etc.) will be provided and maintained where space is available on company property if free public parking is not readily available.

- F. Engineers performing service in connection with the Engineering Department (work train) may be tied up at any point away from their home terminal on any of the seven (7) GEB working days, but if held subject to a call for such service, a day's pay will be allowed.
 - 1. Engineers called to perform service as outlined herein shall remain on such assignment for the remainder of that week, the same as if assigned thereto on board change day pursuant to the seven (7) day mark provisions of the agreement.
 - 2. Unless regular assignments are established for such service, the service as outlined herein shall be filled from the GEB.

- G. Engineers who are tied up at their away from home terminal may be called for a maximum of one (1) trip from that terminal that does not return to their home terminal. When so used, the Engineer's subsequent trip, whether working or deadhead, must return to the Engineer's home terminal.

ARTICLE 14 - CALLING FOR DUTY

Section 1 Calling

- A. Unless otherwise agreed between the parties to accommodate special circumstances involving a recognized group of Engineers, an Engineer without a designated starting time shall be called not less than two (2) hours prior to the time required to report for duty, except in cases of emergency, such as floods, accidents, storms, etc., when Engineers shall be required to report as soon as possible.

- B. Engineers must designate a telephone number at which they can be reached for the purpose of being called. Engineers may designate up to two additional numbers for this purpose.

Section 2 Used out of Order

- A. GEB Engineers who are available and not called in the correct order ("runaround") in accordance with the procedures in this Agreement, will be paid one half (1/2) of the basic day payment in addition to any other GEB earnings.

- B. There shall be no "chain" type payments and not more than one runaround payment for any particular assignment.

- C. Regular assigned Engineers not called for runs, through no fault of their own, will be paid for all time lost. If used on other assignments, money earned will be counted in computing pay for time lost (make whole). This paragraph does not constitute a guarantee.

- D. The incidence of runaround claims will be reviewed in the conferences established pursuant to Article 27 of this Agreement to identify and correct any systematic problems.

- E. An Engineer that operates to an away from home terminal that is the source of supply point for Engineers at that location and subsequently operates a train out of that away from home terminal and is tied up at his home terminal will not invoke the runaround provisions outlined in Article 14, Section 2, Paragraph A herein for any Engineer home terminated at that location provided the Engineer is tied up for rest at his home terminal upon completion of the trip.

- F. Trains that are tied up on line due to being overtaken by the Hours of Service Law may be re-crewed with a qualified Engineer from the nearest source of supply point via highway miles without penalty to the Company.

Section 3 Called and Released

When an Engineer is called, reports for duty and performs no service, and is then released prior to the expiration of ten (10) hours, he shall be allowed a minimum of one-half a day or actual time consumed, whichever is greater and returned to the bottom of the board. If the call and release service is the only service performed on that calendar day then a basic day's pay will be allowed. For purposes of this rule only, an Engineer will be considered to have performed service upon having been delivered to the locomotive(s) to be used for any portion of the trip, tour of duty or commencement of any action related to movement of rail cars or train for which the Engineer has been directed. (Q&A #8)

Section 4 Familiarization of Territory

- A. When Engineers are required to run over any portion of the road with which they or any other member of the crew are unacquainted, a pilot will be furnished.

- B. When foreign line trains are detoured over any portion of the road, and the Engineer of such detoured train is not qualified to operate on the territory, a qualified Engineer on that territory will be furnished as a pilot, if available. If none are available, other qualified Engineers may be used as a pilot.
- C. Employees from other crafts who are certified as Engineers may also be used to pilot trains when Engineers are not available for this purpose.
- D. Engineers acting as pilots will be paid for actual time on duty with a minimum of a basic day.

ARTICLE 15 - MEAL PERIODS

- A. An Engineer whose assignment primarily switches or works primarily within a terminal will have, between the fifth and the seventh hour, twenty (20) uninterrupted minutes in which to eat, and reasonableness will apply. However, in granting Engineers time for their meal, it is with the understanding that such must not cause unnecessary interference or delay with the performance of their work or the work of other crews.
- B. Disputes arising out of the interpretation or application of this Article will not be used as the basis for time claims, but will be referred to the Committee established pursuant to Article 27 for final and binding disposition. In the event the issue remains unresolved after Labor Management handling, the Organization may advance the issue to arbitration for final and binding resolution. Prior to proceeding to arbitration an unresolved issue involving this Article will be escalated for resolution to the Senior Vice President of Operations by the General Chairperson. In the event the matter is arbitrated, the arbitrator will have authority to fashion a remedy that conforms to the intent of the rule.

ARTICLE 16 - EXPENSES

Section 1 Held Away From Home Terminal

- A. A meal allowance of \$16.00 will be payable after an Engineer is held four (4) hours or more at the away from home terminal and thereafter after each additional eight (8) hours tied up at the away from home terminal.
- B. The Company will provide suitable lodging and will be responsible for the payment of room and taxes. To be considered "suitable," at a minimum, the lodging accommodation shall be:
 - Reputable and clean with adequate lighting;

- Single occupancy rooms with comfortable beds with innerspring or comparable mattresses, pillows, private lavatory and bath facilities with hot and cold running water, a chair and nightstand and television in the room;
 - Blankets, clean linen (sheets and pillow cases), soap and towels will be supplied each occupant;
 - Rooms will be cleaned and bed linen changed after each occupancy by personnel other than the occupant;
 - Rooms will be cooled or heated when climatic conditions normally require such cooling or heating;
 - Lounge, including chairs, writing tables and lamps.
- C. When selecting regular accommodation providers the Company will consider the proximity of restaurant facilities that are open on a twenty-four (24) hour basis. The Superintendent will consult with the respective Local Chairperson of BLET regarding changes to regular accommodation providers. In the event the parties are unable to agree to any proposed accommodation changes, or the suitability of current accommodations, the matter will be forwarded to the General Manager and the General Chairperson for resolution.
- D. Except as provided for in Article 13, On and Off Duty Point, when an Engineer is tied up at other than his home terminal, upon the expiration of sixteen (16) hours away from home, the individual shall be considered on pay until called for duty, except that such time shall not be counted towards hours of service, or overtime. Should an Engineer be called for service or ordered to deadhead after such pay begins, the held away from home terminal pay ceases at the time the service or deadhead commences.
- E. This provision shall not apply to regular assignments at outlying points or to Engineers temporarily transferred or assigned to a new home terminal. GEB Engineers called to fill an assignment, for a duration of more than one day and who are required to remain at an outlying point, will be afforded meal allowance(s) and lodging.
- F. The current practice of allowing Engineers to reverse their lodging will remain in effect; however, such must be reviewed and approved by the Superintendent.

Section 2 Transportation Expense

When an Engineer is required to work away from his regular assigned location, the Company will either provide transportation or reimburse the Engineer for necessary costs of transportation, which shall be at the standard driving allowance allowed by the IRS. No reimbursement will be made where the Company provides transportation. Upon approval of the Company, an Engineer will have the option of using his personal automobile in lieu of furnished transportation. An Engineer who uses his personal automobile in lieu of furnished transportation, and the distance

traveled from his residence to the location required to report for work is in excess of 80 miles for the round trip, will be paid an allowance of one hour based upon the straight time hourly rate of pay in addition to the IRS standard driving allowance.

Section 3 Deadheading

Deadheading shall be paid either separate from or combined with service, in the manner least costly to the company. Where deadheading is paid separately from service, unless otherwise provided, the Engineer shall be paid a minimum of one-half day at the basic daily rate or actual time consumed, whichever is greater. If separate service deadhead is the only service performed on that calendar day a basic day's pay will be allowed for the separate service deadhead.

Section 4 Aggregate Service

Engineers may be released four (4) hours or more. If so released the Engineer will be considered on pay until called to resume duty and such release time shall not be counted towards hours of service or overtime.

ARTICLE 17 - PERSONAL LEAVE DAYS (PLD's)

- A. Engineers shall receive three (3) PLD's annually. When any Engineer accumulates a total of sixty (60) months of cumulative compensated service in any service, or combination of service which includes Engineer, Conductor, Brakeman, the Engineer will then qualify for the seven (7) personal leave days and will qualify for eleven (11) after one hundred twenty (120) months of cumulative compensated service. Notwithstanding this clause, no Engineer shall lose PLD's to which he/she is already entitled.
- B. Upon forty-eight (48) hours' advance notice from the Engineer, PLDs will be scheduled by the Local Chairman subject to the quota established by the Company upon notification by the Local Chairman to the Crew Management Center. PLD's requested and approved as provided for herein must be taken and payment will be made on the following payroll period.
- C. In situations where the number of applicants seeking PLD's exceeds the number of Engineers that can be released, the Company may, but is not required to, approve such PLD requests in seniority order subject to manpower needs.
- D. Engineers who leave the service of the company during the year will have their PLD allocation reduced on a pro-rata basis to allow one PLD per each full month worked, up to the number to which the Engineer is entitled.
- E. Any PLD's provided for herein that are requested but denied by the Company and not subsequently rescheduled prior to November 15 for use during the remainder of the calendar year shall be paid at the rate specified herein on the first full pay period of the following year.

ARTICLE 18 - BEREAVEMENT LEAVE

- A. Bereavement leave of three (3) consecutive working days will be allowed, at the applicable rate provided for in Article 5, Paragraph D., in case of death of an Engineer's "natural" or "step" brother, sister, parent, child, spouse or spouse's parent. Engineers involved will make provision for taking leave with their supervising officials in the usual manner.
- B. The three (3) days may be taken at any time beginning with the date of death and ending seven (7) days after the funeral.

ARTICLE 19 - HOLIDAYS

Engineers who are available, marked off on compensated leave or on scheduled or mandatory rest days the immediate two (2) days preceding and the immediate two (2) days following a holiday identified in Article 8, Paragraph B., and who work on a holiday will be paid a rate of pay of one and two tenths (1.2) times the Basic Rate for the hours of the basic day of the assignment. All time worked on the holiday in excess of the advertised basic day hours of the assignment will be paid time and one-half based on the rate outlined herein.

ARTICLE 20 - VACATION

This article is not intended to restrict any of the existing rights of the Company except as specifically provided herein.

Section 1 Entitlements

Each Engineer subject to the scope of this Agreement and having continuous service (including other crafts) and who has rendered service (including other crafts) as identified herein, will be eligible for the following annual vacation entitlement allotted in order of seniority to be taken between January 1 and December 31:

A. A qualifying Engineer shall be entitled to paid vacation, subject to the following:

Years of Service	Amount of Vacation	<u>Explanation</u>
New Engineers, if during the preceding calendar year has rendered service amounting to 160 basic days or equivalent hours paid	One (1) Week	(7) calendar days with 6 day's paid. if on a 6 day assignment. If a 5 day assignment is established payment will be 5 day's pay.
After 2 or more years of cumulative compensated service	Two (2) weeks	(14) calendar days with 12 day's paid. If a 5 day assignment is established payment will be 10 day's pay.
After 8 or more years of cumulative compensated service	Three (3) weeks	(21) calendar days with 18 day's paid. If a 5 day assignment is established payment will be 15 day's pay.
After 17 or more years of cumulative compensated service	Four (4) weeks	(28) calendar days with 24 day's paid. If a 5 day assignment is established payment will be 20 day's pay.
After 25 or more years of cumulative compensated service	Five (5) weeks	(35) calendar days with 30 day's paid, If a 5 day assignment is established payment will be 25 day's pay.

B. Vacation shall be taken between January 1 and December 31; however, it is recognized that the exigencies of the service create practical difficulties in providing vacations in all instances. Due regard, consistent with requirements of the service, shall be given to the preference of the senior Engineer when granting vacations. Representatives of the Company and of the BLET will cooperate in arranging vacation periods, administering vacations and releasing Engineers when requirements of the service will permit. It is understood and agreed that the Company will pay vacationing Engineers their vacation allowances as soon as possible after the vacation period, but the parties recognize that there may be some delay in such payments. It is understood that in any event such an Engineer will be paid his vacation allowance no later than the second succeeding payroll period following the date claim for vacation allowance is filed.

C. Pay for vacation shall be equal to the basic weekly rate of the position occupied at the time vacation is taken. Examples: 5 day assignment would be paid 5 basic days; 6 day assignments, 6 basic days, 4 day assignment 4-12 hour days (all straight time) and 3 day assignment will be paid 40 hours at the rate of the position to which assigned.

- D. An Engineer shall perform one hundred sixty (160) days or equivalent hours of cumulative compensated service in any calendar year to qualify for vacation in the ensuing year as provided under Paragraph A above. Calendar days on which an Engineer is available for service (within the meaning of Articles 7, Section 3 and Articles 10, 17, 30, 31 and 32) and on which he performs no service, shall be included in the determination of qualification for vacation; also, calendar days not to exceed sixty (60) days on which an Engineer is absent and unable to perform service because of illness or injury shall be included.
- E. Engineers taking single day vacation days pursuant to Article 20, Section 3, Paragraph C. shall be paid the basic day hours of the position to which assigned at the Non-Service rate of pay. Engineers taking a single day vacation on a day when his regular assigned run is to tie up at an away from home terminal will be required to take two (2) single days of paid leave. Engineers electing to take one (1) week in single day increments must so indicate at the time weekly vacations are bid.
- F. When submitting vacation requests, Engineers should include at least three (3) choices in case of duplicate requests. When requesting single day vacation days, requests will be granted in the same manner as prescribed by Article 17, Paragraphs B and C.
- G. If an Engineer's employment status is terminated for any reason, he shall at the time of termination be granted full vacation pay for vacation earned in the preceding year not yet granted, and vacation pay for the succeeding year if the Engineer has qualified therefore under Paragraph A. If an Engineer thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as an Engineer may have designated, or in the absence of such designation, the surviving spouse, the Engineer's children, or his estate, in that order.
- H. Vacations, or allowances therefore, under two (2) or more schedules held by different organizations at the same Company shall not be combined to create a vacation of more than the maximum number of days provided for in any one of such schedules. Engineers transferring from other crafts will have length of service and other qualifications for vacation count toward vacation as an Engineer under this agreement.
- I. Time off on account of vacation will not affect nor offset guarantees.
- J. The absence of an Engineer on vacation with pay, as provided in this Agreement, will not be considered as a vacancy, temporary, or otherwise, in applying the bulletin rules of this Agreement.
- K. Vacations shall not be accumulated or carried over from one vacation year to another.

- (i) In the event an Engineer could potentially lose time at the end of his pending vacation period he may request approval of the Company that his vacation could be reduced in one year and adjusted in the next.
- (ii) After the vacation begins layover days during the vacation period shall be counted as a part of the vacation.

L. The following will also be used to determine eligibility for vacation:

- Used out of order – ½ day credit;
- Separate Service Deadheading – one (1) day credit;
- An Engineer paid ten (10) hours (accumulative) under the held-away-from-home terminal rule will be credited with one 1 basic day.

Section 2 BLET - Union Officials

Vacation qualification criteria in effect on the date of this Agreement shall continue to apply to Engineers who hold positions as General Chairperson, Local Chairperson, and State Legislative Directors (“local officials for the BLET”). It is further understood that by providing this exclusion it is not intended that the total number of such officials covered be expanded.

Section 3 General

- A. Calendar days on which an Engineer is compensated while attending training and rules classes at the direction of the Company will be included in the determination of qualification for vacation.
- B. During a calendar year in which an Engineer’s vacation entitlement will increase on the anniversary date, such Engineer shall be permitted to schedule the additional vacation time to which entitled on the anniversary date at any time during that calendar year.
- C. An Engineer may take up to one (1) week (6 days) of his annual vacation in single day increments; provided, however, that such Engineer shall be automatically marked up for service upon the expiration of any single day vacation.
- D. Each day worked on a position not covered by this Agreement shall count as a basic day for vacation qualification purposes.
- E. Calendar days on which an Engineer assigned to an extra list is available for service and on which days he performs no service, will be included in the determination of qualification for vacation; also, calendar days, not in excess of sixty (60), on which an Engineer is absent from and unable to perform service because of sickness or injury received on duty will be included.

- F. All guarantee compensation paid to extra Engineers shall be considered as service for vacation pay and qualification days.
- G. Where an Engineer is discharged from service and subsequently reinstated without loss of seniority and/or benefits, service performed prior to discharge and subsequent to reinstatement shall be included in the determination of qualification for vacation during the following year. Engineers restored to service will be credited for all time paid for entitlement purposes.
- H. In instances where Engineers who have become members of the Armed Forces of the United States return to the service of the Company in accordance with the Veterans Re-Employment Rights Act (8 USC Title 38 §2021-2027), as amended from time to time, time spent by such Engineers in the Armed Forces subsequent to their employment by the Company will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the Company.

ARTICLE 21 - BENEFITS

Section 1 Health & Welfare

- A. Engineers coming under the scope of this Agreement, along with their dependents, if applicable, will be subject to the Health and Welfare Plan, the Dental Plan, the Vision Plan and the Short Term Disability Plan under which they were covered on the day prior to the effective date of this agreement, as may be amended.
- B. Engineers promoted subsequent to the effective date of this agreement will be subject to the Health and Welfare Plan, the Dental Plan, the Vision Plan and the Short Term Disability Plan under which they were covered on the day prior to their promotion to Engineer.
- C. An Engineer hired subsequent to the effective date of this agreement who is previously certified will be subject to the Company's Health and Welfare Plan, the Dental Plan, the Vision Plan and the Short Term Disability Plan as may be amended from time to time for other craft employees attached hereto as Appendix 2.
- D. Employees covered by a plan between the National Railway Carriers Conference and employed by the Company in another craft will be subject to the Railroad Employees National Health and Welfare Plan (including Life/AD&D Insurance), the Railroad Employees National Dental Plan, the Railroad Employees National Early Retirement Major Medical Benefit Plan, and the Railroad Employees National Vision Plan.

Section 2 Off Track Vehicle Accident Benefits

The parties agree to maintain the current off track vehicle accident benefits as provided in the BLET National Agreement as amended.

Section 3 Employee Assistance Program

The Company will maintain for the benefit of Engineers covered by this Agreement an Employee Assistance Program, which may be changed from time to time provided such changes are applicable to Company employees generally.

ARTICLE 22 - PHYSICAL EXAMINATIONS

Engineers covered by this Agreement may be required to take medical examinations by the Company's physician at the Company's expense. If the medical examination must take place outside the Engineer's terminal, the individual will be allowed payment for meals, and travel. An Engineer required to lose time to attend company required medical examinations will be paid one basic day at the "Non-Service" rate for each day on which the Engineer would have otherwise worked.

ARTICLE 23 - MEDICAL DISQUALIFICATIONS

- A. If an Engineer is found to be medically disqualified by the Company's physician and the Engineer is of the opinion that his condition does not justify removal from the service or restriction of his rights to service, appeal will be made to the designated officer of the Company for a joint medical board to be established.

- B. The Engineer involved, or his representative will select a physician to represent him and the Company will select a physician to represent it (who may be the original examining physician) in conducting a further medical examination. If the two physicians thus selected agree, the conclusion reached by them as to the individual's medical condition will be final.

- C. If the two physicians selected do not agree as to the medical condition of such individual, they will select a third physician to be agreed upon by them, who shall be a practitioner of recognized standing in the medical profession and a specialist in the disease or ailment from which the individual is alleged to be suffering. The three physicians thus selected will examine the Engineer and render a report with reasonable promptness setting forth his physical condition and their opinion as to his fitness to continue service in his regular employment, which shall be accepted as final. Should the decision be adverse to the individual, and it later appears through medical findings that his condition has improved, a re-examination by the Company's physician will be arranged after a reasonable interval upon the request of the Engineer or the Union.

- D. The Company and the Engineer will each pay for the costs of their chosen physician and share equally in paying the costs of the third physician.
- E. If an Engineer has been out of active service for more than ninety (90) days, before resuming service he will be required to pass a physical examination (including drug and alcohol testing) before being permitted to return to duty.

ARTICLE 24 - PAYDAY

Except where State or Federal Law requires pay on a weekly basis, Engineers shall be paid on a bi-weekly or semi-monthly basis by direct deposit. Adjustments to an Engineer's pay will be processed not later than the pay period following the reported time. Payroll shortages of a basic day or greater will be made within twenty-four hours of request therefor. The Company shall provide not less than sixty (60) day notice to Engineers prior to changing the payday schedule.

ARTICLE 25 - PAYROLL AND DEDUCTIONS

- A. Payroll payments will be made only to a direct checking and/or savings deposit account as specified by the Engineer. Such Engineers will have sixty (60) days to establish a direct deposit account at a financial institution recognized by the Company as able to accept direct deposits.
- B. Payroll deductions are available to all permanent full-time Engineers who execute a suitable written deduction authorization for the following purposes:
- Periodic Union dues, agency fees and assessments included in, monthly dues (not including fines and penalties) payable to the Union.
 - Other purposes as from time to time designated by the Company.

ARTICLE 26 - UNION SHOP AGREEMENT

- A. Subject to the terms and conditions below, Engineers of the Company subject to this Agreement shall, as a condition of their continued employment under this Agreement, become members of the BLET within sixty (60) calendar days of the date they first perform compensated service under this Agreement, and shall maintain membership in good standing in the BLET while subject to this Agreement; provided, however, that this requirement for membership in the BLET shall not be applicable to:
1. Those to whom membership is not available upon the same terms and conditions as are generally applicable to any other member;

2. Those to whom membership has been denied or terminated for any reason other than the failure of the Engineer to tender the periodic dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Union;
 3. Those who are members of another labor organization as permitted by Section 2, Eleventh (c) of the Railway Labor Act, as amended; or,
 4. Those who elect not to join the Union, in which case they shall be required to remit to the Union a monthly agency fee which shall not be in excess of the standard monthly dues required of members.
- B. Engineers, who are assigned or transferred for a period of thirty (30) calendar days or move to employment not covered by such Agreement, or who are on leave of absence for a period of thirty (30) calendar days or more, may not be required to maintain membership as provided in this Rule so long as they remain in such other employment, or on such leave of absence, but they may do so at their option. If and when such Engineers return to service covered by this Agreement, they shall comply with the provisions of this Rule within thirty (30) calendar days of such return to service. The provisions of this paragraph do not apply to Engineers who accept official positions. Engineers who accept official positions must pay maintenance dues.
- C. An Engineer whose membership in the BLET is suspended because of furlough or off duty illness or injury for a period of thirty (30) calendar days or more, shall be granted upon his return to service under this Agreement, a period of thirty (30) calendar days to comply with this Rule.
- D. Every Engineer required by the provisions of this Rule to become and remain a member of the BLET shall be considered by the Company to be a member of the BLET unless the Company is advised to the contrary in writing by the BLET. The BLET shall be responsible for initiating action to enforce the terms of this Rule.
- E. The BLET shall furnish to the Company, in writing, the name and roster number of each Engineer whose seniority and employment the BLET requests be terminated by reason of failure to comply with the membership requirements of this Rule.
- F. In the event the Company wishes to dispute the correctness of the BLET's position, it shall so notify the BLET within ten (10) calendar days of receipt of the notice from the latter, stating the reasons therefore. If, (1) no such exception is taken by the Company, or (2) the BLET does not withdraw its request within ten (10) calendar days from the date of the notice of exception, the Company shall transmit to the Engineer at his last known address, through registered United

States Mail, return receipt requested, a copy of the BLET's request, accompanied by an explanatory letter, a copy of which shall be furnished the BLET.

ARTICLE 27 - HANDLING OF CLAIMS AND GRIEVANCES

Section 1 Representation

- A. The BLET shall have the exclusive right to represent all Engineers in company level grievance, claim and disciplinary proceedings on those Companies on which the BLET is the lawfully recognized or certified collective bargaining representative for that craft.
- B. The General Committee of Adjustment of the BLET will represent all Engineers in the making of contracts, rates, rules, working agreements and interpretations thereof.
- C. All disputes involving Engineers covered by this agreement will be handled in accordance with the provisions of this Agreement as interpreted by the BLET General Committee and the designated representative of the Company.

Section 2 Handling of Claims and/or Grievance Process

- A. All claims or grievances must be presented electronically via the electronic system(s) as designated by the Company, by the Engineer involved, or on behalf of the Engineer, by his representative, or designee, (claims must be presented under the Engineer's PIN) to the officer of the Company authorized to receive same within thirty (30) days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall, within thirty (30) days from the date it is received, notify the Engineer or his Local Chairperson in writing of the reason(s) for such disallowance. Should the Company fail to issue timely declination of the claim or grievance, it will be allowed as entered, however such allowance will not constitute a precedent for other similar claims or grievances.

All resolution of claims resulting from handling during the steps referenced in the paragraph above shall be concluded on a 'without prejudice' basis, and are non-referable unless otherwise noted. Claims not filed within the required thirty (30) days shall be deemed abandoned and barred from further handling.

- B. Appeals of all claims and grievances, including those involving discipline, shall be presented and handled via the electronic claim handling system provided by the Company.

In the event the claim or grievance is disallowed, the BLET Local Chairperson may appeal the matter to the Superintendent within sixty (60) days from the date of declination. If

the claim or grievance is not appealed, the disallowance shall stand, however the disallowance shall not constitute a precedent for other similar claims and grievances.

In the event the appeal is disallowed, the Superintendent shall, within sixty (60) days from the date it is received, notify the Local Chairperson in writing of the reason(s) for such disallowance.

Should the Superintendent fail to issue timely notification of the declination of the appeal, the claim or grievance will be allowed as entered, however such allowance will not constitute a precedent for other similar claims or grievances.

- C. Claims declined under Section 2 (B) of this Article may be appealed by the BLET General Chairperson to the Company's Highest Designated Officer ("HDO"), or designate, within sixty (60) days of the disallowance. The Director, or his designate, shall, within sixty (60) days from the receipt of the appeal, notify the General Chairperson of the allowance or declination of the claim. Should the HDO or designate fail to timely notify the General Chairperson of such declination, the claim will be allowed as entered; however such allowance shall not constitute a precedent for other similar claims.
- D. Claims and grievances disallowed by the Company pursuant to Section 2, Paragraph C of this Article will be barred from further handling unless, not less than sixty (60) days prior to the next scheduled meeting date of the Labor/Management Resolution Committee, the General Chairperson lists the unresolved claim or grievance to the Committee for handling.
- E. The Labor / Management Resolution Committee will meet to review and resolve outstanding Engineer time claims and grievances. During the first year of this agreement, the committee will meet monthly. The Committee will meet quarterly after the first year, or as otherwise mutually agreed.
- F. The Committee will consider the entire record of each dispute submitted to it. Decisions made pursuant to this process will be written by the Company within sixty (60) days of the meeting date and will represent the final and binding decision on such grievances. The handling of claims and grievances by the Committee will constitute any "conference" prerequisite to submission of disputes to a tribunal established pursuant to law or by agreement.
- G. In the event that a majority of the Committee does not agree on the resolution of a particular grievance, either party may initiate proceedings before a tribunal established pursuant to law or by agreement within one-hundred twenty (120) days of the Committee's written decision having been rendered.

H. Nothing in this Section shall preclude an agreement by the parties to conference claims or grievances independent of the procedures set forth in Section 2, Paragraphs D and E of the Article. Such conference as may be agreed upon will constitute any “conference” prerequisite to the submission of disputes involving claims and/or grievances to a tribunal established pursuant to law or by agreement for the final adjudication of such disputes.

Section 3 Handling of Discipline Appeals

- A. Discipline decisions reached by the Company pursuant to Article 28, Paragraphs D and F of this Agreement may be adjusted between the BLET Local Chairperson and the Superintendent or designate within sixty (60) days of the issuance of the decision.
- B. Should the matter fail resolution by the Local Chairperson and the Superintendent or designate, the BLET General Chairperson may appeal, in writing, to the HDO, or designate, within ninety (90) days of the date the discipline was assessed, or the appeal will be barred. The HDO, or designate, shall notify the General Chairperson of the allowance or declination of the appeal within sixty (60) days of the receipt of the appeal. Should the HDO, or designate, fail to timely notify the General Chairperson of the declination of the appeal, the claim will be allowed as entered; however such allowance shall not constitute a precedent for other similar claims.
- C. The BLET General Chairperson will list unresolved discipline appeals with the HDO, or designate, not less than thirty (30) days prior to the next scheduled meeting of the Labor/Management Committee for handling pursuant to Section 4, Paragraph A of this Article. Discipline/claims may be handled in conference as agreed upon between scheduled meetings.
- D. Nothing in this Section shall preclude an agreement by the parties to conference discipline appeals independent of the procedures set forth in this Article. Such conference as may be agreed upon will constitute any “conference” prerequisite to submission of unresolved disputes involving discipline appeals to a tribunal established by law or by agreement for the final adjudication of such disputes.

Section 4 General

- A. The Labor / Management Resolution Committee will meet quarterly during the months of January, April, July, October as mutually agreed, to review and resolve outstanding Engineers’ time claims and grievances.
- B. The Committee will consider the entire record of each dispute submitted to it. Decisions made pursuant to this process will be provided to the Union by the Company within forty-five (45) days of the meeting date and will represent the final and binding decision on such grievances.

- C. The handling of claims and grievances by the Committee will constitute any “conference” prerequisite to submission of disputes to a public law board tribunal established pursuant to law or by agreement. In the event that a majority of the Committee does not agree on the resolution of a particular grievance, either party may initiate proceedings before a tribunal established pursuant to law or by agreement within six (6) months of the Committee’s written decision having been rendered.

ARTICLE 28 - INVESTIGATIONS AND DISCIPLINE

- A. An Engineer shall not be withheld from service pending hearing except in cases that are serious, such as but not limited to, theft, altercation, Rule “G”, insubordination, major accidents and/or other major offenses whereby the Engineer’s retention in service could be hazardous.
- B. No Engineer shall be disciplined without a fair hearing (investigation) by an officer of the Company. An Engineer shall be apprised of the charge(s) against him not later than twenty (20) days from the date the carrier has knowledge of the incident to be investigated, with email copy to the General Chairperson. If the decision is made to withhold an Engineer from service pending an investigation, the hearing must be held within ten (10) days of the date the Engineer was initially withheld from service. The Engineer shall have reasonable opportunity to secure the presence of necessary witnesses and he shall have the right to be represented by the BLET Local Chairperson or designee.
- C. When not inconvenient to the Company and to other employees, investigations will be held at such times, if possible, as to avoid holding Engineers out of service to be present at the investigation. Postponements will be granted to either party upon a reasonable showing of a need.
- D. Investigations ordinarily will be held within twenty (20) days of the date of the notice of charge referenced in B above. Engineers will be advised of the decision in writing within twenty (20) days after the conclusion of the investigation.
- E. An Engineer and/or the Engineer’s representative shall have the option, with the Company’s concurrence and prior to the hearing, to discuss the charge with the appropriate Company Officer.
 - 1. If the disposition of the charges is made on the basis of the Engineer’s acknowledgement of responsibility, the disposition shall be reduced to writing and signed by the Engineer and the official involved and shall incorporate a waiver of hearing and shall specify the maximum discipline, which may be imposed for the Engineer’s acceptance of responsibility.

2. No minutes or other record shall be made of the discussion, and, if the parties are unable to reach an agreed upon disposition on this basis, no reference shall be made to these discussions by either of the parties in any subsequent handling of the charges under the discipline procedure.
- F. A true and correct transcript will be taken of all hearings or investigations held at the direction of the Company under this Article and in the event the Engineer involved is assessed discipline, the Engineer, his representative and the BLET General Chairperson will be furnished a copy of the transcript along with the discipline decision letter. At an investigation, an Engineer or his representative shall have the right to record, at his expense, the investigation proceedings on a recording device. This provision will not be used to delay or postpone the investigation proceedings. Distribution of notices and transcripts by electronic means shall fulfill the Company's obligation under this rule.
 - G. Should any Engineer investigated under this Article consider that the discipline is unjust, he shall have the right to appeal as provided in Article 27 of this agreement. In case of dismissal or suspension which is later found to be unjust, the Engineer will be reinstated with seniority rights unimpaired and paid for all time lost.
 - H. Letters of caution or warning are not discipline. Should the Engineer dispute the validity of the warning, he has the right to request a fair hearing provided the request is made within fifteen (15) days of the date of the warning letter. If the hearing reveals that the letter is unjust, it shall be removed from his record. If the Company decides the letter was warranted, it will apprise the Engineer of the decision within fifteen (15) days of the hearing. If the Engineer is dissatisfied with the decision, he shall have the right to appeal as provided in Article 27 herein.

ARTICLE 29 - TIME OFF FOR UNION BUSINESS

- A. An Engineer who is elected or appointed to a full time position with the BLET shall be granted an unpaid leave of absence for the duration of time he holds such position.
- B. In January of each year, the Union shall provide the Company with the names of the Local Chairpersons who should be granted time off without pay and will not be subject to the provisions of Article 10, Paragraph G., to conduct Union business.
- C. Local Union Officers not mentioned above will be able to book off for Union leave to fulfill their obligations upon authorization of the General Chairperson, with no less than seven (7) days' notice, but in extenuating circumstances, such as Special Union Meetings upon no less than 48 hours' notice to the Company. It is understood that such leave will not be unreasonably withheld.

ARTICLE 30 - ATTENDING COURT AND INQUESTS

Engineers who are required to attend court or inquests on behalf of the Company shall be paid for time lost at the Non- Service rate of pay applicable to the position held at the time of the occurrence, or be paid for actual time in attendance if no lost time is incurred.

ARTICLE 31 - LEAVE OF ABSENCE WITHOUT PAY

Section 1 General

- A. Engineers shall not be expected to work when sick, but in case of being compelled to lay off on account of sickness of themselves, or family, should in some manner notify the proper authority of their inability to protect the service requirements of the Company.
- B. When on a regularly assigned run lays off for any cause, upon return to active service he must be available for duty at least three hours before the bulletined spread time or starting time of the assignment.
- C. Engineers may return to work prior to the expiration of a leave of absence when there is no other prohibition.
- D. Engineers who do not return to service at the expiration of their leave of absence, and who have not submitted application for an extension, will be notified that they are absent without permission. Such notice will instruct them to return to service or to satisfactorily account for their absence within fifteen (15) days or forfeit their seniority. Employees who forfeit their seniority as a result of the provisions outlined herein will have their employment relationship with the Company terminated. A copy of the notice to the absent employee will be furnished to the Local Chairperson and General Chairperson of the BLET on the territory concerned. It is understood that this Agreement does not prejudice the provisions of schedule agreements relating to protests against changes in seniority rosters.

Section 2 Less Than 1 Year

Engineers may, upon written application to their employing officer, be granted leave of absence for a period or periods not to exceed one year. Extensions to the one year period may be granted when agreed to by the Company and the General Chairperson of the BLET.

Section 3 Illness / Injury

- A. In the event of absence occasioned by illness or injury, Engineers will be granted leave of absence automatically upon presentation of written application accompanied by appropriate substantiating medical evidence. Such automatic leaves will not be for a period of more than

one year, and extensions thereof will require a new application and further substantiating medical evidence. In the event the employing officer and/or the General Chairperson are not satisfied that the illness or injury is bona fide, additional evidence may be required to establish same to their satisfaction.

B. Provided return to service is approved by Chief Medical Officer, Engineers who have been injured on duty shall be permitted to return to work without signing a release.

Section 4 Official / Military

Engineers accepting official position with any Company controlled railroad or the BLET will retain their seniority while holding such position, the same as if continuously in Company service. Engineers elected or appointed to public office on a full time basis will be granted leave of absence for the duration of their term of office or appointment. Engineers accepting positions with BLET or accepting management positions with the Company will be required to remit a seniority maintenance fee as determined by BLET, but not to exceed the amount of regular monthly dues.

Engineers in military service will be granted leave of absence in compliance with applicable law.

ARTICLE 32 - JURY DUTY

When an Engineer is summoned for jury duty and loses time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the Non-Service rate of his position for each calendar day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

- (i) An Engineer must furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed.
- (ii) The number of days for which jury duty shall be paid is limited to a maximum of sixty (60) days in any calendar year.
- (iii) No jury duty pay will be allowed for any day as to which the Engineer receives vacation pay.

ARTICLE 33 - BULLETIN BOARDS

The Company shall provide space on bulletin boards at all home terminals to post notice of union business, provided that such notice(s) shall not include any defamatory or anti-Company material.

ARTICLE 34 - CREW CALLING RECORDS

The Company shall provide each Local Chairperson and the General Chairperson with access in the Crew Calling Computer system that enables them to research calling records and history.

ARTICLE 35 - CREW CONSIST

The standard crew will consist of an Engineer and Assistant Engineer (AE) / Conductor in service with an away from home terminal, and:

- (i) In the event the company implements remote control service on the DM&E within the Consolidated Territory, the first opportunity to fill the position will be by an employee who holds prior righted DM&E Engineer and/or Assistant Engineer seniority. In the event no applications from prior righted DM&E employees are received, the position may be filled by a non-prior righted Conductor. In the event there are insufficient employees qualified as Locomotive Engineer at the location, preference will be given to an Assistant Engineer or Conductor, in that order, until such time as the shortage of Locomotive Engineers ceases to exist. The company may assign an additional employee to any crew.
 - (ii) Within terminals or locations where remote technology is established, the operation of such technology may be performed by other rail unionized craft employees. Non - traditional terminal operations that operate in excess of either restricted speed or 15 miles beyond existing conventional terminal limits, this work will be performed by an Engineer operating on-board or off-board the locomotive, regardless of how the locomotive is controlled, one example is GPS.
- A. (i) A Utility position may be used to assist an assignment pursuant to the provisions of Article 4 herein and will tie up at the home terminal. If a utility position is established that is a prior right DM&E position it may be filled by an employee who is an Assistant Engineer, and if no applicant by a Conductor. Employees assigned to the GEB will fill temporary vacancies. Utility positions will be used to assist other assignments or assist in expediting the movement of trains pursuant with the terms of this Agreement.
- (iii) When authorized and willing to use his personal automobile, a Utility Employee will be entitled to thirty-five (\$35.00) dollars in addition to the actual miles driven, with a minimum of twenty (20) miles per day at the standard driving allowance allowed by the IRS. Employees authorized to use their personal automobile will be covered by the provisions of Article 21, Section 2 — Off Track Vehicle Accident Benefits.

ARTICLE 36 - FLOW BACK

When there are sufficient qualified Engineers to fill all Engineer positions at a home terminal, Engineers who are dual qualified and desire to work traditional Conductor work, will be provided the opportunity to flow back in seniority order; subject to the conditions set forth herein:

Set-Back

Dual qualified employees who wish to set-back must put a request on file with the crew caller. When there is a need to reduce the number of locomotive engineers, dual qualified engineers with a request on file in that zone will be set back in seniority order. If no dual qualified employees have a request on file, the junior dual qualified engineer/engineers in that zone will automatically be set-back. This does not permit junior qualified engineers to take set-back status over senior dual qualified engineers with a senior conductor date.

Set-Up

Dual qualified employees who wish to set-up to engineer must bid the position in accordance with Seven Day Mark.

No Applicants

If no dual qualified employees have a request on file, the junior dual qualified employee not working as an engineer in that zone will automatically be set-up. This does not permit a junior dual qualified conductor to force a senior dual qualified employee to set up status because of his or her senior engineer qualification date.

ARTICLE 37 - TERMINAL EFFICIENCY

- A. At locations on the Consolidated Territory where the DM&E, GWR or KCS intersect, Engineers of either of the foregoing Carriers may be used to handle trains, including trains tied up under the hours of service in the most expedient manner as determined by the Company when Engineers of the company who would normally handle the train are not available and/or after normal calling procedures have been exhausted.
- B. This rule is not intended to provide that the work formerly performed by Engineers of another railroad company will be permanently transferred to Engineers of another railroad.
- C. Engineers performing hours of service relief provided for in this Article may perform duties incident to completing the trip and finally yarding the train to the same extent such duties could have been performed by the crew of the train whose time expired under hours of service.

ARTICLE 38 - GENERAL PROVISIONS

- A. The purpose of this Agreement is to fix the general level of compensation and rules covering working conditions through December 31, 2024 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. The Effective Date of this Agreement shall be the thirtieth (30th) calendar day after the Company gives notice and coinciding with the first full 7 DAY MARK cycle thereafter. Such notice to be given on or after the date of the decision of the Surface Transportation Board's approval of Canadian Pacific Railway Limited's application to control operations of Kansas City Southern in STB Docket No. FD 36500. At such time that this agreement becomes effective, all other Agreements in effect in the Consolidated Territory between the parties are considered null and void and this Agreement is the only Agreement in effect between the parties. The effective date of this agreement will not prevent the Company from performing Employee Placement Procedures, in advance, to facilitate the transition from the existing Collective Agreement procedure to the 7 DAY MARK.
- C. Neither party to this Agreement shall serve prior to September 1, 2024, any notice or proposal for the purpose of modifying, adding to, or deleting from the provisions of this Agreement to become effective prior to January 1, 2025. The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.
- D. The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation. Any typographical errors in conflict with the intent of the parties will be resolved in good faith through the Labor/ Management Resolution Committee.
- E. In the event any Article of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that, if any such provision is held to be illegal or unenforceable, there will be added in lieu thereof a provision that is similar in terms to such provision as is possible to be legal, valid and enforceable.
- F. This Agreement supersedes all rates of pay, rules, and working conditions that may have been made effective before the Effective Date of this Agreement as a result of the current multi-employer negotiations between the National Carriers Conference Committee and BLET. No rates of pay, rules or working conditions resulting from such negotiations shall

be effective as between the parties to this Agreement after the Effective date of this Agreement.

Signed this 17 day of January, 2023 at Kansas City, Missouri.

FOR THE COMPANY:

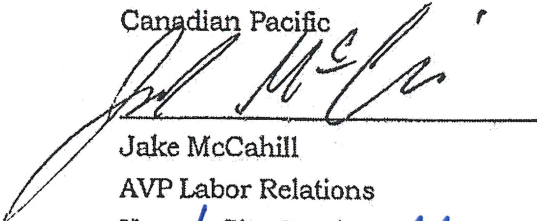
FOR THE UNION:



Myron W. Becker
Chief Labor Officer
Canadian Pacific



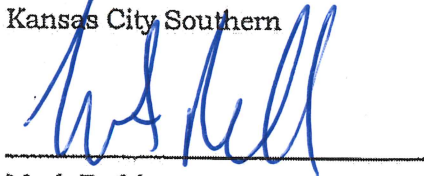
David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



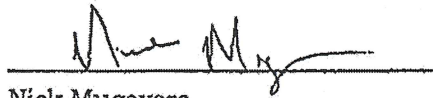
Jake McCahill
AVP Labor Relations
Kansas City Southern



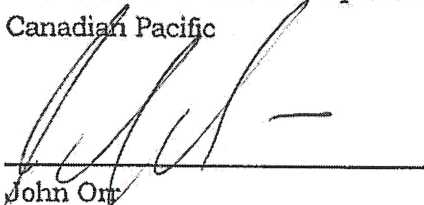
Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Mark Redd
Executive Vice President Operations
Canadian Pacific



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



John Orr
Executive Vice President Operations
Kansas City Southern

ATTACHMENT “A” Questions and Answers

1. Article 3 B Recognition

Question: Why does the agreement refer to Engineer in some articles and Engineers and Assistant Engineer in other articles?

Answer: Some articles only have application to Engineers where as some articles have application to Engineers and Assistant Engineers because of the inclusion of DM&E employees in this agreement. In some instances, the term Engineer may be used but have application to both Engineers and Assistant Engineers. An example of this is found at Appendix 1 - 7 Day Mark *Engineer vacancy order of assignment*. In this circumstance the list refers only to Engineers but has application to both Engineers and Assistant Engineers.

2. Article 4 Scope of Agreement

Question: Can an Engineer working a position under this agreement be required to accept a call to work in the capacity of a Conductor or Brakeman?

Answer: No. However, an Engineer may voluntarily accept such call.

Question: Will an Engineer be expected to perform duties under this contract that they don't perform today?

Answer: No.

3. Article 5 Wages

Paragraph B.

Question: When will the overtime rate of time and one half apply?

Answer: Overtime only applies in connection with “on duty time” after the expiration of the number of hours encompassed in the basic day of the assignment as bulletined, or when accepting a call to perform service on your rest day.

Paragraph C.

Question: When does overtime apply in the application of working on an assigned rest day?

Answer: In the application of this provision, overtime applies when you are called and listed to work or deadhead at your home terminal. Overtime also applies to a return trip or deadhead, on your day off, out of your away from home terminal, if you are first called at your home terminal on your day off.

Question: Are Engineers obligated to accept a call on their assigned day off?

Answer: No

Example 1: Engineer Winter is assigned to an unassigned pool and has rest days of Friday and Saturday. Engineer Winter did not drop his turn and is called at the home terminal on Thursday for an on duty time of 15:00 and tied up at the away from home terminal at 00:30 on Friday. Engineer Winter is then called at the away from home terminal for an on duty time of 14:00 on Saturday and tied up at the home terminal at 23:00 on Saturday.

What rate of pay is Engineer Winter compensated for during the tour of duty?

Answer: Engineer Winter is paid at the straight time rate of pay for the round trip because the on duty time at the home terminal was not on a rest day.

Additionally, because Engineer Winter worked into his rest days, Engineer Winter's rest days would run for forty-eight (48) hours from his tie up time with Engineer Winter marked back to the pool at 23:00 on Monday.

Example 2: Engineer Winter is assigned to an unassigned pool and has rest days of Friday and Saturday. Engineer Winter is called and voluntarily accepts a call at the home terminal on Friday for an on duty time of 02:00 and tied up at the away from home terminal at 11:00 on Friday. Engineer Winter is then called at the away from home terminal for an on duty time of 01:00 on Saturday and tied up at the home terminal at 10:30 on Saturday.

What rate of pay is Engineer Winter compensated for during the tour of duty?

Answer: Engineer Winter is paid at the overtime rate of pay for the round trip because the on duty time at the home terminal was after 00:01 on a rest day.

4. Article 6 Seniority

Section 8

Question: How will assignments be allocated for those Engineers who possess prior rights?

Answer: Any necessary allocation will be handled between the General Chairperson and the Superintendent(s).

5. Article 7 Job Vacancies and Bidding

Section 1 B.

Question: Is it the intent for Engineers to have the 2 assigned days off consecutive?

Answer: Yes, unless otherwise mutually agreed.

Section 1 D.

Question: Engineer Winter's regular starting time is at 09:00.m. The Company wishes to change his starting time to 10:00 a.m. but is unable to contact Engineer Winter. Engineer Winter reports for duty at 09:00 a.m. as advertised. What time does Engineer Winter go on duty?

Answer: 09:00.

Section 1 F.

Question: What is the definition of "Job Title"?

Answer: The normally assigned train symbol. However, it is also understood that there is no penalty if an Engineer is required to operate other than the train symbol normally assigned. In such situations, all other conditions of the bulletin apply.

6. Article 10 GEB

Paragraph A. 1.

Question: Is an Engineer who is at his home terminal required to accept a call for duty that commences on or before 23:59 on the day preceding their assigned rest day?

Answer: Yes, unless the Engineer has properly placed in "DT" status in accordance with Article 7, Section 2.

Paragraph P.

Question: Will Engineer assigned to the GEB be allowed to receive payment of a PLD in lieu of a holiday as described in Article 8, Paragraph B.?

Answer: Yes.

7. Article 13 On and Off Duty Point

Paragraph D.

Question: Will an Engineer assigned to the GEB be aware of his away from home terminal for this tour of duty?

Answer: Yes, however, if a change of away from home terminal is not made prior to departing the terminal then Article 14, Paragraph D will apply.

Question: When an Engineer is called to protect a regular assignment will he assume all conditions of that assignment?

Answer: Yes.

8. Article 14 Calling for Duty

Section 3

Question: Can an Engineer called at his away from home terminal operate a train back through his home terminal and then be tied up at other than his home terminal?

Answer: No.

Question: Will GEB Engineers who are called and released and not used in that calendar day be paid the 1/6 of the GEB rate or the basic daily rate of pay provided for by Article 5?

Answer: A basic day as provided for by Article 5.

9. Article 20 Vacations

Section 1 Paragraph A.

Question: Will the amount of vacation to which an Engineer is entitled on the day prior to the effective date of this agreement be reduced as a result of implementation of this agreement?

Answer: No. It is not intended that the amount of vacation will be reduced for any Engineer.

APPENDIX 1
SEVEN DAY MARK

Employee Placement Procedures

An Engineer will, if qualified, be entitled to exercise seniority rights in the choice of preference runs, subject to the provisions of the rules.

1. Engineers will bid to position or jobs for a seven (7) day period.
2. Engineers may place a bid to a position or job, including the Extra Board by filing a bid in the prescribed manner, by 1000 hours on Wednesday for the 7-day period that will begin 0001 hours on the following Saturday.
 - (a) Except as provided for in part 9 below, all changes will be executed by 2201 hours Friday for 0001 Saturday.
 - (b) Increases or reductions to assigned service or unassigned service will be done at 2201 Friday for 0001 Saturday.
 - (c) Determination to establish a new job or abolish an existing job will be announced by noon on Monday for the following bid period. This will include increases or reductions in the pool made in connection with regulation.
3. Positions will be awarded by seniority preference in accordance with standing bid preference, and once awarded a position; an Engineer will hold that position for that 7-day period.
4. Engineers who do not submit a different bid for a new bid period will be governed by their last standing bid.
 - (a) Once submitted, a bid will remain in effect until replaced by a new bid.
 - (b) In the event there is no standing bid or there are insufficient choices to place an Engineer, such Engineer will be placed on a default list agreed upon by the Company and the Local Chairperson for that crew board.
5. Engineers will be assigned to a job/assignment according to their standing bid on file. If the job/assignment is not "in", the Engineer will assume the job/assignment upon its return.

6. Engineers marking up for service after any period of absence will assume the standing position of the job/assignment according to bid card on file.
7. Engineers marking off sick, personal or taking personal leave, etc. will be considered off for a minimum of a 24-hour period.
8. Any vacancy that becomes available after the start of the bid period will be filled from the extra board until the remainder of that 7-day period.
9. Weekly Vacations will begin on Saturday to coincide with the effective date of the Seven Day Mark. In the event the effective day for Seven day mark changes, vacations will start on the same day.
10. Engineers who work their last two work day before a Holiday and who work the next two assigned work days after a Holiday will retain their eligibility for Holiday Pay.
11. In the event of an emergency condition, the Local Chairperson and the CMC will consult to agree upon an equitable arrangement to protect the service. Once the emergency is over, the 7-day bid system will be reinstated.
12. Calling order of assignment vacancies:

Engineer Vacancies: (Q&A#1)

1. Applicable Guaranteed Extra board; if exhausted
2. Unassigned pool, if established, at the location of vacancy
3. Other GEB, if established, in same terminal
4. The senior demoted Engineer at the location of the vacancy, who is not on assigned rest days
5. Engineers at the location of the vacancy who signed up on the 7-Day Mark for Overtime will be called in seniority order, provided RSIA rest requirements do not prevent them from protecting their next scheduled shift. Employees who sign up for overtime on the 7 Day Mark must accept call.
6. Managers in accordance with Side Letter No. 2
7. The first-out qualified rested Engineer on the nearest Extra Board(s) within the Seniority District via highway miles; if none,
8. The first-out qualified and rested Engineer on the nearest Extra Board via highway miles on the adjacent Seniority District. Engineers used from the adjacent Seniority District will only be used on a tour of duty basis.

APPENDIX 2

COMPANY H&W BENEFIT SUMMARY – COMPANY PAID BENEFITS

Benefit plan designs can change from year to year at the Company’s discretion

Medical

BCBS	Value HDHP	
	In-Network	Out-of-Network
Deductible <i>(per calendar year)</i>	\$3,500/single \$7,000/family	\$7,000/single \$14,000/family
Out of Pocket Max	\$5,500/single \$11,000/family	\$11,000/single \$22,000/family
Lifetime Maximum	Unlimited	
Employer HSA contribution	\$750 for single or \$1,500 for family	
Preventive Services <i>Well child services to age 6, Prenatal Care</i>	You pay \$0	You pay 40% after deductible
Preventive Services <i>Immunizations, Routine Physicals, Cancer Screening, Mammograms, Eye Exam, Hearing Exam</i>	You pay \$0	You pay 40% after deductible
Physician Services <i>Office, Urgent Care Clinic</i>	You pay 20% after deductible	You pay 40% after deductible
Retail Health Clinic	You pay 20% after deductible	You pay 40% after deductible
Doctor on Demand	You pay 20% after deductible	Not applicable
Other Services <i>Chiropractic Manipulation, Chiropractic Therapy, Home Health Care, Physical, Occupational, Speech Therapies, Lab, Diagnostic Imaging, Behavioral/ Mental Health, Chemical Dependency, Medical Supplies</i>	You pay 20% after deductible	You pay 40% after deductible
Hospital Services	You pay 20% after deductible	You pay 40% after deductible
Emergency Room	You pay 20% after deductible	You pay 20% after deductible
Ambulance	You pay 20% after deductible	You pay 20% after deductible
Retail Pharmacy <i>(31-day supply)</i>	You pay 20% after deductible* *prior to the deductible being met, you pay for the entire cost of the prescription	
<ul style="list-style-type: none"> • Generic • Preferred Brand • Non-Preferred Brand 		
Mail or Retail Pharmacy <i>(90-day supply)</i>	being met, you pay for the entire cost of the prescription	
<ul style="list-style-type: none"> • Generic • Preferred Brand • Non-Preferred Brand 		

Dental

Plan Service/Feature	Delta PPO Network	Delta Premier	Out-of-Network
Annual Maximum <i>Does not apply to preventive and diagnostics</i>		\$1,500	
Annual Deductible <i>Does not apply to preventive and diagnostics</i>		\$50/person \$100/family	
Diagnostic & Preventive		You pay \$0	
Basic Restorative Care <i>Amalgam fillings & Resin (white) fillings on front teeth</i>		You pay 20%	
Oral Surgery		You pay 20%	
Basic & Complex Endodontic <i>Root Canal</i>		You pay 20%	
Basic & Complex Periodontics <i>Gum disease</i>		You pay 20%	
Major Restoratives <i>Resins (white) fillings on back teeth, Crowns</i>		You pay 50%	
Prosthetics Repairs		You pay 50%	
Prosthetics Dentures		You pay 50%	
Orthodontics		You pay 50%	
<i>*Orthodontics has a separate \$1,500 lifetime max per dependent from age 8 to age 19</i>			

COMPANY H&W BENEFIT SUMMARY – AVAILABLE FOR PURCHASE

Benefit plan designs can change from year to year at the Company’s discretion

Vision Coverage

Hardware Only Plan Features	In-Network	Out-of-Network
Eye Exam	Available through Company health plan Not covered through EyeMed	
Plastic Lenses (1x/12 months)		
<i>Single, Bifocal, Trifocal</i>	You pay \$10	Up to \$25-\$60
<i>Lenticular</i>		Up to \$40
<i>Progressive</i>	You pay \$75	Up to \$40
Lenses		Not covered
<i>UV, Tint, Coating</i>	You pay \$15	
<i>Polycarbonate</i>	You pay \$40	
<i>Anti-Reflective</i>	You pay \$57-\$68	
Frames (1x/24 months)	You receive up to \$150 allowance and then you receive a 20% discount on amounts over \$160	Up to \$75
Contact Lenses (1x/12 months) Elective or necessary, in lieu of glasses	You pay \$0 up to \$150, 15% discount balance over \$150	Up to \$120

Long Term Disability Rates

Age	Rate per \$100 of covered payroll
Under Age 25	\$.26
25-29	\$.27
30-34	\$.43
35-39	\$.65
40-44	\$1.05
45-49	\$1.77
50-54	\$2.32
55-59	\$2.48
60-64	\$1.77
65+	\$1.52

Vision Plan Premiums

Full Coverage Plan Features	Hardware Only Plan
Employee only	\$2.38
Employee + Spouse	\$4.54
Employee + Child(ren)	\$4.77
Family	\$7.01

Supplemental Life Insurance Rates

(Premiums are shown in \$1,000 increments)

Employee/Spouse	Tobacco User	Non-Tobacco User
Less than 30	\$.111	\$.086
30-34	\$.137	\$.103
35-39	\$.137	\$.111
40-44	\$.222	\$.137
45-49	\$.358	\$.205
50-54	\$.596	\$.341
55-59	\$.868	\$.638
60-64	\$1.225	\$.902
65-69	\$1.888	\$1.386
70+	\$3.226	\$2.271
Child rates per family		
Child <i>Rate is applicable for all children, regardless of number</i>		

Basic Life / AD&D Coverage

You are covered at \$50,000 for the basic life plan. You are also covered at the same amount for your AD&D plan. This is company paid – no cost to you.

Short Term Disability Coverage

% of Pre-Disability Pay
66 2/3% of hourly wage up to 26 weeks

Side Letter 1 - Regulatory Changes, Hours of Service

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

The following confirms our discussion during the just concluded negotiations that resulted in this January 17, 2023 Agreement. The parties have agreed to a mandatory requirement to renegotiate the compensation terms of the agreement if the hours of service regulations change as a result of any Governmental entity enacting or changing rest/fatigue rules and/or statutes governing the hours of service in the railroad industry during the time this agreement is in effect.

As outlined in Article 1 of the Agreement, the parties have agreed that the Hourly agreement is founded on the principle of paying for Engineers' time on an all-inclusive basis. With this basis in mind, the parties have agreed that in the event the Company is mandated to reduce an Engineer's hours of service to less than the ten (10) hour basic day, or reduce the hours during a month that an Engineer may be available, or any combination thereof that results in a reduction in availability to less than that permissible by the terms of this Agreement, the parties will meet within five (5) days of notification of such change or at another mutually agreed upon time. Negotiations shall not exceed three (3) days, unless otherwise mutually agreed and the parties will negotiate with a view toward a reduction in the hourly rate of pay in effect. It is understood that in no case shall the hourly rate reduction be more than the proportional decrease in hours worked. If an agreement on the hourly rate cannot be reached within the time frame stipulated above, or if the parties disagree on the appropriate amount of the revised hourly rate, the parties agree to submit the matter for expedited, final and binding arbitration.

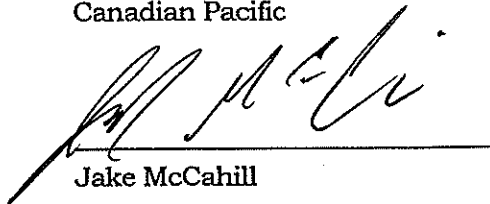
Immediately following the failure to reach an agreement within the stipulated time frame, either party may initiate proceedings by serving written notice of intent on the other party to progress the issue to arbitration. Within (3) three days of the notification to proceed to Arbitration, if unable to agree to a Neutral, the parties will select a Neutral by alternate strike from a fifteen (15) name strike list requested/provided from the National Mediation Board (NMB). Pending the availability of the Neutral, a hearing on the dispute will take place within thirty (30) days of the Neutral's selection. The parties shall bear their respective costs of the proceedings. The parties shall compensate the Neutral in equal part. The Neutral will render a decision in the matter within fifteen (15) days of the conclusion of the hearing unless otherwise agreed, and the decision will be binding on the parties and subject to enforcement as an Award of the National Railroad Adjustment Board.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

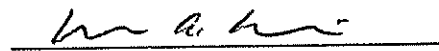


Myron W. Becker
Chief Labor Officer
Canadian Pacific

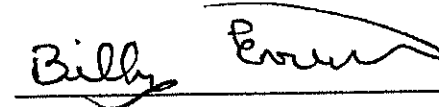


Jake McCahill
AVP Labor Relations
Kansas City Southern

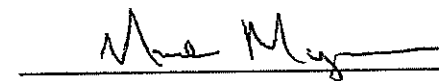
FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Side Letter 2 - Training and Use of Managers

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

This will confirm our understanding reached during negotiations which resulted in this January 17, 2023 Agreement that upon the effective date of this agreement that the Company retains the right to perform training of managers on any portion of the Consolidated property.

This also confirms the parties understanding that managers may be used provided the General Chairperson is notified in advance that such managers will be used. The terms and conditions are:

The Company may use management employees at locations where employees are not readily available, provided no Demoted Engineers are rested, qualified and available at that location.

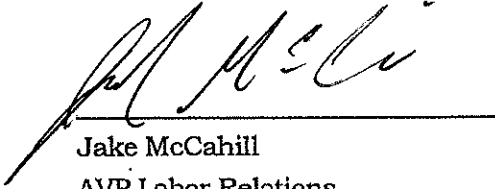
The Company shall notify BLET at least twenty-four (24) hours prior to utilizing management employees. In the event it is determined that existing Engineers are adequately rested in accordance with Hours of Service regulations and do not need temporary relief, The Company will not utilize management employees provided that train movements are adequately protected. This provision is intended specifically to protect business, and may not be used for extended periods or as an alternative to hiring permanent Engineers reasonably required to protect traffic during periods of average traffic levels.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

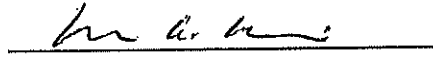


Myron W. Becker
Chief Labor Officer
Canadian Pacific

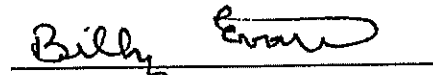


Jake McCahill
AVP Labor Relations
Kansas City Southern

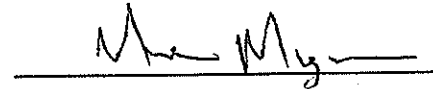
FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Side Letter 3 - Seniority Consolidation

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

The following confirms our discussion during the just concluded negotiations that resulted in this January 17, 2023 Agreement.

Section 1 – Consolidated Seniority Roster Building Provisions

- a. On the effective date of this agreement, all 1st and 2nd Seniority District Engineers, Gateway Seniority District Engineers, DM&E South Seniority District Engineers and Joint Agency Seniority District Engineers with seniority predating the effective date of this agreement (and those who are in Locomotive Engineer Training on this date and later establish seniority on their respective district) will be designated as prior righted on their pre-existing seniority district, and this prior righted seniority will be applicable on all assignments protected by the preexisting roster.
- b. On the effective date of this agreement, all 1st and 2nd Seniority District Engineers and Gateway Seniority District Engineers with seniority predating the effective date of this agreement (and those who are LETP on this date and later establish seniority on those districts) will be dovetailed by their earliest engineer's seniority date, in accordance with their former relative seniority standing on their applicable roster, and then placed on the bottom of the prior right DM&E South Seniority District roster.
- c. On the effective date of this agreement, all 1st and 2nd Seniority District Engineers and DM&E South Seniority District Engineers with seniority predating the effective date of this agreement (and those who are LETP on this date and later establish seniority on those districts) will be dovetailed by their earliest engineer's seniority date, in accordance with their former relative seniority standing on their applicable roster, and then placed on the bottom of the prior right

Gateway Seniority District roster.

- d. On the effective date of this agreement, all Gateway Seniority District Engineers and DM&E South Seniority District Engineers with seniority predating the effective date of this agreement (and those who are LETP on this date and later establish seniority on those districts) will be dovetailed by their earliest engineer's seniority date, in accordance with their former relative seniority standing on their applicable roster, and then placed on the bottom of the prior right 1st and 2nd Seniority District roster and the prior right Joint Agency seniority district roster.
- e. In the event two or more Engineers have the same seniority date, they will be ranked in accordance with their relative standing on the pre-existing roster if they were on the same pre-existing roster, or, if they were not on the same pre-existing roster, they will be ranked in accordance with their earliest date in engine service; if the same, then by lot.

Section 2 – Establishment of Seniority

- A. Engineers who have prior rights established by Section 1, Paragraph A of this Article will have prior rights (and obligations as at present) to positions that were protected by their prior rights roster.
- B. Engineers who have had their seniority rights expanded in accordance with Section 1 of this Article will have rights, but not obligations to positions protected by the rosters on which they have been placed.
- C. All engineers hired or promoted after the effective date of this agreement on any of the four involved rosters will establish seniority on all four rosters and will have rights and obligations to positions protected by the rosters on which they appear.
- D. Except as modified in this Section 2, permanent vacancies will continue to be filled in accordance with applicable agreements in effect within each zone. If a vacancy cannot be filled by the normal source of supply /location for the assignment, including use of demoted Engineers at that source of supply/ location, the junior demoted Engineer working at the nearest location by highway miles to the vacancy will be force assigned, unless that would conflict with Paragraph B of this Section or other pre-existing prior rights arrangements.

Section 3 – Establishment of Consolidated Seniority Roster

- A. Upon the effective date of this agreement and after the Company gives notice, such notice to be given on or after the thirtieth (30th) day following the effective date of the decision of the Surface Transportation Board's approval of Canadian Pacific Railway Limited's application to control operations of Kansas City Southern in STB Docket No. FD 36500, the Organization will provide the Company with the Engineer consolidated roster for the Consolidated Territory as identified herein.

B. The consolidated roster will show each Engineer's name, number, home terminal, seniority date, status and prior rights code if applicable, as indicated in the below sample roster.

Note: The parties are working to complete the consolidated roster, and once finalized, agree to append the roster to this Side Letter no later than July 22, 2022.

SAMPLE CONSOLIDATED ROSTER

Name	ID Number	Home Terminal	Seniority Date	Status	Prior Rights
Employee #1	123456	Ottumwa	01/15/2002	Active	DM&E
Employee #2	789101	Kansas City	02/14/2010	Active	DM&E
Employee #3	112131	Pittsburg	03/20/2018	Active	KCS
Employee #4	415161	East St. Louis	04/24/2020	Active	KCS

C. An initial seniority roster will be posted concurrent with the date of ratification. Employees will have a seventy-five (75) day period from the date of the first posting to protest their placement on the roster.

D. Within fifteen (15) days of the close of the initial seventy-five (75) day period an updated seniority roster will be reposted.

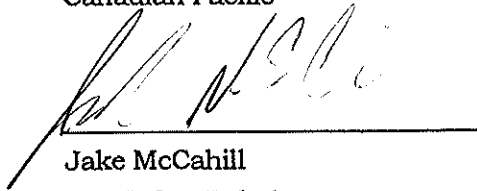
E. A seniority date not protested within the timeframes identified above will be considered permanently established, and future requests for changes will not be considered except to correct typographical errors.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:



Myron W. Becker
Chief Labor Officer
Canadian Pacific

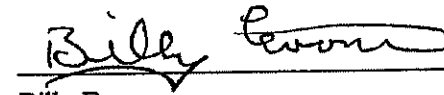


Jake McCahill
AVP Labor Relations
Kansas City Southern

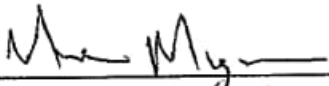
FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero

General Chairperson

Brotherhood of Locomotive Engineers and Trainmen

Side Letter 4 - Employee Share Purchase Plan

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

The following confirms our discussion during the just concluded negotiations that resulted in this January 17, 2023 Agreement.

The Union agrees to advise the Company no later than sixty (60) days after the date of this tentative agreement of the outcome of the ratification process.

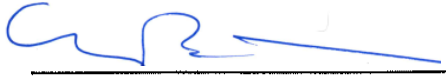
The Company has indicated to the Union that, subject to a successful ratification of this Agreement, as outlined herein, it intends to provide the Company contribution element of the Employee Share Purchase Plan for Engineers governed by this Agreement on the effective date of this Agreement, for the term this Agreement is in effect.

As an example of the foregoing, the Company will contribute 33 cents (\$0.33) for each dollar of stock purchased up to a maximum of six percent (6%) of the Engineer's eligible earnings (i.e., the Company contribution is to a maximum of 2% of salary on 6% of eligible earnings). Amounts contributed to the Plan by the Engineer in excess of six percent (6%) of eligible earnings will not be eligible for the Company match. The Company contributions will vest after eight (8) consecutive quarters.


This is not a negotiated item and does not form part of the Collective Agreement. I trust the foregoing reflects our discussions on this matter.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

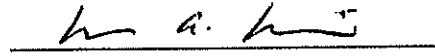


Myron W. Becker
Chief Labor Officer
Canadian Pacific



Jake McCahill
AVP Labor Relations
Kansas City Southern

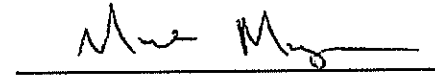
FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Side Letter 5 - Local Chairpersons marking off for Union Business

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 61008

Dear Sirs:

The following confirms our discussion during the just concluded negotiations that resulted in this January 17, 2023 Agreement.

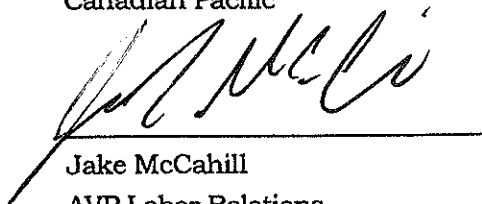
We mutually understood that a Local Chairperson who is assigned to the guaranteed extra list who marks off to perform bona fide Union Business will not forfeit their guarantee for the week, but instead, will have their weekly guarantee pro-rated according to the number of days during the week they were marked up and available for service.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

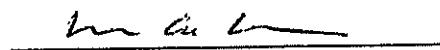


Myron W. Becker
Chief Labor Officer
Canadian Pacific

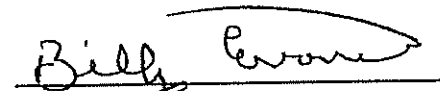


Jake McCahill
AVP Labor Relations
Kansas City Southern

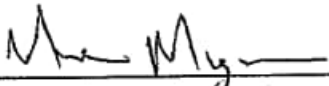
FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero

General Chairperson

Brotherhood of Locomotive Engineers and Trainmen

Side Letter 6 - New York Dock

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

The following confirms our discussion, understanding and agreement in the just concluded negotiations that resulted in this Agreement.

When this Agreement becomes Effective it shall satisfy all requirements of Art. 1 §4 of the New York Dock conditions to the extent any of those requirements may apply to any change of operations of the Carrier relative to BLET contemplated in the Agreement.

In addition, following the effective date on which CP assumes control of KCS, CP anticipates consolidating certain of the work currently performed by KCSR employees in the Consolidated Territory with work currently performed by DM&E employees. As a result, KCSR intends to certify each of the BLET-represented KCSR employees who on that date are actively employed on lines or at locations in the Consolidated Territory, and no other employees, as having been “placed in a worse position with respect to his compensation and rules governing his working conditions” as a result of the Transaction, within the meaning of Article I, section 1(b) of the New York Dock conditions. Each certified employee will, upon certification, become a “displaced employee” within the meaning of Article I, Section 1(b) of the New York Dock conditions, and may, for the duration of the employee’s individual protective period as defined in Article I, Section 1(d) of the conditions, receive a displacement allowance if so entitled under Article I, Section 5 of the conditions.

The lines or locations at which KCSR has employees in the Consolidated Territory are:

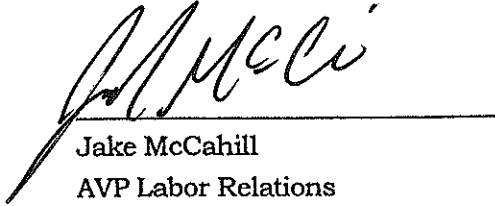
- (1) Kansas City Terminal;
- (2) Kansas City-Joint Agency Yard;
- (3) KCSR between Kansas City and Mexico, Missouri;
- (4) KCSR from Mexico, Missouri to East St. Louis, IL, and from Mexico, Missouri to Springfield, IL; and,
- (5) KCSR employees on the Pittsburg seniority district.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

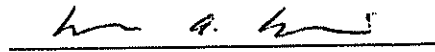


Myron W. Becker
Chief Labor Officer
Canadian Pacific

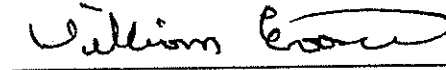


Jake McCahill
AVP Labor Relations
Kansas City Southern

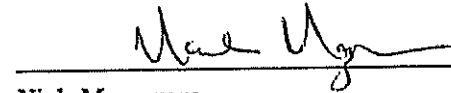
FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



William Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Side Letter 7 - Auto Certification Letter



Keith Creel
President and Chief Executive Officer

7550 Ogden Dale Road SE
Calgary Alberta
Canada T2C 4K9

T 403 319 7600
F 403 205 9000
E Keith_Creel@cp.ca

June 22, 2021

Mr. Dennis Pierce
National President
Brotherhood of Locomotive Engineers and Trainmen
7061 East Pleasant Valley Road
Independence, OH 44131

Email: pierce@ble-t.org

Re: *Canadian Pacific Railway Limited, et al.--Control--Kansas City Southern, et al.*, Surface Transportation Board Finance Docket No. 36500: Automatic Certification of Employees

Dear Mr. Pierce,

This follows our conversation regarding the proposed Transaction, subject of the above-captioned Surface Transportation Board (STB) proceeding, in which Canadian Pacific (CP) will acquire control of Kansas City Southern Railway (KCS) (the "Transaction"). CP anticipates that upon approval of the proposed Transaction, the STB will impose the employee protective conditions set forth in *New York Dock Ry. - Control - Brooklyn Eastern Dist. Terminal, 360 I.C.C. 60, aff'd, New York Dock Ry. v. United States, 609 F.2d 83 (2d Cir. 1979)* ("New York Dock conditions"). I am writing now to share how CP proposes to apply those protective conditions with respect to certain of its employees represented by your Organization, whom we expect to be affected by CP's implementation of its control of KCS.

This applies to employees of Dakota, Minnesota & Eastern Railway (DM&E) who are represented by your Organization and who, as of the date on which CP assumes control of KCS, are actively employed on lines or at locations in what CP has designated the "Consolidated Territory" for purposes of the Transaction. The Consolidated Territory includes three lines or locations at which DM&E has employees. These are (1) DM&E - Ottumwa, Iowa, and the line from Ottumwa south to Kansas City; (2) Kansas City Terminal (DM&E and KCS); and (3) Kansas City - Joint Agency Yard (currently co-operated by KCS and DM&E). CP anticipates consolidating certain of the work currently performed by DM&E employees in the Consolidated Territory with work currently performed by KCS employees.

Effective as of the date on which CP assumes control of KCS, CP intends to certify each of the DM&E employees identified above, as having been "placed in a worse position with respect to his compensation and rules governing his working conditions" as a result of the Transaction, within the meaning of Article I, section 1(b) of the New York Dock conditions. Following such certification, CP will promptly provide your Organization with information as to each such employee's average monthly compensation. Each certified employee will, upon certification, become a "displaced employee" within the meaning of Article I, section 1(b) of the New York Dock conditions, and may, for the duration of the employee's individual protective period as defined in Article I, section 1(d) of the conditions, receive a displacement allowance if so entitled under Article I, section 5 of the conditions.

Certification as outlined in this letter will not diminish an employee's right to claim any other monetary benefits available to such employee under the New York Dock conditions as imposed by the Surface Transportation Board on the Transaction. Obligations that an employee may have under the New York Dock conditions as a precondition to obtaining monetary benefits are similarly not impaired.

I ask that you work with Myron Becker, CP's Chief Labor Officer, to memorialize this commitment should we be successful in acquiring KCS.

Sincerely,



Keith Creel
President and Chief Executive Officer
Canadian Pacific

Side Letter 8 - Providing Relief for Outpost Assignments

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

During our discussions that lead to the culmination of this Agreement, the Union raised questions about the application and recognition of an employee's assigned days off when they are called from the Guaranteed Extra Board to protect a vacancy at an outpost location, such as Watts, Oklahoma.

In the example discussed the employee's assigned days off are Thursday and Friday:

*The vacancy at Watts commences on Monday.
How will the employees rest days on Thursday and Friday be honored?*

It was agreed that when an extra Board employee is called in the manner described above, they will be required to protect the vacancy at the outpost location on the Monday, Tuesday and Wednesday. Upon completion of the shift on Wednesday the employee will be released to return home for their assigned rest days.

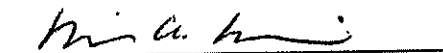
If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

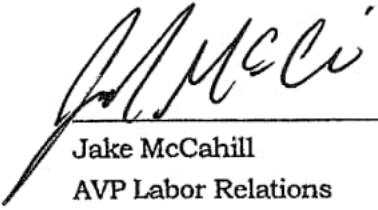


Myron W. Becker
Chief Labor Officer
Canadian Pacific

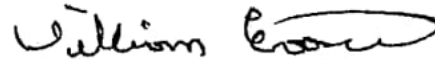
FOR THE UNION:



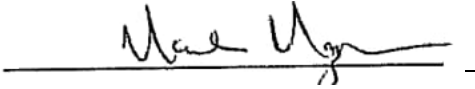
David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Jake McCahill
AVP Labor Relations
Kansas City Southern



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Side Letter 9 - Regulation of Equity

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

The following confirms our discussion, understanding, and agreement in the just concluded negotiations that resulted in this Agreement.

In order to address the equitable distribution of work in the consolidated territory, the parties have agreed to the following understanding:

1. It is understood that the track between Ottumwa and Kansas City is part of the prior right DM&E seniority zone and the track from Kansas City to East St Louis and Springfield is part of the prior right GWWR seniority zone and the track from Kansas City to Pittsburg is a part of the Prior right KCS seniority zone.
2. If the Carrier establishes assigned or unassigned service that regularly operates over two or more of the seniority zones identified in Paragraph 1, the Engineer positions on such service shall be manned by the prior right Engineers from the respective seniority zones in proportion, as near as practicable to the normal business handled by Engineers on each seniority zone.
3. If the service established in paragraph 2 has an on and off duty point at an existing or established home terminal, the Engineer's equity established herein may be protected from their respective home terminal.
4. The Mileage equalization formula will be calculated as follows:
 - a. Train miles shall be compiled for a period of not less than six (6) months. In the event existing/current data is available for the parties to review there will be no delay in establishing assigned or unassigned service operating over two or more seniority zones.
 - b. Such test period shall be established at a time agreed upon, sufficiently prior to the effective date of implementation to give a fair and equitable representation of normal business handled by Engineers on each seniority zone.

- c. The accumulated train miles will be divided by the actual mileage of each respective run (home terminal to away from home terminal) and converted into a percentage to determine the appropriate equity split.
5. The same equity formula, established in item 3 above, will be used when consolidating extra boards for service over two or more seniority districts.
 6. In accordance with the above, the Carrier will provide BLET with the agreed upon test period data and BLET will provide an Order of Selection List (OSL) that will govern the distribution of work in this service.
 7. If no prior right engineer bids on an allocated position in this service, the position may be filled by an Engineer from the roster governing assignments at that location.
 8. This will not prevent a prior right Engineer from displacing to a prior right allocated position at any time.
 9. If there are no bidders for a position in this service, the position will be force assigned from the roster governing assignments at the location and in accordance with existing rules.

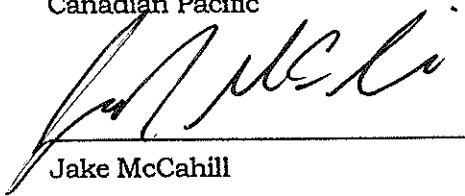
The respective Local Chairman and General Manager will meet in January and June to review the distribution of work and determine whether the equity should be adjusted. Furthermore, this agreement shall not serve to prevent any representative from requesting more frequent meetings. The union will hold the Company harmless in the application of this Side Letter.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

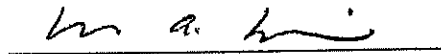


Myron W. Becker
Chief Labor Officer
Canadian Pacific

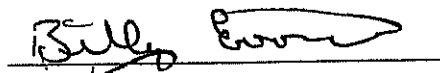


Jake McCahill
AVP Labor Relations
Kansas City Southern

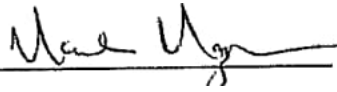
FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero

General Chairperson

Brotherhood of Locomotive Engineers and Trainmen

Side Letter 10 - Kansas City Yard Equity

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Dear Sirs:

The following confirms our discussion, understanding, and agreement in the just concluded negotiations that resulted in this Agreement.

In order to address the equitable distribution of locomotive engineer work at Kansas City Yard operations, the parties have reviewed the historical agreements and understanding referred to as the Joint Agency Equity Agreements, as amended, as well as the GWWR/KCSR Implementing Agreement, as amended. The parties agree that the equity outlined in those agreements is recognized as appropriate and will continue to apply to Yard jobs assigned at Kansas City.

- The percentage basis for KCS assignments is seventy five percent (75%).
- The percentage basis for DM&E assignment is twenty five percent (25%).

The respective Local Chairman and General Manager will meet in January and June to review the distribution of work and determine whether the equity should be adjusted. Furthermore, this agreement shall not serve to prevent any representative from requesting more frequent meetings. The union will hold the Company harmless in the application of this Side Letter.


If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

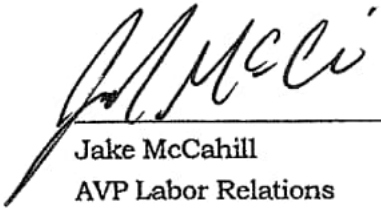
FOR THE UNION:



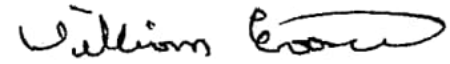
Myron W. Becker
Chief Labor Officer
Canadian Pacific



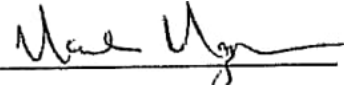
David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Jake McCahill
AVP Labor Relations
Kansas City Southern



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Side Letter 11 - 401K Plan for Prior Right DM&E and GWWR Employees

January 17, 2023

Mr. Nick Mugavero
BLET General Chairperson
125 E. Lake Street, Suite 302
Bloomington, IL 60108

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Dear Sir:

The following confirms our discussion concerning the 401K Plan for DM&E and GWWR employees now governed by this Agreement.

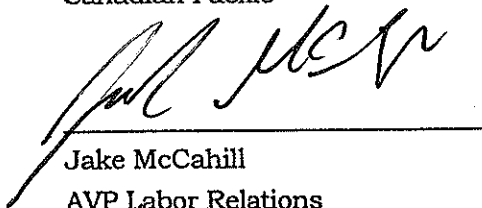
1. The current 401K Plan entitlements in effect on DM&E will be maintained for the benefit of DM&E employees.
2. The current 401K plan available to GWWR employees now covered by this Agreement will be maintained for employees.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:

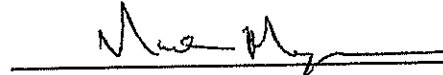


Myron W. Becker
Chief Labor Officer
Canadian Pacific

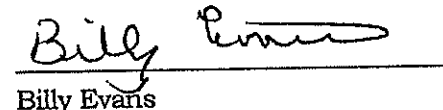


Jake McCahill
AVP Labor Relations
Kansas City Southern

FOR THE UNION:



Nick Mugavero
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Side Letter 12 - Personal Leave Days

January 17, 2023

Mr. David Spradlin
BLET General Chairperson
1711 FM 36 South
Caddo Mills, TX 75135

Mr. Billy Evans
BLET General Chairperson
165 W. South Street, Suite 101
Hernando, MS 38632

Dear Sirs:

The following confirms our discussion concerning the application of personal leave days (PLDs) earned and accrued under agreements previously in effect on the Consolidated Territory addressed by this agreement. The parties agree that Article 38 B of this agreement supersedes previous agreements at the time this agreement comes into effect. However, based on concerns raised by the General Chairmen, the parties agree to address the issue of accrued PLD days by permitting those employees with accrued PLDs to make a one-time election on the handling, as follows:

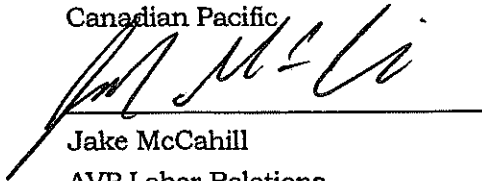
1. Employees with accrued PLDs will be required to make an irrevocable election of one of the two options provided below within 30 days of this agreement coming into effect.
Option 1: PLDs will remain in banked status and used only prior to and in connection with the employee's retirement date.
Option 2: Employees failing to make the one time irrevocable election will have their PLDs paid within 60 days of this agreement coming into force.
2. PLDs will be paid at the rate in effect prior to the effective date of this agreement.
3. In no circumstance, will any PLD be combined and/or used with an employee's quota earned under this agreement.

If this reflects our understanding please sign in the space provided.

FOR THE COMPANY:



Myron W. Becker
Chief Labor Officer
Canadian Pacific

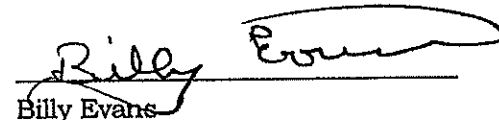


Jake McCahill
AVP Labor Relations
Kansas City Southern

FOR THE UNION:



David Spradlin
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen



Billy Evans
General Chairperson
Brotherhood of Locomotive Engineers and Trainmen

Map of Seniority District 1 – Consolidated Territory

