

**AN AGREEMENT
BETWEEN**

DAKOTA, MINNESOTA AND EASTERN RAILWAY (DM&E)

d/b/a

CANADIAN PACIFIC

AND

**ITS EMPLOYEES REPRESENTED BY
Transportation Division
of**



August 7, 2014

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PREAMBLE:

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

ARTICLE 1 - PURPOSE

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

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

ARTICLE 2 - GENERAL PRINCIPLES

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

ARTICLE 3 - RECOGNITION

- A. This Agreement covers all Conductors, Brakeman, Engineer, Utility, and Remote Control Operator positions employed by the Company and represented by the SMART-TD under the Railway Labor Act, as amended.
- B. The term "Employee" as herein referred to shall include employees represented by the SMART-TD, except where otherwise specifically provided for herein. The term "Company" shall mean the Canadian Pacific Railway; Dakota, Minnesota and Eastern Railroad Company. The term "Union" or "General Committee" shall mean the Transportation Division-Sheet Metal Air Rail and Transportation (SMART-TD).
- C. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of employees covered by this Agreement shall be vested in the regularly constituted General Committee of the SMART-TD.
- D. Where the term "duly accredited representative" appears herein, it shall be understood to mean the regularly constituted General Committee and/or the Officers of the SMART-TD of which such General Committee or Officers are a part.

ARTICLE 4 - SCOPE OF AGREEMENT

- A. The parties recognize that the scope of this Agreement is unlike traditional agreements in the rail industry and that it must be interpreted accordingly. That being said, the primary role of Engineer is work associated with operation of locomotives. The primary role of Conductors and Brakemen is to perform transportation duties traditionally associated with train service ground employees. Additionally, the Company may establish Utility Position(s) and such Utility Position(s) shall perform the duties traditionally performed by a Utility employee.
- B. The parties recognize that in order to meet a customer's immediate service need, or to meet operational exigencies at a time a regularly assigned crew is not present and available in the terminal for such service, and time will not permit calling a rested extra employee, a qualified employee may be used, without penalty, to perform such service.
- C. The parties recognize that to achieve maximum efficiency of operations and to expedite movement of trains, employees may perform incidental work for which they are qualified without additional compensation in the absence or unavailability of another employee who would otherwise perform such work.

ARTICLE 5 - WAGES

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

Classification:	Hourly Rate:	Overtime Rate:	General Holiday Rate:	Weekly Guaranteed Extra Board Rate:	Non- Service Hourly Rate:
Engineer	\$39.00	\$58.50	\$46.80	\$,1298.00	\$29.75
Conductor/ Utility employee	\$34.50	\$51.75	\$41.40	\$1,178.00	\$25.85
Brakeman	\$32.00	\$48.00	\$38.40	\$1,178.00	\$24.00

B. Except as otherwise specified in Article 8, Section 1 of this agreement, twelve (12) hours or less will constitute a basic day and pay for all time on duty after twelve (12) hours, or the hours encompassed in the basic day of the job to which assigned if other than twelve hours, will be at the rate of time and one half. Employees requesting to be relieved during their tour of duty will be paid actual time on duty. (Q/A)

C. Employees who perform service, at the request of the Company, on their assigned rest days shall be paid for such service at the rate of time and one half. Extra Board Employees that perform service on their assigned rest days will not have their guarantee offset by the time and one half earnings provided the Employee has been fully available on his scheduled work days during the entire week. (Q/A)

D. The Non- Service eight (8) hour rate of pay on the effective date of this agreement will be based on the service to which assigned and as shown above in the table in paragraph A of this Article 5. This rate will be paid for the following service categories when Employees do not perform train service: Attending Court and Inquests, Jury Duty, Company Required Training, Company Initiated Meetings, Bereavement, Company or regulatory agency (e.g. FRA) required Medical Examinations and Attending Investigations when no Discipline is assessed.

E. When Employees are called to commence work on General Holidays they shall be paid at a rate of 1.2 times the regular hourly rate (blended rate) for the basic day and 1.5 times the blended rate for time worked in excess of the number of hours of their advertised basic day.

- F. Unless otherwise provided in this agreement, the rates of pay as indicated herein represent complete and total payment for the performance of all work which is associated with the Employees covered by this agreement.
- G. New Employees will be appointed to the entry level training program and will be paid at ninety percent (90%) of the Brakeman's hourly rate of pay. Upon accumulating one (1) year of cumulated compensated service as Brakeman or upon qualification as Conductor or Engineer, whichever comes first, such Employee will be paid at one hundred percent (100%) of the applicable hourly rate of pay.

ARTICLE 6 - SENIORITY

Section 1 General

- A. The right of employees to perform service will be governed by seniority, qualifications being equal. The qualified employee longest in the service will have the preference.
- B. The Company will keep the General Chairperson and each Local Chairperson of the SMART-TD supplied with lists of employees and their seniority dates and rank numbers as in conformity with their standing as recorded on the seniority lists subject to the rules hereinafter provided for.

Section 2 Establishment

- A. The seniority date of newly hired employees will be the first date of service performed. In the event more than one employee is hired on the same date (start classroom together), seniority will be allocated in the order of the last four digits of the employee social security number, with lowest number being first. (Example –Last four digits of SSN '2345' would be ahead of 'Last four digits of SSN "2346')

Section 3 Furloughed Employees

- A. Subject to manpower requirements, employees may be furloughed. In the event such employees are furloughed they may be used to fill vacancies in accordance with their seniority as provided for in Article 8, Section 2 when extra employees are unavailable to fill such vacancies. This applies to vacancies ordinarily filled by extra men. Furloughed employees must provide the Company with a current telephone number to be contacted if they desire to protect service requirements when the procedures provided for in Article 11 (GEB) have been exhausted.
- B. Furloughed employees will be subject to recall and will be provided a recall to service notice via certified letter which will be sent to their last known address. Employees must respond to the Company within fifteen (15) days and must report for duty within thirty (30) days from

the date of receipt of the certified letter. It is the furloughed employee's responsibility to provide the Company with their current address. Employees who fail to report as outlined herein will have their name removed from the seniority roster and their services with the Company terminated.

- C. At such time as employees are subject to furlough, the Company may, at its sole option, establish Alternate Training Status "ATS" which shall apply and operate according to the terms and conditions set forth in 1-6 of this paragraph C.
1. Employees otherwise subject to furlough may accept or decline ATS, when established. The Company may not establish a number of ATS positions greater than the number of employees who are eligible to be furloughed at a location.
 2. Employees accepting ATS will be guaranteed the compensation equating to eight (8) basic days of work at the basic daily rate of pay applicable to the GEB during any full calendar month while in ATS. Pay for service performed shall be at the rate applicable to that service as shown in Article 5.
 3. The Company shall determine and notify the employee on which specific eight (8) days of a given month the employee is to be available to protect service. On any day an employee is required to protect, the employee may be required to attend rules, recertification or other training as designated by the Company.
 4. Employees who are available for service on all eight days, regardless of whether called for service or training for the eight days scheduled in 3 above, will be eligible for coverage under the Health and Welfare plan. Employees who are not available or do not report for training or service for which called will forfeit the minimum guarantee provided herein and will be paid only for earnings made during the month. Changes made by the Company during the month will not affect an employee's entitlement for minimum guarantee or Health and Welfare coverage so long as the employee did not cause himself to be unavailable.
 5. Employees in ATS will only be called to perform train service after the calling procedures in effect at the employees regular work location have been exhausted.
 6. Taking paid leave on any day on which an employee; in ATS is required to protect service will be considered as the employee being 'unavailable' and shall result in forfeiture of the monthly guarantee; in that month and eligibility for coverage under the Health Care Plan in the following month.

Section 4 Re-Entering Service

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

Section 5 Seniority Districts and Extra Board Locations

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

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

Section 6 Entitlements of affected employees.

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

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

All events in paragraphs (i) -(iii) above, and corresponding payments therefore, must be

concluded one (1) year from the date the employee was notified of the requirement to relocate or from abolishment of the employees position and the former location, whichever occurs later.

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

Section 7 Seniority Roster

- A. Current employees will be placed on a District Seniority Roster in accordance with their former relative seniority standing on the applicable craft (Engineer, Conductor/Brakeman, or both) seniority roster of the property on which employed on the day prior to the effective date of this agreement.

- B. Seniority rosters for the Seniority District outlined in Section 6 herein will continue to be compiled by the Company and posted on or before January 30 of each year with copies furnished to the General Chairperson and Local Chairmen. Rosters will show each employee's name, employee number, date of birth, date of seniority, status and prior rights code if applicable. A seniority date not protested within 90 days from its first posting will be considered permanently established, and future requests for changes will not be considered except to correct typographical errors.

- C. Employees establishing seniority on or after the effective date of this Agreement will be placed at the bottom of the DM&E Brakeman Roster in order of their date of hire.

Section 8 Promotion

All employees hired subsequent to the effective date of this Agreement must accept promotion to conductor and engineer when required by the Company. Once promoted, employees, including those already promoted will not be permitted to voluntarily relinquish their conductor and/or engineer responsibilities. Existing practices regarding instruction and examination in effect prior to the implementation of this agreement will continue. Employees failing to pass the transfer requirements for Conductor or Engineer when required by the Company will result in automatic termination of all seniority and rights to work under this Agreement.

Section 9 Forced Promotion to Engine Service

Employees will be required to accept transfer to engine service. If the number of applicants for engine service on the seniority district is insufficient to meet the Company's needs, such needs shall be met by requiring Employees to transfer to engine service in inverse seniority order. Existing practices regarding instruction and examination in effect prior to the implementation of this agreement will continue. Employees failing to pass the transfer requirements for engineer will result in automatic termination of all seniority and rights to work under this Agreement.

Employees who fail to successfully pass the required promotion examinations referenced in these Sections 8 and 9 on the first attempt will be afforded a second and final opportunity to complete the examination(s) previously failed. Such attempt must be given in not less than five (5) days and not more than fifteen (15) days.

ARTICLE 7 - FLOW BACK

Engineers who are dual qualified and who desire to work as Conductor may request and shall be permitted in seniority order to flow back and work as Conductor or Brakeman when there are sufficient qualified engineers to fill all engineer positions. The "Set-Up" and "Set-Back" under this Article is subject to the conditions below:

Set-Back

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

Set-Up

Dual qualified employees who wish to set-up to engineer must put a request on file with the crew caller. When the need arises for additional locomotive engineers, dual qualified employees with a request on file in that zone will be set up in seniority order. If no dual qualified employees have a request on file, the junior dual qualified employee not working as an engineer in that zone will automatically be set up. This does not permit a junior dual qualified conductor to force a senior dual qualified conductor to set up status because of his/her senior engineer qualification date.

ARTICLE 8 - JOB VACANCIES AND BIDDING

Section 1 Regular Assignments and Extra Boards

- A. A train/job starting 4 consecutive days during the same 4-hour window, or 6 days of a 7 day period during the same 4-hour window will be included in the 7 day mark for the following week.
- B. The Company shall determine the work rest schedule(s) for each type of service. Unless otherwise agreed by the parties and in compliance with the RSIA, Work/Rest schedules for regular assignments may be any of the following arrangements:

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

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

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

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

Answer: For pay purposes only, Conductor Summer goes on pay at 16:00.

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

Answer: 10:00.

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

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

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

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

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

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

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

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

Section 2 Unassigned Pool Service

- A. Unassigned pool service may be established by the company subject to the terms and conditions set forth herein. Only the initial establishment of the pool shall be bulletined with such bulletins to include the home and away from home terminals of the run(s).
- B. Employees occupying positions in unassigned pool service will have assigned rest days in accordance with one of the work/rest arrangement in Section 1, paragraph B, above. The work/rest arrangement shall be determined by the Company and may or may not be the same for each unassigned pool. The provisions of Article 11, A, paragraph 2 will apply to Employees assigned to Unassigned Pool service.
- C. The number of turns in the pool shall be regulated in a manner that will normally provide that each individual assigned in the pool shall make no less than 10 starts in a two week checking period. This is not intended to operate as or constitute a guarantee.
- D. Subsequent to the initial establishment of the unassigned pool, positions in the pool will not be bulletined, but will be assigned to Employees in accordance with the provisions of the Seven Day Mark.
- E. Unassigned pool service may be cancelled at any time by the Company consistent with the Seven Day Mark.

Section 3 Assignment to Positions

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

Section 4 Transfers

A. Temporary Transfers

1. Internal Temporary Transfer

- a. Positions will be advertised for seven (7) days in in the event of a known or anticipated temporary shortage of Employees at a specific location(s). Applicants will be selected from among appropriately qualified volunteers based upon seniority and the requirements of service at each applicant's seniority district, qualifications being equal. Should temporarily transferred Employees come from

more than one seniority district, their relative seniority standing among themselves, on the district to which transferred, shall be based their earliest seniority date as a train or engine service Employee on CP or any of its component lines.

- b. Successful applicants may be required to protect service at the shortage location for a minimum of thirty (30) days but not to exceed one (1) year, unless released by the Company earlier. These time frames may be extended as mutually agreed by the Company, the Employee and the General Chairperson of the SMART-TD.
- c. Employees transferred pursuant to this provision shall be compensated as though assigned to the Guaranteed Extra Board at the location to which transferred and, in addition, shall be paid a per diem of \$ 60.00 for each full calendar day they are marked up and available for duty or on assigned rest days to cover all expenses except lodging. Lodging, meeting the requirements of Article 17 B, will be made available to the Employee at Company expense during the period of the temporary transfer under this provision.

2. Temporary Transfer to/from Other CP properties

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

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

B. Permanent Transfers

- 1. Employees who request and who are authorized to permanently transfer from one Seniority District to another will forfeit their seniority rank on the District which they leave and will have a new seniority date established on the territory to which

transferred. The General Manager of each respective Division must approve requests for permanent transfer.

2. Seniority will be established (and cease on their former District) on the date the Employee first performs service as an Employee following the date and time of his reporting for duty to the company official in charge at the location where he has been instructed to report. The Company Official in charge at the Employee's new location shall make a record of the date and hour the Employee reports.
3. An Employee temporarily transferred and desiring to make it permanent shall not be given credit for time served as temporary.

ARTICLE 9 - ANNULMENT OF ASSIGNMENTS

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

ARTICLE 10 - ABOLISHMENT AND DISPLACEMENT

- A. Employees whose positions are abolished will be placed in accordance with the individual's standing bid. In the absence of having a remaining standing bid selection the Employee has twenty-four (24) hours in which to exercise seniority, or be assigned to the position held by the junior Employee at that terminal. Q&A (engineer to engineer if can hold, if not extra board.)

- B. In the application of sub-paragraph A herein, if unable to displace a junior Employee in the same classification (engineer or trainman), whichever is applicable, in the terminal, the Employee shall exercise his seniority to displace a junior Employee in the same classification within his Seniority District within forty-eight (48) hours. If the assigning of such Employee results in the relocation of another Employee on the seniority district, then the appropriate GEB (engineer or trainman) will have one position added at his home terminal. An Employee who is forced to exercise seniority to a location that is more than 100 miles from the location from which he is displaced will be permitted a reasonable time not exceeding two (2) days to take the position.

- C. Permanent changes in rest days, home terminal or a change in the assigned start time of one (1) hour or more shall entitle the affected Employee to a displacement, which must be requested at the time he is notified of the change.

ARTICLE 11 - GUARANTEED EXTRA BOARD (GEB)

- A. 1. Where Guaranteed Extra Boards (GEB) have been established the scheduled weekly rest day(s) will commence at 0:01 hours, with the Employee automatically marked back to the board at 0001 following the rest day(s). Extra Board employees at their home terminal will not be called for duty that commences on or after 2000 hours on the day preceding their rest day.

2. If the Employee is currently working or away from the home terminal at the time the scheduled rest day(s) are to begin, the rest day(s) will begin upon the Employee's tie-up time at his home terminal and run for forty-eight (48) hours, with the Employee automatically marked back to the bottom of the board at the expiration of that time. However, if the Employee's tie-up time occurred between 0001 and 0601 on the scheduled rest day, the Employee will automatically be marked back to the bottom of the board at 0601 following expiration of the forty-eight (48) hours.

- B. GEB's will operate on a first-in, first-out basis, based on tie-up time. Where more than one Employee is marked back up to the Board at the same time their previous tie up time will

govern relative order.

- C. Unless otherwise provided for herein, Employees assigned to GEB's will fill temporary vacancies and extra assignments at the location of the Board, within the Zone and at outlying points within the Seniority District, as necessary. In the event the GEB from which the assignment would normally be filled is exhausted, the assignment will be filled in accordance with the vacancy fill procedures contained in Section 13 of APPENDIX 1.
- D. Except as otherwise specified below, when Employees mark back up for any reason they will be placed to the bottom of the GEB and the following will apply:
 - 1. Employees who are first-out on the GEB and who miss a call or book off for any reason other than approved compensated leave will be considered first out and available for service upon mark up.
 - 2. Employees who are held from the GEB to obtain mandatory rest pursuant to RSIA will retain their relative standing while obtaining the required period of rest after which they shall be subject to call in accordance with governing calling rules.
- E. The number of Employees assigned to GEB's will be regulated at the start of each week by the Company, consistent with the Seven Day Mark as provided in APPENDIX 1.
- F. Except as specifically noted below, all compensation paid by the Company to Employees while assigned to a GEB in a work week will be credited toward the guarantee excluding personal automobile mileage allowances, expenses, and payments that involve an alleged violation of this Agreement, such as runarounds, etc. Compensation received pursuant to Article 17 Section 1. D. and Article 17 Section 3 and Section 4 will be credited toward the guarantee. Compensation received when used to supplement an exhausted GEB in an adjacent seniority district which is located more than forty (40) miles from the location of the employee's home GEB location will not be used to offset the weekly guarantee.
- G. GEB Employees who mark off on unpaid leave during any week shall forfeit any guarantee pay for that week.
- H. The rate established for extra boards under this Agreement shall be subject to general wage increases.
- I. GEB positions will not be advertised. Assignments shall be made on the basis of seniority.
- J. Extra board Employees shall be called for service not less than two (2) hours prior to the time required to report for duty.

- K. The Company will provide the General Chairperson ten (10) days' advance notice for any new Guaranteed Extra board it intends to establish. Such notice shall also identify the jobs/assignments which shall be protected by the newly established Extra Board
- L. All guarantee compensation paid to extra Employees shall be considered as service rendered for purposes of qualification for vacation pay and holidays.
- M. Except in cases of emergency which affect the continued operation of the railroad, Increases or decreases to the GEB should occur at the time of the weekly board mark.
- N. Deadheading will be paid when it occurs as a result of force-assignment to the extra board of an Employee holding an assignment at an outlying point.
- O. Except as provided for in Article 17 Section 3 when called for service extra board Employees will not make less than a basic day at the rate applicable to the service in which operated.
- P. Employees assigned to the GEB may, at their option, take payment in lieu of a personal leave day on holidays described in Article 9 B.

ARTICLE 12 - APPROVAL OF APPLICATION FOR EMPLOYMENT

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

ARTICLE 13 - RULES / INSTRUCTION CLASSES

- A. Employees who are required to attend rules or instruction classes on their own time shall be paid actual time, except that no pay shall be required for Employees attending remedial classes in lieu of or as part of the discipline process or as described below. The Company will schedule the rules and instructions classes for the Employees.
- B. Where training takes place away from the Employee's home terminal, lodging will be provided, and the Employee shall be entitled to allowances for meals and for

expenses related to travel (Examples: fare, tolls, mileage, parking etc.) between the home terminal and the course accommodation.

- C. Where an examination or test forms part of the training requirement, an Employee is expected to meet the required standard on the first attempt. If an individual is unable to achieve the necessary standard, he will be offered one additional opportunity to successfully pass the failed portion(s) (without compensation) and which must take place within not less than five (5) nor more than fourteen (14) days of the first attempt and which will be on the Employee's own time. An Employee who fails to attain the required standard at the completion of this period will be deemed to have disqualified himself for employment and will forfeit all seniority.
- D. Employees who are required to attend rule, Employee re-certification, or instruction classes during a normal tour of duty (i.e.; combined with other service) will not be paid additional compensation.
- E. Regular Employees who lose time as a result of being required to attend rule or instruction classes shall be paid for the time lost at the Non-Service rate of pay.
- F. Extra Employees required to attend rule, Employee re-certification, or instruction classes will be paid for any loss of time at the Non-Service rate of pay and in no case will be paid less than actual time in attendance. Employees required at the request of the Company to attend the classes referred to herein on their assigned rest days shall be paid for such service at the rate of time and one half.

ARTICLE 14 - ON AND OFF DUTY POINT

- A. Except as provided below, Employees shall have a designated point for going on and off duty each day. The Company will consult with the SMART-TD Local Chairperson with jurisdiction on the respective territory prior to bulletining positions where it is proposed to change any on or off duty points.
- B. The starting time of an Employee shall commence at the time he is required to report for duty, and his pay shall continue until the time he is tied up at a proper off duty location.
- C. When Employees are relieved at points other than the point of going on duty, the Company shall provide transportation to the appropriate off duty point which shall be at a recognized location as designated by the Company.

- D. An Employee operated to an away from home terminal that is not his normal away from home terminal location will be considered first-out upon completion of his legal rest. Upon the expiration of twelve hours, or sooner if available, an Employee used in this manner will only be called to deadhead or to work back to his home terminal. Upon the expiration of twelve hours, an Employee referred to herein that is not called as described shall be considered on pay until called for duty; and such time shall not be counted towards his hours of service.

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

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

 - 2. Unless regular assignments are established for such service, the service as outlined herein shall be filled from the GEB.

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

ARTICLE 15 - CALLING FOR DUTY

Section 1 Calling

- A. Unless otherwise agreed between the parties to accommodate special circumstances involving a recognized group of Employees, an Employee without a designated starting time shall be called not less than two (2) hours prior to the time required to report for duty, except in cases

of emergency, such as floods, accidents, storms, etc., when Employees shall be required to report as soon as possible.

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

Section 2 Used out of Order

- A. GEB Employees who are available and not called in the correct order ("runaround") in accordance with the procedures in this Agreement, will be paid one half (1/2) of the basic day payment in addition to any other GEB earnings.
- B. There shall be no "chain" type payments and not more than one runaround payment for any particular assignment.
- C. Regular assigned Employees not called for runs, through no fault of their own, will be paid for all time lost. If used on other assignments, money earned will be counted in computing pay for time lost (make whole). This paragraph does not constitute a guarantee.
- D. The incidence of runaround claims will be reviewed in the conferences established pursuant to Article 28 of this Agreement to identify and correct any systematic problems.
- E. An Employee that operates to an away from home terminal that is the source of supply point for train service Employees at that location and subsequently operates a train out of that away from home terminal who and is tied up his home terminal will not invoke the runaround provisions outlined in Article 15, Section 2, paragraph A herein for any Employee home terminated at that location provided the Employee is tied up for rest at his home terminal upon completion of the trip.
- F. Trains that are tied up on line due to being overtaken by the Hours of Service Law may be re-crewed with a qualified Employee from the nearest source of supply point via highway miles without penalty to the Company.

Section 3 Called and Released

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

tour of duty or commencement of any action related to movement of rail cars or train for which the Employee has been directed. (Q/A)

Section 4 Familiarization of Territory

- A. When Engineers or Conductors are required to run over any portion of the road with which they or any other member of the crew are unacquainted, a pilot will be furnished.
- B. Qualified Employees from other crafts may also be used to pilot trains. In no case will more than one pilot from any class of service be used to pilot a train.
- C. Employees acting as pilots will be paid for actual time on duty with a minimum of a basic day.

ARTICLE 16 - MEAL PERIODS

- A. An Employee whose assignment primarily switches or works primarily within a terminal will have, between the fifth and the seventh hour, twenty (20) uninterrupted minutes in which to eat, and reasonableness will apply. However, in granting Employees time for their meal, it is with the understanding that such must not cause unnecessary interference or delay with the performance of their work or the work of other crews.
- B. Disputes arising out of the interpretation or application of this Article will not be used as the basis for time claims, but will be referred to the Committee established pursuant to Article 28 for final and binding disposition.

ARTICLE 17 - EXPENSES

Section 1 Held Away From Home Terminal

- A. A meal allowance of \$12.00 will be payable after an Employee is held four (4) hours or more at the away from home terminal and thereafter after each additional eight (8) hours tied up at the away from home terminal.
- B. The Company will provide suitable lodging and will be responsible for the payment of room and taxes. To be considered "suitable," at a minimum, the lodging accommodation shall be:
 - Reputable and clean with adequate lighting;

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

Section 2 Transportation Expense

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

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

Section 3 Deadheading

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

Section 4 Aggregate Service

Employees may be released four (4) hours or more. If so released the Employee will be considered on pay until called to resume duty and such release time shall not be counted towards hours of service or overtime. In the application of this paragraph, Section 1, Paragraphs A and B of this Article will apply.

ARTICLE 18 - PERSONAL LEAVE DAYS (PLD's)

- A. Any Employee hired after the ratification of this Agreement shall receive three (3) PLD's. When any Employee accumulates a total of 60 months of cumulative compensated service in any service, or combination of service which includes Engineer, Conductor, Brakeman, or DM&E, the Employee will then qualify for the seven (7) personal leave days and will qualify for eleven (11) after one hundred twenty (120) months of cumulative compensated service. Notwithstanding this clause, no Employee shall lose PLD's to which he/she is already entitled.
- B. Upon forty-eight (48) hours' advance notice from the Employee, PLDs will be scheduled with the approval of the Crew Management Center. PLD's requested and approved as provided for herein must be taken and payment will be made on the following payroll period.
- C. In situations where the number of applicants seeking PLD's exceeds the number of Employees that can be released, the Company will approve applications on the basis of the order they were received except no application may be submitted more than six months in advance. In the event more than one application is received on the same day the most senior Employee will have preference.
- D. Employees who leave the service of the company during the year will have their PLD allocation reduced on a pro-rata basis to allow one PLD per each full month worked, up to the number to which the Employee is entitled.

E. Any PLD's provided for herein that are requested but denied by the Company and not subsequently rescheduled during the calendar year will be paid at the rate specified herein on the first full pay period of the following year.

ARTICLE 19 - BEREAVEMENT LEAVE

A. Bereavement leave of three (3) consecutive working days will be allowed, at the applicable rate provided for in Article 5 A., in case of death of an Employee's "natural" or "step" brother, sister, parent, child, spouse or spouse's parent. Employees involved will make provision for taking leave with their supervising officials in the usual manner.

B. The three (3) days may be taken at any time beginning with the date of death and ending seven (7) days after the funeral.

ARTICLE 20 - HOLIDAYS

Employees who are available or on scheduled or mandatory rest days the immediate two (2) days preceding and the immediate two (2) days following a holiday identified in Article 9, paragraph B, and who work on a holiday will be paid a rate of pay of one and two tenths (1.2) times the Basic Rate for the hours of the basic day of the assignment. All time worked on the holiday in excess of the advertised basic day hours of the assignment will be paid time and one-half based on the rate outlined herein. (Q&A)

ARTICLE 21 - VACATION

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

Section 1 Entitlements

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

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

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

- B. Vacation shall be taken between January 1 and December 31; however, it is recognized that the exigencies of the service create practical difficulties in providing vacations in all instances. Due regard, consistent with requirements of the service, shall be given to the preference of the senior Employee when granting vacations. Representatives of the Company and of the SMART-TD will cooperate in arranging vacation periods, administering vacations and releasing Employees when requirements of the service will permit. It is understood and agreed that the Company will pay vacationing Employees their vacation allowances as soon as possible after the vacation period, but the parties recognize that there may be some delay in such payments. It is understood that in any event such an Employee will be paid his vacation allowance no later than the second succeeding payroll period following the date claim for vacation allowance is filed.
- C. Pay for vacation shall be equal to the basic weekly rate of the position occupied at the time vacation is taken. Examples: 5 day assignment would be paid 5 basic days; 6 day assignments, 6 basic days, 4 day assignment 4-12 hour days (all straight time) and 3 day assignment will be paid 40 hours at the rate of the position to which assigned.
- D. An Employee shall perform one hundred sixty (160) days or equivalent hours of cumulative compensated service in any calendar year to qualify for vacation in the ensuing year as provided under paragraph A above. Calendar days on which an Employee is available for service (within the meaning of Articles 8-Section 3, 11, 18, 31 32 and 33) and on which he performs no service, shall be included in the determination of qualification for vacation; also,

calendar days not to exceed sixty (60) days on which an Employee is absent and unable to perform service because of illness or injury shall be included.

- E. Employees taking single day vacation days pursuant to Article 21 Section 3 paragraph C. shall be paid the basic day hours of the position to which assigned at the Non-Service rate of pay. Employees taking a single day vacation on a day when his regular assigned run is to tie up at an away from home terminal will be required to take two (2) single days of paid leave. Employees electing to take one (1) week in single day increments must so indicate at the time weekly vacations are bid.
- F. When submitting vacation requests, Employees should include at least three (3) choices in case of duplicate requests. When requesting single day vacation days, requests will be granted in the same manner as prescribed by Article 18 Paragraphs B and C.
- G. If an Employee's employment status is terminated for any reason, he shall at the time of termination be granted full vacation pay for vacation earned in the preceding year not yet granted, and vacation pay for the succeeding year if the Employee has qualified therefore under paragraph 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 an Employee may have designated, or in the absence of such designation, the surviving spouse, the Employee's children, or his estate, in that order.
- H. Vacations, or allowances therefore, under two (2) or more schedules held by different organizations on the same Company shall not be combined to create a vacation of more than the maximum number of days provided for in any one of such schedules. Employees transferring from other crafts will have length of service and other qualifications for vacation count toward vacation as an Employee under this agreement.
- I. Time off on account of vacation will not affect nor offset guarantees.
- J. The absence of an Employee on vacation with pay, as provided in this Agreement, will not be considered as a vacancy, temporary, or otherwise, in applying the bulletin rules of this Agreement.
- K. Vacations shall not be accumulated or carried over from one vacation year to another.
 - (i) In the event an Employee could potentially lose time at the end of his pending vacation period he may request approval of the Company that his vacation could be reduced in one year and adjusted in the next.

- (ii) After the vacation begins layover days during the vacation period shall be counted as a part of the vacation.

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

- Used out of order – ½ day credit;
- Separate Service Deadheading – one (1) day credit;
- An Employee paid ten (10) hours (accumulative) under the held-away-from-home terminal rule will be credited with one (1) basic day. (Example: 40 hours of HAHT would equal 4 credits.)

Section 2 SMART-TD - Union Officials

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

Section 3 General

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

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

ARTICLE 22 - BENEFITS

Section 1 Health & Welfare

DME employees will continue their current coverage arrangements under the Management Plan.

Section 2 Off Track Vehicle Accident Benefits

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

Section 3 Stock Purchase Plan

The current Stock Purchase Plan entitlement as effective on the day prior to the effective date of this Agreement will be maintained for the benefit of Employees covered by this Agreement.

Section 4 Employee Assistance Program

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

Section 5 401K Plan

- A. The current 401K Plan entitlement as effective on DM&E will be maintained for the benefit of Employees covered by this Agreement.
- B. The company will be responsible for all costs of establishing the plan, including the making of payroll deductions and payments of withheld wages to the trustee. The employee will be responsible for all costs of services in connection with the operation of the 401 (k) plans.

ARTICLE 23 - PHYSICAL EXAMINATIONS

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

ARTICLE 24 - MEDICAL DISQUALIFICATIONS

- A. If an employee is found to be medically disqualified by the Company's physician and the an employee is of the opinion that his condition does not justify removal from the service or restriction of his rights to service, appeal will be made to the designated officer of the Company for a joint medical board to be established.
- B. The employee involved, or his representative will select a physician to represent him and the Company will select a physician to represent it (who may be the original examining physician) in conducting a further medical examination. If the two physicians thus selected agree, the conclusion reached by them as to the individual's medical condition will be final.
- C. If the two physicians selected do not agree as to the medical condition of such individual, they will select a third physician to be agreed upon by them, who shall be a practitioner of recognized standing in the medical profession and a specialist in the disease or ailment from which the individual is alleged to be suffering. The three physicians thus selected will examine the employee and render a report with reasonable promptness setting forth his physical condition and their opinion as to his fitness to continue service in his regular employment, which shall be accepted as final. Should the decision be adverse to the individual, and it later appears through medical findings that his condition has improved, a re-examination by the Company's physician will be arranged after a reasonable interval upon the request of the employee or the Union.
- D. The Company and the employee will each pay for the costs of their chosen physician and share equally in paying the costs of the third physician.
- E. If an employee has been out of active service for more than ninety (90) days, before resuming service he will be required to pass a physical examination (including drug and alcohol testing) before being permitted to return to duty.

ARTICLE 25 - PAYDAY

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

ARTICLE 26 - PAYROLL AND DEDUCTIONS

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

ARTICLE 27 - UNION SHOP AGREEMENT

- A. Subject to the terms and conditions below, all employees of the Company subject to this Agreement shall, as a condition of their continued employment under this Agreement, become members of the SMART-TD within sixty (60) calendar days of the date they first perform compensated service under this Agreement, and shall maintain membership in good standing in the SMART-TD while subject to this Agreement; provided, however, that this requirement for membership in the SMART-TD shall not be applicable to:
1. Those to whom membership is not available upon the same terms and conditions as are generally applicable to any other member;
 2. Those to whom membership has been denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Union;

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

ARTICLE 28 - HANDLING OF CLAIMS AND GRIEVANCES

Section 1 Representation

- A. The SMART-TD shall have the exclusive right to represent all Employees in company level grievance, claim and disciplinary proceedings on those Companies on which the SMART-TD is the lawfully recognized or certified collective bargaining representative for that craft.

- B. The General Committee of Adjustment of the SMART-TD will represent all Employees in the making of contracts, rates, rules, working agreements and interpretations thereof.

- C. All disputes involving employees covered by this agreement will be handled in accordance with the provisions of this Agreement as interpreted by the SMART-TD General Committee and the designated representative of the Company.

Section 2 Handling of Claims and/or Grievance Process

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

All resolution of claims resulting from handling during the steps referenced in the paragraph above shall be concluded on a 'without prejudice' basis, and are non-referable unless otherwise noted. Claims not filed within the required sixty (60) days shall be deemed abandoned and barred from further handling.

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

In the event the claim or grievance is disallowed, the SMART-TD Local Chairperson may appeal the matter to the Superintendent within thirty (30) days from the date of

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

In the event the appeal is disallowed, the Superintendent shall, within thirty (30) days from the date it is received, notify the Local Chairperson in writing of the reason(s) for such disallowance.

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

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

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

Section 3 Handling of Discipline Appeals

A. Discipline decisions reached by the Company pursuant to Article 29 (E) and (F) of this Agreement may be adjusted between the SMART-TD Local Chairperson and the Superintendent, or designate, within 60 days of the issuance of the decision.

B. Should the matter fail resolution by the Local Chairperson and the Superintendent or designate, the SMART-TD General Chairperson may appeal, in writing, to the HDO, or designate, within ninety (90) days of the date the discipline was assessed, or the appeal will be barred. The HDO, or designate, shall notify the General Chairperson of the allowance or declination of the appeal within sixty (60) days of the receipt of the appeal. Should the HDO, or designate, fail to timely notify the General Chairperson of the declination of the appeal, the claim will be allowed as entered; however such allowance shall not constitute a precedent for other similar claims.

C. The SMART-TD General Chairperson will list unresolved discipline appeals with the HDO, or designate, not less than 30 days prior to the next scheduled meeting of the Labor/Management Committee for handling pursuant to Section 2 (D) and (E) of this Article. Discipline/claims may be handled in conference as agreed upon between scheduled meetings.

D. Nothing in this Section shall preclude an agreement by the parties to conference discipline appeals independent of the procedures set forth in this Article. Such conference as may be agreed upon will constitute any “conference” prerequisite to submission of unresolved disputes involving discipline appeals to a tribunal established by law or by agreement for the final adjudication of such disputes.

Section 4 General

A. The Labor / Management Resolution Committee will meet quarterly during the months of January, April, July, October as mutually agreed, to review and resolve outstanding Employees time claims and grievances.

B. The Committee will consider the entire record of each dispute submitted to it. Decisions made pursuant to this process will be provided to the Union by the Company within forty-five

(45) days of the meeting date and will represent the final and binding decision on such grievances.

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

ARTICLE 29 - INVESTIGATIONS AND DISCIPLINE

- A. No employee employed and performing service covered by this Agreement shall be disciplined without a fair hearing (investigation) by an officer of the Company. At least five (5) days prior to the hearing, the employee will be apprised of the charge against him (The notice can be presented verbally and followed up in writing prior to the hearing). He shall have reasonable opportunity to secure the presence of necessary witnesses, and he shall have the right to be represented by a fellow employee or by an accredited representative or member of the SMART-TD.
- B. Investigations will be held at such times, if possible, as to avoid holding an employee out of service to be present at the investigation. Postponements will be granted to either party upon a reasonable showing of a need.
- C. Investigations ordinarily will be held within twenty (20) days of the time the company has sufficient knowledge of the incident to be investigated to conduct an investigation. If the decision is made to withhold an employee from service pending an investigation, the hearing must be held within ten (10) days of the date the employee was initially withheld from service. Discipline, if any, must be assessed within twenty (20) days of the investigation. If the employee is dissatisfied with the decision, he or the duly authorized Union representative may appeal as provided in Article 28.
- D. In case of dismissal or suspension, which is later found to be unjust, the employee so disciplined will be reinstated with seniority rights unimpaired and paid for all time lost subject to offset for earnings of the employee during the time out of service.
- E. An employee and/or the employee’s representative shall have the option, with the Company’s concurrence and prior to the hearing, to discuss the charge with the appropriate Company Officer.

1. If the disposition of the charges is made on the basis of the employee's acknowledgement of responsibility, the disposition shall be reduced to writing and signed by the employee and the official involved and shall incorporate a waiver of hearing and shall specify the maximum discipline, which may be imposed for the employee's acceptance of responsibility.
 2. No minutes or other record shall be made of the discussion, and, if the parties are unable to reach an agreed upon disposition on this basis, no reference shall be made to these discussions by either of the parties in any subsequent handling of the charges under the discipline procedure.
- F. A true and correct transcript will be taken of all hearings or investigations held under this Article and in the event the employee involved is assessed discipline, he, and his representative and the General Chairperson will be furnished a copy of the transcript along with the discipline decision letter. At an investigation, an employee or his representative shall have the right to record, at his expense, the investigation proceedings on a recording device. This provision will not be used to delay or postpone the investigation proceedings. Distribution of notices and transcripts by electronic means shall fulfill the Company's obligation under this rule.
- G. Should any employee disciplined under this Article consider that the discipline is unjust, he shall have the right to appeal as provided in Article 28 of this agreement. In case of dismissal or suspension which is later found to be unjust, the employee will be reinstated with seniority rights unimpaired and paid for all time lost, subject to offset for earnings made during the period of suspension or dismissal.
- H. Letters of caution or warning are not discipline. Should the an employee elect to dispute the validity of the warning, he has the right to have a written statement regarding the event entered into his/her personal record provided s/he does so within ten (10) days of receipt of the letter.
- I. In matters pertaining to discipline, or other questions not affecting changes in this Agreement, the officials of the Company reserve the right to meet any of their employees either individually or collectively.

ARTICLE 30 - TIME OFF FOR UNION BUSINESS

- A. An employee who is elected or appointed to a full time position with the SMART-TD shall be granted an unpaid leave of absence for the duration of time he holds such position.

- B. In January of each year, the Union shall provide the Company with the names of the Local Chairpersons who should be granted time off without pay and will not be subject to the provisions of Article 11, Paragraph E. 1, to conduct Union business.
- C. Local Union Officers not mentioned above will be able to book off for Union leave to fulfill their obligations upon authorization of the Division President, with no less than seven (7) days' notice, but in extenuating circumstances, such as Special Union Meetings upon no less than 48 hours' notice to the Company. It is understood that such leave will not be unreasonably withheld.

ARTICLE 31 - ATTENDING COURT AND INQUESTS

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

ARTICLE 32 - LEAVE OF ABSENCE WITHOUT PAY

Section 1 General

- A. Employees shall not be expected to work when sick, but in case of being compelled to lay off on account of sickness of themselves, or family, should in some manner notify the proper authority of their inability to protect the service requirements of the Company.
- B. When on a regularly assigned run lays off for any cause, upon return to active service he must be available for duty at least three hours before the bulletined spread time or starting time of the assignment.
- C. The General Chairperson will be furnished a copy of each leave of absence granted to Employees.
- D. Employees may return to work prior to the expiration of a leave of absence when there is no other prohibition.
- E. Employees who do not return to service at the expiration, of their leave of absence, and who have not submitted application for an extension thereof, will be notified that they are absent without permission and such notice will instruct them to return to service or to satisfactorily account for their absence within 15 days or forfeit

seniority as Employee. Employees who forfeit their seniority as a result of the provisions outlined herein with have their employment relationship with the Company terminated. A copy of the notice to the absent employee will be furnished to the Local Chairperson and General Chairperson of the SMART-TD on the territory concerned. It is understood that this Agreement does not prejudice the provisions of schedule agreements relating to protests against changes in seniority rosters.

Section 2 Less Than 1 Year

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

Section 3 Illness / Injury

- A. In the event of absence occasioned by illness or injury, Employees will be granted leave of absence automatically upon presentation of written application accompanied by appropriate substantiating medical evidence. Such automatic leaves will not be for a period of more than one year, and extensions thereof will require a new application and further substantiating medical evidence.

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

Section 4 Official / Military

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

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

ARTICLE 33 - JURY DUTY

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

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

ARTICLE 34 - BULLETIN BOARDS

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

ARTICLE 35 - CREW CONSIST

- A. The standard crew will consist of an Engineer and a Conductor. The company may assign one or more additional employee(s) to any crew.
- B.(i) A Utility position may be used to assist an assignment(s) pursuant to the provisions of Article 4 herein and will tie up at the home terminal. Conductor seniority will be used for assignment to Utility positions. Employees assigned to the GEB will fill temporary vacancies. Utility positions will be used to assist other assignments or assist in expediting the movement of trains pursuant with the terms of this Agreement.
- (ii) When authorized and willing to use his personal automobile, a Utility Employee will be entitled to thirty-five (\$35.00) dollars in addition to the actual miles driven, with a minimum of twenty (20) miles per day at the standard driving allowance allowed by the IRS. Employees authorized to use their personal automobile will be covered by the provisions of Article 22, Section 5 – Off Track Vehicle Accident Benefits.

ARTICLE 36 - CREW CALLING RECORDS

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

Information that is not available in the Crew Calling Computer system will be furnished to the General Chairperson or Local Chairperson upon written request.

ARTICLE 37 - TERMINAL EFFICIENCY

- A. At locations on the Southern Region where the SOO and the DM&E (North) or DM&E/ICE intersect, such as but not limited to the greater terminal area of St. Paul and Chicago, Train Service Employees of either DM&E (North), DME/IC&E or SOO may be used to handle trains, including trains tied up under the hours of service in the most expedient manner as determined by the Company when Employees of the company who would normally handle the train are not available and/or after normal calling procedures have been exhausted.
- B. This rule is not intended to provide that the work formerly performed by Employees of one former railroad company will be permanently transferred to Engineers of another railroad.
- C. Employees performing hours of service relief provided for in this Article may perform duties incident to completing the trip and finally yarding the train to the same extent such duties could have been performed by the crew of the train whose time expired under hours of service.
- D. The parties recognize that the provisions of Article 37 are intended to address all operational efficiencies that would otherwise be achieved by the Company serving a Section 4 Notice to coordinate operations between the DME (North) and the SOO. The Company agrees that should it, in the future; serve a NYD Section 4 Notice to amend the coordinated operations, the SMART-TD will have the right to select which Collective Agreement, SOO or DME (North), which will govern the coordinated territory.
- E. When DM&E employees perform service on trains normally operated by SOO employees they will be paid at the applicable SOO hourly rates of pay for the actual time involved in performance of such hours of service relief.

ARTICLE 38 - GENERAL PROVISIONS

- A. The purpose of this Agreement is to fix the general level of compensation and rules covering working conditions through December 31, 2017 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. Neither party to this Agreement shall serve prior to July 1, 2017, any notice or proposal for the purpose of modifying, adding to, or deleting from the provisions of this Agreement to

become effective prior to January 1, 2018. The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.

- C. The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation. Any typographical errors in conflict with the intent of the parties will be resolved in good faith through the Disputes Resolution Committee.
- D. In the event any Article of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that, if any such provision is held to be illegal or unenforceable, there will be added in lieu thereof a provision that is similar in terms to such provision as is possible to be legal, valid and enforceable.
- E. This Agreement is effective on December 1, 2014. At such time all other Agreements in effect between the parties are considered null and void and this Agreement is the only Agreement in effect between the parties.

Signed this 17th day of November, 2014 at, Minneapolis, Minnesota.

FOR THE COMPANY:



Myron W. Becker
Assistant Vice President,
Labor Relations

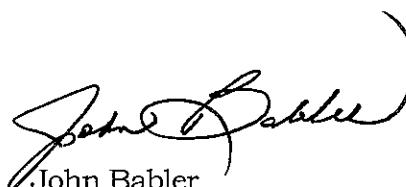
FOR THE UNION:



Thomas Behsman
General Chairperson



Dale McPherson
Director, Labor Relations



John Babler
National Representative



Robert A. Johnson
Sr. Vice President, Operations
Southern Region

ATTACHMENT “A” Questions and Answers

1. Article 4 Scope of Agreement

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

Answer: No.

2. Article 5 Wages

Paragraph B.

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

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

Paragraph C.

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

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

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

Answer: No

3. Article 7 Seniority

Section 7

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

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

4. Article 8 Job Vacancies and Bidding

Section 1 B.

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

Answer: Yes, unless otherwise mutually agreed.

Section 1 C.

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

Answer: 09:00.

Section 1 E.

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

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

5. Article 11 GEB

Paragraph A. 1.

Question: Is an employee who is at his home terminal required to accept a call for duty that commences on or after 20:00 on the day preceding their assigned rest day?

Answer: No.

Paragraph P.

Question: Will employee assigned to the GEB be allowed to receive payment of a PLD in lieu of a holiday as described in Article 9 B.?

Answer: Yes.

6. Article 14 On and Off Duty Point

Paragraph D.

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

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

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

Answer: Yes.

7. Article 15 Called and Released

Section 3 Paragraph D.

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

Answer: No.

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

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

8. Article 21 Vacations

Section 1 Paragraph A.

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

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

APPENDIX 1
SEVEN DAY MARK

Employee Placement Procedures

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

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

6. Employees marking up for service after any period of absence will assume the standing position of the job/assignment according to bid card on file.
7. Employees marking off sick, personal or taking personal leave, etc. will be considered off for a minimum of a 24-hour period.
8. Any vacancy that becomes available after the start of the bid period will be filed from the extra board for the remainder of that 7-day period.
9. Vacation vacancies will start on Monday and will be available for the 7-day mark.
10. Employees who work their last two work day before a Holiday and who work the next two assigned work days after a Holiday will retain their eligibility for Holiday Pay.
11. In the event of an emergency condition, the Local Chairperson and the CMC will consult to agree upon an equitable arrangement to protect the service. Once the emergency is over, the 7-day bid system will be reinstated.
12. Except in cases of emergency, adjustments to Extra Boards and Unassigned Pools shall be made at the time of the weekly mark.
13. Calling order of assignment vacancies: The following procedures are to be used at Waseca to fill temporary vacancies:

Conductor Vacancies:

1. Fill from the Conductor's extra board. If an assigned Brakeman position exists on the job, the Brakeman may assume the Conductor position if he is senior to the Conductor called from the extra board, and the extra man will fill the Brakeman's position.
2. If the Conductor's extra board is exhausted or not rested, call the first out dual qualified employee from the Engineer's extra board. Senior dual qualified employees on the Engineer's extra board can defer the call if there are junior dual qualified employees rested on the board below them.
3. Extra Opportunities Board. (Conductors)
4. Conductors Rested Waiting for Crew. (Subject to Call, must be available)
5. Conductors not placed, but rested and available for work.
6. Extra Opportunities Board. (Engineers) (Engineers used in this instance shall be paid the rate to which assigned or the rate of position worked, whichever is greater.)
7. Rested conductors in the terminal in seniority order
8. Rested conductors on assigned days off. (Not required to accept call.)

9. Managers- in accordance with Side Letter No. 5.

Engineer's Vacancies:

1. Fill from the Engineer's extra board.
2. If Engineer's extra board is exhausted or not rested, call first out dual qualified employee from the Conductor's extra board. Senior dual qualified employees on the Conductor's extra board can defer the call if there are junior dual qualified employees rested on the board below them.
3. Extra Opportunities Board. (Engineers)
4. Engineers Rested Waiting for Crew. (Subject to call, must be available.)
5. Engineers not placed but rested and available for work.
6. Extra Opportunities Board. (Conductors -dual qualified only)
7. Rested Engineers in the terminal in seniority order
8. Rested Dual qualified employees working as conductors in seniority order.
9. Rested Engineers on assigned days off. (Not required to accept call)
10. Managers – in accordance with Side Letter No. 5.

The following procedures are to be used to fill temporary vacancies at outlying points:

Immediate vacancies on pool crews at outlying points that cannot be filled in time from the extra board to protect train movements will be filled by stepping up the Conductor or Engineer from the next out rested pool crew.

The first out extra board employee at the appropriate extra board location will remain first out without any penalty due.

The employee that is stepped up will protect such vacancy for only one tour of duty and then be placed back on his/her regular crew. If vacancy continues to exist for more than one (1) tour of duty, an extra board employee, if available, will be deadheaded from the appropriate extra board to protect the remainder of the vacancy.

Side Letter 1 - Reversionary Provisions

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

Dear Sir:

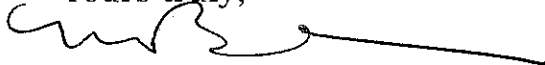
The following confirms our discussion during the just concluded negotiations that resulted in the August 7, 2014 Hourly Rated Agreement.

The Union recognized that the Hourly Rated Agreement is founded on the principle of paying for an employee's time on an all-inclusive basis and contemplates that in order for the operation to be successful, individuals will perform all duties requested of them, subject to the restrictions otherwise contained herein. As a result of the new concepts contained within this Agreement, the Union wanted assurances that in the event the Agreement did not meet its desired expectations either party would have the opportunity to consider reverting back to the existing working conditions and Agreement provisions in effect prior to its implementation.

The Company assured the Union that it is confident that this new Agreement will meet the expectations of the parties and that with the implementation of the Labor Management Committee any issues raised will be resolved to mutual satisfaction. However, in order to alleviate any concerns raised by the Union, the Company is agreeable to including a reversion clause to this Agreement. As a result, the parties agree that not less than one hundred and eighty (180) days prior to the third anniversary dating from the effective date of this Agreement either party may provide written notice of its intent to reinstate the Collective Agreement provisions and working conditions that were in effect, except Article 22, Section 1, Health and Welfare Benefits, prior to the effective date of this Agreement (Reversionary Provisions). In the event either party provides written notice, the rates in effect as of June 30, 2014 will be reinstated and adjusted to reflect a 2% GWI on June 30, 2016 and on July 1 of each succeeding year including 2019. Though the increases specified shall be applied to the former rates, there will be no retroactive payments to employees resulting from application of the increases.

I trust the foregoing addresses your concerns on this matter.

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I concur:


Thomas Behsman
General Chairperson

9. Managers- in accordance with Side Letter No. 5.

Engineer's Vacancies:

1. Fill from the Engineer's extra board.
2. If Engineer's extra board is exhausted or not rested, call first out dual qualified employee from the Conductor's extra board. Senior dual qualified employees on the Conductor's extra board can defer the call if there are junior dual qualified employees rested on the board below them.
3. Extra Opportunities Board. (Engineers)
4. Engineers Rested Waiting for Crew. (Subject to call, must be available.)
5. Engineers not placed but rested and available for work.
6. Extra Opportunities Board. (Conductors -dual qualified only)
7. Rested Engineers in the terminal in seniority order
8. Rested Dual qualified employees working as conductors in seniority order.
9. Rested Engineers on assigned days off. (Not required to accept call)
10. Managers – in accordance with Side Letter No. 5.

The following procedures are to be used to fill temporary vacancies at outlying points:

Immediate vacancies on pool crews at outlying points that cannot be filled in time from the extra board to protect train movements will be filled by stepping up the Conductor or Engineer from the next out rested pool crew.

The first out extra board employee at the appropriate extra board location will remain first out without any penalty due.

The employee that is stepped up will protect such vacancy for only one tour of duty and then be placed back on his/her regular crew. If vacancy continues to exist for more than one (1) tour of duty, an extra board employee, if available, will be deadheaded from the appropriate extra board to protect the remainder of the vacancy.

Side Letter 2 - Claims Resolution

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

Dear Sir:

This will confirm our understanding reached during negotiations which resulted in the Agreement dated August 7, 2014 that upon the effective date of this agreement all claims based on an occurrence prior to the date of this Agreement involving matters other than discipline are withdrawn without prejudice to the position of either party.


I trust the foregoing reflects our discussions on this matter.

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I Concur:



Thomas Behsman
General Chairperson

Side Letter 3 - Regulatory Changes, Hours of Service

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

Dear Sir:

The following confirms our discussion during the just concluded negotiations that resulted in the August 7, 2014 Memorandum of Agreement. The parties have agreed to a mandatory requirement to renegotiate the compensation terms of the agreement if the hours of service regulations change as a result of any Governmental entity enacting or changing rest/fatigue rules and/or statutes governing the hours of service in the railroad industry during the time this agreement is in effect.

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

Immediately following the failure to reach an agreement within the stipulated time frame, either party may initiate proceedings by serving written notice of intent on the other party to progress the issue to arbitration. Within (3) three days of the notification to proceed to Arbitration, if unable to agree to a Neutral, the parties will select a Neutral by alternate strike from a fifteen (15) name strike list requested/provided from the National Mediation Board (NMB). Pending the availability of the Neutral, a hearing on the dispute will take place within thirty (30) days of the Neutral's selection. The parties shall bear their

respective costs of the proceedings. The parties shall compensate the Neutral in equal part. The Neutral will render a decision in the matter within fifteen (15) days of the conclusion of the hearing unless otherwise agreed, and the decision will be binding on the parties and subject to enforcement as an Award of the National Railroad Adjustment Board.

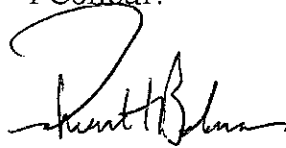
I trust the foregoing reflects our discussions on this matter.

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I Concur:



Thomas Behsman
General Chairperson

Side Letter 4 - Payment for Vacation

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

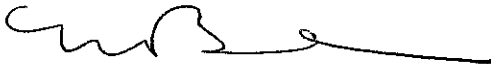
Dear Sir:

The following confirms our discussion during the just concluded negotiations that resulted in the August 7, 2014 Memorandum of Agreement.

The Parties understood and agreed that Vacation and Personal Leave Days taken during the remainder of the 2014 calendar year and in calendar year 2015 will be paid at the rates at which such paid leave was earned in calendar year 2014. Vacation and Personal Leave days taken in calendar year 2016 will be paid at the rates in effect at the time such paid leave is taken.

I trust the foregoing reflects our discussions on this matter.

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I Concur:



Thomas Behsman
General Chairperson

Side Letter 5 - Training and Use of Managers

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

Dear Sir:

This will confirm our understanding reached during negotiations which resulted in the August 7, 2014 Memorandum of Agreement that upon the effective date of this agreement that the Company retains the right to perform training of managers on any portion of the DM&E property.

This also confirms the parties understanding that managers may continue to be used in the same manner and under the same conditions as was in effect immediately prior to the effective date of this agreement, provided the General Chairperson is notified in advance that such managers will be used. The terms and conditions are:

DM&E may use management employees for (1) passenger train service, or for (2) freight trains during times of peak business in locations where employees are not readily available, provided no employees are furloughed in that location.

DM&E shall notify SMART-TD at least 24 hours prior to utilizing management employees during peak season times. In the event it is determined that existing employees are adequately rested in accordance with Hours of Service regulations and do not need temporary relief, DM&E will not utilize management employees provided that train movements are adequately protected. In the event DM&E utilizes management employees, their initial period of service shall not exceed 30 days without the consent of the SMART-TD, which shall not be unreasonably withheld. This provision is intended specifically to protect business during peak periods, and may not be used for extended periods or as an alternative to hiring permanent employees reasonably required to protect traffic during periods of average traffic levels.

I trust the foregoing reflects our discussions on this matter.

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I Concur:



Thomas Behsman
General Chairperson

Side Letter 6 - CONSOLIDATED SENIORITY

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

Dear Sir:

The following confirms our discussion during the just concluded negotiations that resulted in the August 7, 2014 Memorandum of Agreement.

During our discussions it was agreed that in the event hourly rated agreements became effective on SOO and DM&E (North), then, within sixty (60) days of that occurrence, the Trainman System Seniority Roster of the SOO would be placed on the bottom of the DM&E (North) Trainmen's Roster. Similarly, the DM&E (North) Trainmen's Seniority Roster would be placed on the bottom of the SOO Trainmen's System Seniority Roster. Such rosters shall be effective on the date the Company is notified that this Agreement and the Agreement on SOO has ratified.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

I Concur:



Myron W. Becker
Assistant Vice President,
Labor Relations



Thomas Behsman
General Chairperson

Side Letter 7 - Remote Control Operation

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

Dear Sir:

The following confirms our discussion during the just concluded negotiations that resulted in the August 7, 2014 Hourly Rated Agreement regarding potential future introduction of remote control technology by the Company.

During our discussions the Company agreed that when remote technology is introduced such technology will be operated exclusively by a Trainman, unless otherwise provided herein. The Union acknowledges that the Company may operate remote technology in the performance of non-traditional train operations, such as by the Car/Equipment Department personnel within the confines of the car and equipment repair facilities, who have been trained in the operation of Remote Technology.

The Labor Management Resolution Committee will meet prior to the implementation of Remote Technology to review the training program, the selection of the Trainers, scheduling of training and to address issues that may arise with implementation of remote control assignments, and the following will apply:

Training will be done by trainers qualified, consistent with an FRA Approved training program.

Employees attending instructional classes will be compensated in accordance with Article 5, paragraph D of the Agreement dated August 7, 2014. Should an Employee be required to attend training at a point other than his home terminal point expenses outlined in Article 17, Section 2 of the August 7, 2014 Agreement will be available and a meal expense of \$35.00 a day in addition to provided lodging.

Bulletins will be issued pursuant to Article 8 of the Agreement dated August 7, 2014 advertising applications to be taken for the position of Remote Control Operator (RCO). In the event no applicants are received for the bulletin, the provisions of Article 8, Section 3 of the Agreement dated August 7, 2014, will apply. Employees operating an RCO assignment will be paid the rates outlined in Article 5, Paragraph A of the Agreement dated August 7,

2014. It is also recognized there may be locations that meet FRA guidelines for single person RCO operations and where those requirements are met, the Company may bulletin accordingly. Single person RCO operators will receive a premium of \$25 in addition to their basic day pay.

Qualified RCO employees will not be permitted to displace from an RCO assignment, when there are no other qualified RCO employees available to protect the assignment or unless the RCO assignment is abolished and the employee is unable to secure another RCO position. Training will be scheduled sufficiently so that Employees working RCO service will not have their seniority unduly restricted when there are other Employees who could be trained for RCO service.

RCO employees will be responsible for all Train Service duties assigned in addition to the operation of the Remote Control Locomotive (RCL). Vacancies on an RCO assignment will be filled from the GEB. Failing to have available qualified employee on the GEB, the senior rested available qualified RCO employee will be called.

At locations where Remote Technology is implemented all employees at such locations will be availed training and qualified in the operation of such technology as necessitated by operational requirements.

I trust the foregoing reflects our discussions on this matter.

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I Concur:



Thomas Behsman
General Chairperson

Side Letter 8 - Employee Share Purchase Plan

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

Dear Sir:

The following confirms our discussion during the just concluded negotiations that resulted in the, 2014 Memorandum of Agreement.

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

The Company has indicated to the Union that, subject to a successful ratification of the August 7, 2014 Memorandum of Settlement, as outlined herein, it intends to restore the Company contribution element of the employee share purchase plan for Trainmen governed by this Memorandum of Settlement effective January 1st, 2015 for the term this Agreement is in effect. As an example of the foregoing, the Company will contribute 33 cents for each dollar of stock purchased up to a maximum of six percent (6%) of the employee's eligible earnings (i.e., the Company contribution is to a maximum of 2% of salary on 6% of eligible earnings). Amounts contributed to the Plan by the employee in excess of six percent (6%) of eligible earnings will not be eligible for the Company match. The Company contributions will vest after 8 consecutive quarters.

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

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I Concur:



Thomas Behsman
General Chairperson

Side Letter 9 - Personal Leave Days

Mr. Thomas Behsman
General Chairperson, SMART-TD
801 Pine Avenue
Madison Lake, MN 56063

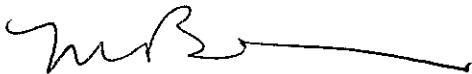
Dear Sir:

This will confirm our understanding reached during negotiations which resulted in the Agreement dated August 7, 2014 regarding the application of Article 18, paragraph A.

We agreed that effective January 1, 2015, an employee's entitlement to Personal Leave Days will be based on the length of service with DM&E. An example of this application is: an employee who had 60 or more months of service, but less than 120 months of service with DM&E as of January 1, 2015 would be entitled to seven (7) personal leave days. An employee with 120 or more months of service as of January 1, 2015 would be entitled to eleven (11) Personal Leave Days.

I trust the foregoing reflects our discussions on this matter.

Yours truly,



Myron W. Becker
Assistant Vice President,
Labor Relations

I Concur:



Thomas Behsman
General Chairperson