

AGREEMENT

Between

DAKOTA, MINNESOTA & EASTERN RAILROAD
CORPORATION

And

Employees Thereof Represented By The

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES
DIVISION/IBT

EFFECTIVE: January 1, 2013

CODIFIED May 11, 2021

TABLE OF CONTENTS

	PREAMBLE	4
<u>RULE</u>		
1	SCOPE	4
2	EMPLOYMENT STATUS	4
3	PROBATIONARY PERIOD	5
4	RATES OF PAY AND WORK CATEGORIES	5
5	ENTRY RATES	8
6	SENIORITY	9
7	SENIORITY DISTRICTS	10
8	REPORTING LOCATION / HEADQUARTERS	13
9	NEW POSITIONS, VACANCIES, ASSIGNMENTS, DISPLACEMENTS	13
10	FILLING SHORT VACANCIES	15
11	REDUCING FORCES AND EXERCISING SENIORITY	16
12	RECALL / VOLUNTARY RESIGNATION	16
13	COMPOSITE SERVICE	17
14	WORKSHIFTS AND WORK CYCLES	17
15	OVERTIME	18
16	MEAL PERIODS	19
17	ANNUAL VACATION	19
18	PERSONAL LEAVE DAYS	21
19	HOLIDAYS	22
20	BEREAVEMENT LEAVE	23
21	JURY DUTY	23
22	PAYING EMPLOYEES	24
23	PAYROLL DEDUCTIONS	24
24	MEALS, LODGING AND TRAVEL EXPENSE REIMBURSEMENT	25
25	ATTENDANCE / LEAVE OF ABSENCE / ABSENCE WITHOUT AUTHORITY	26
26	THREE DOCTOR PANEL	28
27	TRAINING	29
28	BENEFITS	29
29	TOOLS	29
30	PROTECTIVE CLOTHING	29
31	EMPLOYEE INFORMATION	29
32	ACCEPTING MANAGEMENT POSITIONS / RETENTION OF SENIORITY	30
33	TIME CLAIMS/GRIEVANCES	30
34	DISCIPLINE/INVESTIGATIONS	31
35	UNION SHOP AND DUES DEDUCTION	34
36	DURATION AND EFFECT OF AGREEMENT	34

APPENDIX

A	UNION SHOP	35
B	DUES DEDUCTION AGREEMENT	40
C	ADDENDUM TO DUES DEDUCTION AGREEMENT	43
D	OFF TRACK VEHICLE ACCIDENT BENEFITS	45
E	RATES OF PAY	48
F	MACHINES AND EQUIPMENT LIST	49
G	SUPPLEMENTAL PAYMENT	50

PREAMBLE

1. The Dakota, Minnesota, and Eastern Railroad (DM&E) recognizes the Brotherhood of Maintenance of Way Employees Division/IBT (BMWED) as the collective bargaining representative of maintenance of way workers employed by DM&E. Where the term "Union" appears in this Agreement, it shall be understood to mean the duly elected officers of the BMWED. Where the term "Company" or "Carrier" appears, it shall mean the DM&E or the party authorized or designated to handle specific matters for or on behalf of DM&E.
2. The right to make and interpret contracts and/or agreements covering rules, rates of pay, and working conditions, including this Agreement, on behalf of the employees shall be the sole purview of the BMWED General Chairman and on behalf of the Company shall be DM&E's highest designated officer, as that term is defined under the Railway Labor Act (RLA).
3. The parties to this Agreement understand that the fundamental mission of the DM&E and its employees is to provide service to its customers in the most safe and efficient manner. This Agreement shall constitute a labor agreement between the DM&E and the BMWED and shall be applied to all employees of the DM&E represented by the BMWED.
4. The BMWED affirms the long-standing principle that the Company retains the authority to assign work and manage its business according to its best judgment so long as its actions are not specifically restricted or in direct violation of this Agreement.
5. It is understood that where the masculine gender is used it shall include both masculine and feminine.

RULE 1 – SCOPE

1. The rules in this Agreement shall govern the hours of service, rates of pay, and working conditions of DM&E employees represented by BMWED who work in the Engineering Department and who are generally involved in basic inspection, maintenance, and repair of DM&E's track and certain structures which are located on the right-of-way and used by DM&E to meet its common carrier obligations.
2. It is recognized that the flexibility to use contractors/third parties has been the practice on DM&E. Therefore, DM&E may continue to utilize the services of contractors/third parties on the same basis as it had prior to the effective date of this Agreement.
3. Other employees may perform work on an "as needed" temporary basis as long as it does not cause or result in the abolishment of one or more positions under the Agreement.
4. It is understood that emergency service may be performed as determined by the Company.

RULE 2 – EMPLOYMENT STATUS

1. The following categories of employment apply to employees covered by this Agreement.
 - a. **Regular** full-time (regular) employees assigned to an ongoing position with no known end date.

RULE 3 – PROBATIONARY PERIOD

1. Except as provided in paragraph b., below, applications for employment will be rejected within ninety (90) calendar days after seniority date is established, or the application shall be considered accepted. Applications rejected by the Company must be declined in writing to the applicant. By mutual agreement between the Company and the Union the probationary period may be extended.
 - a. An employee who has been accepted for employment pursuant to the above provision will not be terminated or disciplined by DM&E for furnishing incorrect information in connection with an application for employment or for withholding information therefrom unless the information involved was of such a nature that the employee would not have been hired if the Company would have had timely knowledge of it.
 - b. Upon satisfactory completion of the probationary period, the employee will be placed on the appropriate seniority roster(s).

RULE 4 – RATES OF PAY AND WORK CATEGORIES

1. RATES OF PAY

On the effective date of this Agreement, the following hourly rates of pay will apply to the following work categories, subject to entry rates.

<u>Work Category</u>	<u>Rate of Pay</u>
Track Inspector	\$23.63
Track Foreman	\$23.43
Structures Foreman	\$23.43
Welder	\$23.18
Work Equipment Repairman	\$23.18
Machine Operator (A)	\$22.78
Material Truck Driver	\$22.78
Assistant Foreman	\$22.57
Machine Operator (B)	\$22.40
Welder Helper	\$21.95
Carpenter	\$20.72
Bridge Tender	\$20.52
Laborer	\$19.81

General Wage Increases throughout the Agreement term for each work category are provided in Appendix E.

2. WORK CATEGORIES

The following is a general description of the work categories listed in this Rule. This definition is not intended to restrict the work that may be performed by an employee assigned to a position within a work category under this Agreement. Likewise, this general description of work is not intended to limit the work other DM&E employees or third parties may perform.

- a. **Track Inspector** – An employee who generally patrols, tests, and inspects track and roadbed in compliance with DM&E and Federal protocols, regulations, and standards, and performs any duties incidental thereto including assignment of work. Track Inspectors may perform any other work for which qualified.
- b. **Track Foreman** – An employee who generally plans, directs, and oversees the track work of a crew or team and who may also perform any other work for which qualified.
- c. **Structures Foreman** – An employee who generally plans, directs, and oversees the Structures work of a crew or team and who may also perform any other work for which qualified.
- d. **Assistant Foreman** – An employee who generally assists a Foreman in the planning, direction, and oversight of a crew or team and who may also perform any other work for which qualified.
- e. **Carpenter** – An employee who generally repairs or maintains certain on property structures, as directed, and who may perform any other work for which qualified.
- f. **Laborer** – An employee who generally performs tasks that require more manual effort than technical knowledge, skill or expertise; however, this employee may perform any other work for which qualified.
- g. **Bridge Tender** – An employee who is generally responsible for inspection, maintenance, opening, and closing of certain on-property movable bridges for which qualified and who may perform any other work for which qualified.
- h. **Machine Operator (A)** – An employee who generally operates, maintains, and repairs roadway equipment or roadway machinery defined in Appendix F, either independently or as part of a large or small crew or team (gang), and who may perform any other work for which qualified.
- i. **Machine Operator (B)** – An employee who generally operates, maintains, and repairs roadway equipment or roadway machinery that is not defined in the work category of Machine Operator (A), either independently or as part of a large or small crew or team (gang), and who may perform any other work for which qualified.
- j. **Work Equipment Repairman** – An employee who generally inspects, maintains, and repairs work equipment and machines, either independently, as part of a small or large crew or team (gang) or in a shop facility, and who may perform any other work for which qualified.
- k. **Material Truck Driver** – An employee who generally operates a motor vehicle that is primarily designed solely for transportation of goods or material and requires a commercial driver's license (CDL), including any duties incidental thereto. It is understood that this employee may perform any other work for which qualified and other work category positions may operate trucks or vehicles that require a CDL as part of their job.

- l. **Welder** - An employee generally assigned to perform welding, grinding, and maintenance work and who may perform any other work for which qualified.
- m. **Welder Helper** – An employee generally involved in welding, grinding, and maintenance work and who is a less skilled employee assigned to assist skilled welders by performing any duty for which qualified and for learning, and, as time permits, perform welding.

3. WORK CATEGORY GROUPS

Track Group

- a. Track Inspector
- b. Track Foreman
- c. Assistant Foreman
- d. Laborer

Structures Group

- a. Structures Foreman
- b. Assistant Foreman
- c. Carpenter
- d. Bridge Tender

Machine Group

- a. Machine Operator A
- b. Machine Operator B

Work Equipment Repair Group

- a. Work Equipment Repairman

Welding Group

- a. Welder
- b. Welder Helper

Vehicle Group

- a. Material Truck Driver

[Intentionally Left Blank]

RULE 5 – ENTRY RATES

1. Employees hired into any work category will be subject to entry rates as follows:
 - a. For the first twelve (12) months of 90% of the applicable rate of pay for the position on which working will be paid;
 - b. For the second twelve (12) months of 95% of the applicable rate of pay for position on which working shall be paid;
 - c. For regular employees, 100% of the applicable rate of pay will be paid after completion of the second twelve (12) months of compensated service;
 - d. Regular employees, as defined in Rule 2, holding positions the following work categories will not be subject to entry rates:
 - i. Track Inspector
 - ii. Foreman (Track and Structures)
 - iii. Welder
 - iv. Machine Operator (A & B)
 - v. Material Truck Driver
 - vi. Work Equipment Repairman

[Intentionally Left Blank]

RULE 6 – SENIORITY

1. Seniority Rosters

- a. Employee System Seniority Rosters will be established by work category pursuant to Rule 4.2.
- b. On the effective date of the Agreement existing North and South Division Regular and Temporary Rosters will be "dovetailed" into Single System Regular and Single System Temporary Rosters. Employees currently possessing seniority rights in either the North or South seniority territories will be designated as "N" or "S" for the purpose of exercising prior rights as set forth in this Agreement. Current employee seniority dates in work categories will be combined according to the following chart.

North Roster Position Titles	South Roster Position Titles	Rule 4 Work Categories
		Track Group
Track Inspector	Track Inspector	Track Inspector
Foreman	Foreman	Track Foreman
Assistant Foreman	Assistant Foreman	Assistant Foreman
Laborer	Laborer	Laborer
		Structure Group
B&B Foreman	B&B Foreman	Structure Foreman
Assistant Foreman	Assistant Foreman	Assistant Foreman
Laborer w/structures experience	B&B Carpenter	Carpenter
	B&B Laborer w/Bridge Tender	Bridge Tender
	Experience	
Laborer w/structures experience	B&B Laborer	
		Machine Group
Machine Operator A	Machine Operator A	Machine Operator A
Machine Operator B	Machine Operator B	Machine Operator B
		Work Equipment Repair Group
Roadway Equipment Repairman	Roadway Equipment Repairman	Work Equipment Repairman
		Welding Group
Welder	Welder Foreman	Welder
Welder Helper	Welder Helper	Welder Helper
	Welder Laborer	
		Vehicle Group
Machine Operator w/ truck driver experience	Machine Operator A w/ truck driver experience	Material Truck Driver
	Truck Driver (prior to 2002)	
	B&B Asst. Foreman/Truck Driver	

- c. Rosters will be posted in January of each year in places accessible to all employees affected. Employees will have thirty (30) calendar days from the posting to challenge any seniority date or qualification awarded within the previous calendar year. If not challenged, the roster will be considered accurate.

2. Seniority

- a. When two or more employees establish seniority on the same date, they shall be ranked in order of their date of birth, with the older as the senior.
- b. When an employee is awarded a position in a work category, the employee also will receive a seniority date in lower categories in the same Work Group.
- c. Employees leaving employment will forfeit all seniority. If they are rehired, they will be considered as new employees. If an employee is granted a leave of absence with a written commitment to return to DM&E within a specified period of time, his seniority will be retained during the leave of absence.
- d. Employees promoted to salaried positions will retain all seniority rights in accordance with Rule 32.

3. Seniority for Employees Hired After the Effective Date of the Agreement

- a. Employees hired to positions after the effective date of this Agreement will establish seniority on the System Regular or Employee Roster with a date corresponding to the date he first performed compensated service in the applicable work category.

4. Exercise of Seniority After Effective Date of Agreement

- a. Except as otherwise provided by this Agreement, seniority rights of employees covered by these rules may be exercised only when new positions are established, vacancies of thirty (30) calendar days or more are posted, a reduction in forces occurs, or when displaced or disqualified.
- b. Employees, who are placed on the applicable Rosters, as outlined in this Rule will not be forced to any position.

RULE 7 – SENIORITY DISTRICTS

- 1. Following the effective date of this Agreement, a new merged System Seniority District will be constructed by consolidating the former North and South Seniority Districts.

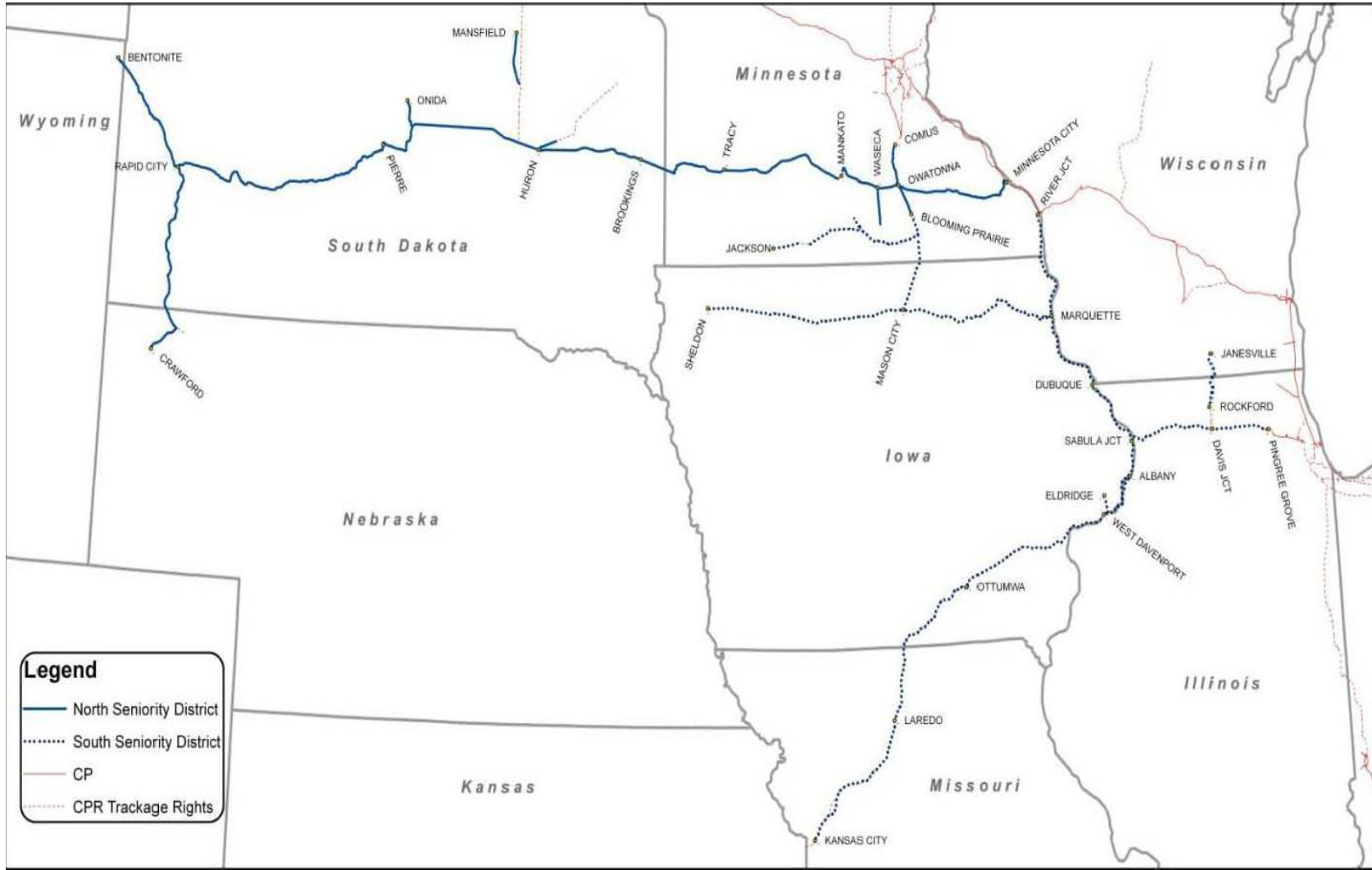
North (N) _____
 South (S)

- 2. The division point between the North and South prior rights seniority territories is located at Blooming Prairie, Minnesota, milepost 85.0, on the Owatonna Subdivision.
- 3. An employee hired prior to the effective date of this Agreement will establish a prior rights seniority date on the former North or South District, pursuant to Rule 6 of this Agreement, which shall govern the exercise of seniority.
- 4. When a new position or vacancy exists on a headquartered position, the headquarters point of a bulletined position will determine the prior rights designation. The position will be awarded to the senior

qualified bidder as set forth in Rule 9.9.

Note 1: An employee's prior rights cannot be forfeited under the terms of this Agreement.

Note 2: New positions and vacancies bulletined as system positions will not be considered headquartered point positions. As such, prior rights will not be applicable to these non-headquartered system positions.



RULE 8 – REPORTING LOCATION / HEADQUARTERS

1. When a position established under this Agreement has an assigned reporting location or headquarters, it will be designated on the job posting.
2. When a position is advertised as a non-headquartered, the employee's location, for purposes of determining eligibility for expenses under Rule 24, will begin at the DM&E milepost closest to the employee's residence.
3. Temporary Use of Headquartered Employees Off of Prior Rights Territory.

Employees may be utilized temporarily off of their prior rights (North or South seniority) territory for a period of up to thirty (30) consecutive calendar days without the position being bulletined as a new position on the seniority district involved. These employees will be eligible for meal, lodging and travel allowance as set forth in Rule 24. No employee may be utilized temporarily off his/her prior rights territory for more than sixty (60) working days in any calendar year without the concurrence of the General Chairman.

RULE 9 – NEW POSITIONS, VACANCIES, ASSIGNMENTS AND DISPLACEMENTS

1. New positions and vacancies in existing positions of more than thirty (30) calendar days will be posted in places accessible to all employees covered by this Agreement for a period of seven (7) calendar days. This requirement may be satisfied by posting electronically as long as all employees covered by this Agreement have access to the information.
2. Job Advertisements
 - a. Positions will be advertised as "Permanent", or "Seasonal."
 - b. An employee who is the incumbent on a "Permanent" position and who is the successful applicant for a or "Seasonal" position will not relinquish his "ownership" to the Permanent position. Instead, the incumbent's position is advertised as or "Seasonal." However, the incumbent may reclaim the permanent position when his Temporary or Seasonal position is abolished or when he is displaced from the position by a senior employee.
 - c. "Temporary" positions are those used to fill the known vacancy of a permanent position.
 - d. "Seasonal" positions are those which the Carrier intends to abolish at the end of a production season or cycle.
3. The posting will show status of position (permanent or seasonal), rate of pay, location, whether assigned to a fixed headquarters point or non-headquartered, title, general description of the position responsibilities in accord with Rule 4.2. (Rates of Pay and Work Categories), assigned hours of service, meal period, assigned rest days and for vacancies, the expected duration, if known.
 - a. If the assigned hours of service, start time, and/or rest days are expected to vary, this information will be included on the posting, to the extent known.
4. Employees desiring to bid, shall, within seven (7) calendar days of the date of the posting, file their application.

5. Employees assigned to a permanent position that are subsequently assigned to a temporary/seasonal position and then exercise seniority to a second temporary/seasonal position in the same or lower work category will forfeit their permanent assignment. When the aforementioned permanent position is posted for filling, such employee will be prohibited from bidding the posting of the permanent position.
6. An employee will not be entitled to reassignment from his current position to the position last occupied, unless there are no other applicants or until the position has been assigned to another employee (who subsequently vacates the position).
7. When more than one new position or vacancy of greater than thirty (30) calendar days is posted at the same time, employees shall have the right to apply for any or all positions, stating their preference(s). Internal and external postings may run concurrently with the understanding that an internal candidate will be given preferential consideration, provided they have comparable experience, qualifications, and have met the Company's performance standards.
8. The name of the successful applicant will be posted for five (5) calendar days in the same manner as the original posting. However, this does not preclude the Carrier from withholding the employee for up to sixty (60) calendar days following the effective date of assignment. Employees withheld beyond sixty (60) calendar days will be governed in accordance with Rule 9 - 9 (c). Employees withheld will be paid the rate of the newly awarded assignment or their current assignment, whichever is higher.
9. Assignment to Advertised Positions
 - a. The selection of applicants for advertised positions will be based on seniority provided fitness and ability are sufficient, except as provided below.
 - b. When filling positions in the work categories of Track Inspector, Structures Foreman, Track Foreman, Welder, Work Equipment Repairman, Machine Operator A, and Carpenters, job related criteria which may include: specific skill sets, experience, education, certification, fitness and ability, and, where appropriate, prior performance and behavior may be considered. Where all job-related criteria are equal, seniority shall prevail.
 - c. The Company may advertise certain positions requiring the successful applicant to remain on the position for a period up to and including twelve (12) months (unless abolished earlier). These positions will be advertised as "restricted". Employees working restricted positions will be paid a three (3) % premium over the regular hourly rate for the position. Successful applicants may not bid off such restricted positions during the twelve (12) month period of their assignments. Employees on restricted positions may be displaced by senior qualified employees in the exercise of their seniority who thereby assume the requirement to remain for a twelve (12) month period.
 - d. For the purposes of filling non-headquartered positions, the term "senior employee" means first, a Regular employee possessing the earliest seniority date in the advertised work category and thereafter in lower categories in the work group. These employees will receive preference on advertised positions unless otherwise specified in this Agreement.
 - i. If no applications are received from employees with seniority rights in the group, then the

Temporary employee with the earliest seniority date in the work category and thereafter in lower categories in the work group.

- ii. If no Regular or Temporary employees possessing seniority rights in the applicable Work Group are successful applicants, the position shall be awarded to the qualified Regular employee with the greatest length of service.
 - iii. If no such Regular employee is a successful applicant, the position shall be awarded to the qualified Temporary employee with greatest length of service.
- e. For the purposes of filling headquartered positions, prior rights shall apply.
- i. In the application of prior rights, the term "senior employee" means first, a Regular employee possessing the earliest seniority date in the advertised work category who also possesses the applicable "N" or "S" prior rights designation and thereafter in lower categories in the work group. These employees will receive preference on advertised positions unless otherwise specified in this Agreement.
 - ii. If no Regular employee with applicable prior rights in the work group makes application, the position will be awarded to the Regular employee with the earliest seniority date in the work category regardless of prior rights and thereafter in lower categories in the Work Group.
 - iii. The same process will be followed for employees on the applicable Temporary Roster if no applications are received from Regular employees in the Work Group.
 - iv. Thereafter the assignment rules set forth in paragraph d. above will apply.
- f. In the event no qualified applications are received from Regular and/or Temporary employees, for a posting, the position may be blanked or filled at the Company's discretion. This may include hiring or subcontracting. If the Company selects an unqualified applicant for Track Inspector, Structures Foreman, Track Foreman, Work Equipment Repairman, Machine Operator A, Welder, and Carpenter, and provides training to the applicant, the applicant may not make application for any other position for a period of nine (9) months after assignment to the position. Employees being trained in accordance with this paragraph may not be displaced until training is completed in accordance with paragraph g.
- g. Employees who are assigned will be given up to thirty (30) calendar days in which to obtain qualifications for the position. This period may be extended by mutual agreement between the Company and the Union.
- h. An employee who is "disqualified" must displace to the highest rated position they can hold in the work category of the job (Temporary or Permanent) for which the employee has seniority and qualifications.

RULE 10 – FILLING SHORT VACANCIES

1. Employees may be permitted to occupy a vacancy or position pending advertisement and award.
2. The manager will determine whether a vacancy or position is to be filled. If the decision is to fill, the manager will fill the position with a qualified employee who is readily available, can be released from

his/her normal duties, and, everything being equal, is the senior employee. Failing that, the manager may appoint any qualified employee who is willing to accept the assignment.

3. An employee with a displacement right who is qualified for the position will have the opportunity to displace on the short vacancy only if otherwise subject to furlough and will be permitted an exercise of seniority when a senior employee returns to the position.

RULE 11 – REDUCING FORCES AND EXERCISING SENIORITY

1. In reducing forces or abolishing positions, at least five (5) working days advance written notice, exclusive of the date of notice, will be given to affected employees, except in emergencies, in which case no advance notice is required.
2. Employees, whose positions are abolished, may exercise their seniority rights over junior employees on positions for which they are qualified within seven (7) calendar days of the date affected; other employees affected may exercise their seniority in the same manner.
3. Employees who are affected by a reduction in force or an exercise of seniority by a senior employee, must:
 - a. Exercise seniority rights on a position for which qualified within seven (7) calendar days of the date affected. In the exercise of seniority under this Rule on prior rights headquartered positions, the employee possessing seniority rights in the applicable work category who also possesses the applicable prior rights designation will be considered "senior" to an employee who does not possess the applicable prior rights designation; or,
 - b. Assume a laid off status and remain subject to recall when forces are increased, or vacancies occur.
4. If taking seven (7) calendar days to exercise seniority pursuant to paragraph 3.a., they will be expected to be available to protect short vacancies until working the new job.

RULE 12 – RECALL / VOLUNTARY RESIGNATION

1. Employees having insufficient seniority or qualifications to displace other employees will be considered laid off. An employee in laid off status who desires to protect his seniority rights must, within ten (10) calendar days of being laid off, verify his contact information and file any changes to his address and telephone number in writing, or electronically, with the designated Company Representative and must keep this information current throughout the laid off period. Failure to do so, resulting in the Company's inability to contact the employee, will cause a forfeiture of all seniority, and the employment record will be closed.
2. When forces are restored, or vacancies occur under this Agreement, laid off employees will be required to return to service in order of their seniority rights, subject to qualifications, except in emergency situations. Laid off employees who fail to return to service within seven (7) calendar days after being notified and who cannot give satisfactory reason for failing to return to work will be considered to have voluntarily resigned. The employee will forfeit all seniority, and the employment record will be closed.

- a. An employee who fails to accept recall to a position that would reasonably require a change in residence will not be considered to have voluntarily resigned. However, an employee that fails to accept recall for three (3) consecutive calendar years will be considered to have voluntarily resigned. The employee will forfeit all seniority, and the employment record will be closed.
3. In emergency situations, less than seven (7) calendar days' notice may be given for laid off employees to return to work. In these circumstances, a failure to return to service will not be considered a voluntary resignation.
4. Advance notice to employees before positions are abolished shall not be required where any suspension of the Company's operations in whole or in part is due to a labor dispute between the Company and any of its employees.

RULE 13 – COMPOSITE SERVICE

1. An employee directed to fill the position of another employee receiving a higher rate of pay, shall be paid the rate of such position for the work day when the time so engaged is in excess of four (4) hours.
2. Except in case of force reduction, if an employee is required temporarily to fill the place of an employee receiving a lower rate, his rate will not be changed.

RULE 14 – WORKSHIFTS AND WORK CYCLES

1. The term work cycle is defined as the combination of workdays and rest days in an employee's work schedule.
2. Other than when alternate work cycles are in place, employees will work eight (8) consecutive hours per day, five (5) days per week, with two (2) consecutive rest days, with the understanding that non-consecutive rest days may be assigned when the Company has a specific operational need.
3. Employees will be expected to be at work unless authorized by the proper authority to be absent. Employees who are absent from work of their own accord before completion of the day's work will be paid for actual time worked.
4. All positions will have a start time(s) or assigned hours that will be stated on the bulletin.
 - a. No work shift will commence between 0100 and 0400.
 - b. Nevertheless, staffing, operational or other business needs may result in deviations from the bulletined work shift start time(s) and/or work cycle.
 - c. If the work shift start time(s) is changed, the affected employee(s) will be so advised no later than the start of the meal period of the previous work shift. When change is made under this paragraph, employee(s) will be provided rest equivalent to the hours worked up to a maximum of ten (10) hours. Those working in excess of ten (10) hours will receive ten (10) hours rest.
 - d. If the work cycle is changed, the affected employee(s) will be notified no later than the start of the work shift on the last workday of the previous work cycle.

5. Known variations in work shifts or work cycles that are expected to occur throughout the duration of the position or work season will be shown on the bulletin so that employees are aware of the generally expected work shifts and work cycles when bidding on the position. This will not preclude changes referenced in paragraph 6, below.
6. Alternate Work Cycles
 - a. Notwithstanding the above, DM&E may assign alternate work cycles which provide for work cycles of the following, but not limited to:
 - i. Eight (8) consecutive ten (10) hour workdays followed by six (6) consecutive rest days; or
 - ii. Four (4) consecutive ten (10) hour workdays followed by three (3) consecutive rest days; or
 - iii. Seven (7) consecutive workdays consisting of eleven hours and 25 minutes (11.4166 hours) followed by seven (7) consecutive rest days.

Positions advertised to work an 8/6, 4/3, or 7/7 work cycle schedule will be guaranteed eighty (80) hours pro rata for the pay period.

- b. For such jobs, overtime shall be paid after the employee has worked the number of hours in the scheduled work shift.
- c. The regular starting times or rest days will not be changed without the notice required in paragraph 4.c. or d., above. Reasonable efforts will be made to reach affected employees directly.
- d. If a work cycle is changed from what was on the position bulletin for more than forty-two (42) calendar days and the regular employee requests to be released in writing with copy to staffing services, the job will be re-bulletined pursuant to Rule 9 and will be filled on an interim basis under Rule 10. The employee requesting a release may exercise seniority in accordance with Rule 11. The new posting will include the same work cycle as the original posting, except that it will also include a notation of the currently worked revised work cycle and its expected duration.

RULE 15 – OVERTIME

1. When operating requirements or other business needs cannot be met during regular working hours, employees will be given the opportunity to volunteer for overtime work assignments. Employees must receive their manager's prior authorization for all overtime work. Overtime will be distributed first to the employees who regularly perform the work and, thereafter, as equitably as practical to all employees qualified and reasonably available to perform the required work.
2. Overtime will be paid for time worked in excess of regularly scheduled hours which is usually eight (8) hours/workday or forty (40) hours in a workweek (unless alternate work arrangements are in place). Overtime pay is based on actual hours worked. Time off on sick leave, or any leave of absence, will not be considered hours worked for purposes of determining eligibility for overtime pay.

3. Employees required to physically report for work, when not continuous with the regular work period, will be allowed four (4) hours pay at the overtime rate. If held on duty in excess of four (4) hours, overtime will be on actual minute basis.
4. In extreme circumstances, such as derailments, employees may work more than sixteen (16) hours, which would be authorized by the proper authority. In such cases, time worked after sixteen (16) hours will be compensated at the double time rate. An employee who has to work more than sixteen (16) hours in any twenty-four (24) hour period cannot be called back to work until he has received a minimum of ten (10) hours rest. If the ten (10) hour rest period includes any part of the employees regularly assigned work assignment, the employee will be compensated for that time at the pro-rata rate. The employee shall not report to work prior to ten (10) hours rest unless specifically authorized. If an employee is called back to work after working more than sixteen (16) hours without receiving ten (10) hours of rest prior to being called back, the affected employee will remain on double time until he has received ten (10) hours rest. This double time continuation will not apply unless authorization is obtained by the employee.

RULE 16 MEAL PERIODS

1. The Supervisor will determine the length and commencement time of the meal period, based upon operational requirements, as follows:
 - a. Employees shall be provided with a single unpaid meal period each work shift of not less than thirty (30) minutes or more than sixty (60) minutes in length, during which time no work shall be performed.
 - b. No employee shall generally be required to work more than the first six (6) hours of a work shift without being provided a break for an unpaid meal period which shall start no earlier than the start of the third hour.
2. Notwithstanding the above, if an employee is directed by the Supervisor to work without an unpaid meal period as provided in paragraph 1 above, a twenty (20) minute paid meal period will be provided at the first opportunity at the straight time rate.
3. For continuous service, after the end of their regular work shift, employees will not be required to work more than four (4) hours without being afforded an opportunity for a meal period which will not terminate the continuous service and will be paid for up to thirty (30) minutes.

RULE 17 – ANNUAL VACATION

1. Regular full-time employees are entitled to annual vacation leave based on their length of employment with the Company and the number of days of compensated service they performed in the immediately preceding calendar year.
2. The amount of paid Annual Vacation time to which an employee is entitled each year increases with the length of their employment as shown in the following schedule.

<u>Years of Eligible Service</u>	<u>Annual Vacation Days (8 hours)</u>
After 1 Year	5 Days
After 2 Years	10 Days
After 10 Years	15 Days
After 15 Years	20 Days
After 20 Years	25 Days

3. An employee must perform compensated service on sixty (60) or more calendar days in each year for such year to count as a year of eligible service as set forth above.
4. An employee must perform compensated service on one hundred twenty (120) or more days in a year to qualify for their full Annual Vacation in the following year. Employees not performing one hundred twenty (120) days service will be granted Annual Vacation pro-rated in proportion to days of compensated service.

For example: If the employee was entitled to 10 days of vacation, based on length of service and days per paragraph 2 above, but he had only performed compensated service for sixty (60) days in the previous calendar year, he would be entitled to take five (5) days in the current year.

- a. Employees who are working compressed work periods will receive credit for days in the following manner:
 - i. 8 hours 1 day
 - ii. 10 hours 1.25 days
 - iii. 11 hours 1.375 days
 - iv. 12 hours 1.5 days
5. Paid Annual Vacation time can be used in minimum increments of one-half day (4 hours).
6. To take Annual Vacation, employees shall request advance approval from their supervisors. Requests will be reviewed and approved based on a number of factors, including business needs and staffing requirements. An employee who is not permitted to take the current year allotment of Annual Vacation, in whole or in part, because such vacation time is not authorized by his supervisor shall be paid the number of hours of unused vacation at the straight time rate of his last regular assignment within sixty (60) calendar days of the end of the calendar year in which the Annual Vacation was not taken. It is understood that the employee is responsible for making reasonable efforts to take all vacation for which eligible in the current year.
7. Vacation which is not taken may not be carried over to the following calendar year.
8. Annual Vacation is paid at the employee's base pay rate at the time the vacation is taken. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.
9. Employees with banked vacation days will be governed by Side Letter # 2 appended to this Agreement.

10. Temporary Employees Subsequently Hired into Regular Employee Positions:

- a. For each calendar month in which a temporary employee receives compensation for service for more than fifteen (15) full days, such service will count as one (1) month applied to his years of service for annual vacation allowance if and when he is subsequently hired as a regular DM&E employee.
- b. In the year that a temporary employee is hired as a regular DM&E employee, vacation will be pro-rated based upon the date when the employee becomes a regular employee and the number of working days remaining in the year. The number of vacation days will be rounded up.

For example: the temporary employee transfers into the regular position on October 1 and would qualify for two (2) weeks (eighty (80) hours) of vacation (based upon his years of service) if he was working for a full year as a regular employee: There are sixty-five (65) working days remaining in the year in a year with 260 working days. To find the number of vacation days, divide 65 by 260 and then multiply the result by 80 hours. Then divide the result by 8 hours to come up with the number of days. Then round up to find the number of vacation days that the employee can take during the remainder of the year.

$$(65/260 \times 80) = 20 \text{ hours} / 8 \text{ hours} = 2.5 \text{ days rounded up to 3 days}$$

RULE 18 – PERSONAL LEAVE DAYS

1. Employees with seniority as a regular full-time employee on the effective date of this Agreement will continue to be entitled to three (3) personal leave days, provided they work the full previous year. Employees will be allowed compensation based on the number of straight time hours worked in the preceding work day for the position to which they are assigned (e.g. if the employee is assigned to a position that is working ten (10) hours per day-four (4) days per week a personal day would be compensated for ten (10) hours). If such employee works less than the full year, the personal leave days for which eligible in the current year will be pro-rated on the following basis:
 - a. performed compensated service as a regular full-time employee for not less than sixty six (66) days = 1 personal leave day;
 - b. performed compensated service as a regular full-time employees for not less than one hundred thirty two (132) days = 2 personal leave days;
 - c. performed compensated service as a regular full-time employees for not less than two hundred days (200) = 3 personal leave days.
 - d. Employees who are working compressed work periods will receive credit for days in the following manner:
 - i. 8 hours 1 day
 - ii. 10 hours 1.25 days
 - iii. 11 hours 1.375 days
 - iv. 12 hours 1.5 days
2. Employees must request a personal leave day by notifying their supervisor a minimum of 24 hours in advance, unless it is an emergency and 24 hour notice is not possible. Personal leave will be granted taking into consideration business and staffing needs.

3. Personal days may not be banked for future use and any unused personal days will be forfeited at the end of the calendar year. Unused personal days will not be paid following the termination of employment.

RULE 19 – HOLIDAYS

1. Employees working under this Agreement will be eligible for eight (8) hours of pay at the straight time rate of their position for the following holidays. The Company will advise employees as to the actual dates in each calendar year on which these holidays will be observed and for which holiday pay will be authorized.
 - a. New Year's Day (January 1)
 - b. Presidents' Day (Third Monday in February)
 - c. Memorial Day (Last Monday in May)
 - d. Independence Day (July 4)
 - e. Labor Day (First Monday in September)
 - f. Thanksgiving (Fourth Thursday in November)
 - g. Day after Thanksgiving
 - h. Christmas Eve (December 24)
 - i. Christmas Day (December 25)
 - j. New Year's Eve (December 31)
2. Holiday pay will be calculated based on the straight time pay rate (as of the date of the holiday) times the number of regularly scheduled hours the employee would have otherwise worked on that day.
3. To be eligible for holiday pay, employees will be required to be available or perform compensated service on the regularly scheduled work day before and after the holiday in order to qualify for said holiday pay. Excused absences will be considered to have met the eligibility requirements for holiday pay. For other than regularly assigned employees, work on eleven (11) of the proceeding thirty (30) calendar days will constitute eligibility for the holiday.
4. Employees who are required to perform compensated service on one of the recognized holidays will receive eight (8) hours of holiday pay at the straight time rate plus pay at one and one-half times their straight time rate for the hours worked on the holiday.
5. If an observed holiday falls on a Sunday, the day observed by the nation will be the day observed under this Agreement. When Christmas Day and New Year's Day fall on Sunday and are observed Monday, then Sunday shall be considered the holiday for Christmas Eve and New Year's Eve. If one of the above listed holidays falls on Saturday, the employee shall receive the appropriate holiday pay for that day.

RULE 20 – BEREAVEMENT LEAVE

1. Bereavement leave will be provided to employees who wish to take time off due to the death of an immediate family member. "Immediate family" includes the employee's spouse, parent, child, sibling, or spouse's parent.
2. Up to three (3) days (eight (8) hours each) of paid bereavement leave will be allowed employees subject to this Agreement.
3. Bereavement pay is calculated based on the employee's base pay rate at the time the leave is taken and will not include any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.
4. Bereavement leave will be approved in the absence of unusual operating requirements; however, it will be the responsibility of the employee to properly inform their manager of their need for this leave so appropriate arrangements can be made to protect the work.
5. Employees may, with prior approval of their managers, use available paid leave for additional paid time off to reasonably attend to matters associated with the family death.

RULE 21 – JURY DUTY

1. When employees are summoned for jury duty and, as a result, are required to lose time from their assignment, they shall be paid for actual time lost with a maximum of eight (8) hours pay at the straight time rate of their position for each work day lost less the amount paid by the Court for each work day served. This offset will exclude allowances paid by the courts for meals, lodging, or transportation.
2. Such employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor has adequate time to make arrangements to accommodate their absence. Employees are expected to report for work whenever the court schedule permits.
3. Employees must exercise any right to secure exemption from the summons and/or jury duty service under federal, state, or municipal statute. Additionally, the Company may request that the Court permit the employee to be excused from jury duty if the employee's absence would present serious operational difficulties.
4. Employees will be required to furnish the Company a statement from the Court which delineates any allowances paid and the days on which the employee actually performed jury duty.
5. The number of days for which jury duty pay will be paid is limited to sixty (60) days in a calendar year.
6. No jury duty pay will be allowed for any day on which an employee is entitled to vacation or holiday pay.
7. Employees subpoenaed or otherwise testifying as a witness on behalf of the Company will receive pay for time lost for each day on which required to be absent from work to perform such witness duty.
8. When an employee is excused from railroad service to perform jury duty or serve as a Company witness, the Company will have the option of determining whether or not the employee's position shall be filled.

RULE 22 – PAYING EMPLOYEES

1. Accurately recording time worked is the responsibility of every DM&E employee. Federal and state laws require DM&E to keep an accurate record of time worked in order to calculate employee pay, benefits and time on duty under Hours of Service laws. All employees are expected to accurately record the time they begin and end their work and to identify all tasks performed and at whose direction, where required. Overtime work must always be approved by the proper authority before it is performed. Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.
2. All employees will be paid by direct deposit semimonthly, except for those “grandfathered” as described below. Each paycheck will include earnings for all work performed through the end of the previous payroll period, provided appropriate time records were timely and properly submitted and verified/approved by the payroll closing date. Direct deposit stubs are available electronically to all employees.
3. Employees who, as of September 2004, had paper checks mailed to them directly are “grandfathered” from the direct deposit requirements of this policy and will continue to have their checks mailed, unless they authorize direct deposit.
4. In the event that there is an error in the amount of pay (underage or overage), the employee is expected to promptly bring the discrepancy to the attention of U.S. Pay Services so that it can be reviewed and any adjustments can be made as quickly as possible.

RULE 23 – PAYROLL DEDUCTIONS

Federal, state and local laws require the Company to make certain deductions from every employee's compensation, including deductions for income taxes and Railroad Retirement taxes. The Company offers certain benefits and other programs for which employees may authorize deductions directly from their pay, such as but not limited to medical benefits monthly employee premium contributions, Union dues, and certain charitable contributions such as United Way. The Company will not make deductions, other than those required by law, without proper authorization from the employee and may limit the programs for which it is agreeable to make deductions directly from the employee's pay.

[Intentionally Left Blank]

RULE 24 - MEALS, LODGING AND TRAVEL EXPENSE REIMBRUSEMENT

1. Employees will be eligible for expenses when required to stay away from their headquarters point overnight or, if non-headquartered, when required to stay away from their residence overnight.

RULE 24 - EXPENSE CHART

<u>TYPE OF POSITION</u>	<u>MEALS</u>	<u>LODGING</u>	<u>MILES</u>	<u>TRAVEL TIME</u>
HEADQUARTERED	\$32/DAY	COMPANY ARRANGED AND PAID	IRS RATE FOR FIRST 200 MILES: \$0.20 / MILE THEREAFTER	STRAIGHT TIME ON MINUTE BASIS, IF REQUIRED TO TRAVEL OTHER THAN DURING ASSIGNED HOURS
NON-HEADQUARTERED	\$32/DAY	COMPANY ARRANGED AND PAID	IRS RATE FOR FIRST 200 MILES: \$0.20 / MILE THEREAFTER	NO TRAVEL TIME
TRAINING	\$32/DAY	COMPANY ARRANGED AND PAID	IRS RATE FOR FIRST 200 MILES: \$0.20 / MILE THEREAFTER	STRAIGHT TIME ON MINUTE BASIS, IF REQUIRED TO TRAVEL OTHER THAN DURING ASSIGNED HOURS

NOTES:

- Dinner only will be included if traveling day prior to shift - 50% of Daily Meal Rate
- Breakfast and lunch only if traveling home on day after workcycle at end of shift - 50% of Daily meal rate
- If company paid lodging is not available, actual lodging cost will be reimbursed when employee stays at company approved lodging

- The IRS rate will be paid for the first 200 miles of the employees trip. A "Trip" is defined as the period from when employee leaves his headquarter point or residence for a work location that requires him to be away for at least one night until he returns to his headquarters or residence.
- Effective 1/1/2021 the daily Meals rates will be adjusted up or down annually based on the same percentage change of the previous year's CPI-U adjustment.

2. Meals

- a. Meals will be paid as stipulated in the chart above.

3. Lodging

- a. Employees will be lodged in motels, hotels, or other comparable facilities suitable for that purpose in the community. The supervisor will designate single versus double occupancy lodging based on the following criteria.
- b. All employees will be expected to use double occupancy in approved accommodation unless excepted below:
 - i. All Foreman and Assistant Foreman;
 - ii. Work Equipment Repairmen when working a shift different from the rest of the crew operating the work equipment being maintained;
 - iii. Lone workers;
 - iv. Lone female employees on crews;

- v. To accommodate the “odd man out” scenario when there is not an even number of crew members with double occupancy status (seniority will prevail where practicable); and
 - vi. A doctor's letter and approval by CP Health Services is required for the employee to be accommodated for medical reasons (e.g. sleep disorders) under this provision. A written explanation will be provided to an employee if their request is denied.
- c. In lieu of a paid motel, an employee may choose to find their own lodging, either by using a camper or staying in other accommodations. In this case, the employee can either get reimbursed for the lesser of one-half (1/2) the cost of the closest approved motel/hotel or the cost of the camper rental lot.
- i. This option can only be used when the employee is over one hundred (100) miles from his headquartered point or with prior approval of his manager.
 - ii. Campers may not be parked on Company property. In no case, will an employee be allowed to use Company utilities for his camper.
 - iii. Other expenses will apply.
4. Mileage
- a. Mileage will be paid as stipulated in the chart above, with the understanding that mileage for a headquartered employee will be measured from the headquarters point to and from the work location. For the non-headquartered employee's mileage, will be measured from the closest milepost on the DM&E rail line to the employee's residence and the work location.
 - b. The \$.20/mile mileage rate will be increased or decreased by the same annual cents/mile adjustment made by the Internal Revenue Service (IRS). Such adjustment will be made once a year on January 1st with the understanding that the first adjustment will be made not less than twelve (12) months after the effective date of this Agreement.
5. Travel Time
- a. A headquartered employee required to be away from his headquarters point for multiple days will be entitled to travel time at the straight time rate for the first and last day of the workcycle, if such travel is authorized to be done outside of the employee's regular shift. Travel time will be computed on a minute basis from the headquarters to the work location.
6. Starting Location
- a. The supervisor will determine if the starting time for the shift will be the job site or the closest headquarters point. Prior to the end of the workshift, the supervisor will designate the start location for the following work shift.

RULE 25 – ATTENDANCE / LEAVE OF ABSENCE / ABSENCE WITHOUT AUTHORITY

1. Attendance

- a. If an employee is unable to protect his assignment due to illness, he must notify his supervisor as soon as possible.
- b. When the requirements of the service will permit, an employee may be granted a leave of less than seven (7) calendar days provided permission is obtained in writing from his immediate supervisor. Any request for an extension must be made in writing to the immediate supervisor, and, if granted, will be considered a leave of absence under paragraph 2 of this Rule.

2. Leave of Absence

- a. An employee who desires a leave of absence must make the initial written request to his immediate supervisor. When the requirements of the service permit, the Company may grant such request.

Note: Requests for leave of absence under the Family and Medical Leave Act (FMLA) should be submitted consistent with the carrier's FMLA policy.

- b. Except for physical disability, a leave of absence in excess of ninety (90) calendar days within a calendar year will not be granted without the approval of the General Chairman.
- c. An employee absent on leave of absence who engages in other employment will forfeit his seniority unless special provisions have been made between the Company's highest designated officer and the General Chairman.
- d. An employee returning from leave of absence shall return to his former position, if in existence, but if abolished, or employee has been displaced by a senior employee during his absence, he may exercise his displacement rights as provided in Rule 11 of this Agreement.
- e. Employees returning to service under this provision must give their immediate supervisor at least five (5) working days advance notice of their return.
- f. Employees returning from absence under this paragraph 2 due to illness or disability, suspension, leave of absence, or vacation may revert to their regular position, or may, within ten (10) calendar days after return to duty, exercise seniority to any position bulletined during their absence. If, during this absence, their regular position has been abolished or permanently filled by a senior employee, the employee may exercise seniority according to Rule 11 of this Agreement.
- g. Employees displaced as a result of the return of another employee, either directly or indirectly, may in turn, exercise displacement rights over any junior employee who might be holding a position which became vacant or was bulletined during the returning employee's absence.
- h. The rights of returning military veterans will be governed by applicable federal law, but in any event will be no less than those provided in paragraphs 2 f. and g. above or Company policy.
- i. Duly authorized representatives of the BMWED will be granted necessary leave of absence for Union business with due consideration for operating needs.

3. Absence Without Authority

- j. The seniority and employment of an employee who is absent from duty without proper authority for three (3) consecutive working days or five (5) cumulative working days in a ten (10) working day period may be terminated; provided such employee is so notified in writing at his last known address by Registered or Certified Mail, Return Receipt Requested, with copy to the General Chairman. Such notice will advise that his seniority and employment have been terminated due to his absence without proper authority and that he may, within twenty (20) calendar days of the date of such notice, request an investigation which will be

held under the provisions of Rule 34 of this Agreement.

RULE 26 – THREE DOCTOR PANEL

1. For those employees who have been physically disqualified by the Chief Medical Officer (CMO) and who disagree with the findings, the following procedure is established:
 - a. When an employee is found by the CMO to be physically disqualified, he shall be notified in writing by the Company of the specific medical reasons for the decision. If the employee disputes the decision, he or his representative shall, within thirty (30) calendar days of the notification of physical disqualification, notify the Director Labor Relations in writing of an appeal and submit to the CMO a statement of medical evidence, including supporting tests, evaluation, physical notes and other pertinent medical documentation, if any, from the physician of the employee's choice attesting to the employee's meeting the Company's physical standards with respect to this matters on which the employee was found disqualified. This evaluation must include an assessment of the employee's ability to perform the essential functions of the job.
 - b. Should the CMO continue to conclude that the employee does not meet the Company's physical standards for the job; the CMO shall notify the employee in writing within fifteen (15) calendar days. If the CMO agrees that the employee meets the Company's physical standards, the employee will be made whole for wages lost from the date on which sufficient medical evidence was received to make that decision.
2. Should the employee disagree with the CMO's decision following the latter's review of the medical evidence presented, he or his representative may, within fifteen (15) calendar days after receipt of the decision, request a three-doctor panel, which shall be established as promptly as possible after receipt of the employee's request.
3. The panel shall be composed of a doctor of the employee's choice, a doctor of the Company's choice, and a third doctor selected by the other two. The third doctor shall be a recognized expert in the medical profession who specializes in the medical or physical condition which is the basis of the employee's disqualification.
4. The partisan doctors may present the third doctor any evidence bearing on the dispute considered pertinent, including job requirements. The third doctor may choose to examine the employee. The panel shall determine within thirty (30) calendar days of its establishment whether the employee's physical condition meets the Company's standards, taking into consideration the essential functions of the job. A majority decision shall govern.
5. Expenses involved in the application of this rule will be handled by the Company paying its doctor, the employees paying the doctor of their choice, and the expenses of the third doctor, including requisite medical expenses as exams, medical imaging, and laboratory examinations as may be required, being divided equally between the Company and the employee involved.
6. An employee returned to service on the basis of the decision of the three-doctor panel will be made whole as to wages lost due to disqualification in the event the three-doctor panel concludes the employee's condition did not warrant disqualification.

7. Should the three-doctor panel find employee physically disqualified, the employee may, when there is a material improvement in his physical condition, seek CMO approval to be qualified for work. If the CMO decision is that he remains not physically qualified, the employee may invoke again the procedures outlined hereinbefore except that the employee shall not do so earlier than ninety (90) calendar days after the decision of the three-doctor panel. If the physical condition of the employee improves to the extent the employee is found to meet the Company's standards, the employee will be physically qualified to return to work but will not be made whole for loss of earnings incurred during the period of disability.

RULE 27 – TRAINING

1. DM&E recognizes the importance of providing its employees with the required training to safely and effectively perform maintenance of way work. In addition, it recognizes that new equipment and protocols may be introduced on the DM&E, from time to time, on which instruction is necessary.
2. DM&E commits that it will provide all employees with the guidance, instructions, and assistance necessary for them to perform the duties of their position. This may include access to web based training modules or repair, test or inspections procedures and protocols.

RULE 28 – BENEFITS

1. Employees subject to this Agreement shall be entitled to reasonable health care benefits. Benefit levels, co-payments to providers and employee cost-sharing amounts will not be materially different from those provided to other employees of the DM&E except as specifically provided in this Agreement.
2. Temporary employees shall be eligible for reasonable health care benefits, including dental benefits, with a different employee contribution. Temporary employees will not be eligible for other benefits.

RULE 29 – TOOLS

The Company will furnish employees such general tools as are necessary to perform the work, except such tools as are customarily furnished by Work Equipment Repairmen.

RULE 30 – PROTECTIVE CLOTHING

The Company will provide employees working under this Agreement with necessary protective clothing and equipment in accord with Company policy and applicable laws and regulations.

RULE 31 – EMPLOYEE INFORMATION

1. DM&E will provide the General Chairman with a list of employees who are hired or whose employment ends, which shall include their mailing addresses and contact number. This information may be provided electronically.
2. For all employees covered by this Agreement, the data will be supplied thirty (30) calendar days after the month in which the employee first performs compensated service or is terminated. Where DM&E cannot meet the thirty (30) calendar day requirement, the matter will be worked out with the General Chairman.

RULE 32 – ACCEPTING MANAGEMENT POSITIONS/RETENTION OF SENIORITY

Employees promoted to official, supervisory or excepted positions, with any railroad operating in the United States that is controlled by Canadian Pacific will be governed as follows:

1. Employees promoted to such positions with the Corporation who fail to pay an appropriate monthly fee, not to exceed the monthly Union dues, in order to retain and continue to accumulate seniority will have their seniority rights on the applicable roster frozen.
2. Employees promoted to such positions with the Corporation who pay the appropriate monthly fee, not to exceed the monthly Union dues, will retain and continue to accumulate seniority. Such promoted personnel whose payments become delinquent will be given written notice by the General Chairman of the amount due and ninety (90) calendar days from the date of receipt of such notice must pay the identified amount in full to eliminate the delinquency in order to avoid the freezing of seniority.
3. Employees who voluntarily return from official, supervisory or excepted positions may make application for advertised positions only. Employees who have their positions abolished or who are demoted, may make application for advertised positions or exercise seniority to any position his/her seniority entitles.

RULE 33 - TIME CLAIMS AND GRIEVANCES

1. All claims and grievances arising from the application of this Agreement must be presented electronically (via the electronic system designated by the Company) by, or on behalf of the employee involved, to the Company manager designated to receive same, within sixty (60) calendar days from the date of the occurrence on which the claim or grievance is based.
2. Should any such claim or grievance be disallowed, the Company shall, within sixty (60) calendar days from the date same is received, notify the party who filed the claim or grievance (the employee or his employee representative) electronically of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims or grievances.
3. If the claim or grievance has been disallowed in accordance with paragraph 2 above, and the employee or his representative wishes to appeal it further, such appeal must be made ~~in writing~~ electronically from the BMWED General Chairman, to the Company's highest designated officer, within sixty (60) calendar days from the receipt of notice of disallowance.
4. A claim or grievance appealed in accordance with paragraph 3, above, must be disallowed by the Company's highest designated officer within sixty (60) calendar days, from the date same is received, and if the General Chairman is not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims or grievances.
5. If a discipline decision reached by the Company pursuant to Rule 34 is to be appealed, the BMWED General Chairman must appeal the decision (via the electronic system designated by the Company) 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, will shall notify the General Chairman 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 respond to the appeal, the appeal will be allowed as entered; however, such allowance will not constitute a precedent for other similar claims.

6. If a claim is not resolved subsequent to the appeal process outlined above, the BMWED General Chairman must hold the Railway Labor Act (RLA) required conference with the Company's highest designated officer or designee. If not resolved in this conference, the claim or grievance may be docketed for binding arbitration not more than nine (9) months from the date of the decision by the highest designated officer. Failure to docket within the stipulated time period will result in the claim being considered withdrawn without the need for further action from either party.
7. Claims or grievances may be submitted for a continuing violation.
8. If a dispute arises with regard to compliance with any of the time limits contained herein, the postmark date on the envelope, or, if electronically submitted, the date of the computer-transmitted communication will be considered as the date such is rendered.
9. The parties may, at any time, mutually agree to modify the time limits contained herein.

Regarding the Company's Grievance Management System (GMS), the Organization expressed concerns that future changes to the system might result in the Organization's officers or employees incurring costs to continue to utilize the system.

The Company understands that costs to change the system are to be borne by the Company and made available to all Union Officers and employees without cost.

RULE 34 – DISCIPLINE AND INVESTIGATIONS

1. Employees who have completed their probationary period in accordance with Rule 3 shall not be disciplined or dismissed without an Admission of Responsibility or a fair and impartial hearing.
2. Written notice of hearing will be transmitted to the involved employee(s) and the General Chairman not later than thirty (30) calendar days following the date of occurrence or following first knowledge by the employee(s) supervising officer of the alleged incident/offense(s) to be investigated. The notice of the hearing will contain information sufficient to apprise the employee of the act or occurrence to be investigated as well as the date, time, and place of investigation. The notice of hearing will include the names of all witnesses known at the time of the notice that the Carrier intends to have in attendance. If the Carrier subsequently decides to call additional witnesses, the names of those witnesses will be provided to the employee and his representative as soon as the Carrier has knowledge of their pertinent testimony.
3. When practicable, the Company will make reasonable efforts to hold the investigation at a location that is near the employee's assigned headquarters point or residence.
4. The investigation will be held not more than ten (10) working days from the date of the notice referenced in paragraph 2 above, unless postponed by mutual agreement of the Company and the General Chairman.
5. Employees may, in cases management determines to be serious (such as, but not limited to, use of intoxicants, misappropriation of Company property, insubordination, unsafe, inappropriate or violent conduct, etc.), be held out of service, without pay, pending such Admission of Responsibility or hearing.
6. If the findings of the hearing are that the employee is not at fault, he will be compensated for the basic day's pay for each day lost at the scheduled wages of the employee's last assignment, if any. In addition the employee will be reimbursed for actual reasonable and necessary expenses incurred for

each day of the hearing.

7. Employees shall have reasonable opportunity to secure the presence of other witnesses who have facts material to the incident or occurrence under investigation and the Carrier may elect to call those witnesses if determined by the Carrier to have pertinent testimony. If the Carrier does not call such witnesses, the employee may call such witness at his own expense, subject to approval of the hearing officer.
8. Employees may be represented at the investigation by one designated Union representative who shall be permitted to be present during the entire hearing and ask questions relevant to the development of facts pertinent to the situation.
9. If the hearing results in an assessment of discipline, the employee, his representative, and the General Chairman will be provided notice of such discipline in writing, along with a copy of the hearing transcript, within thirty (30) calendar days of the date the investigation was completed unless extended by the mutual agreement of the Company and the General Chairman.
10. Should the disciplinary decision be appealed, it must be handled in accordance with the time line provisions of Rule 33 of this Agreement.
11. Notwithstanding the above, the Company may offer an "Admission of Responsibility," or an employee or his designated Union representative may request an "Admission of Responsibility," accepting responsibility for his/her actions or failure to act, accepting the assessment of discipline, and, thereby, waiving the formal investigation process. In such event, the employee will be advised of the discipline to be assessed prior to signing the Admission of Responsibility form (below).
12. In agreeing to a waiver of formal investigation, the employee, Union, and Company agree:
 - a. The Admission of Responsibility form must be completed and signed by the charged employee and the designated Company Manager.
 - b. The Admission of Responsibility procedure is entirely voluntary.
 - c. If the terms of the Admission of Responsibility are not agreed upon, no party may evidence the fact that Admission of Responsibility was offered or requested, the terms of the Admission of Responsibility, or discussions surrounding the offer/request in the formal investigation or in subsequent handling of the case, up to and including arbitration; provided, however, that this subparagraph (iii) will not preclude the entry of admissions, statements, or other evidence obtained outside the referenced Admission of Responsibility settlement discussions and otherwise admissible under arbitral rules of evidence.
 - d. A signed copy of the Admission of Responsibility form will be furnished the charged employee, his duly designated representative, and the Company Manager.
 - e. The discipline assessed and agreed to in connection with the Admission of Responsibility is not subject to appeal by the employee or his authorized representatives.
13. Sample Admission of Responsibility Form (See next page):

ADMISSION OF RESPONSIBILITY

DM&E Employee: _____

Location: _____

Date: _____

Dear Sir/Madam;

This will acknowledge that I, Name and Occupation, have opted to admit responsibility in connection with description of incident(s) dated _____ and in accordance with the terms agreed upon between the Company and my Union respecting Admission of Responsibility, which are outlined in Rule 34 of the Collective Agreement, I have chosen to forego a formal investigation with the understanding that I will be assessed (cite discipline)

This will acknowledge that I fully understand the terms and conditions associated with Admission of Responsibility and by opting to choose this course of action, I am waiving any and all rights to appeal the aforementioned discipline.

(Employee Signature)

(Company Manager)

RULE 35 – UNION SHOP AND DUES DEDUCTION

1. Within sixty (60) of the date BMWED provides the employees covered by this Agreement with Union enrollment information, all employees working under this Agreement will be required to comply with the terms of the Union Shop Agreement appended hereto as Appendix A.
2. DM&E will withhold and deduct from employee wages amounts equal to the periodic dues, initiation fees, and assessments in accordance with the Dues Deduction Agreement appended hereto as Appendix B. Employees will be obligated to complete an appropriate authorization for to initiate payroll deduction of dues, except for employee who are verified “fee objectors.”

RULE 36 – DURATION AND EFFECT OF AGREEMENT

1. This Agreement is full and final settlement of the August 11, 2010, Section 6 notice served by BMWED on DM&E for the initial contract subsequent to certification pursuant to NMB certification on April 27, 2010 in Case R- 7244.
2. This Agreement shall become effective on the date agreed upon by DM&E’s highest designated officer and the BMWED General Chairman and shall remain in effect through December 31, 2014 and, thereafter, until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
3. No party to this Agreement shall serve or progress, prior to November 1, 2014 (not to become effective before January 1, 2015), any notice or proposal under Section 6 of the Railway Labor Act.
4. This Rule will not bar the Company and the Union from agreeing upon any subject of mutual interest.

SIGNED at Minneapolis, Minnesota, this ____ day of _____, 2012.

**For: Dakota, Minnesota & Eastern Railroad
Div./IBT**

For: Brotherhood of Maintenance of Way

[Intentionally Left Blank]

UNION SHOP AGREEMENT

IT IS AGREED:

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth this Union Shop Agreement ("Appendix"), all employees of the Dakota, Minnesota & Eastern Railroad ("Carrier" or "DM&E") now or hereafter subject to the rules and working conditions agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this Appendix ("BMWED") representing their craft or class within ninety (90) calendar days of the date they first perform compensated service as such employees after the effective date of this Appendix, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty (30) days within a period of twelve (12) consecutive calendar months. Nothing in this Appendix shall alter, enlarge or otherwise change the coverage of the present or future rules and working conditions agreements.

Section 2.

This Appendix shall not apply to employees while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this Appendix. However, such excepted employees are free to be members of the organization at their option.

Section 3.

- A. Employees who retain seniority under these working agreements who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a period of thirty (30) calendar days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this Appendix so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said rules and working conditions agreements and continue therein thirty (30) calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within thirty-five (35) calendar days from date of their return to such service.
- B. The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-servicemen shall not be terminated by reason of any of the provisions of this Appendix but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this Appendix.
- C. Employees who retain seniority under the working agreements and who, for reasons other than those specified in subsections A and B of this section, are not in service covered by such agreements, or leave such service, will not be required to maintain membership as provided in Section 1 of this Appendix so long as they are not in service covered by such agreements, but they may do so at their option. Should such employees return to any service covered by the said rules and working conditions agreements they shall, as a condition of their continued employment, be

required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

- D. Employees who retain seniority under the working agreements, who are members of an organization signatory hereto representing that class or craft and who in accordance with the rules and working conditions agreement of that class or craft temporarily perform work in another class of service shall not be required to be members of another organization party hereto whose agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the agreement covering such other class of service.

Section 4.

Nothing in this Appendix shall require an employee to become or to remain a member of the organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is 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. For purposes of this Appendix, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time in the same organizational unit.

Section 5.

- A. Each employee covered by the provisions of this Appendix shall be considered by DM&E to have met the requirements of the Appendix unless and until DM&E is advised to the contrary in writing by the organization. The organization will notify DM&E in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this Appendix and who the organization therefore claims is not entitled to continue in employment subject to this Appendix. The form of notice to be used shall be agreed upon by DM&E and the BMWED and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon receipt of such notice, DM&E will, within ten (10) calendar days of such receipt, so notify the employee concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given to BMWED. An employee so notified who disputes the fact that he has failed to comply with the terms of this Appendix, shall within a period of ten (10) calendar days from the date of receipt of such notice, request DM&E in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request DM&E shall set a date for hearing which shall be held within ten (10) calendar days of the date of receipt of request therefor. Notice of the date set for hearing shall be promptly given the employee in writing with copy to BMWED, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of BMWED shall attend and participate in the hearing. The receipt by DM&E of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of DM&E is rendered.
- B. In the event the employee concerned does not request a hearing as provided herein, DM&E shall proceed to terminate his seniority and employment under this Appendix not later than thirty (30) calendar days from receipt of the above described notice from the organization, unless DM&E and BMWED agree otherwise in writing.
- C. DM&E shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this Appendix and shall render a decision within twenty (20) calendar days from this date that the hearing is closed, and the employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Request.

- D. If the decision is that the employee has not complied with the terms of this Appendix, his seniority and employment under the working agreement shall be terminated within twenty (20) calendar days of the date of said decision except as hereinafter provided or unless DM&E and BMWED agree otherwise in writing.
- E. If the decision is not satisfactory to the employee or to the organization it may be appealed in writing, by Registered Mail, Return Receipt Requested, directly to the highest officer of DM&E designated to handle appeals under this Appendix. Such appeals must be received by such officer within ten (10) calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered. DM&E shall promptly notify the other party in writing of any such appeal, by Registered Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty (20) calendar days of the date the notice of appeal is received, and the employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.
- F. If the decision on such appeal is that the employee has not complied with the terms of this Appendix, his seniority and employment under the working agreement shall be terminated within twenty (20) calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the Carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten (10) calendar days from the date of the decision the organization or the employee involved requests the selection of a neutral person to decide the dispute as provided in Section 5 (c) below. Any request for selection of a neutral person as provided in Section 5 (c) below shall operate to stay action on the termination of seniority and employment until not more than ten (10) calendar days from the date decision is rendered by the neutral person.
- G. If within ten (10) calendar days after the date of a decision on appeal by the highest officer of the Carrier designated to handle appeals under this Appendix, the organization or the employee involved requests such highest officer in writing by Registered Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the Carrier designated to handle appeals under this Appendix or his designated representative, the General Chairman of the organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The Carrier, the organization and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty (30) calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The Carrier, the employee and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the Carrier and the organization; if the employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the Carrier, the organization and the employee.
- H. The time periods specified in this section may be extended in individual cases by written agreement between the Carrier and the organization.
- I. Provisions of investigation and discipline rules contained in the working agreement will not apply to cases arising under this Appendix.
- J. BMWED's General Chairman shall notify the Carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this Appendix. The Carrier shall notify the BMWED General Chairman in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this Appendix.

- K. In computing the time periods specified in this Appendix, the date on which a notice is received or decision rendered shall not be counted.

Section 6.

Other provisions of this Appendix to the contrary notwithstanding, DM&E shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The Carrier may not, however, retain such employee in service under the provisions of this section for a period in excess of sixty (60) calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety (90) calendar days from date of receipt of notice from BMWED in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective working agreement but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between DM&E and BMWED.

Section 7.

- A. An employee whose seniority and employment under the working agreement is terminated pursuant to the provisions of this Appendix or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.
- B. If the final determination under Section 5 of this Appendix is that an employee's seniority and employment shall be terminated, no liability against DM&E in favor of BMWED or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Appendix shall arise or accrue during the period up to the expiration of the sixty (60) or ninety (90) day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the Carrier predicated upon any action taken by DM&E in applying or complying with this Appendix or upon an alleged violation, misapplication or non-compliance with any provision of this Appendix. If the final determination under Section 5 of this Appendix is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against DM&E in favor of BMWED or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Appendix.

Section 8.

In the event that seniority and employment under this Appendix is terminated by the Carrier under the provisions of this Appendix, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, BMWED shall indemnify and save harmless DM&E against any and all liability arising as the result of such improper, unlawful or unenforceable termination of seniority and employment; provided, however, that this section shall not apply to any case in which DM&E is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case DM&E acts in collusion with any employee; provided further, that the forementioned liability shall not extend to the expense to DM&E in defending suits by employees whose seniority and employment are terminated by the Carrier under the provisions of this Appendix.

Section 9.

An employee whose employment is terminated as a result of non-compliance with the provisions of this Appendix shall be regarded as having terminated his employee relationship for vacation purposes.

Section 10.

- A. DM&E shall periodically deduct from the wages of employees subject to this Appendix periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in BMWED, and shall pay the amount so deducted to such officer of BMWED as BMWED shall designate: Provided, however, that the requirements of this subsection (a) shall not be effective with respect to any individual employee until he shall have furnished DM&E with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this Appendix whichever occurs sooner.
- B. The provisions of subsection A of this section shall not become effective unless and until DM&E and BMWED shall, as a result of further negotiations pursuant to the recommendations of Emergency Board No. 98, agree upon the terms and conditions under which such provisions shall be applied; such agreement to include, but not be restricted to, the means of making said deductions, the amounts to be deducted, the form, procurement and filing of authorization certificates, the frequency of deductions, the priority of said deductions with other deductions now or hereafter authorized, the payment and distributions of amounts withheld and any other matters pertinent thereto.

Section 11.

- A. This Appendix shall become effective on same date as of the collective bargaining agreement of which it is a part in accordance with the provisions of Rule 36 of the collective agreement. This Appendix shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

[Intentionally Left Blank]

DUES DEDUCTION AGREEMENT

IT IS AGREED by and between the Dakota, Minnesota & Eastern Railroad ("DM&E") and the employees represented by the Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters ("BMWED" or "Brotherhood") that the following shall govern deductions made from wages subsequent to the effective date of this Appendix.

Section 1.

- A. Subject to the terms and conditions of this Appendix, DM&E shall deduct without cost to BMWED or affected employees sums for periodic dues, initiation fees and assessments (not including fines and penalties), which are uniformly required as a condition of acquiring or retaining membership in the Brotherhood and which are payable to the Brotherhood by members of the Brotherhood from wages due and payable to said members, from wages earned by them as maintenance of way employees of DM&E upon the written and unrevoked authorization of a member in the form agreed upon by the parties hereto, copy of which is attached and made a part hereof, designated as Form "A". The signed authorization may, in accordance with its terms, be revoked in writing at any time after the expiration of one year from the date of its execution, or upon the termination of this Appendix, or upon the termination of the collective bargaining agreement between the parties hereto, whichever occurs sooner. Revocation of the authorization shall be in the form agreed upon by the parties hereto, copy of which is attached and made a part hereof, designated as Form "B".
- B. The Authorization Form "A" and the Revocation of Authorization Form "B" shall be reproduced and furnished as necessary by the Brotherhood without cost to the DM&E. The Brotherhood shall assume full responsibility for the procurement and execution of said forms by employees and for the delivery of said forms to DM&E.

Section 2.

- A. The General Chairman of the Brotherhood will supply DM&E with an alphabetized list for each affected local lodge which will contain, in addition to the name, the Social Security Number and the amount to be deducted from the wages of each employee. The list will conform to Form "C".
- B. After the initial list has been organized, changes will be made in the following manner:
 - 1. A list containing additions, changes in amount of money to be deducted (which may not be changed more often than once every three months) or changes in lodge number shall be furnished to DM&E by the Brotherhood at least thirty (30) calendar days in advance of the date the payroll deduction will be made. This list will conform to Form "D". If the list contains the names of employees not previously covered by the Appendix, a copy of their Form "A" will be attached.
 - 2. A list containing the names of employees who have revoked their deduction authorization, together with a copy of their Form "B", shall be furnished to DM&E by the Brotherhood at least thirty (30) calendar days in advance of the date on which the next payroll deduction is to be made. This list will conform to Form "E".

Section 3.

Deductions as provided herein will be made monthly from the wages earned in the first payroll period of each month.

Section 4.

- A. The following will have priority over deductions in favor of the Brotherhood as covered by this Appendix:
1. Federal, State and Municipal taxes and other deductions required by law, including garnishment and attachments.
 2. Premiums on life insurance, hospital-surgical insurance, group accident or health insurance or group annuities.
 3. Amount due the Carrier for supplies or material furnished and monies paid out on behalf of the employee.
- B. No deduction will be made from the wages of any employee who does not have due him for the pay period specified an amount equal to the sum to be deducted in accordance with this Appendix.

Section 5.

DM&E shall remit to the officer designated by the Brotherhood the amounts deducted from the wages of members who have authorized such deductions once each month but not later than the twenty-fifth (25th) day of the month following the month in which deductions are made. The remittance will be accompanied by alphabetical deduction lists (in triplicate) for each local lodge. Such lists will include the employee's name, Social Security Number and the amount of union dues deducted from the pay of each employee.

Section 6.

Any questions arising as to the correctness of the amount deducted shall be handled between the employee involved and the Brotherhood, and any complaints in connection therewith shall be handled by the Brotherhood on behalf of the employee concerned.

Section 7.

This Appendix shall not be used in any manner, either directly or indirectly, as a basis for a grievance of time claim by, or in behalf of, an employee predicated upon any alleged violation or misapplication of, or non-compliance with, any part of this Agreement.

Section 8.

Except for remitting to the Brotherhood the monies deducted from the wages of employees, the Brotherhood shall indemnify, defend and save harmless the Carrier from any and all claims, demands, liability, losses or damage resulting from the entering into and the complying with the provisions of this Agreement.

Section 9.

This Appendix shall become effective on the same date as the rules of the collective bargaining agreement of which it is a part. This Appendix shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

AUTHORIZATION FORM "A"
WAGE DEDUCTION AUTHORIZATION

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION
AND
BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

Employee's Last Name First Name Middle Initial
(Print) _____

Employee's Social Security No. _____

Employee's Home Address:

Town _____ State _____

Street and Number _____

I hereby assign to the Brotherhood of Maintenance of Way Employees that part of my wages necessary to pay initiation fees, periodic dues and assessments (not including fines and penalties) as certified to the Carrier by the General Chairman of the Brotherhood as provided in this Dues Deduction Agreement, and I authorize the Carrier to deduct such sum from my wages and pay it over to the General Chairman of the Brotherhood in accordance with the Dues Deduction Agreement.

Date: _____

Signature: _____

Lodge No. _____

ADDENDUM TO DUES DEDUCTION AGREEMENT

The Dakota, Minnesota & Eastern Railroad ("DM&E") and the Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters ("BMWED" or "Brotherhood") hereby amend Appendix B to provide for the deduction of employees' voluntary political contributions on the following terms and bases:

1. Subject to the terms and conditions hereinafter set forth, DM&E will deduct from the wages of employees voluntary political contributions upon their written authorization in Attachment A to this Appendix, copy of which is attached, designated "Attachment A" and made a part hereof.
2. Voluntary political contributions will be made monthly from the compensation of employees who have executed a written authorization providing for such deductions. The first such deduction will be made in the month following the month in which the authorization is received. Such authorization will remain in effect for a minimum of twelve (12) months and thereafter until cancelled by thirty (30) calendar days advance written notice from the employee to the Brotherhood and the Carrier by Registered Mail. Changes in the amount to be deducted will be limited to one change in each 12-month period and any change will coincide with a date on which dues deduction amounts may be changed under the Dues Deduction Agreement.
3. The General Chairman or his designated representative shall furnish the Carrier, with copy to appropriate units of the Brotherhood, an initial statement by lodges, in alphabetical order and certified by him, showing the amounts of deductions to be made from each employee, such statement to be furnished together with individual authorization forms, to cover, and payroll deductions of such amounts will commence in the month immediately following. Subsequent monthly deductions will be based on the initial statement plus a monthly statement showing additions and/or deletions furnished in the same manner as the initial statement required hereinabove.
4. Monthly voluntary political contribution deductions will be made from wages at the same time that membership dues are deducted from the employee's paycheck.
5. Concurrent with making remittance to the organization of monthly membership dues, DM&E will make separate remittance of voluntary political contributions to the Treasurer, Democrat Republican Independent Voter Education ("DRIVE"), together with a list prepared in accordance with the requirements of the Dues Deduction Agreement pertaining to the remittance of monthly membership dues, with a copy to the General Chairman.
6. The requirements of this Agreement shall not be effective with respect to any individual employee until the employer has been furnished with a written authorization of assignment of wages of such monthly voluntary political contribution, and will be subject to the same limitations as contained in Appendix B, Section 4 to this Agreement.

ATTACHMENT A
INDIVIDUAL AUTHORIZATION FORM

VOLUNTARY PAYROLL DEDUCTIONS -

To: _____

Space for label showing name, address,

System Board and local lodge number.

_____ Department

_____ Work Location

I hereby authorize and direct DM&E _____, to deduct from my pay the sum of \$_____ for each month in which compensation is due me, and to forward that amount to the Treasurer, Democrat Republican Independent Voter Education. This authorization is voluntarily made on the specific understanding that the signing of this authorization and the making of payments to Democrat Republican Independent Voter Education are not conditions of membership in the Union or of employment with the Carrier; that Democrat Republican Independent Voter Education will use the money it receives to make political contributions and expenditures in connection with Federal, State and Local elections.

It is understood that this authorization will remain in effect for a minimum of 12 months; and, thereafter, I may revoke this authorization at any time by giving DM&E and BMWED 30 calendar days advance written notice of my desire to do so.

Signed at _____ this _____ day of _____, 20 _____.

(Personal signature)

Social Security Number

OFF TRACK VEHICLE ACCIDENT BENEFITS

Where employees sustain personal injuries or death under the conditions set forth in paragraph 1 below, DM&E will provide and pay such employees, or their personal representative, the applicable amounts set forth in paragraph 2 below, subject to the provisions of other paragraphs in this Appendix.

1. Covered Conditions -

This Appendix is intended to cover accidents involving employees covered by the collective bargaining agreement while such employees are operating, riding in, boarding, or alighting from off-track vehicles authorized by DM&E and any accident which occurs while an employee is under pay.

2. Payments to be made:

In the event that any one of the losses enumerated in subparagraphs a., b., and c., below, results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs a., b., and c., below, DM&E will provide, subject to the terms and conditions herein contained, and less any amounts payable under DM&E provided health and welfare plans, the following benefits:

a. Accidental Death or Dismemberment

DM&E will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	\$300,000
Loss of Both Hands	\$300,000
Loss of Both Feet	\$300,000
Loss of Sight of Both Eyes	\$300,000
Loss of One Hand and One Foot	\$300,000
Loss of One Hand and Sight of One Eye	\$300,000
Loss of One Foot and Sight of One Eye	\$300,000
Loss of One Hand or One Foot or Sight of One Eye	\$150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

b. Medical and Hospital Care

DM&E will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph 1 of injuries incurred as a result of such accident, subject to limitation of \$3,000 for any employee for any one accident, less any amounts payable under DM&E provided health and welfare plans.

c. Time Loss

DM&E will provide an employee who is injured as a result of an accident covered under paragraph 1 hereof and who is unable to work as a result thereof commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from DM&E for time actually lost, subject to a maximum payment of \$1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act.

d. Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to \$10,000,000 for any one accident and DM&E shall not be liable for any amount in excess of \$10,000,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the Carrier shall not be required to pay as respects each separate employee a greater proportion of such payments than the aggregate limit set forth herein bears to the aggregate amount of all such payments.

3. Payment in Case of Accidental Death:

Payment of the applicable amount for accidental death shall be made to the employee's personal representative for the benefit of the persons designated in, and according to the apportionment required by the Federal Employers Liability Act (45 U.S.C. 51 et seq., as amended), or if no such person survives the employee, for the benefit of his estate.

4. Exclusions:

Benefits provided under paragraph 2 shall not be payable for or under any of the following conditions:

- a. Intentionally self-inflicted injuries, suicide or any attempt thereof, while sane or insane;
- b. Declared or undeclared war or any act thereof;
- c. Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound;

- d. Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;
- e. While an employee is a driver or an occupant of any conveyance engaged in any race or speed test;
- f. While an employee is commuting to and/or from his residence or place of business.

5. Offset:

It is intended that this Appendix is to provide a guaranteed recovery by an employee or his personal representative under the circumstances described, and that receipt of payment thereunder shall not bar the employee or his personal representative from pursuing any remedy under the Federal Employers Liability Act or any other law; provided, however, that any amount received by such employee or his personal representative under this Article may be applied as an offset by the railroad against any recovery so obtained.

6. Subrogation:

DM&E shall be subrogated to any right of recovery an employee or his personal representative may have against any party for loss to the extent that the Carrier has made payments pursuant to this Appendix.

The payments provided for above will be made, as above provided, for covered accidents on or after the effective date of the collective bargaining agreement.

It is understood that no benefits or payments will be due or payable to any employee or his personal representative unless such employee, or his personal representative, as the case may be, stipulates as follows:

"In consideration of the payment of any of the benefits provided in this Appendix, (employee or personal representative) agrees to be governed by all of the conditions and provisions said and set forth by this Appendix."

RATES OF PAY

APPENDIX E

<u>Work Category</u>	Effective 1/1/2014	3% Effective 1/1/2015	2% Effective 1/1/2016	2% Effective 1/1/2017	2% Effective 1/1/2018	3% Effective 1/1/2019	2% Effective 1/1/2020	Effective 10/5/2020	2% Effective 1/1/2021	2% Effective 1/1/2022	2% Effective 1/1/2023
Track Inspector	\$25.07	\$25.82	\$26.34	\$26.87	\$27.41	\$28.23	\$28.79	\$28.79	\$29.37	\$29.95	\$30.55
Track Foreman	\$24.86	\$25.61	\$26.12	\$26.64	\$27.18	\$27.99	\$28.55	\$28.55	\$29.12	\$29.70	\$30.30
Structures Foreman	\$24.86	\$25.61	\$26.12	\$26.64	\$27.18	\$27.99	\$28.55	\$28.55	\$29.12	\$29.70	\$30.30
Welder	\$24.35	\$25.08	\$25.58	\$26.10	\$26.62	\$27.42	\$27.96	\$27.96	\$28.52	\$29.09	\$29.68
Work Equipment Repairman	\$24.35	\$25.08	\$25.58	\$26.10	\$26.62	\$27.42	\$27.96	\$27.96	\$28.52	\$29.09	\$29.68
Machine Operator A	\$23.94	\$24.66	\$25.15	\$25.66	\$26.17	\$26.96	\$27.49	\$27.49	\$28.04	\$28.60	\$29.18
Material Truck Driver	\$23.94	\$24.66	\$25.15	\$25.66	\$26.17	\$26.96	\$27.49	\$27.49	\$28.04	\$28.60	\$29.18
Assistant Foreman	\$23.94	\$24.66	\$25.15	\$25.66	\$26.17	\$26.96	\$27.49	\$27.49	\$28.04	\$28.60	\$29.18
95%	\$22.03	\$22.69	\$23.14	\$23.60	\$24.08	\$24.80	\$25.29	\$26.12	\$26.64	\$27.17	\$27.72
90%	\$20.35	\$20.96	\$21.38	\$21.81	\$22.24	\$22.91	\$23.37	\$24.74	\$25.24	\$25.74	\$26.26
Machine Operator B	\$23.53	\$24.24	\$24.72	\$25.22	\$25.72	\$26.49	\$27.02	\$27.02	\$27.56	\$28.11	\$28.68
Welder Helper	\$23.06	\$23.75	\$24.23	\$24.71	\$25.21	\$25.96	\$26.48	\$26.48	\$27.01	\$27.55	\$28.10
95%	\$21.22	\$21.85	\$22.29	\$22.74	\$23.19	\$23.89	\$24.37	\$25.16	\$25.66	\$26.18	\$26.70
90%	\$19.60	\$20.19	\$20.60	\$21.01	\$21.43	\$22.07	\$22.51	\$23.84	\$24.31	\$24.80	\$25.29
Carpenter	\$21.98	\$22.64	\$23.09	\$23.56	\$24.03	\$24.75	\$25.24	\$25.24	\$25.75	\$26.26	\$26.79
95%	\$20.22	\$20.83	\$21.25	\$21.67	\$22.11	\$22.77	\$23.22	\$23.98	\$24.46	\$24.95	\$25.45
90%	\$18.68	\$19.25	\$19.63	\$20.02	\$20.42	\$21.04	\$21.46	\$22.72	\$23.17	\$23.64	\$24.11
Bridge Tender	\$21.56	\$22.21	\$22.65	\$23.11	\$23.57	\$24.28	\$24.76	\$24.76	\$25.26	\$25.76	\$26.28
95%	\$19.84	\$20.43	\$20.84	\$21.26	\$21.68	\$22.33	\$22.78	\$23.52	\$23.99	\$24.47	\$24.96
90%	\$18.33	\$18.88	\$19.26	\$19.64	\$20.03	\$20.63	\$21.05	\$22.29	\$22.73	\$23.19	\$23.65
Laborer	\$20.81	\$21.44	\$21.87	\$22.30	\$22.75	\$23.43	\$23.90	\$23.90	\$24.38	\$24.87	\$25.36
95%	\$19.15	\$19.72	\$20.12	\$20.52	\$20.93	\$21.56	\$21.99	\$22.70	\$23.16	\$23.62	\$24.09
90%	\$17.69	\$18.22	\$18.59	\$18.96	\$19.34	\$19.92	\$20.32	\$21.51	\$21.94	\$22.38	\$22.83

*Rates subject to potential RTM adjustments in 2021, 2022, and 2023

Machines and Equipment List

Machine Operator (A) Work Category

Production Tampers

Locomotive and Burro Cranes

Production Tie Inserters

Brandt Roadway Road-Railer Trucks

Brandt Rail Rail Tools

Semi-Tractor / Lowboy trailer

Supplemental Payment from Side Letters # 7 added as Appendix G.

Employees coming under the scope of this agreement shall receive a supplemental payment of \$.85 per hour for all actual hours worked by BMWED represented employees subject to the terms of this agreement.

Example: an employee is scheduled to work an 8-hour shift and the employee actually works 8 hours straight time and 2 hours overtime. The employee will receive \$8.50 in supplemental pay (10 hours X \$.85).

It is understood that the rate differential will not be subject to any General Wage Increases, nor will it be payable in conjunction with vacation, bereavement leave or other paid leave.