AGREEMENT

Between

ST. LAWRENCE & ATLANTIC RAILROAD COMPANY

and

Its Employees Represented By

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

DIVISION OF THE IBT

Effective: January 2012
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GENERAL PRINCIPLES</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>RATES OF PAY</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>PROFIT SHARING</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>SENIORITY</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>ASSIGNMENT TO POSITIONS</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>VACATIONS</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>HOLIDAYS</td>
<td>12</td>
</tr>
<tr>
<td>8</td>
<td>TIME ALLOWANCES</td>
<td>12</td>
</tr>
<tr>
<td>9</td>
<td>COMPOSITE SERVICE</td>
<td>13</td>
</tr>
<tr>
<td>10</td>
<td>HOURS AND WORK WEEK</td>
<td>14</td>
</tr>
<tr>
<td>11</td>
<td>TRAINING</td>
<td>14</td>
</tr>
<tr>
<td>12</td>
<td>TRANSPORTATION AWAY FROM HOME EXPENSES</td>
<td>15</td>
</tr>
<tr>
<td>13</td>
<td>JURY DUTY</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>ATTENDING COURT</td>
<td>16</td>
</tr>
<tr>
<td>15</td>
<td>LEAVE OF ABSENCE</td>
<td>16</td>
</tr>
<tr>
<td>16</td>
<td>BEREAVEMENT LEAVE</td>
<td>17</td>
</tr>
<tr>
<td>17</td>
<td>UNION SHOP</td>
<td>17</td>
</tr>
<tr>
<td>18</td>
<td>UNION DUES DEDUCTION</td>
<td>20</td>
</tr>
<tr>
<td>19</td>
<td>NEW EMPLOYEES</td>
<td>22</td>
</tr>
<tr>
<td>20</td>
<td>CLAIMS OR GRIEVANCES</td>
<td>22</td>
</tr>
<tr>
<td>21</td>
<td>DISCIPLINE</td>
<td>23</td>
</tr>
<tr>
<td>22</td>
<td>EXAMINATIONS</td>
<td>25</td>
</tr>
<tr>
<td>23</td>
<td>NEUTRAL MEDICAL AUTHORITY</td>
<td>26</td>
</tr>
<tr>
<td>24</td>
<td>HEALTH AND WELFARE</td>
<td>27</td>
</tr>
<tr>
<td>25</td>
<td>401 (k) PLAN</td>
<td>28</td>
</tr>
<tr>
<td>26</td>
<td>UNION RECOGNITION</td>
<td>29</td>
</tr>
<tr>
<td>27</td>
<td>REPRINTING THE COLLECTIVE AGREEMENT</td>
<td>29</td>
</tr>
<tr>
<td>28</td>
<td>EFFECTIVE DATE AND MORATORIUM</td>
<td>30</td>
</tr>
<tr>
<td>A</td>
<td>POSITIONS</td>
<td>31</td>
</tr>
<tr>
<td>B-1</td>
<td>COMPENSATION</td>
<td>33</td>
</tr>
<tr>
<td>C</td>
<td>Bonus Incentive Program</td>
<td>35</td>
</tr>
<tr>
<td>C</td>
<td>EXHIBIT C - EXAMPLE ONLY</td>
<td>36</td>
</tr>
</tbody>
</table>

ARTICLE I
GENERAL PRINCIPLES

A. The parties to this Agreement agree that the fundamental objective of the railroad, its management and employees is to provide service to its customers in the most efficient manner. Accordingly, the parties agree that in interpreting and implementing this Agreement, emphasis shall be placed providing efficient service to customers.

B. This Agreement is intended to be based on cooperation and, as such, is a fundamental restructuring of the long-standing pattern of many labor agreements in the railroad industry.

C. In the event that any Federal or state legislation, governmental regulations or court decision cause invalidation of any portion thereof this Agreement, such term or provision shall be void and of no effect. All other terms and conditions of this Agreement shall remain in full force and effect.

D. These rules will govern the persons employees in the positions described in Exhibit A.

E. The right to make and interpret contracts covering rules, rate of pay and working conditions on behalf of employees covered by this Agreement shall be vested in the Company and the regularly constituted Union representatives.

F. Where the term Union appears herein, it shall be understood to mean the duly elected Officers or General Committee of the Brotherhood of Maintenance of Way Employees. Where the term Company appears, herein, it shall be understood to mean the St. Lawrence & Atlantic Railroad Company.

G. The use of such words as “he”, “his”, and “him”, as they appear in this Agreement are not intended to restrict the application of the Agreement or a particular Article to a particular sex, but are used solely for the purpose of grammatical convenience and clarity.
H. The provisions herein shall be applied without discrimination based on union membership, race, color, creed, religion, national origin, age or sex.

I. This Agreement shall constitute a Labor Agreement between the Company and the Union and shall be uniformly applied to all employees collectively, except where otherwise specifically provided for herein.

J. Safety – the parties to this agreement and all employees covered by this agreement agree that: Safety is priority one in our work and in our life and to adhere to the GWI Safety Policy.

ARTICLE 2
RATES OF PAY

Rates of pay for all positions covered by this Agreement shall be set out in Exhibit B.

ARTICLE 3
PROFIT SHARING

The profit sharing plan of the Company is set out in Exhibit C.

ARTICLE 4
SENIORITY

A. Establishment of Seniority — All employees shall have a probationary period without seniority status for the first one-hundred eighty (180) calendar days after commencing work in the bargaining unit, after which his or her continuous seniority shall date back to the original date of hire. During an employee’s probationary period, his or her service may be terminated at the discretion of the Company.

After the expiration of the probationary period referred to above, an employee will not be terminated or disciplined by the Company for furnishing incorrect information in connection with an application for employment or for withholding information there from unless the information involved was of such a nature that the employee would not have been hired if the Company had had timely knowledge of it.

Newly hired or rehired employees who are being compensated at 90% of the hourly rate of pay, in accordance with Article 19, will commence the first-year anniversary rate of 95% upon completion of the probationary period.
An employee awarded a position of higher class than Laborer will begin to earn seniority in such higher class and lower class on the same seniority roster in which he has not previously acquired seniority from the date first awarded an advertised position in such higher class. He will retain and accumulate seniority in the lower class from which assigned. An employee entering service in a class above that of Laborer will acquire seniority in that class from the date assigned to an advertised position and will establish seniority as of the same date in all lower classes on the same seniority roster.

If two (2) or more employees acquire seniority in a higher class on the same day, their relative rank in the higher class shall be the same as in the class from which promoted. If promoted from different classes, they will be ranked in accordance with their earliest seniority dates.

B. **Exercise of Seniority** - An employee may exercise his seniority only in case of a permanent vacancy, new position, force reduction, or demotion for cause. An employee displacing a junior employee who was promoted in his absence in accordance with Article 5(a) hereof shall acquire the same seniority date as the employees displaced and shall rank immediately above such employees.

C. **Appointment to Official Positions** - Employees appointed to official positions, supervisory positions, Union positions, supervisory positions, or to special duty not covered by this Agreement will retain and accumulate seniority, provided fees are paid to the Union. The Union will be notified of each promotion.

D. **Senior Rosters** - Seniority Rosters will be prepared by the Company and a copy promptly forwarded to the Union once each year, and will be posted at the headquarters of the employees involved as of January 30 of each calendar year. An employee will have ninety (90) days from the date the roster is posted to appeal, in writing, his roster date or status. A note will be placed in each roster stating the time limit of appeal.

E. **Order of Seniority – New Hires** - Seniority for employees (new hires) who enter service on the same date and in the same class will be determined in alphabetical order.

F. **Reduction in Forces** - When the force is to be reduced, the employees shall be given written notice at least five (5) working days in advance of the intended reduction, which shall state the position(s) and employee(s) to be abolished. Junior employees in the respective classifications shall be demoted or furloughed in their turn in reverse order of seniority.

Employees displaced account of position abolished or displaced by senior employees may displace junior employees on any roster which the employees have a seniority date coming within this Agreement.
Employees can move from their assigned positions only by bidding for another vacant position, or by exercising their seniority within their classification in accordance with this Article or as otherwise provided by this Agreement.

All exercise of seniority must take place within five (5) days with at least sixteen (16) hours notice before the starting time of the position to which the seniority is exercised. The Company will notify the employees displaced as promptly as possible and such employees will, at that time, if entitled to exercise seniority, designate the junior employees he wants to displace. However, there will not be a loss of compensation due to the time requirement of this Article.

G. INCREASE IN FORCE -- When forces are increased, employees who, due to a reduction in force, are working in lower classes or are out of service will be recalled for service in seniority order, provided they report for duty within thirty (30) days from (1) the date the furloughed employees receive notice of recall by registered mail, return receipt requested, or (2) the date upon which such mail is first attempted to be delivered but remains unclaimed or unaccepted. A copy of the recall notice will be furnished to the Union.

After an employee has received a recall notice, the employees must notify the company within five (5) days and confirm the date on which the employees will return to work within the thirty (30) day period described above.

Furloughed employees are required to keep the Company currently informed of their address. Failure to report for duty within the time designated in the preceding paragraph will result in forfeiture of seniority and all job rights, except where it is determined that failure to report is the result of unavoidable delay, disability or illness.

H. RETURN AFTER LEAVE OR SICKNESS

1. An employee returning to duty after leave of absence, vacation, sickness, jury duty, disability, or suspension shall return to his former position and may, within five (5) days after his return to his former position, exercise displacement to any position advertised during his absence for which his seniority entitles him or may displace any junior employees promoted during his absence.

2. If, during such absence, his former position is abolished or filled by another employees in the exercise of seniority, he may exercise seniority as outlined in this Article or may displace any junior employees promoted during his absence.

3. An employee displaced from his position by the return of an employee from leave of absence, vacation, sickness, jury duty, disability, or suspension shall exercise seniority as outlined in this Article.

4. An employee, failing to exercise seniority within the five (5) days specified in paragraph (a) of this Section, will forfeit the right to exercise seniority.
I. TEMPORARY SERVICE - In employees awarded an advertised temporary position may, when released, return to his former position, without loss of seniority.

J. EMERGENCY FORCE REDUCTION - Notwithstanding any provision or practice to the contrary, positions may be temporarily abolished without advance notice where a suspension of operations is due to one or more of the following emergencies: flood, snow blockage, major main line derailment, washout, hurricane, tornado, earthquake, or fire. If an employee works any portion of the day, prior to such emergency force reduction, he will be paid for such portion of the time worked. The Company shall restore forces immediately after cessation of the emergency.

K. FORFEITING SENIORITY - An employee who resigns from the service of the Company of his own accord, shall forfeit his seniority rights and those rights shall not be reinstated. If he shall be re-employed by the Company, his seniority rights shall date from the date and time he first performs service for the Company after re-employment.

Within ten (10) working days from the date the employees resigns, the Company will pay such employees any outstanding wages and accrued vacation.

L. For each applicable seniority roster hereunder, the Company’s entire railroad system shall constitute a single seniority district over which employees may exercise their seniority to positions, subject to the provisions provided for herein.

M. The seniority district described in Paragraph “L” will be divided into two (2) working zones. These zones will be as follows: Zone 1 - Headquartered between MP 1.74 and MP 80. Zone 2 - Headquartered between MP 80 and MP 149.5. Each employee’s zone, for seniority purposes, will be determined by the location at which they were first awarded or covered a position. This zone will be the territory in which seniority must be exercised in order to protect their seniority status under this Agreement. All new hires, subsequent to this Agreement, will be given the opportunity to choose their home zone. Zone designations may be changed by the employees upon written request to the Chief Engineer within 30 days of the effective date of this Agreement.

ARTICLE 5
ASSIGNMENT TO POSITIONS

A. SENIORITY RIGHTS - In the assignment of employees covered by this Agreement to positions, qualification being sufficient seniority shall govern. The word "seniority" shall be defined to mean first senior employees in the class in which the assignment is to be made.

B. DEMONSTRATION OF QUALIFICATION - In making application for an advertised position or in the exercise of seniority an employee may be required at the General Superintendent’s discretion or will be permitted, upon request, to give a reasonable, practical demonstration of his qualifications to perform the duties of the position. If a non-qualified employees is awarded an advertised position or exercises his seniority and fails to qualify within
thirty (30) days, he will revert to his original position prior to the award.

(1) Foremen, Track Inspectors and Machine Operators shall be required to pass a formal written examination to qualify for a position. Employees assigned to such positions may also be required to periodically pass a formal written examination to maintain qualifications for a position. The administration of written examinations to maintain qualification for an assignment will be at the discretion of the Company. Such exams shall cover knowledge pertaining to the position for which application has been made or qualifications are maintained.

C. ADVERTISEMENT AND ASSIGNMENT TO POSITIONS - All new positions and vacancies, whether permanent or temporary (including vacations), will be advertised for a period of five (5) work days, with posting on Monday at the beginning of the work day and closing on Friday at the end of the work day. The advertisement form is an attachment hereto. If no advertisements are posted, the Company will post a notice so stating. The award will be made on the following Monday, at the headquarters point. An employee may file, in writing, his application with the official whose name appears on the advertisement. Any application may be withdrawn prior to the closing of the bid. Any position that is advertised and for which no bids were received the Carrier will have the right to force assign the junior qualified employee to that position.

D. TEMPORARY POSITIONS - Temporary vacancies, caused by leave of absence, sickness, injury or vacation will be advertised for bid as outlined in Paragraph (a) above if the vacancy is expected to exceed thirty (30) days. The Company may elect not to fill vacancies of less than thirty (30) days. If the Company elects to fill the vacancy, the senior qualified employees in the class will be allowed to fill such vacancies upon request. If no employee requests such assignment after notification to those employees who are entitled to the assignment, the Company may assign the unassigned junior qualified employee from the class in which the vacancy occurs.

(1) Employees temporarily assigned in accordance with the foregoing will be governed by the starting time, headquarters, tour of duty and rate of pay of the position so filled.

All temporary assignments will cease on return of the absent employees and all employees holding temporary assignments will revert to their regular assignment or will be furloughed.

E. APPLICATION FOR FORMER POSITION -- When an employee bids for and is awarded a position his former position will be advertised. Such employees cannot make application for the position he had just vacated, except when:

1. The position to which the employees bids has been abolished;
2. The employees is displaced from his position by a senior employees during the period his former position is pending award; or

3. The position is vacated by the employees who filled the vacancy.

F. COPIES - Copies of all advertisements and awards will be furnished to the designated representative.

G. All trackmen may qualify as machine operators and as such must qualify on the use of equipment and the applicable Book of Rules. At such time as an employee becomes qualified, he will be eligible for Class "B" rates. Henceforth, the qualifications for these positions will need to be kept current.

H. Sadie Hawkins Day - Employees subject to this agreement will be allowed two (2) "Sadie Hawkins days" per year during which a full exercise in seniority will be allowed. The Sadie Hawkins days will occur at the beginning of the payroll period which is closest to the change in Daylight Savings Time in the spring and change in Standard Time in the fall.

ARTICLE 6
VACATIONS

A. Vacations shall be granted to employees based on service. An employee must work the minimum number of calendar days, as specified in paragraph B, in a calendar year to be eligible for vacation the following year. Each year of service to be counted towards vacation will be those in which the employees worked the specified minimum number of days. An employee shall be paid for vacation at 1/52nd of his previous year’s gross income or at his current hourly rate of pay prior to vacation, whichever is higher and paid for a forty (40) hour period. For calculation purposes gross income does not include bonuses and other incentive payments; cash and non-cash employee benefits to employee by the company; or payment of any arbitration award or retroactive/time claim payments resulting from another plan year or similar items.

B. Vacations will be granted as follows:

One (1) week for One (1) year of Service (120 days for eligibility)

Two (2) weeks for Two (2) years of Service (110 days for eligibility)

Three (3) weeks for Five (5) years of Service (100 days for eligibility)

Four (4) weeks for Ten (10) years of Service (100 days for eligibility)

Five (5) weeks for Twenty-five (25) years of Service (100 days for eligibility)
C. Subject to the requirements of the service, employees shall have the right to take vacation at any time during the calendar year. Requests for vacations shall be made prior to January 30th of the current year. Vacations may be taken all at one time or in weekly increments. However, for up to one week of vacation, vacation days can be taken in daily increments, except where work is adversely affected. When vacation is taken in daily increments the figure arrived at as 1/52nd of the previous year's gross income will be divided by five (5) to achieve that day's rate, or eight (8) hours at the rate of pay on the position will be used, whichever is higher.

D. Vacations shall be granted by seniority.

E. Employees enlisting for military service will maintain their seniority, counted towards vacation in accordance with USERRA.

F. A furloughed employees who renders compensated service of not less than the minimum number of specified days in a calendar year will be granted vacation in the year of his return. In the event the employees does not return to service in the following year, he will be compensated his vacation upon written request to his immediate supervisor and his Union representative.

G. An employee will be compensated at 1/52nd of his previous year's gross income or at the hourly rate of pay of his classification on his advertised hours worked prior to his vacation period, whichever is greater.

H. The Company shall not be required to assume greater expense (not including costs attributable to travel or transportation) because of granting a vacation than would be incurred if an employee were not granted vacation and was paid in lieu thereof.

I. The vacation provided for in this Article shall be considered to have been earned when the employees have either qualified under Section A of this Article or have prior railroad experience as indicated on their U.S Railroad Retirement Board BA-6 card. The amount of time indicated on their BA-6 card will serve as qualification time for vacation purposes on the St. Lawrence and Atlantic Railroad. If an employee's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, non-compliance with the union shop agreement, or failure to return after furlough, he shall, at the time of such termination, be granted full vacation pay earned up to the time he leaves the service, if the employee's has qualified therefore under Section A.

If an employee thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate in that order of preference.

Vacations shall not be accumulated or carried over from one vacation year to another.
ARTICLE 7
HOLIDAYS

A. All employees covered by this Agreement shall receive eight (8) hours pay at their regular straight time rate for the following Holidays;

New Year’s Day  Thanksgiving Day
Washington’s Birthday  Day after Thanksgiving
Good Friday  Christmas Eve
Memorial Day  Christmas Day
Fourth of July  New Year’s Eve Day
Labor Day

B. An employee must receive compensation for work performed on the normal scheduled work day before and the normal scheduled work day after the holiday to be eligible for holiday pay.

C. Employees who are required to work on the holidays named in Paragraph A of this Article shall be paid at time and one-half times their regular straight time rate for hours worked, in addition to the payment described in paragraph A hereof.

D. Any holiday which falls on a Sunday shall be observed on the following Monday. Any holiday which falls on a Saturday shall be observed on the preceding Friday.

E. If a holiday falls within an employee’s vacation period, the holiday shall not be considered as a part of the vacation. The employee may take an additional day off; scheduled subject to the needs of the service. If the Company’s service requirements preclude permitting the employees taking an additional day off in any calendar year, the employees shall be paid eight (8) hours pay at his regular straight time rate for each such day.

F. If because of a death in the immediate family or sickness substantiated by a written notice from the employee’s personal physician, an employee fails to report to work or is unavailable to work the day before or after a paid holiday, the employees will be paid for that holiday.

ARTICLE 8
TIME ALLOWANCES

A. **OVERTIME** - Time and one-half shall be paid for the following instances:

1. Time worked before or after and continuous with a regular eight (8) hour work day;

2. Time worked on the assigned days off on their regular work week; and
3. Time worked on any of the holidays listed in Article 7, Section A

Double time shall be paid after sixteen (16) continuous hours worked, excluding the assigned meal period during the initial eight hour shift.

When overtime is necessary, management will first call an employee working as a foreman and if additional forces are needed, all others in seniority order based on their entered service date.

Employees will, if qualified and available, be given preference for overtime work including calls, on work ordinarily and customarily performed by them during the course of their work week or day in the order of their seniority.

B. **NO PYRAMIDING OF OVERTIME** - There shall be no overtime on overtime. Overtime hours paid for shall not be used in computing forty (40) hours per week.

C. **CALL-IN WORK** - Employees called to perform work not continuous with the regular assigned working hours shall report with reasonable promptness and shall be paid a minimum of three (3) hours at the rate of time and one-half. The time of employees so called to report at a designated time shall begin at the time required to report and end when released at headquarters. The time of employees called to report immediately shall begin at the time called.

D. **MEAL PERIOD** - Meal period will generally be between the beginning of the fourth hour and the ending of the fifth hour". The meal period shall be thirty (30) minutes.

Employees shall not be required to work more than five (5) hours after their first meal period without being granted twenty (20) minutes in which to eat a meal supplied by the Company. Subsequent meal periods will be allowed at five (5) hour intervals and will be provided by the Company.

The time spent eating such meals, will be considered as time worked. Regular meals during regular hours of the assignment will be provided by the employees.

**ARTICLE 9**

**COMPOSITE SERVICE**

An employee working on more than one class of work on any day, where there is a difference in the rate of pay will, if employees more than one-half day on the higher class of work, be paid the higher rate.

When assigned by their superior to a lower rated position, temporarily, their rate of pay will not be reduced.

Nothing in this Section will permit the regular assignment of employees to higher rated work for a half day or less to avoid payment of the higher rate.
ARTICLE 10
HOURS AND WORK WEEK

A. POSITIONS: WORK - The words “position” and “work” when used in this Agreement refer to service, duties, or operations necessary to be performed.

B. WORK DAY - Eight (8) consecutive hours, including meal period, shall constitute a day’s work.

C. WORK WEEK - Five (5) consecutive eight (8) hour days shall constitute a week’s work. Work days shall generally be Monday through Friday, however, the work week may be staggered to meet the Company’s operational requirements.

D. DAYS OFF – Days off will be consecutive. As far as practicable given operational and customer service requirements, the days off will be Saturday and Sunday.

C. STARTING AND ENDING TIME - Time of employees will start and end at their advertised headquarters. Tours of duty will be shown on all advertisements; however, starting times may be changed temporarily by the Company up to one hour without re-bulletining. Notification of such temporary change of starting time shall be made prior to the end of such employee’s prior shift.

ARTICLE 11
TRAINING

A. Employees attending required Company training or meetings during regular work hours or day will be paid actual time consumed at their normal rate of pay, with no loss of pay for the day. Such pay will not include travel to and from the training/meeting site outside assigned hours; however, if the distance to the training/meeting site is further than the normal reporting point, the employee will be reimbursed expenses.

B. Employees directed to participate in training at off-site locations or locations on the property which require transportation by company vehicle or commercial transportation will be paid at the straight time rate for actual time engaged in such travel, and such pay will not be used in the calculation of any daily or weekly overtime, if no service or training is performed on straight time day’s pay. Pay for attendance at such off-site remote location will be actual time consumed at the employee’s normal rate, with no loss of time for the day. Reimbursement of the cost of transportation and all actual, reasonable lodging and meal expenses will also be paid.

C. Foremen and other employees who have accepted advanced training must remain on such job, seniority permitting, for up to 180 additional calendar days, unless authorized by management.
D. An employee, who bids off a job which will result in the need to train the replacement, maybe held on the job for purposes of training such replacement for a reasonable period of time, not to exceed 30 days.

ARTICLE 12
TRANSPORTATION AWAY FROM HOME EXPENSES

A. TRANSPORTATION - The Company shall provide transportation from the advertised starting point each work day to the assigned work location and return the employees to this starting point at the end of his tour of duty. When employees are requested to use their private vehicle in the performance of Company duties, an employee may voluntarily agree to do so and shall be reimbursed at the government rate for use of private vehicle for each mile or whole mile traveled.

B. AWAY FROM HOME EXPENSES - An employee taken away from his advertised headquarters and directed to work by the Company elsewhere, who is not released to return to his headquarters will be provided with meals and lodging by the Company or be reimbursed for the reasonable and necessary expenses for such lodging. This paragraph will not apply to an employee customarily carrying midday lunch and not being held away from his assigned headquarters for an unreasonable time beyond the evening meal.

ARTICLE 13
JURY DUTY

Employees summoned for jury duty and required to lose time from their assignment as a result thereof, shall be paid for actual time lost with a maximum of one (1) basic day’s pay at the pro-rata rate of their position for each day lost less the amount allowed them for jury service, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

(1) Employees shall furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed.

(2) The number of days for which jury duty shall be paid is limited to a maximum of sixty (60) days of compensation in any calendar year.

(3) No jury duty payment shall be allowed for any day or days for which the employee is scheduled and receives pay from his vacation.

(4) Employees shall not be required to work on their assignments on days in which jury duty:

(a) Ends within four (4) hours of the start of their assignment; or

(b) Is scheduled to begin during the hours of their assignments or within four (4) hours of the beginning or ending of their assignments.
ARTICLE 14  
ATTENDING COURT

A. Employees attending court, giving depositions, and/or appearing before proper authorities in behalf of or on instructions of the Company, shall be made whole for time lost from their assignments. If required to leave their headquarters point, employees shall be allowed actual expenses incurred, with the understanding the employees shall furnish a written receipt for such expense before being reimbursed.

B. If expenses or fees are allowed by the court, the Company shall credit such amount from other payments.

ARTICLE 15  
LEAVE OF ABSENCE

A. When the requirements of the service permit, employees, upon request, shall be granted leave of absence not to exceed thirty (30) days. An employee desiring to remain away from service shall obtain permission from the designated Company officer. Employees granted a leave of absence shall keep the designated Company officer and the Union advised of their current mailing address. Request for leaves of absence for a period in excess of thirty (30) days must be in writing.

B. Initial requests for leaves of absence for physical disability or illness in excess of thirty (30) days, as well as extensions of such leaves, must be supported by a statement from the employee’s personal physician, which may be verified by an examination by the Company’s physician and, if necessary, handled under Article 22. Requests for leaves of absence for disability or illness shall not be subject to denial on the basis of the requirements of the service. The Company may require periodic verification of a physician in cases where a leave of absence for purposes of disability or illness extends over sixty (60) days.

C. Except in cases of illness, union work, or as may be required by laws regarding military service, leaves of absence in excess of thirty (30) days in a calendar year will not be granted except by agreement between the parties hereto. Employees will, upon request, be given the necessary leaves of absence for union work, elective or appointive public office or exempt management positions with the Company without impairment of seniority.

D. Employees who fail to report for duty at the expiration of their leaves of absence shall be terminated and removed from the seniority roster, except where it is determined that failure to report is the result of an unavoidable delay, disability or illness, in which case the leave of absence will be extended to include such delay.

E. Any employees on leave of absence from the Company may not engage in other employment, except for military duty, unless so approved by the Company and the Union.
F. **Personal Leave** – Personal Leave will be in lieu of sick days as provided for in this Agreement. An employee will be allowed five (5) Personal Leave days per year and in order for an employee to be eligible for Personal Leave the employee must have met the threshold requirement for vacation in the previous year. Personal Leave may be used provided the employee gives the Company a minimum forty-eight (48) hours advance notice to the designated company officer. Employees shall receive a basic day’s pay at the pro rata rate of their assignment for each personal leave day taken.

Employees will be required to take a personal leave day, if any for each day an employee lays off sick. The 48-hour advance notice is not required when an employee is off sick.

Personal leave may be granted or denied consistent with the needs of service, at the discretion of the company. Employees are encouraged to schedule personal leave with the company sufficiently in advance with the understanding that not all employees can be granted the same day off, unless the company shuts down its operation on what would otherwise be a work day or a holiday. A total of three (3) Personal Leave days not used during the entitlement year may be carried over into the first 90-days of the next year.

**ARTICLE 16**

**BEREAVEMENT LEAVE**

A. Bereavement leave is designed to allow an employee time off when a death occurs in the immediate family. An employee may be given a leave of up to three (3) days with pay, calculated at the straight-time rate of the normal assignment.

B. For purposes of this policy, the immediate family is defined as the employee’s spouse, child, parent, parent-in-law, stepparent, stepchild, grandchild, sibling or sibling in law.

C. The days of leave for which an employee shall be paid will be limited to those days on which he is regularly scheduled to work and does not work because he is arranging for, traveling to and from or attending the funeral. No pay will be granted to employees for this purpose who are already on vacation, leave of absence, lay-off or paid holiday. Time paid for bereavement leave will not be included in computation of overtime.

**ARTICLE 17**

**UNION SHOP**

A. It shall be a condition of employment that all employees if the Company covered by this Agreement be members of the Union in good standing on the effective date of this Agreement and shall remain in good standing with respect to the payment of dues, fees and assessments. It shall also be a condition of employment that all employees covered by this Agreement and hired after its effective date shall, on or prior to thirty (30) days following employment per Article 4, become members in good standing in the Union.
B. Any employees promoted to an official, supervisory, or excepted position from the crafts and classes represented by the Union shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to retain and continue to accumulate seniority.

An employee so promoted to an official, supervisory, or excepted position whose payments are delinquent shall be given a written notice by the General Chairman of the amount owed and fifteen (15) days from the date of such notice to cure the delinquency in order to avoid seniority forfeiture. (The Union and Company will agree upon the authorization and revocation forms of the proper notification to the Company for the amount of the appropriate dues owed.)

C. (a) Employees who retain seniority under this Agreement and who, for a period of thirty (30) days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in the Article so long as they remain in such other employment, or are furloughed, or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by this Agreement and continue therein thirty (30) calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the Union representing their class or craft within thirty-five (35) calendar days from date of their return to such service.

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or state government for the benefit of ex-service men shall not be terminated by reason of any of the provisions of this Article but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this Article.

(c) Employees who retain seniority under this Agreement and who, for reasons other than those specified in subsections (a) and (b) of this Section, are not in service covered by this Agreement, or leave such service, will not be required to maintain membership as provided in this Article so long as they are not in service covered by this Agreement, but they may do so at their option. Should such employees return to any service covered by this Agreement they shall, as a condition of their continued employment, be required, from the date of return to such service, to become members in the Union representing their class or craft.

D. Nothing in this Agreement shall require an employee to become or to remain a member of the Union if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employees is denied or terminated for any reason other than the failure of the employees to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this Article, dues, fees, and assessments, shall be deemed to be “uniformly required” if they are required of all employees in the same status at the same time in the same organizational unit.
E. a) Each employees covered by the provisions of this Agreement shall be considered by the Company to have met the requirements of this Article unless and until such Company is advised to the contrary in writing by the Union. The Union will notify the Company in writing by Registered Mail, Return receipt Requested, or by personal delivery evidenced by receipt, of any employees who it is alleged has failed to comply with the terms of this Article and who the Union therefore claims is not entitled to continue in employment subject to this Agreement. Upon receipt of such notice, the Company will, within ten (10) calendar days of such receipt, notify the employees concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employees shall be given to the Union. An employee so notified who disputes the fact that he has failed to comply with the terms of this Article, shall within a period often (10) calendar days from the date of receipt of such notice, request the Company in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the Company shall set a date for hearing which shall be held within ten (10) calendar days of the date of request therefore. Notice of the date set for hearing shall be promptly given the employees in writing with a copy to the Union, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the Union shall attend and participate in the hearing, the receipt by the Company of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the Company rendered.

In the event the employees concerned does not request a hearing as provided herein, the Company shall proceed to terminate his seniority and employment under this Agreement not later than ten (10) calendar days from receipt of the above described notice from the Union, unless the Company and the Union agree otherwise in writing.

(b) The Company shall determine on the basis of the evidence produced at the hearing whether or not the employees has complied with the terms of this Article and shall render a decision within ten (10) calendar days from the date the hearing is closed, and the employees and the Union shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the decision is that the employees has not complied with the terms of this Article, his seniority and employment under this Agreement shall be terminated.

(c) The time periods specified in this Section may be extended in individual cases by written requirements between the Company and the Union.

(d) Provisions of investigation and discipline rules contained in other articles of this Agreement will not apply to cases arising under this Article.

(e) The General Chairman of the Union shall notify the Company in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this Article. The Company shall notify the General Chairman of the Union in writing of the title(s) and address(es) of its representatives who are authorized to receive and service the notices described in this Article.
(f) In computing the time periods specified in this Article, the date on which a notice is received or decision rendered shall not be counted.

F. In the event that seniority and employment under this Agreement is terminated by the Company under the provisions of this Article, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the Union shall indemnify and save harmless the Company against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided however, that this section shall not apply to any case in which the Company involved is the plaintiff in which the aforesaid determination is made or in which case the Company acts in collusion with any employees.

ARTICLE 18
UNION DUES DEDUCTION

A. (1) Subject to the conditions herein set forth, the Company will withhold and deduct from wages due employees represented by the Union amounts equal to periodic dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring and retaining membership.

(2) No such deduction shall be made except from the wages of an employee who has executed and furnished to the Company written assignment, in the manner and form herein provided, of such periodic dues, initiation fees and assessments. Such assignments shall be on the form specified in Attachment “A” hereto and shall, in accordance with its terms, be irrevocable for one year from the date of its execution, or until the termination of this Article, or until the termination of this Agreement, whichever occurs soonest.

(3) Deductions as provided for herein will be made by the Company in accordance with a typewritten deduction list furnished by the General Chairman of the Union in the form and containing such information as is specified in Attachment “B” hereto. Such list shall be furnished to the Director-Payroll Operations. Thereafter a list containing any additions or deletions of names or changes in amount shall be furnished to the officer named above on or before the 20th day preceding the month in which the deduction will be made.

(4) Deductions as provided for herein will be made monthly by the Company from wages due employees for the first biweekly pay period (or corresponding period from those paid on a weekly basis) which ends in each calendar month, and the Company will pay, by draft, to the order of the Union, the total amount of such deductions on or before the twentieth day of the month in which such deductions are made. With said draft the Company shall forward to the National Division Secretary-Treasurer of the Union a list setting forth any scheduled deductions which were not made.
(5) No deductions will be made from the wages of any employees who does not have due him for the pay period specified an amount equal to the sum to be deducted in accordance with this Article after all deductions for the following purposes have been made:

(a) federal, state and municipal taxes.
(b) supplemental pension.
(c) other deductions required by law, such as garnishment and attachments.
(d) amounts due the Company by the individual.
(e) contributions to Voluntary Relief Department.

(6) Responsibility of the Company under this Agreement shall be limited to remitting to the Union amounts actually deducted from the wages of employees pursuant to this Article and the Company shall not be responsible financially or otherwise for failure to make proper deductions. Any question arising as to the correctness of the amount deducted shall be handled between the employees involved and the Union, and any complaints against the Company in connection therewith shall be handled by the Union on behalf of the employees concerned.

(7) An employee who has executed and furnished to the Company an assignment may revoke said assignment by executing the revocation form specified herein within fifteen (15) days after the end of the year, but if the employee does not so revoke the assignment it shall be considered as re-executed and may not be revoked for an additional period of one year, unless within such year this Article or this Agreement is terminated, and the re-executed assignment shall similarly continue in full force and effect and be considered as re-executed from year to year unless and until the employees shall execute a revocation form within fifteen (15) days after the end of any such year. Revocations of assignment shall be in writing and on the form specified in Attachment “C” hereto. Attachments A, B and C shall be reproduced and furnished as necessary by the Union without cost to the Company. The Union shall assume the full responsibility for the procurement of the execution of said forms by employees, and for the delivery of said forms to the Company. Assignment and revocation of assignment forms shall be delivered, with the deduction list herein provided for, to the Company not later than the twentieth of the month preceding the month in which the deduction or the termination of the deduction is to become effective.

(8) No part of this Article shall be used in any manner whatsoever, either directly or indirectly, as a basis for a grievance or time claim by or in behalf of any employee; and no part of this Agreement shall be used as a basis for a grievance or time claim by or in behalf of any employees predicated upon any alleged violation of, or misapplication or non-compliance with, any part of this Article.

(9) The Union shall indemnify, defend and save harmless the Company from any and all claims, demands, liability, losses or damage resulting from the entering into or complying with the provisions of this Article.
ARTICLE 19
NEW EMPLOYEES

A. Subject to the following provisions, newly hired or rehired employees establishing a seniority date after the date of this Agreement shall be paid as follows:

Start Date 85% of rate
1 Year Anniversary — 92% of rate
2 Year Anniversary — 100% of rate.

The Carrier has the ability to hire new employees at a higher percentage based on the employee’s prior relevant experience.

B. Movement of employees from one Company position to another, or from one seniority roster to another shall not disqualify employees from receiving the full amount described in Exhibit B. The entry rates described in paragraph A hereof shall be waived in regard to fully qualified applicants that have had prior railroad experience and are hired in the same position.

C. An employee’s seniority date shall govern in application of paragraph A, hereof.

ARTICLE 20
CLAIMS OR GRIEVANCES

A. All claims or grievances must be presented in writing by or on behalf of the employees involved to the officer of the Company authorized to receive same, within sixty (60) days from the date of occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall within sixty (60) days from the date same is filed, notify the employees or his representative of the reasons for such disallowance.

B. If the claim or grievance is denied under paragraph A, the applicable General Chairman has sixty (60) days to appeal the claim to the Company officer designated to handle claims or the claim shall be considered waived. The carrier officer must decline the claim within sixty (60) days or the claim will be allowed. Failure to comply with the time limits under this Section will not be considered as a precedent on either party on similar grievances.

C. If a claim remains denied under paragraph B, the decision is binding unless within nine (9) months of the date of this written decision, proceedings are instituted by the organization to a tribunal having jurisdiction to dispose of said claim, pursuant to the Railway Labor Act.

D. A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this Article, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such, continues.
However, no monetary claim shall be allowed retroactively for more than sixty (60) days prior to, the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

E. This rule recognizes the right of representatives of the Union, parties hereto, to file, amend and progress claims and grievances for and on behalf of the employees they represent.

F. Only claims that are appealed can serve as precedents. No resolution of any kind at the initial level will have any binding effect on either party.

G. Time limits as defined under this Agreement may be extended at any level by mutual consent of the parties.

ARTICLE 21
DISCIPLINE

A. Employees in service more than sixty (60) days, per Article 4, shall not be disciplined or dismissed without just cause and without a fair and impartial fact-finding session, unless they accept discipline to be assessed (other than dismissal) in writing, and waive formal fact-finding [or accept education per section G of this Article]. Employees may, however, in cases management determines to be serious (such as theft, altercation, Rule “G” violations, insubordination, major accidents, serious misconduct, etc.) be held out of service pending fact-finding. It is understood that any employees held out of service under this Article and, as a result of the fact-finding proceeding is found to have not violated the rules will be reinstated immediately and paid for time lost.

B. An employee charged with an offense shall be furnished with a written notice within seven (7) days of the date first information is received by the Company stating the precise charge or charges, including any rules allegedly violated. A written notice shall be provided if the employee is held out of service for a serious offense. Within ten (10) calendar days of receipt of such notice the Company shall conduct a fact-finding session. The fact-finding session will be conducted between a Representative of the Company and the employees, and his Union Representative, if desired. Each of the parties may have witnesses present at the fact-finding session, if desired.

Employees attending the fact-finding session during regular assigned hours will be made whole for time lost. Time outside assigned hours will be paid for on a minute basis at straight time rate. If discipline is assessed, a written, complete and accurate transcript of the proceedings shall be prepared and provided by the Company to the Union’s representative and the principal(s). The employees and the Union Representative shall be informed of discipline imposed (or if none, the fact that no discipline is imposed) within thirty (30) days of the fact-finding session.
C. If the applicable General Chairman desires to appeal the discipline assessed, a written appeal will be processed to the highest designated Company officer within thirty (30) calendar days from the date from the notice of discipline pursuant to paragraph B hereof, but not later than sixty (60) days from the fact-finding session.

D. Decision of the highest designated Company officer shall be made within thirty (30) days from receipt of the General Chairman’s (or the designated representative’s) appeal.

E. If the decision of the highest designated Company officer is not to reverse the discipline, the applicable General Chairman may request a conference to discuss the case. Such conference request must be made in writing within thirty (30) calendar days of the highest designated Company officer’s denial of the appeal. Conference between the General Chairman and the highest designated Company officer shall be held within thirty (30) calendar days of receipt of the General Chairman’s request. If the issue is not resolved in conference, either party may within nine (9) months of the date conference was held, submit the case for resolution pursuant to Railway Labor Act.

F. If it is found that an employee has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the record. He shall be reinstated with his seniority rights unimpaired, and shall be compensated for loss of wages and/or benefits, if any, suffered by him, resulting from such discipline or suspension, less any amount earned during such period the disciplinary action was in effect.

G. In a joint effort by management and labor to promote safety and efficiency and to ensure that all employees are well schooled on matters pertaining to compliance with safety and operating rules, the Company has adopted a voluntary educational program which, when appropriate, will serve as an alternative to discipline.

The use of an educational program as an alternative to discipline (deferred days, suspension, dismissal, etc.) shall be at the discretion of the designated Company officer.

The offer of education will be made in those instances involving an operating rule(s) infraction and the preliminary fact-finding session indicates that the employees(s) will benefit from classroom instruction and/or on-the-job training.

An employee who is found responsible for violating a Company rule by evidence developed at a formal fact-finding session, or who admits his responsibility and waives fact-finding session, may with the approval of the designated Company officer, participate in the Education Program. Participation will be without compensation and in lieu of or in conjunction with discipline. Negative entry shall not be made to an employee’s personal service record if he shall participate in this program for the first violation of a given rule.

The program, which may consist of classroom instruction and/or on-the-job training, will concentrate on the rules involved in the violation.
Upon completion of the class, the employees will be required to take and pass a written examination on the subject matter or rules involved, with a minimum test score of 80%. Should an employee fail the examination, he may be required to repeat the class. A second failure will subject the employees to the usual disciplinary procedures.

Employees participating as instructors shall be paid for all time lost and for all expenses incurred while participating in the Discipline/Education Program. They will not be considered as Company officers nor as non-agreement personnel while serving as instructors.

The Company shall train the instructors and shall assist developing the program. The Company shall also provide the classroom and office space and equipment necessary to properly administer the program.

NOTE: Time limits contained in this Article may be extended by mutual agreement. Nothing in this Article precludes the applicable Union from bringing forth an employee’s claim for reinstatement on a leniency basis without regard to any time limits or board decisions.

ARTICLE 22
EXAMINATIONS

A. Employees may be required to take periodical medical and rules examinations. Medical examinations shall not be more frequent than one (1) each year, unless required for promotion, modification of conditions or return from furlough, Rule G compliance or leave of absence or, if in the opinion of the supervisory Company officer the employee’s health or condition is such that an examination should be made for the purpose of informing the employees of any disability.

B. NOTE: Except as provided herein, the Company shall pay the cost, if any, of such medical examinations. The Company shall also pay time lost at the straight time rate of the last service performed by the employees when required to take examination.

Such payments are not applicable to examinations required for promotion or modification of restrictions.

C. For M of W Foremen, Track Inspectors and Machine Operators, failure to pass an applicable rules examination (as provided in Article 5 B.1) will require the employees to present himself a second time within thirty (30) days of such failure. If second failure occurs, the employees will be required to take the examination within thirty (30) days of such second failure. At such third examination he may be accompanied by his Union Representative, who will be permitted to review the examination results should the employees fail to pass on the third examination. If a third failure occurs, the employees will be considered disqualified permanently for the position for which the examination was required. It is understood that these consequences of failure to pass the required examinations do not require proceedings under the discipline rule unless such are requested by the employees. An employee who fails to appear for reexamination as required will be considered disqualified permanently for the position for which the examination was required, unless evidence can be produced by the employees that such failure was due to illness, emergency, or conditions beyond his control.
ARTICLE 23
NEUTRAL MEDICAL AUTHORITY

A. When an employee has his services restricted or is withheld from service as a result of an examination by the Company's physician, the General Chairman may make a written request, to the appropriate highest designated officer for a neutral medical authority to review the case. The request must be accompanied by a differing opinion from a competent physician as to the employee's condition and fitness to resume service in his regular employment and must be submitted within thirty (30) days of the restriction or withholding for service. If the treatment period exceeds thirty days, the request shall be made within thirty (30) days of the completion of treatment, but in no case more than three (3) months from the restriction or withholding from service.

B. Within fifteen (15) days of the receipt of such request, the employees (or accredited representative) and the Company shall, by mutual agreement, appoint a neutral medical authority, pursuant to Article 22, who shall be expert on and specializing in the disability from which the employees is alleged to be suffering.

C. The neutral medical authority so selected will review the employee's case from medical records and opinions furnished by the parties. If the expert considers it necessary, he will make an examination of the employees.

D. Said medical authority shall then make a complete report of his findings in duplicate, one copy to the Company and one copy to the Union, setting forth the employee's condition and an opinion as to his fitness to continue service in his regular employment, which will be accepted as final.

In the event the neutral medical authority concludes that the employees is fit to continue in service in his regular employment, such neutral medical authority shall also render a further opinion as to whether or not such fitness existed at the time the employees was withheld from service. If such further conclusion states that the employee possessed such fitness at the time withheld from service, the employees will be compensated for actual loss or earnings (including benefits) during the period so withheld. In the event the neutral medical authority concludes that the employees is not fit to continue in service in his regular employment, the Union may, upon presentation of an opinion from a competent physician that the employee's condition has improved, request re-examination by the Company's physician. Such request will not be made for the first ninety (90) days thereafter, nor more often than once in any ninety (90) day period.

E. Except in cases where fees or expenses are covered by the Group Plan, the company and the employees shall each pay one-half of the fee and expenses of the neutral medical authority and any examination expenses which may be incurred, such as hospital, laboratory and x-ray services.
F. Under this Article, a medical opinion rendered regarding a patient's ability to work requires complete knowledge of the employee's medical history, work history and physical findings. In sum, it is the information leading to diagnosis, treatment and prognosis. This knowledge must be combined with a familiarity with the nature of the job that an individual is to perform. All of the above, taken together, constitutes an informed, competent medical opinion as to the capabilities of an individual to perform his duties.

NOTE: Time limits in this Article may be extended by mutual agreement.

ARTICLE 24
HEALTH AND WELFARE

A. The Company shall provide each full-time employee and their eligible dependents a level of medical and dental benefits under a group plan consistent with the terms and conditions under which such plan is afforded to corporate employees generally. The elements of and benefits provided under the plan may be changed from time to time by the Company, provided such changes are applicable to corporate employees generally and the employees are notified by the Company of such changes prior to their implementation. If you are furloughed and if you rendered compensated service for three months as an Eligible Employee, you will be covered for Employee and Dependents Health Care Benefits during your furlough until the end of the fourth month following the month in which you last rendered compensated service.

All employees provided the health insurance benefits specified above shall contribute toward the cost of premium for such insurance. The cost of premium contribution employees will make under this Agreement is specified in the following table:

<table>
<thead>
<tr>
<th>Effective Date: January 1, 2012</th>
<th>Effective Date: January 1, 2013</th>
<th>Effective Date: January 1, 2014</th>
<th>Effective Date: January 1, 2015</th>
<th>Effective Date: January 1, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30.00 per week</td>
<td>$35.00 per week</td>
<td>$40.00 per week</td>
<td>$45.00 per week</td>
<td>$50.00 per week</td>
</tr>
</tbody>
</table>

A. The Company will continue the enrollment of full-time employees in $20,000 life and AD&D benefits.

B. The Carrier will enroll full-time employees in $20,000 life and AD&D benefits.

C. An early retirement plan is offered to all active employees on the seniority roster on February 21, 2002.

A copy of the roster is attached. The details of the plan are attached. The employees whose seniority is February 21, 2002 or before, will also have the opportunity to opt out of the early retirement on a one time basis. If the employee does opt out, he will become eligible to participate in the Company 401k match.
Employees whose seniority begins February 22, 2002, will only be eligible for the Company 401k match option and are not eligible for the early retirement plan.

D. The Carrier will provide a supplemental sickness plan to employees. Employees who are unable to work due to a serious health condition or non-work related injury may be granted a salary continuation benefit for up to twelve weeks in a rolling year, at a maximum of $170 per week. Employees shall participate in the short term sickness plan benefit subject to the same qualification and terms as the Carrier sponsored plan. The Carrier will notify the Organization of changes, alterations, amendments or modification to the benefit plan prior to the effective date and at the Organization’s request will discuss such change with the designated Representative; however, nothing contained in the article is intended to limit the right of the Carrier to alter, modify, change or amend the plan, or plan design, at any time, so long as the change(s) also apply(ies) to all other Carrier employees who are enrolled in the same plan.

E. The Company shall provide each employee a level of retirement and disability benefits under the Railroad Retirement Act (the “Act”) as such Act is amended from time to time. The Act shall be applied to all employees of the Company subject thereto without discrimination. The Company will pay into these benefit programs so long as they are in existence and they provide retirement and disability benefits. Eligibility for benefits as determined by the Act will be effective on the date the Company commences operation.

F. The Company shall furnish each employee a booklet outlining the benefits under the Plans at no cost to the employees.

G. Annual Physical

Between January 1 and December 31st of each calendar year, as a condition of continued employment each employee covered by this agreement will be required to complete an annual physical with their personal physician.

Any costs for the physical in excess of what is covered by health insurance will be paid for by the Carrier and may be done on company time.

The employee must provide the Carrier with a letter, note or report from the physician indicating that the employee has taken the annual physical. A reminder notice will be posted and sent to all employees on July 1 of each year.

ARTICLE 25
401 (k) PLAN

A. An eligible employee who is covered by the collective bargaining agreement may contribute to the Genesee & Wyoming Inc. 401(k) Plan (the “Plan”) on their behalf. Entrance to the plan is currently on a quarterly basis, January 1, April 1, July 1 and October 1. All terms will be addressed in a summary plan description.
B. The plan is intended to be a "qualified" plan within the meaning of section 401 of the Internal Revenue Code.

C. The St. Lawrence & Atlantic Railroad Company agrees to make matching contributions to the Genesee & Wyoming Inc. 401(k) Plan for Union Employees, with a seniority date of February 22, 2002 or later, after an employee has performed one year of service and elects to defer compensation to the Plan in a given year. These matching contributions will be equal to the plan options. Currently the match is twenty-five (25%) of the amount of such deferrals for each plan year, provided that such matching contributions shall not exceed one and one-half (1 1/2%) of the employee's compensation for such plan year.

ARTICLE 26
UNION RECOGNITION

A. The Company recognizes the Brotherhood of Maintenance of Way Employees as the sole and exclusive bargaining representative for employees performing work as set forth in Exhibit A. Such representation is subject to modification pursuant to the procedures of the Railway Labor Act, as amended.

B. A union representative under the provisions of this Agreement shall be understood to mean the General Chairman, their designated representative or any other individual as confirmed by the General Chairman to the Company.

C. An employee on leave, serving as a union representative shall retain and accumulate seniority.

D. A union representative who is also an employee of the Company will be permitted to take time off from work, without pay, to perform necessary union business, except when meeting Company representatives, there shall be no loss in pay.

E. The Company recognizes that union representatives, after notifying management and making suitable arrangements, may come on to Company property for reasonable period of time to investigate complaints or grievances or to confer with a Local Chairman provided that, in doing so, they do not interfere with the performance of other employees or disrupt the Company's operations.

ARTICLE 27
REPRINTING THE COLLECTIVE AGREEMENT

Within sixty (60) days of the signing of this agreement, the Carrier will reprint the current scheduled agreement complete with all amendments and distribute the new consolidated agreement to all affected employees.
ARTICLE 28
EFFECTIVE DATE AND MORATORIUM

A. This Agreement shall become effective January 2012 and shall remain in effect until or unless changed under the provisions of the Railway Labor Act, as amended. Except as modified herein, all previous agreements remain in full force and effect.

B. No party to this agreement will serve any notice or proposal under the terms of the Railway Labor Act for the purpose of changing the provisions of the collective bargaining agreement prior to September 1, 2016 to be effective no earlier than January 1, 2017. All pending Section 6 Notices between the parties are hereby withdrawn.

C. This article will not bar the parties from agreeing upon any subject of mutual interest.

For the
BMWE DIVISION OF THE
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS

Thomas J. Nemeth
General Chairman

For the
ST LAWRENCE
& ATLANTIC RAILROAD

Blake C. Jones
General Manager

APPROVED:

Henry W. Wise, Jr.
Vice President - BMWED
EXHIBIT A
POSITIONS

A. The following non-operating positions and work assigned thereto and was subsequently assigned thereto are covered by this Agreement and such positions and/or assigned work shall not be removed from the application of these rules, except be mutual agreement between the parties hereto. Positions shall receive the pay rates specified:

MOW Foreman (Pay Class A) - An employee qualified and assigned to direct, supervise and assist in the work of employees in engineering department activities and to report to officials of the Company shall be classified as a M of W Foreman.

Track Inspector (Pay Class A) - An employee qualified and assigned to perform inspections of track, bridges and structures, and other duties as assigned, shall be classified as a Track Inspector.

Welder-Grinder (Pay Class A) - An employee qualified and assigned to the operation of any device used in welding, tempering, cutting (but excluding track saws) or grinding track, and other duties as assigned, shall be classified as a Welder Grinder.

Machine Operator (Pay Class B) - An employee qualified and assigned to perform work in connection with the construction, dismantling, repair or maintenance of track, structures and right of way, the operation of machinery or hand tools used in the maintenance or improvement of track, and other duties as assigned, shall be classified as a Machine Operator.

B. Employees in the foregoing positions may perform all work directly or indirectly related to the service performed. Employees may also be assigned on a temporary basis to any work they have the capacity to perform.

C. It is understood and agreed that generally the Company shall not engage contractors to perform work covered by this Agreement. The Company may engage contractors, however, if:

- the Company lacks the tools and/or equipment to perform the work;
- a sufficient number of employees lack the expertise to perform the work;
- other work to be conducted has not been assigned position by this agreement;
- insufficient work exists to justify the creation of a full-time position; or
- an emergency resulting from flood, derailment, hurricane, snow blockage, tornado, earthquake, or fire exists and is on-going.
In the event the Company plans to contract out work within the scope of this Agreement, except in emergencies, the Company shall notify the General Chairman involved, in writing, as far in advance of the date of the contracting transaction as is practicable and in any event not less than fifteen (15) days prior thereto. "Emergencies" applies to fires, derailments, floods, heavy snow and like circumstances.

If the General Chairman, or his representative, requests a meeting to discuss matters relating to the said contracting transaction, the designated representative of the Company shall promptly meet with him for that purpose. Said Company and Union representatives shall make a good faith attempt to reach an understanding concerning said contracting, but, if no understanding is reached, the Company may nevertheless proceed with said contracting and the Union may file and progress claims in connection herewith.
EXHIBIT B-1
COMPENSATION

A. The following rates of pay shall apply:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreman/Foreman Operator</td>
<td>$21.66</td>
<td>$22.83</td>
<td>$23.29</td>
<td>$23.76</td>
<td>$24.24</td>
</tr>
</tbody>
</table>

Note: The foreman hourly rate of pay will be increased by fifty cents ($0.50) on January 2, 2012 making the foreman hourly rate of pay $22.16.

B. The Company will pay the cost of testing, and fees for employees to acquire, a Commercial Driver’s License (CDL) and will pay the cost of testing and fees for employees to maintain a CDL. Once the CDL is obtained, subsequent additional endorsements required to maintain the license requirements will also be reimbursed.

The Company will provide vehicle for CDL license testing with a minimum of 2 weeks' notice to avoid conflict in vehicle scheduling. Failure of the Company to provide a vehicle for CDL qualification upon proper written request shall result in the employee being considered CDL qualified for the purpose of job assignments until the next available CDL test for which the carrier provides a vehicle for testing purposes.

C. All employees who possess or acquire a CDL or DOT physical card, and maintain such qualifications will be allowed the payment of an additional thirty cents ($0.30) per hour. Employees assigned to drive a vehicle for the majority of their tour of duty requiring a CDL will be paid an additional fifty cents ($0.50) per hour (total of eighty cents ($0.80) per hour).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreman holding CDL or DOT card</td>
<td>$22.46</td>
<td>$23.13</td>
<td>$23.59</td>
<td>$24.06</td>
<td>$24.54</td>
</tr>
<tr>
<td>Foreman assigned CDL driving duties</td>
<td>$22.96</td>
<td>$23.63</td>
<td>$24.09</td>
<td>$24.56</td>
<td>$25.04</td>
</tr>
<tr>
<td>Machine Operator assigned CDL driving duties</td>
<td>$20.42</td>
<td>$21.21</td>
<td>$21.62</td>
<td>$22.03</td>
<td>$22.46</td>
</tr>
</tbody>
</table>
D. All employees holding a DOT physical card or a CDL shall be included in the Company’s random drug testing pool.

SAFETY SHOE & CLOTHING ALLOWANCE

The Company will provide employees with a voucher up to two times per calendar year for the purchase of a pair of work boots and/or clothing as needed. The total allowance for these work boots and/or clothing will not exceed $300.00 per calendar year. Employees must provide a receipt to the Company which documents the purchase of the work boots and/or clothing.
EXHIBIT C
Bonus Incentive Program

The Company administers a bonus incentive program, which is based upon employee injury prevention as well as the profitability of the Company. This program is a Company policy and is administered at the sole discretion of the Company. During the first quarter of each year the Company will distribute to employees governed under this Agreement a description of the bonus incentive program for that year.

Effective with calendar year, the objectives to be achieved are based on personal injury prevention as well as the number of incidents caused by human factor, rather than only the budgeted operating income as it has been in the past.

A potential bonus of 5% of the annual salary will be paid if objectives are met. This bonus will be paid by a separate check. The objectives of the new Success Bonus Program will be established annually and posted. They will be divided in two (2) parts as follows: All bonus allocation is at the discretion of the General Manager

Safety:
- Individual Safety – Zero HFI/ Personal Injury 1%
- Departmental Safety – Zero HFI / Personal Injury 1%
- Consolidated SLR All Departments – Zero HFI / Personal Injury 1%

Financial:
- Existing Financial Bonus Structure (Maxed at 2%) 2%

Example follows:
BONUS INCENTIVE PROGRAM
ST. LAWRENCE & ATLANTIC RAILROAD COMPANY
YEAR 2012

St. Lawrence & Atlantic Railroad Company has established a Bonus Incentive Program (the "Program") for certain of its employees for Calendar Year 2011 to be administered according to the terms and conditions set forth below. The Program is designed to promote in its employees the strongest interest in the successful operation of the Company’s business, loyalty to the organization, and increased effectiveness in their work. The objectives to be achieved are based on personal injury prevention, departmental and SLAR (US) safety record, the number of incidents caused by human factor, as well as the budgeted operating income.

I. “Company” means St. Lawrence & Atlantic Railroad Company.

II. “Calendar and Fiscal Year" means January 1, 2012 to December 31, 2012.

III. “Eligible Employee” means each individual employed by the Company whose terms of employment are covered under a collective bargaining agreement shall be eligible to participate in the Program. Employees must have been with the Company a minimum of six months and be actively employed (actively employed includes temporarily laid-off employees) on the last day of the Fiscal Year to be eligible for a bonus under this Program for such Fiscal Year.

Ineligibility for Individual Bonus:
An employee will not be eligible for any portion of bonus referenced in this Program if the following circumstances occur: It has been determined that an employee was responsible for an accident(s), incident(s) or injury (either to himself or others) that costs $9,500 or more and occurred in the Fiscal Year. If there is more than one occurrence in the Fiscal Year, the expenses will be cumulative.

In the event that an employee is removed from the Program based on the determination that an employee was responsible for an accident, incident or injury (either to himself or others) that meets the dollar threshold in the Program, and the discipline is removed through the arbitration process, the employee will be paid the applicable profit sharing payment.

IV. Compensation: For purposes of this Program, “Compensation” means the total remuneration paid to an Eligible Employee by the Company during the Fiscal Year including overtime payments, but excluding

1. Bonuses and other incentive payments;

2. The provision of cash and non-cash employee benefits to the employee by the Company; and
3. The payment of any arbitration awards or retroactive/time claim payments resulting from another plan year or similar items.

V. Safety Portion Bonus Calculation:
For the Fiscal Year, the Company shall provide bonus incentive payments for Eligible Employees to be determined by applying a given percentage times the eligible employee’s Compensation in the Fiscal Year. Employees can be eligible for up to 3% the eligible employee’s Compensation in the Fiscal Year. The safety bonus incentive is based on individual department and SLAR Consolidated Safety. It is divided equally in three (3) parts as follows:

a) Zero Individual Reportable Injuries & HFI – 1%
b) Zero Department Reportable Injuries & HFI – 1%
c) Zero SLR Consolidated Reportable Injuries & HFI – 1%

VI. Financial Portion Bonus Calculation:
For the Fiscal Year, the Company shall provide bonus incentive payments for Eligible Employees to be determined by applying a given percentage times the eligible employee’s Compensation in the Fiscal Year. The percentage to be applied is determined by the level of Consolidated Operating Income for SLR & SLQ, excluding Maine Intermodal Transportation, Inc.

Consolidated Operating Income shall be calculated by taking the consolidated revenues less the consolidated operating expenses for the SLR & SLQ; after eliminations of intercompany charges and also excluding i) the results of Maine Intermodal Transportation, Inc. (ii) the gain or loss from the sale of Company assets, including but not limited to land, buildings, and equipment; and (iii) amounts required to be paid under other incentive compensation plans and other bonus plans. Consolidated Operating income shall then be applied to the following table:

<table>
<thead>
<tr>
<th>SL&amp;A Consolidated Operating Income</th>
<th>Bonus as a % Of Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $3,902,999</td>
<td>0.00%</td>
</tr>
<tr>
<td>$3,903,000 and above</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

This Bonus Incentive Program is for Calendar 2011 Only. Please note that targets under “operating income” are subject to change annually.

The Company shall distribute to each Eligible Employee the Bonus Incentive payment for the Fiscal Year, if any, no later than 60 days following the end of the Fiscal Year.
VII. Examples:
Assume Consolidated Operating income was $4,500,000 for the Fiscal Year. We have assumed that Trainman Todd had less than $9,500 of accumulated accidents, incidents and no reportable FRA injuries in the plan year. SLAR was injury free, as was the transportation department. Trainman Todd earned $30,000 compensation in Fiscal Year. The Bonus Incentive distributions would be as follows:

**Sample Bonus Incentive Distribution Trainman Todd:**

<table>
<thead>
<tr>
<th></th>
<th>Safety Bonus Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero Individual Injury</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>($30,000 Compensation x 1%)</td>
</tr>
<tr>
<td>Zero Department Injuries</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>($30,000 Compensation x 1%)</td>
</tr>
<tr>
<td>Zero SLR Consolidated Injuries</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>($30,000 Compensation x 1%)</td>
</tr>
</tbody>
</table>

**Financial Performance Bonus Incentive**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income $4,500,000</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>($30,000 Compensation x 2%)</td>
</tr>
</tbody>
</table>

Grand Total Bonus Trainman Todd 5%($30,000 Compensation x 5%) = $1,500.00

Assume Consolidated Operating income was $4,500,000 for the Fiscal Year. We have assumed that Locomotive Larry had less than $9,500 of accumulated accidents, incidents and no reportable FRA injuries in the plan year. The mechanical department went injury free for the fiscal year, but unfortunately another department had reportable injury Locomotive Larry earned $30,000 compensation in Fiscal Year. The Bonus Incentive distributions would be as follows:

**Sample Bonus Incentive Distribution Locomotive Larry:**

<table>
<thead>
<tr>
<th></th>
<th>Safety Bonus Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero Individual Injury</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>($30,000 Compensation x 1%)</td>
</tr>
<tr>
<td>Zero Department Injuries</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>($30,000 Compensation x 1%)</td>
</tr>
<tr>
<td>Reportable Injury SLR</td>
<td>0%</td>
</tr>
<tr>
<td>Consolidated</td>
<td>$0</td>
</tr>
</tbody>
</table>
Financial Performance Bonus Incentive

Operating Income 2% ($30,000 Compensation x 2%) = $600
$4,500,000

Grand Total Bonus Locomotive Larry 4%($30,000 Compensation x 4%) = $1,200.00

VIII. Determination and Interpretation:
The financial officer and/or General Manager of the SLR shall make all determinations as to 1) the right of any person to a payment under this Program; 2) the amount of Consolidated Operating income for the Fiscal Year; and 3) the amount of "Compensation" paid to each employee; and his determinations shall be binding on the Company and all of its employees.

VIII. Miscellaneous:

1. **Right to Amend or Modify:** In the event a change in the Bonus Incentive Program is contemplated based on any extraordinary events, transactions or circumstances that affects the results of the Company, such changes shall be discussed with the Organization in advance of any changes.

2. **Income Tax Withholding:** The bonus incentive payments made under this Program shall be subject to all mandated taxes such as federal, state, and local income tax withholding.
EXHIBIT D
PRODUCTION GANG/EXTRA GANGS

Employees assigned to work with a large-scale production gang project (including contractors) or extra gang will be entitled to a daily per diem allowance in accordance with the matrix set forth below for each day on which they perform service with the gang, in lieu of all compensable meals, lodging, and transportation and travel expenses. The per diem rates identified below include compensation for weekend travel from home to the work site, including the initial trip when the gang is established, and from the work site to home, including the final trip after termination of the gang.

<table>
<thead>
<tr>
<th>Reporting Point for Gang</th>
<th>Daily Rate Effective Upon Ratification</th>
<th>Daily Rate Effective 01/01/13</th>
<th>Daily Rate Effective 01/01/14</th>
<th>Daily Rate Effective 01/01/15</th>
<th>Daily Rate Effective 01/01/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting more than 30-miles from residence</td>
<td>$46.50</td>
<td>$49.00</td>
<td>$51.50</td>
<td>$54.00</td>
<td>$56.50</td>
</tr>
<tr>
<td>Reporting less than 30-miles from residence</td>
<td>$29.50</td>
<td>$31.00</td>
<td>$32.50</td>
<td>$34.00</td>
<td>$35.50</td>
</tr>
</tbody>
</table>

Note 1: Employees working a position of Flagging Inspector Foreman may also be subject to this rule.

Note 2: No additional allowance will he made for mid-work week trips.

Note 3: Employees may be re-assigned a work schedule (for example, an 8 x 6 arrangement where the project works 8 consecutive 10-hour days with 6 days off) which matches the gang with which attached.

1. System Production, Construction or Extra Gangs with no basic headquarters may be established to work over the entire system wherever their use may be required. When necessary, the Carrier will assume responsibility that parking space will be available and shall not require employees to walk any substantial distance from parking space to their starting point on their own time.

2. The normal work week for employees assigned to positions in System production or construction gangs will consist of four days of ten straight time hours each with rest days of Friday, Saturday and Sunday. However, a work week of five days of eight straight time hours each with rest days of Saturday and Sunday may be established. The original determination of whether a System production or construction gang is to be established with a four or five day work week will be the prerogative of the Carrier.
Thereafter, as the requirements of the service dictate, the work week may be changed from four days of ten straight time hours each to five days of eight straight time hours each, or vice versa, by the Chief Engineer giving at least five calendar days written notice to the employees involved. Such changes may be made in less than five calendar days upon concurrence of the General Chairman.

3. The Company will bulletin the positions in Production, Construction or Extra Gangs over the entire railroad. Employees assigned to these positions may, however, bid on other positions either in other production gangs or in section gangs. Also, when their position is abolished or they are displaced by a senior employee, they may then exercise seniority in accordance with the agreement.

4. Qualified applicants will be assigned to positions of Foremen, Machine Operator and Laborer on such gangs in accordance with the earliest seniority dates.

5. Employees hired who are immediately assigned to a gang must, at such time, select the seniority zone - 1 or 2 - where they wish to protect their seniority.

6. Employees working in such gangs having a four-day work week of ten hours each day will receive credit for one (1) vacation qualifying day for each of the first three days worked and two (2) vacation qualifying days for the fourth day worked. Thus, employees will be credited for five (5) vacation qualifying days for forty straight time hours worked. Employees working only three ten hour days will receive credit for one (1) vacation qualifying days for each of the first two working days and two (2) vacation qualifying days for the third day, giving the employees credit for four (4) vacation qualifying days for the thirty straight time hours worked. However, an employee working less than three ten hour days will receive credit of one (1) vacation qualifying day for each day worked.

7. When a holiday falls within the four-day work week, the employees will only be required to work thirty hours at the straight time rate during the other three working days of the assignment, _AND WILL BE PAID 10 HOURS STRAIGHT TIME FOR THE HOLIDAY_. When a holiday falls on a rest day, the applicable provisions of Article 7 of the agreement will apply.

8. The starting time of Production Gangs will be between the hours of 0500 and 0800. This arrangement will apply during the normal production season only, which is understood to be from April 1st to October 31st inclusive. The production season may be extended upon request to the General Chairman. Mid-week changes in starting point may be made without penalty to the Carrier upon 36 hours prior notice to the employees involved.

9. Flagging jobs which are expected to last for an extended period, or which are reasonably expected to continue for 30 days or more, will be bulletined promptly as a regular assignment and may be bid by any qualified employee with seniority rights. The successful bidder will also have first rights to any overtime on such assignment, including any work on the days off of such assignment.
a. Employees on flagging assignments will be expected to provide their own transportation, and will report directly to the work site. Under such circumstances, they will be allowed the per diem allowances set forth in Article VII of this Agreement.

b. If the assigned employee is not able to work scheduled overtime on such flagging assignment, overtime required on the assignment will be offered to the senior qualified employee in any classification at the location.

c. If the need for flagging protection is suspended for one or more days (due to weather or a temporary cessation of activities by the contractor), the employee so assigned will be expected to return to the section as a laborer, and any per diem allowances will not be paid on such days.

2. Flagging requirements which exist for a period of time that does not warrant bulletining as a regular assignment will be filled by appointment by the Carrier. The employee so appointed will be the senior qualified employee not working as a foreman (or machine operator, if he cannot be spared from his duties) on the section where the flagging work is required. If such flagging work is required on other than a scheduled work day, such work will be offered to the senior employee in any classification at the location.

Note: the above paragraph would not prevent the company, at its discretion, from offering a short term flagging job to a foreman in particular instances when it would be operationally prudent to do so)
Side Letter No. 1

Mr. Thomas J. Nemeth
BMWED of the IBT
4486 Emerson Road
South Euclid, OH 44121-3928

Dear Mr. Nemeth:

This refers to the retroactive payment of wages under the application of Article 2 of the Agreement signed this date, the increase in employee contribution for health insurance premiums under application of Article 24 of the Agreement signed this date, and the changes in vacation under the application of Article 6 of the Agreement signed this date.

Carrier will make every effort to make the retro payments within sixty (60) days from the date it is notified that the Agreement has been ratified and signed. Retro pay will be based on regular wages and will not include bonus incentive, boot allowance, meal allowances. To be eligible for such retroactive pay, the employees subject to the terms of this Agreement must have had an employment relationship with the Carrier on the effective date of the Agreement, or have retired prior to that date. Employees presently out of service for disciplinary reasons, if subsequently reinstated to service, would at that time be considered as having an active employment relationship for purposes of this understanding.

The increased health care contributions set forth in Article 24 shall not be applied retroactively, but rather shall become effective on the first day of the month following the month in which this agreement is ratified and signed.

The entitlement of two weeks’ vacation for two (2) years of service shall not become effective until January 1, 2013.

If the foregoing accurately outlines our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Sincerely,

[Signature]
Blake C. Jones
General Manager

[Signature]
Thomas J. Nemeth

43
Side Letter No. 2

Mr. Thomas J. Nemeth  
BMWED of the IBT  
4486 Emerson Road  
South Euclid, Ohio 44121-3928


Dear T. J.

This letter will confirm our mutual interests concerning the welder training for maintenance of way employees.

It is understood that the carrier will provide training for a maximum of two (2) employees to be trained and qualified for electric track welding within one calendar year of the signing of the agreement. The carrier will post written notice of the classes and pay all cost associated with this training. It is also agreed that a maximum of two welders will be held on our roster in any given calendar year that this contract is in force.

Please indicate your concurrence with this understanding by signing your name in the space provided below.

Sincerely,

Blake C. Jones  
General Manager

[Signature]

[Signature]

Thomas J. Nemeth

Acknowledge and Agree: