

APPENDIX E

RATE PROGRESSION

Article XI of the December 11, 1981 National Agreement and all other local rules governing rate progression or entry rates are eliminated and the following provisions are applicable.

Section 1 - Service First 60 Months

Machinists helpers and upgraded machinists entering service on or after January 2, 1988, shall be paid as follows for all service performed within the first sixty (60) calendar months of service:

- (a) For the first twelve (12) calendar months of employment, new employees shall be paid 75% of the applicable rates of pay (including COLA) for the class and craft in which service is rendered.
- (b) For the second twelve (12) calendar months of employment, such employees shall be paid 80% of the applicable rates of pay (including COLA) for the class and craft in which service is rendered.
- (c) For the third twelve (12) calendar months of employment, such employees shall be paid 85% of the applicable rates of pay (including COLA) for the class and craft in which service is rendered.
- (d) For the fourth twelve (12) calendar months of employment, such employees shall be paid 90% of the applicable rates of pay (including COLA) for the class and craft in which service is rendered.
- (e) For the fifth twelve (12) calendar months of employment, such employees shall be paid 95% of the applicable rates of pay (including COLA) for the class and craft in which service is rendered.
- (f) Any calendar month in which an employee does not render compensated service due to furlough, voluntary absence, suspension, or dismissal should not count toward completion of the sixty (60) month period.
- (g) During any portion of the sixty (60) month period of employment in which any employees serves as an upgraded machinists he shall be paid at the appropriate percentage of the applicable machinist rate.

NOTE: (1) Side Letter #2 from December 18, 1987 Agreement
(2) Letter dated May 25, 1994

SIDE LETTER #2

December 18, 1987

Mr. John F. Peterpaul
General Vice President
International Association of
Machinists and Aerospace Workers
Machinists Building
1300 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Peterpaul:

This confirms our understanding concerning Article III – Rate Progression. When an employee has completed a total of sixty (60) calendar months of employment in any shop craft position (or combination thereof) or acquires full journeyman's status, Article III will no longer be applicable. Employees who have had a shop craft employment relationship with the carrier and are rehired in a shop craft position shall have such previous service credited toward meeting this requirement.

Employees who have had a previous employment relationship with a carrier in a craft represented by a shop craft organization and are subsequently hired by another carrier after the date of this Agreement shall be covered by this Article, as amended. However, such employees will receive credit toward completion of the sixty (60) months period for any month in which compensated service was performed in such craft provided that such compensated service last occurred within one year from the date of re-employment.

Agreements which provide for entry rates lower than those provided for in Article III are preserved. However, if such agreements provided for payment at a lower rate for less than the first sixty (60) calendar months of actual service, Article III will be applicable during any portion of that period in which such lower rate is not applicable.

Article XI of the December 11, 1981 National Agreement or local rules or practices pertaining to entry rates shall continue to apply to employees covered by such rules hired before the effective date of Article III of this Agreement.

Please indicate your agreement by signing your name in the space provided below.

Very truly yours,
/s/ C. I. Hopkins, Jr.

I agree:

/s/ John F. Peterpaul

File: 0-0039-036

May 25, 1994

Mr. D. R. Babcock
General Chairman, IAM&AW
101 East St. Charles Road
Villa Park, IL 60181

Dear Mr. Babcock:

Article III - Rate Progression - of the December 18, 1987 National Mediation Agreement as amended by Memorandum of Agreement dated August 6, 1991 is further amended as follows:

An employee hired under the terms of the contract between the Soo Line Railroad and the International Association of Machinists who has service with the Soo Line Railroad in a craft represented by another Organization shall also have this service included in determining period of employment for the purposes of applying the Rate Progression provisions to Set-Up Machinists.

Yours truly,

/s/ C. S. Frankenberg

C. S. Frankenberg
Vice President Labor Relations
Soo Line Railroad

I CONCUR:

/s/ D. R. Babcock
D. R. Babcock, General Chairman, IAM

APPENDIX F
Rates of Pay

July 1, 2006

Machinist		\$21.06
Machinist Helper		\$18.73
Apprentice	1	\$14.889
	2	\$15.9525
	3	\$17.016
	4	\$18.0795
	5	\$19.143
	6	\$20.20650
Mechanic in Charge (base monthly rate)		\$4,272.00
Traveling Mechanic (monthly rate)		\$4,465.84

NOTE: Upgraded Machinist and Machinist Helpers are subject to the rate Progression as outlined in Appendix E.

APPENDIX G
Memorandum of Agreement
Between
The Minneapolis, St. Paul & Sault Ste.
Marie Railroad Company
and
System Federation No. 66
Railway Employees Department
A. F. of L.

In the interest of the safety and welfare of the employees, it is hereby understood and agreed that the Railroad Company may require all employees to take a visual and physical examination as shown below:

ARTICLE 1

When the representative of the employees or the foreman or other supervisor has reason to believe that an employee's physical condition at any time while in service is such that he is becoming unsafe and liable to cause injury to himself or fellow employees, he may be directed to take a complete physical examination.

ARTICLE 2

An employee who presents himself for duty following a severe illness, injury, furlough or leave of absence may be required to pass a physical examination before resuming duty under the procedure outlined in Article 1.

ARTICLE 3

It is also understood and agreed that any medical fee in connection with such examinations by Company doctors as are requested by the Company will be borne by the Railway Company.

ARTICLE 4

If an employee is not satisfied with the examination of the Railroad Company's doctor, he is privileged to have the case handled as follows:

- (a) The employee involved, or his representative, will select a physician to represent him, and he will act with Carrier's Chief Surgeon, in conducting a further physical examination. If the two physicians thus selected shall agree, the conclusions reached by them will be final.

- (b) The physician selected by the Company and the employee shall be graduates of a reputable Class A schools of regular medicine and of good standing in their communities.
- (c) If the two physicians selected in accordance with Paragraph (a) should disagree as to the physical condition of such employee, they will select a third physician to be agreed upon by them, who shall be a well-known consultant of recognized standing in the medical profession, and a specialist in the disease, or diseases, from which the employee is alleged to be suffering. The board of medical examiners thus selected will examine the employee and render a report within a reasonable time, not exceeding 15 days after selection, setting forth his physical condition and their opinion as to his fitness to continue service in his regular employment, which will be accepted as final. Should the decision be adverse to the employee and it later definitely appears that his physical condition has improved, a re-examination will be arranged after a reasonable interval, upon request of the employee.

When an employee is required to report to the Company doctor as covered by Article 1 of this agreement if it is found that his physical condition is such that he may return to work at once, he will be paid for any time lost due to taking the physical examination.

If an employee is disqualified for further service either temporarily or permanently by a Company physician account of his physical condition and he is not satisfied with the examination and desires to proceed as covered by Article 4, and should the Board of three doctors find that he is physically fit to return to work he will not be paid for any time lost between the date he was held out of service account of alleged disqualification and date of final report by the medical examiners unless he asked to have provisions of Article 4 applied within 10 days after he was notified that the Company's physician had disqualified him.

- (d) The Management and the employee involved will each defray the expenses of their respective appointees. The fee of the third member of the board will be borne equally by the involved employee and the Company. Fees for hospital expenses, laboratory, and x-ray examinations, etc., will be borne equally by the employee and the Railroad Company.

ARTICLE 5

Where an employee has been disqualified for active service hereunder, he shall be granted a leave of absence.

This Agreement will become effective as of November 1, 1946, and will continue in effect thereafter subject to cancellation on thirty (30) days' written notice being served by either party signatory hereto upon the other.

APPENDIX H
Benefit Plans

Employees covered by this Agreement are entitled to the benefits of:

Soo Line Health and Welfare Benefits Plan for Union Employees

Soo Line Early Retirement Medical Plan Benefits

Supplemental Sickness Benefit Plan

Dependent Care Assistance Plan

401K Plan