

QUALITY OF WORK LIFE AGREEMENT

INTRODUCTION

This Agreement and its Appendices, by and between Montana Rail Link, Inc. (MRL or the Company) and the Brotherhood of Maintenance of Way Employees, Brotherhood of Railway Carmen, Brotherhood of Railroad Signalmen, International Association of Machinists and Aerospace Workers, International Brotherhood of Electrical Workers, International Brotherhood of Firemen and Oilers and the Transportation Communications International Union (individually, a Union; collectively, the Unions), is amended and effective as of January 1, 2006. It is understood and agreed that this Agreement comprehensively represents and encompasses the results of the negotiations of the parties pursuant to Article 18 of the Agreement by and between the Company and the Unions dated October 20, 1987 (the Labor Agreement). This Agreement and the interpretation and implementation hereof, shall be subject to provisions of the Labor Agreement, as amended.

ARTICLE A

SENIORITY ROSTERS

1. Seniority rosters of all employees in each seniority district will be revised and posted in agreed upon places accessible to the employees affected in January of each year. Seniority dates credited to employees upon the first roster upon which their name appears will be open for protest as to correctness of such date for a period of sixty (60) calendar days from the date of posting, and upon proof of error being shown by such employee or his representative, such error will be at once corrected. If no protest is presented within sixty (60) calendar days, the seniority date as so first shown will thereafter be deemed to have been accepted, and no changes will thereafter be made in such seniority date on future rosters, except that any evident errors in revision or reissue of such roster will be corrected on the basis of the last correctly issued roster. Erroneous omission of names from or addition of names to the seniority roster, erroneous changes in dates or typographical errors on such rosters may be corrected at any time.
2. Seniority roster for each seniority district will show:
 - A. Roster Name
 - B. Seniority Number
 - C. Name of Employee
 - D. Title
 - E. Location
 - F. Seniority Date

3. The General Chairman, Local Chairman and each employee of the district affected shall be furnished with a copy of the annual roster, which shall be compiled and maintained by the Company.

ARTICLE B

HOURS OF SERVICE AND WORK WEEK

1. Eight (8) consecutive hours, excluding meal period, will constitute a day's work. The typical work week shall be forty (40) hours, consisting of five (5) days of eight (8) hours each, with two (2) consecutive days off in each seven (7); so far as practicable the days off shall be Saturday and Sunday. A non-paid meal period shall not be construed to break the continuity of the eight (8) hour period. All employees coming under the provisions of this Agreement, except as otherwise provided in this schedule or the Labor Agreement, or as may hereafter be legally established between the Company and the employees, shall be paid on the hourly basis. The foregoing work week rule is subject to the following provisions:
2. Five-day positions: Where the nature of the work is such that employees will be needed five days each week, the rest days will either be Saturday and Sunday or Sunday and Monday.
3. Six-day positions: Where the nature of the work is such that employees will be needed six days each week, the rest days will be either Friday and Saturday, Saturday and Sunday, or Sunday and Monday.
4. Seven-day positions: On positions which are filled seven (7) days per week, any two (2) consecutive days may be the rest days with the presumption in favor of Saturday and Sunday. It is understood that two (2) assignments with similar duties and identical hours with staggered rest days may be considered as a seven (7) day position.
5. Regular Relief Assignments
 - a. Regular relief assignments with five (5) days of work and two (2) consecutive rest days will be established to do the work necessary on rest days of assignments in six (6) or seven (7) day service or combinations thereof, provided that for each regular relief assignment there are five (5) days of relief work. If rest days of six (6) or seven (7) day positions are not filled by regular relief assignments as provided herein, the Company shall fill such vacancies by (i) if applicable, calling an extra employee; (ii) calling available furloughed employees; or (iii) calling overtime.

b. Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees on the same seniority district and of the same craft provided they take the starting time, duties and work locations of the employee or employees they are relieving and are not assigned to work more than eight (8) hours in a calendar day.

NOTE: Each relief assignment will be assigned a headquarters point. However, relief assignments may be required to fill vacancies at points within forty (40) miles of the headquarters point and time for employees so assigned will not start until reaching such outlying point. Employees filling such vacancies away from the headquarters point shall receive mileage pursuant to Article E from the headquarters point to and from the outlying point or from their residence to and from the outlying point, whichever is closer. (This note is not applicable to Maintenance of Way Craft)

6. Deviation from Regular Work Week

If, in a position or work extending over a period of five (5) days per week, an operational or customer service problem arises which, in the view of the Company, cannot be met under Paragraph 2 or 3 above, and requires that some of such employees work on a rest day established in Paragraph 2 or 3, the Company shall inform the Union or Unions affected of the reasons thereof. If the employees affected contend that the operational or customer service requirements do not require such deviation from the regular work week, and if the parties fail to agree thereon, then if the Company nevertheless puts such assignments into effect, the dispute may be processed as a grievance or claim under the Labor Agreement.

7. Rest Days of Extra or Furloughed Employees.

To the extent extra or furloughed employees may be utilized under this Agreement, their days off need not be consecutive; however, if they take the assignment of a regular employee, they will have as their days off the regular days off of that assignment.

8. Beginning of Work Week.

The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and for unassigned employees shall mean a period of seven (7) consecutive days starting with Monday.

NOTE: A vacancy on any position resulting from incumbent's absence account of flexible time system withdrawals, sickness, jury duty, personal, bereavement leave or leave of absence for five (5) working days or less may, at the Company's option, be blanked.

ARTICLE C

CHANGING SHIFTS

1. Employees transferred from one shift to another at the direction of the Company will be paid overtime rate for the first shift worked on the shift to which transferred and if the employee works more than one shift to which transferred the employee will be paid at the overtime rate for the first shift worked after returning to his regular assignment. Such overtime payment shall not apply to transfers made as a result of the exercise of seniority or rebulletining of assignments.
2. If it becomes necessary to create a relief job in which the assigned relief employee is compelled to perform work on different shifts in order to have five (5) working days included in his assignment, such employee will not be paid overtime rates for changing shifts to perform the work on the shifts included in his assignment.

ARTICLE D

CALLS

1. Except as provided in Paragraphs 2 and 3 hereof, employees notified or called and reporting to perform work outside of and not continuous with the regular work period, will be allowed a minimum of two and one-half (2 1/2) hours at time and one-half rate for two and one-half (2 1/2) hours work or less, and if held on duty in excess of two and one-half (2 1/2) hours time and one-half will be allowed on the minute basis. When an employee is called to work under this paragraph, his time starts thirty (30) minutes before the actual time he reaches his headquarters point.
2. Employees notified or called to perform work under emergency conditions on Designated Holidays shall be allowed a minimum of four (4) hours at time and one-half for four (4) hours work or less, and if held on duty in excess of four (4) hours, time and one-half will be allowed on the minute basis.

NOTE: An emergency shall be defined as extraordinary circumstances, such as flood, snowstorm, hurricane, broken rail, earthquake, fire or strike, which results in the suspension, in whole or in part, of the Company's operations. Nothing herein shall be construed to require employees to cross a picket line during a strike.

3. Except as provided in Paragraph 2 above, employees called to perform work on such holidays shall be allowed a minimum of eight (8) hours at time one-half rate.
4. Except as otherwise provided for in Paragraphs 2 and 3, employees called for service who report for duty and are released prior to performing service will be paid as provided under Paragraph 1.

ARTICLE E

EXPENSES

Headquartered Employees:

1. An employee not returned by the Company to his headquarters point after close of shift will be provided single occupancy room lodging from a list of suitable, jointly approved lodging facilities. In addition, the employee shall receive a \$34 (thirty-four dollar) meal per diem for each day required to stay overnight and away from their headquarters point. Effective January 1, 2013 and each January 1 thereafter through January 1, 2016, the meal per diem shall be increased by the annual percentage general wage increase applied on January 1 of that calendar year. (See Craft Specific Agreements for noted exceptions.)
2. An employee required to be away from MRL property on company business will be reimbursed reasonable and necessary expenses.
3. If an employee has a vehicle which he is willing to use and the Company authorizes him to use said vehicle for company business, the employee shall be compensated for such transportation on a mileage basis, at the maximum allowable non-taxable IRS rate. No mileage will be paid for exercising of seniority.

ARTICLE F

MEAL PERIOD, UNIFORM COMMENCING AND QUITTING

1. The time established for commencing and quitting work for all employees on each shift shall be specified by bulletin.
2. Meal Period

When a meal period is assigned, the assigned time shall be specified on the bulletin, it shall be not less than thirty (30) minutes, nor more than sixty (60) minutes and shall be given between the beginning of the fourth (4th) hour and the end of the sixth (6th) hour after beginning of shift, except as may be otherwise arranged by mutual agreement. The meal period shall be as close to the middle of the shift as possible.

NOTE BRS ONLY: In the case of mobile gangs only, it is understood that when necessary due to the requirements of service, the assigned meal period of mobile gangs provided for above shall be flexible to the extent that no payment of overtime will be made for working through the assigned meal period. However, the employees will be provided the assigned meal period between the beginning of the fourth (4th) and the beginning of the sixth (6th) hour after the start of the shift; otherwise, the provisions of paragraph (4) below

shall apply.

NOTE BMW ONLY: In the case of seasonal gangs only, it is understood that, when necessary due to the requirements of service, the assigned meal period of seasonal gangs shall be flexible to the extent that no payment of overtime will be made for working through the assigned meal period, except as provided below. Employees will be provided the assigned meal period between the beginning of the fourth (4th) and the beginning of the (6th) hour after the start of the shift. If the meal period is not afforded between the fourth (4th) and sixth (6th) hours, the assigned meal period will be paid for at the overtime rate and twenty (20) minutes with pay in which to eat will be allowed in no case later than the beginning of the seventh (7th) hour.

3. When no meal period is assigned, twenty (20) minutes to eat will be allowed between the beginning of the fourth (4th) hour and the end of the sixth (6th) hour without deduction in pay.
4. If a meal period is not afforded and all or any portion thereof is worked, the meal period shall be paid for at the overtime rate of time and one-half and twenty (20) minutes with pay will be afforded at the first opportunity thereafter but in no case later than the end of the seventh (7th) hour.
5. Employees will not be required to perform more than eleven (11) hours of continuous service without being permitted to take a second meal period, and succeeding meal periods will be granted at appropriate intervals of not more than six (6) hours. Time taken for any meal period will not terminate the continuous service period and will be paid, up to thirty (30) minutes for each such meal period. The 11-hour period provided herein may be extended by mutual agreement between the employee and the Company supervisor. The second and succeeding meals will be furnished without cost to the employee. However, if the employee agrees to work through the meal period without being released as provided herein, a meal shall not be furnished, but the meal period shall be paid for as provided herein.

Note: BRC, F&O, IAM, IBEW and TCU Only – In lieu of the second meal being furnished by the Company to the employee without cost: (1) when employees perform more than eleven (11) hours of continuous service, but not exceeding twelve (12) hours of continuous service, the employees will be paid thirty (30) minutes at the overtime rate of pay and will be afforded twenty (20) minutes to eat a second meal; and (2) when employees perform more than twelve (12) hours of continuous service, the employees will be paid one (1) hour at the overtime rate of pay and will be afforded twenty (20) minutes to eat a second meal. It is understood that these payments in lieu of providing a meal cannot be piggybacked upon each other.

ARTICLE G

STARTING POINT

1. Each employee covered by this Agreement will have a headquarters point designated by bulletin. An employee will begin and end his assigned work day at the headquarters point.
2. When employees are sent away from headquarters and remain away overnight, the beginning and ending of a day's work shall be at a designated point such as a railroad building equipped with toilet and washing facilities or motel/hotel accommodations at the nearest location where lodging and meal accommodations are available.

NOTE: Where mobile gangs or mobile headquarter point are permitted by this Agreement, this Article is not applicable.

ARTICLE H

DISQUALIFICATION

1. Employees will be given cooperation by the Company and reasonable opportunity in qualifying for positions secured in the exercise of seniority. Employees awarded bulletined positions or employees securing positions through the exercise of seniority to a position for which not yet qualified may be disqualified for lack of ability to do such work during the first thirty (30) working days thereon. Employees will not be disqualified for lack of ability to do such work after a period of thirty (30) working days thereon.
2. An employee failing to qualify for a position secured by bulletin or in exercise of seniority will be given notice in writing of reason for such disqualification within two (2) working days of the disqualification.
3. An employee who considers himself unfairly disqualified may request and shall thereupon be given a fact finding session as to such qualifications pursuant to the provisions in Article I of this Agreement.
4. An employee awarded a bulletined position or securing a position through an exercise of seniority to a position for which not yet qualified shall, if disqualified, be entitled to the same rights of an employee returning from a leave of absence pursuant to Article K of this Agreement.

ARTICLE I

UNJUST TREATMENT

An employee who considers himself unjustly treated in matters pertaining to his employment (other than discipline per Article 13 of the Labor Agreement) or in matters other than those arising out of the interpretation and application of the rules of this Agreement shall have the same right of hearing and appeal as provided in Article 13 of the Labor Agreement if written request is made to his immediate Company supervisor within twenty (20) calendar days after the date of the occurrence of the cause for complaint. This Article shall not apply to actions taken by the Company pursuant to Article 19 of the Labor agreement. It is understood an employee cannot request or pursue hearings under both Article 13 of the Labor Agreement and this Article pertaining to the same matter.

NOTE: A written, complete and accurate transcript of the proceedings shall be prepared and provided by the Company to the Applicable Union's representative and the employee.

ARTICLE J

LAYOFF AND RECALL

Section 1

1. When forces are reduced or jobs discontinued, seniority rights shall govern.
2. Employees whose jobs are discontinued or who are displaced, whose seniority entitles them to a job that is available to them, must exercise such seniority to displace a junior employee within ten (10) working days of the affected date. Failure to do so shall result in forfeiture of such displacement rights and the employee shall be placed in furlough status as defined in Section 2 hereof.

NOTE CLERICAL EMPLOYEES: Employees exercising seniority as provided in paragraph 2 above will do so in writing with the proper supervisor so that notification can be made to the employee being displaced before that employee goes off duty.

NOTE BMW EMPLOYEES: See Craft Specific for displacement time limits.

3. Employees furloughed under this Article shall retain their seniority rights, and file their name and address in writing with the designated Company officer, with copy to the Local chairman at the time laid off or within ten (10) calendar days thereafter.
4. Except as provided in Paragraph 5 hereof, before positions are abolished or discontinued, not less than five (5) working days advance written notice shall be given the employees affected, and a notice shall be posted on bulletin boards, and be made accessible to all employees affected. The Local Chairman will be furnished with a copy of such notices when issued.

In instances where the effective date of the abolishment is at other than the end of the regular work week, an affected employee will be entitled to receive up to eight (8) hours travel time at straight time rates for traveling to his new work location (at the rate of 40 MPH from his prior work location), provided he exercises his seniority and reports for duty at the new work location no later than the beginning of the second work day following the effective date of the job abolishment. No such payments shall be applicable when positions are abolished in emergency conditions as provided in paragraph 5 below. However, in instances where the employee has received an abolishment notice and because of the emergency his position is extended beyond the anticipated effective date of the abolishment, such employee shall be eligible for the travel time payment provided the above-stated conditions have been met.

5. The notice required in Paragraph 4 hereof is not required in emergency conditions, such as flood, snowstorm, hurricane, earthquake, fire, or strike, provided that the Company's operations are suspended in whole or in part and provided further that, because of such emergency, the work which would be performed by the incumbents of the position or the positions to be abolished or the work which would be performed by the employee involved in the force reductions no longer exists and cannot be performed. However, if notice is not provided prior to an employee leaving his residence for work, the employee shall be paid as if the employee had worked. When the emergency is over, forces shall be restored.

Section 2

1. When forces are restored, furloughed employees shall be returned to service in seniority order. Recall letters shall be sent by the Company to the last known address by U.S. Postal Service, Certified Mail, Return Receipt requested. An employee recalled to service shall report for service within fifteen (15) days after receipt of certified letter (or a postal attempt to deliver the certified letter), unless an extension has been granted, failure to give satisfactory reason to the company for not reporting for service within such fifteen (15) days shall terminate seniority rights within that particular craft and the employee shall be so notified. An employee so terminated may request a fact-finding session under Article I of this Agreement (Unjust Treatment) provided the employee makes written request to designated Company officer within thirty (30) days from the date of such termination. If the company is unable to reach a furloughed employee because the employee has failed to provide a current address, the employee's name shall be removed from the seniority roster of the craft to which recalled.

NOTE: It is understood that an employee will not be required to return to service from furlough to other than a permanent position headquartered within the zone from which furloughed.

For the purpose of this Article only, the zones will be as follows:

TCIU-TCIU/BRC-IAM-IBEW-IBFO

Zone 1 - Sandpoint, Idaho to and including Helena and East Helena, Montana.

Zone 2 - Huntley, Montana to but not including Helena and East Helena, Montana.

BMWE-BRS

Zone 1 - Sandpoint, Idaho to but not including Helena and East Helena, Montana.

Zone 2 - Huntley, Montana to and including Helena and East Helena, Montana.

NOTE BMWE Employees: It is understood that an employee will not be required to return to service from furlough to other than a permanent position headquartered within the zone from which furloughed, except as provided below:

- A. In the case of seasonal positions, which have been advertised for bulletin and remain unfilled account 'no bidders,' furloughed employees holding seniority on the applicable seniority roster may be recalled pursuant to the following provisions:
- 1) Recall will be made in inverse order of seniority; i.e., the junior-most employee with the appropriate seniority on furlough will be recalled first. In the event the Company and the employee agree that such employee is not qualified for the position, such employee will be considered disqualified for purpose of recall to that particular vacancy and will return to furlough status, and the next junior-most furloughed employee will be recalled, and so on. When employees are disqualified in this manner, it will be confirmed in writing by the Company.
 - 2) Employees recalled to service under this provision will be sent a notice of recall letter by the Company to the employee's last known address by U.S. Postal Service, Certified Mail, Return Receipt Requested. Such employee shall report for service within ten (10) days after receipt of a certified letter (or a postal attempt to deliver a certified letter).
 - 3) Failure to report within the specified ten (10) day period, unless an extension has been granted, shall terminate seniority rights within the craft and the employee affected shall be so notified. An employee so terminated may request a fact finding session under Article I of the

QWL Agreement (Unjust Treatment), provided he makes written request to the designated Company Officer within thirty (30) days of the date of such termination.

- 4) In the event there are no furloughed employees holding seniority on the applicable seniority roster of the unfilled seasonal position vacancy, the junior-most employee holding seniority on the applicable seniority roster of the vacancy who is assigned in service as a laborer may be assigned to fill the position.

If the employees so assigned is required to report to a position on a mobile crew, he will be allowed per diem expenses per Rule A-11 and he will be considered as having his assembling point moved and be covered by the travel time and mileage provision of Rule A-12, paragraph (D). If the employee so assigned is required to report to a headquarters position, he will be allowed payment of travel time at the rate of forty (40) miles per hour and mileage. Payment of travel time and mileage will be limited to the extent that such round-trip travel between the employee's residence and the location of the position to which assigned exceeds the distance the employee would have normally traveled round-trip between his residence and his normal work location. Such travel time and mileage will be allowed daily, however, it is understood that the daily travel time and mileage payment for employees assigned to headquarter positions shall not exceed the per diem amount provided for in Article E - Expenses, paragraph (1) of the Quality of Work Life Agreement. In addition, employees assigned to a headquarters position who are required to stay overnight will be paid travel time and mileage for one round-trip per week during the period he is required to protect the assignment.

The seasonal position vacancy shall continue to be advertised for bulletin until it is filled and the employee who has been assigned to protect the assignment shall return to his regular assignment at such time as the vacancy is assigned by bulletin.

2. In the application of this Article a furloughed employee may decline to accept employment on temporary positions and/or temporary vacancies at any location upon the Company property.

ARTICLE K

RETURN FROM LEAVE OF ABSENCE

1. Employees may return to work prior to expiration of leave of absence provided sufficient notice is given to permit notifying relief employee not less than forty-eight (48) hours prior to completion of last service he is to perform.

2. Employees accepting other compensated employment while on leave of absence without first obtaining written permission from the company officer in charge and written approval of the General Chairman shall be removed from seniority roster.
3. Employees returning from leave of absence, flexible time, suspension, service on temporary position, or reinstatement, will be permitted to return to their former positions unless filled by a senior employee as a result of exercising seniority pursuant to Article 4 of the Labor Agreement, or may within five (5) calendar days thereafter exercise their seniority on new positions or vacancies created during their absence. If the returning employee is displaced, as provided herein, he shall have the right to exercise seniority pursuant to Article 4 of the Labor Agreement. All employees affected thereby will be governed by the provisions of this Article.
4. A. Except as may be otherwise agreed by the Company and Union, an employee who obtains permission to transfer to another craft, whether or not covered by this agreement, after the completion of the Probationary Period in the craft from which the employee is transferring, shall be considered on leave of absence not to exceed six (6) months from the date of transfer. An employee who transfers to another craft shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to retain and accumulate seniority in the craft from which transferred.

The six-month transfer period shall begin as follows:

- (i) **if the employee is furloughed from his current craft and accepts a transfer to a new craft, the six-month transfer period will begin when there is a work opportunity for the employee in the craft from which transferred that the employee is entitled to by seniority;**
- (ii) **if the employee is in active service and accepts a craft transfer, the six-month transfer period will commence on the date the employee first performs service in the new craft.**

It is understood that the six-month transfer period will be suspended during any period that the employee has no work opportunity in the craft from which transferred, and the transfer period shall resume when there is a work opportunity in that craft. If, during the transfer period, the employee is furloughed from the craft to which transferred, the transfer period shall likewise be suspended, unless there is a work opportunity in the employee's former craft. In this latter case, the employee's transfer period shall resume when the employee is recalled and returns to service in the new craft. If the employee does not return when recalled, his transfer period shall be terminated and he shall forfeit seniority in the new craft.

In all instances of starting, suspending or resuming the transfer period, or advising of available work opportunities in one's former craft, the Company will send written notification to the employee and General Chairman detailing the dates of such events and/or the specifics of such work opportunities.

The Company shall also send 15-day advance written notice to the employee and General Chairman when the employee's six-month transfer period will expire. An employee's failure to return to his former craft prior to the expiration of his six-month transfer period will result in automatic forfeiture of seniority in the former craft.

- B. During the six (6) month leave of absence period, the employee may return to and exercise seniority in his/her former craft in accordance with paragraph (3) hereof.
 - C. Each employee covered by this agreement shall be limited to one (1) leave of absence for the purposes of transferring crafts under this provision.
5. An employee involuntarily relieved from an official or supervisory position with the Company or an employee who is involuntarily returning from an official position with a Union party to this Agreement shall within thirty (30) calendar days thereafter exercise his seniority rights over any junior employee assigned to a position bulletined during his absence. If there is no junior employee, the employee returning to service will be placed on furlough status.
6. An employee voluntarily returning from an official or supervisory position with the Company or a position with a Union party to this Agreement will be allowed to do so by bidding upon a bulletined permanent position, or being placed on furlough status.

ARTICLE L

SHIFTS

- 1. Where three (3) consecutive shifts are worked covering the twenty-four (24) hour period, the starting time of each shift shall be between the hours of 6:00 A.M. and 8:00 A.M., 2:00 P.M. and 4:00 P.M., and 10:00 P.M. and 12:00 Midnight. Where other than three (3) consecutive shifts are worked, no shift shall have a starting time between 12:00 Midnight and 6:00 A.M.
- 2. Where one or two shifts are to be worked, the first shift shall have a starting time between 6:00 A.M. and 9:00 A.M. Where two (2) shifts are worked, the second shift shall have a starting time that is no earlier than the end of the first shift and no later than four (4) hours after the end of the first shift.

3. Consecutive shifts mean where employees doing the same class of work relieve each other with no intervening time.
4. If an operational or customer service problem arises which, in the view of the Company, requires that exceptions be made to the starting times established herein, the Company shall inform the Union or Unions affected of the reasons therefore. If the employees affected contend that the operational or customer service requirements do not require such deviation from the established starting times, and if the parties fail to agree thereon, then, if the Company nevertheless puts such starting times into effect, the dispute may be processed as a grievance or claim under the Labor Agreement.

NOTE: The starting time shall not be temporarily changed for the purpose of avoiding overtime.

ARTICLE M

OVERTIME

1. Except in the cases of flexible time arrangements agreed to by the Company and the appropriate General Chairman, time worked preceding or following, continuous with a regularly assigned eight (8) hour work period, shall be computed on the actual minute basis and will be paid for at time and one-half rate, with a minimum of three-tenths (3/10) of one hour at the time and one-half rate.
2. Employees **who** work continuously from one regular work period into another work period shall be paid for the second or succeeding period at rate of time and one-half for the first eight (8) hours of work commencing with the ending time of the regular work period and thereafter at double-time rate until the beginning of the next regular work period, at which time they will be paid at time and one-half rate commencing with start of regular work period until released. Upon such release, the employee may elect at that time, to (i) finish his regular work period at the straight time rate of pay or (ii) go home and be paid two (2) hours at the overtime rate or overtime for the remainder of his shift, whichever is less. This paragraph will not apply when an employee cannot complete his regular work period due to Hours of Service restrictions. In such case, the employee will be paid for time not worked at the straight time rate of pay.

NOTE BMW EMPLOYEES: Employees required to work eight (8) or more hours preceding and continuous with a regularly assigned eight (8) hour work period will be paid at time and one-half rate on the actual minute basis for work performed during the regularly assigned work period, unless released for rest. Upon such release, the employee may elect at that time, to (i) finish his regular work period at the straight time rate of pay or (ii) go home and be paid two (2) hours at the overtime rate or overtime for the remainder of his shift, whichever is less. This paragraph will not apply when an employee cannot complete his regular work period due to Hours of Service restrictions. In such case, the employee will be paid for time not worked at the straight

time rate of pay.

NOTE IAM, IBEW, F&O BRC EMPLOYEES: It is understood and agreed that with respect to QWL Article M, paragraph (2) when an employee is used to cover overtime and, due to Hours of Service restrictions, this prevents him from being available to cover his regularly assigned shift, the employee will be paid for his regular shift at the straight time rate of pay and he will be considered unavailable for service until his next regularly scheduled start time, unless the Company determines his services are needed to cover necessary overtime. In such cases, the employee will again be treated and paid in accordance with this understanding.

3. An employee notified or called to perform work after the expiration of his regular work week and prior to the commencement of his next work week, or after his assigned quitting time on one day and prior to his assigned starting time on his next work day with a flexible time system day intervening, and required to work continuously into the next regularly assigned work period, will be paid therefore on the actual minute basis at time and one-half rate with double time after sixteen (16) continuous hours of work in each twenty-four (24) hour period, or portion thereof, computed from the time the employee is required to report for work to the commencement of the regularly assigned work period.
4. Except as otherwise provided for in this Article, such an employee will be paid at straight time rate for work performed during regular assigned work period.
5. There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight (8) paid for at overtime rate on holidays or for changing shifts, be utilized in computing the five (5) days per week, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, travel time, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours.
6. When the Company requires an employee to participate in training classes, schools, company meetings or the like, outside of the employee's regularly scheduled hours of assignment, the employee will be compensated for the actual time required to participate at the time and one-half rate of pay of the last service performed.

NOTE: This provision is not intended to modify or supersede any training provisions contained in craft specific agreements.

NOTE 2: The parties reaffirm their commitment to enforce the language of Article M, paragraphs 2 and 5 as written.

ARTICLE N

DESIGNATED HOLIDAYS

1. Notwithstanding any provision to the contrary in the Labor Agreement, the Company shall recognize ten (10) designated holidays each year: New Year's Day, Good Friday, Memorial Day, July Fourth, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, Christmas Day and New Year's Eve (Designated Holidays). On such Designated Holidays, assignments calling for work on such days shall, in most cases, be annulled and the regular 40-hour work week for employees filling such assignments shall be reduced by eight (8) hours for each Designated Holiday in such work week.
2. Employees may elect to (i) make a time system withdrawal on such Designated Holiday pursuant to Article 5 of the Labor Agreement (in which case an employee so electing will receive payment pursuant to Article 5 and a time bank reduction of one day) or (ii) make no time bank withdrawal on such Designated Holiday (in which case the employee shall receive no payment on the Designated Holiday.)
3. If the Company requires an employee to work on a Designated Holiday then the employee shall be compensated at the rate of time and one half, subject to the provisions established pursuant to Article D. If an employee required to work on a Designated Holiday had previously scheduled a flex time day on such Designated Holiday, he shall have the option of (i) making the time bank withdrawal as planned (in which case he shall receive flex time pay as well as time and one-half pay for work on the Designated Holiday) or (ii) electing not to make the previously scheduled time bank withdrawal (in which case he shall receive only the time and one-half pay for work on the Designated Holiday).

ARTICLE O

AUTHORIZED OVERTIME

Overtime hours will not be worked without authorization by proper authority, except in cases of emergency where advance authority is not obtainable. Employee will not be required to suspend work during any assigned work period for the purpose of absorbing overtime.

ARTICLE P

FILLING TEMPORARY VACANCIES AWAY FROM HEADQUARTERS POINT

1. Employees temporarily filling vacancies at other than their headquarters point will be paid for travel time between headquarters point to the point to which sent as provided herein. Travel time is not paid if the employee travels during regular working hours. Travel time will be paid at straight time rates (except when required

to travel on assigned rest days, holidays or flexible time, when time and one-half will be paid). Employees eligible for payment under this Article will be compensated for time based on travel over the shortest highway route from the headquarters point to the vacancy at the speed of forty (40) miles per hour. If the employee is required to take public transportation to fill the vacancy hereunder, the employee will be paid up to one (1) hour for waiting for such transportation. This provision of this Article shall not be applicable to employees returning from leave of absence or furlough or when exercising seniority.

NOTE CLERICAL EMPLOYEES: Paragraph 1 shall not apply to employees filling vacancies which are less than forty (40) miles from their headquarters point.

2. While at such outside point, employees will be paid straight time and overtime in accordance with assigned hours at that point, with not less than eight (8) hours for each working day.
3. Where meals and lodging are not provided by the Company and the Company requires the employee to stay overnight at the point to which sent, reimbursement will be provided pursuant to Article E.
4. Upon completion of temporary service all travel time returning to the headquarters point will be paid at the straight time rate except as otherwise provided in Paragraph 1 of this Article.
5. An employee filling vacancies away from the headquarters point shall receive mileage pursuant to Article E from his residence or headquarters point to and from the outlying point, whichever is closer. If the Employee is required to leave his headquarters point to fill a vacancy hereunder, he shall be paid mileage pursuant to Article E.

ARTICLE Q

PAY

1. Employees on day shifts shall be paid during regular working hours at terminal shops and headquarter points. Pay checks will be made available to other employees during the day at these locations.
2. Regular pay days shall be every other Friday. If the regular pay day falls on a holiday, checks will be delivered on the preceding day. Company may change from bi-weekly to semi-monthly paydays, in such case, paydays shall be the 15th day and last day of the calendar month unless such day fall on a holiday or weekend day, the payday shall be the business day immediately preceding the holiday or weekend day.

- A. In the event paydays are changed to semi-monthly, the pre-tax employee contribution for medical benefits shall be recalculated as follows:
- 1) the applicable pre-tax weekly contribution rate for the employee shall be multiplied by fifty-two (52) to produce a gross annual employee contribution for medical insurance;
 - 2) the gross annual employee contribution shall then be divided by twenty-four (24) to produce the pre-tax semi-monthly contribution rate for the employee.
3. When there is a shortage of one (1) day's pay or more in the pay of an employee, a payment will be issued to cover the shortage upon request by the employee. If not issued within seventy-two (72) hours of the request, a four (4) hour penalty at the straight time rate will be paid to the employee for each subsequent twenty-four (24) hour period in which payment is not issued, unless the shortage is due to the employee's failure to comply with the Company's posted time-keeping procedures.
 4. On those days when converting to and from Standard Time, those days will be treated as eight (8) hour work days.
 5. Employees discharged or leaving the service of the Company will receive absolute payment for all monies due pursuant to applicable law.
 6. Declination of time or expenses and the reasons therefore will be timely furnished in writing to the involved employee.
 7. Upon reasonable request by employees to the appropriate Company officer, employees may have their check delivered by U.S. mail to an address supplied by the employee.

ARTICLE R

FINES

The Company shall not impose fines as a means of assessing discipline.

ARTICLE S

APPLICATION OF RATES

An employee temporarily assigned to a position paying a higher rate than the position to which he is regularly assigned for four (4) hours or more in one day will be allowed the higher rate for the entire day. An employee temporarily assigned to a position by a proper Company authority paying a higher rate of pay for less than four (4) hours in one day will be paid the higher rate on a minute basis with a

minimum of one (1) hour. The rate of any employee will not be reduced when temporarily assigned to a lower rated position.

ARTICLE T

PERSONAL INJURIES

1. Employees injured while at work will be required to make and submit to the Company a written report of the circumstances of the accident just as soon as they are able to do so prior to going off duty, unless immediate medical attention is needed. If immediate medical attention is needed, the employee will make and submit such a written report just as soon as he is able to do so after obtaining medical attention. A copy of such report will be furnished the employee. Immediate medical attention shall be given the injured employee and the employee shall be permitted to return to work just as soon as able to do so. Employees may be required to produce a physician's report indicating their fitness for work, the cost of which will be borne by the Company in accordance with Article 14 of the Labor Agreement. Employees shall not be required to sign a release pending any final settlement of the case. All claims for personal injuries must be handled with the designated Company official.
2. **An employee who suffers a muscular skeletal injury while at work must report such injury in the manner described in paragraph 1 within forty-eight (48) hours of the occurrence of such injury.**

ARTICLE U

HEALTH AND SAFETY

1. The health and safety of employees is recognized to be an important concern of the Company. The Company shall make every reasonable effort to ensure that buildings which the company requires the employees to utilize shall be properly cleaned, ventilated, heated, lighted and kept in a sanitary condition to the extent appropriate for the purpose of the building.
2. An adequate supply of good, cool drinking water shall be furnished and sanitary drinking fountains shall be provided when practicable. Lockers, toilets and washrooms shall be kept in good repair and in a clean, dry and sanitary condition. Locker rooms and washrooms shall be adequately lighted and heated. Proper and suitable first-aid equipment shall be maintained at convenient and accessible locations and employees taken ill while at work shall be given medical attention as soon as possible.

ARTICLE V

TOOLS, EQUIPMENT AND PROTECTIVE CLOTHING

1. The company shall furnish employees all tools, equipment, furniture, goggles, rubber boots, aprons, hard hats, masks, respirators, ear protective devices and specialized protective clothing items when necessary for the safe performance of their duties. When such items are furnished, employees will be required to use them in accordance with the Company's instructions.
2. Employees must exercise reasonable care in the use of such items and upon leaving service or when requested, must return such items entrusted to them.
3. **Employees required to wear gloves during the course of their duties shall be furnished with up to two (2) pair of gloves per year by the Company. Additional pairs of gloves will be furnished to employees when needed upon the trade-in of worn out gloves.**
4. **For the duration of this Agreement, the Company will provide one (1) raincoat to employees who work in the rain, with replacements provided when the raincoats are damaged at work.**

ARTICLE W

WEEKEND TRIPS

Employees working away from their assigned headquarters point will be permitted to make trips to their home or their headquarters point on their rest days when requirements of service permit. Mileage payments will be paid for such trips pursuant to Article E to and from the employee's home or headquarters point, whichever is closer. Employees not permitted to return to their home or headquarters point will be paid a minimum of four (4) hours at the time and one-half rate for each rest day and expenses shall be paid pursuant to Article E.

ARTICLE X

EMPLOYEE REPRESENTATIVES

1. The Company recognizes that duly accredited employee representatives after notifying local management and making suitable arrangements may come onto Company property for a reasonable period of time to investigate complaints or grievances or to confer with Local Chairmen provided that in doing so they will not interfere with the performance of other employees' work or disrupt the Company's operations.

2. Committeemen and employees serving on Committees shall be granted leave of absence for the performance of Union business.

ARTICLE Y

ORGANIZATION INFORMATION

The first of each month the Company will provide the General Chairman of each Union a list of employees covered by the Agreement who are hired, their headquarters point, their home addresses, and Social Security Numbers (if available, otherwise the employees' identification number), a list of the employees recalled from furlough and a list of employees terminated (retired, resigned, discharged or deceased).

NOTE: The Company shall not provide to the Union the home address of an employee if such employee so requests.

ARTICLE Z

DISTRIBUTION OF AGREEMENT

Company employees covered by the Labor Agreement and this Quality of Work Life Agreement shall be furnished a copy of these agreements by the Company within sixty (60) days of date of first paid service with Company.

ARTICLE AA

INTERPRETATIONS

No interpretation shall be placed upon these rules unless agreed to by the Company and Unions or Applicable Union, unless such interpretation results from a valid arbitration decision.

ARTICLE BB

CRAFT-SPECIFIC PROVISIONS

Additional provisions of this Agreement applicable only to the employees of certain specified craft or crafts are set out in individual Craft Specific Provisions. Subject to the provisions of the Railway Labor Act, as amended, the Union specified in the Craft Specific Provisions shall be the recognized representative of the employees subject to such craft-specific provisions and shall have responsibility for negotiating any changes to such provisions.

ARTICLE CC

In accordance with Article 23 of the Labor Agreement, the parties signatory hereto agree to bargain jointly on the common provisions of this Agreement.

ARTICLE DD

SAFETY EQUIPMENT

1. Employees covered by this Agreement shall be reimbursed for the cost of prescription safety eyeglasses a maximum of once each calendar year. It is understood that the Company may enter into contracts with prescription safety glass providers to obtain high quality prescription safety glasses at the lowest price.
2. If the Company makes steel-toed safety shoes mandatory footwear, for employees not previously required to wear them, such employees required to wear such safety shoes who are in active service at the time such shoes are made mandatory will be allowed an initial payment of **\$150.00**. On each following April 1, active employees who are required to wear steel-toed safety shoes shall be entitled to receive an annual payment in accordance with the following schedule:
 - **\$150.00 effective April 1, 2012 (net of any prior 2012 payment)**
 - **\$155.00 effective April 1, 2013**
 - **\$160.00 effective April 1, 2014**
 - **\$165.00 effective April 1, 2015**
 - **\$170.00 effective April 1, 2016**
3. It is understood that employees on furlough or approved leave of absence when such payments are made who would otherwise be eligible to receive such payments will receive such payments immediately upon their return to service. It is further understood that employees may not receive more than one initial **\$150.00** payment, nor more than one annual payment in subsequent years.

ARTICLE EE

TECHNOLOGY AND TRAINING

The Company agrees that as new technology is introduced into the workplace, the Company will provide affected employees with sufficient training necessary to learn the new technology at no cost or loss to the employee.

ARTICLE FF

EFFECTIVE DATE

This Agreement shall become effective upon execution by the Company and, in regard to the employees represented by each Union, execution by such Union

Signed this 1st day of November 2012, to be effective November 1, 2012.