

**AGREEMENT BY AND BETWEEN  
TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION  
AND  
PROVIDENCE AND WORCESTER RAILROAD COMPANY  
DATED JUNE 10, 2014**

This Agreement ("Agreement") is entered into on this 10th day of June, 2014, by and between Transportation Communications International Union ("TCU"), and Providence and Worcester Railroad Company ("P&W"), a Rhode Island corporation with an office at 75 Hammond Street, Worcester, Massachusetts, 01610. The parties expressly agree that the amendments provided herein are based upon that certain unexecuted Amended and Restated Agreement, dated as of August 8, 2006, by and between the parties attached hereto and incorporated herein as Exhibit A (hereinafter, the "2006 Agreement"). By way of execution of this Agreement the parties expressly accept said 2006 Agreement as if properly executed between the parties and subject to the terms and conditions provided herein.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements herein contained, the parties mutually agree as follows:

1. **General Wage Increases**. The first section of the 2006 Agreement entitled General Wage Increases is hereby deleted and replaced with the following:-

Each employee covered by the Collective Bargaining Agreement between Providence and Worcester Railroad Company ("P&W") and the Transportation Communications International Union ("TCU") shall receive a salary increase, beginning on the first full pay period following July 15, as follows:

- (a) Effective July 15, 2013, rates of pay then in effect shall be increased by one half (½) percent.
- (b) Effective July 15, 2014, rates of pay then in effect shall be increased by two and one quarter (2¼) percent.
- (c) Effective July 15, 2015, rates of pay then in effect shall be increased by three (3) percent.
- (d) Effective July 15, 2016, rates of pay then in effect shall be increased by three (3) percent.
- (e) Effective July 15, 2017, rates of pay then in effect shall be increased by three (3) percent.
- (f) Effective July 15, 2018, rates of pay then in effect shall be increased by three (3) percent.

- (g) Effective July 15, 2019, rates of pay then in effect shall be increased by three (3) percent.
- (h) Effective July 15, 2020, rates of pay then in effect shall be increased by three (3) percent.

2. **Probationary Employees.** Rule 4 of the 2006 Agreement is hereby deleted in its entirety and replaced with the following:-

- (a) All clerical employees shall become regular employees, regardless of their initial date of employment, after sixty (60) days of continuous service unless the P&W shall, before the end of the probationary period, serve a notice on TCU and the employee expressing a doubt with respect to the aptitude or qualifications of said employee. IN the event of the service of such a notice the P&W shall not be required to regularize employment until it is satisfied with respect to said employee's qualifications. In no event, however, may a probationary period be extended beyond three hundred and sixty-five (365) days.
- (b) Probationary employees, regardless of their seniority district, shall have no seniority or tenure and may be discharged as of the end of any working day without cause. They shall not be covered during the period of probation by any profit-sharing plan, pension plan, Sunday or vacation agreement, or health and welfare plan, except as otherwise provided for in this Agreement.
- (c) Probationary employees shall be paid for their service at the end of each work week at a minimum daily rate which may, for the first three hundred and sixty-five (365) days, be 20% below the minimum scales set forth in this Agreement computed on a daily basis, and, for the second three hundred and sixty-five (365) days, be 10% below the minimum scales set forth in this Agreement computed on a daily basis. After seven hundred and thirty (730) days of continuous employment, said employees shall be paid for their service at the end of each work week at the applicable minimum scale set forth in this Agreement.
- (d) After seven hundred and thirty (730) days of employment the minimum daily rate of pay shall be increased to a daily rate computed by dividing the minimum guaranteed annual wage by 260.
- (e) In Seniority Districts #1 and #3 these daily rates for probationary employees shall apply regardless of the number of hours of service rendered, the days on which services are performed, or the location in which said services are rendered.
- (f) Probationary employees in Seniority District #2 shall be entitled to the same provisions with respect to overtime and holiday pay as the regular employees in Seniority District #2.

(g) In P&W's sole discretion, paragraphs 4(c) and 4(d) shall not apply to a probationary employee hired on or after January 1, 2014, whose initial rate of pay is in excess of the minimum scale set forth in this Agreement.

3. **Regular Employees.** Rule 5 of the 2006 Agreement is hereby amended as follows:-

- a. The second sentence of Paragraph (b) of Rule 5 of the 2006 Agreement is hereby amended by deleting the words "Such entry salary shall not be increased by an COLA, but individual employees shall receive the COLA adjustment provided in subparagraph (d) of this rule:"
- b. Paragraph (d) of Rule 5 of the 2006 Agreement is hereby deleted in its entirety.
- c. The second sentence of Paragraph (e) of Rule 5 of the 2006 Agreement is hereby amended by deleting the words ", but will receive the COLA adjustment provided for in subparagraph (b) of this rule"
- d. Subsection (iii) of Paragraph (f) of Rule 5 of the 2006 Agreement is hereby deleted in its entirety and replaced with the following:-

(iii) Employees hired on or after July 1, 2000 who are unfit for work on account of short-term illness will be granted sick leave each calendar year as follows:

After 1 year continuous service.....2 days  
After 2 years continuous service..... 3 days  
After 4 years continuous service..... 4 days  
After 5 years continuous service..... 5 days  
After 10 years continuous service.....7 days

- e. Section (3) of Paragraph (f) of Rule 5 of the 2006 Agreement is hereby amended by inserting the following new subparagraph:-
  - (d) If P&W has not received notice from the regular employee as required in this paragraph (f)(3) of Rule 5, then the regular employee shall have the option to, at any point until they retire, provide notice to P&W to receive their remaining accumulated sick time as: (i) a one-time lump sum payment upon retirement, or (ii) ratably over a six (6) month period while the employee is still actively employed. Said lump sum or ratable payment shall be payable at the rate of fifty percent (50%) of the rate otherwise applicable to a day's sick leave pay, or, after January 1, 2015, fifty percent (50%) of the rate of pay for the year in which the sick time was earned.
- f. Paragraph (f) of Rule 5 of the 2006 Agreement is hereby further amended by inserting the following two (2) new subparagraphs:-

(5) On and after January 1, 2015, all accumulated sick leave will be paid out, as otherwise provided in this Agreement, at the rate of pay for the year in which the sick time was earned.

(6) Paragraphs 5(f)(3) and 5(f)(4) shall not apply to employees hired on or after January 1, 2014.

g. Paragraph (g) of Rule 5 of the 2006 Agreement is hereby amended by deleting it in its entirety and replacing it with the following two new paragraphs (g) and (h):-

(g) After three (3) years of continuous employment, regular employees will be granted three (3) personal leave days per year subject to approval of their immediate supervisor which approval shall not be unreasonably withheld. All requests must be submitted in writing to the employee's supervisor at least five (5) days in advance, except in the event of an emergency where such notice is not possible; provided, however, said employee must notify his/her supervisor as soon as practicable. Subject to the foregoing, requests for personal leave will be honored on the basis of the chronological order of the requests. Compensation for a personal leave day shall be a full day's pay, paid out at the rate of pay for the year in which the personal leave day was earned. Unused personal days from a given year may be carried forward or cashed in at the employee's request; provided, however, that in no event shall any employee have, at any time, more than six (6) personal days outstanding and any request to cash in personal days must be submitted in writing no later than May 1 of a given year and will be paid in the month of June. Each employee with accumulated personal time shall be furnished, on or before January 31 of each calendar year, a summary of (A) the number of unused personal days for the prior calendar year that have been added to the employee's bank, and (B) the cumulative number of unused personal days outstanding as of the first day of the calendar year. P&W's summary shall be conclusive on these matters in the absence of written objection furnished to P&W's treasurer disagreeing with such summary within ten (10) days of the date thereof.

(h) Regular employees (not probationary employees) may request, in writing, a review of their rates in the event that they hold a special diploma or certificate, obtained after January 1, 2014, which will benefit P&W or if the duties of their position are increased. Rate increases shall be subject to P&W's sole and absolute discretion and, if agreed to, will in no event exceed more than ten (10) percent of the regular employee's base rate.

4. **Hours of Work.** Rule 6 of the 2006 Agreement is hereby amended as follows:-

a. Rule 6 of the 2006 Agreement is hereby amended by deleting paragraphs (b) and (c) in their entirety and inserting in place thereof the following new paragraphs (b) and (c):-

(b) In the event that an employee in Seniority District #1 is called to perform services on a rest day, P&W agrees that the employee may elect to receive: (i) compensatory

time to be scheduled following such services, subject to the approval of his/her supervisor, (ii) compensatory time to be added to the employee's "bank" at one and a half (1½) times their daily rate, or (iii) pay equal to the employee's pro-rated daily rate of pay; provided, however, that in no event shall an employee be entitled to elect such pay if, at any time, it should be determined that overtime rates would apply to such pay. Banked "compensatory time" or "compensatory hours" shall be calculated at the employee's daily rate in effect when it was earned.

- (c) While the P&W will endeavor to arrange work schedules of no more than eight (8) hours in each work day, with two (2) days of rest in each seven (7) day period, the employees in Seniority Districts #1 and #3 shall not be entitled to overtime or penalty pay in the event that situations arise from time to time which shall make an eight (8) hour day impractical. However, no employee shall be required under any circumstances to perform more than 2500 hours of work during the period of fifty-two (52) weeks to which their guaranteed minimum annual wage applies.

In the event an employee in Seniority Districts #1 or #3 is called to perform work on any one of his/her rest days or is required to work over eight (8) hours on any given day, said employee will be allowed, at the employee's election, compensatory time to be added to the employee's "bank" at one and a half (1½) times their daily rate, or pay equal to the employee's pro-rated daily rate of pay; provided, however, that in no event shall an employee be entitled to elect such pay if, at any time, it should be determined that overtime rates would apply to such pay. Banked "compensatory time" or "compensatory hours" shall be calculated at the employee's daily rate in effect when it was earned.

Said time should be taken within a reasonable time and all efforts will be made to comply accordingly.

- b. Rule 6 of the 2006 Agreement is hereby further amended by inserting the following two new paragraphs (f) and (g) as follows:-

- (f) Regular employees covered by this Agreement who are not otherwise subject to federal, state, or local laws, rules, or regulations governing hours of service requirements, may request a temporary modification of his/her current work schedule to a flex schedule (e.g., a period not to exceed ten (10) days) which includes at least forty (40) hours per work week and includes a start time of no earlier than 6:30 a.m. and end time of no later than 6:30 p.m. Said employees must provide their immediate supervisor with no less than five (5) business days' prior notice of a request to temporarily alter their work schedule to a temporary flex schedule. Changes to schedules shall be made by management only and may be denied in cases of emergency, instances where the flex schedule would impact P&W's business operations, or based upon job-related considerations. If there are conflicting requests from employees and the needs of the supervisor require that not all requests may be approved, then the supervisor shall approve (if all other

considerations indicate approval) the request submitted by the employee with the most seniority.

(g) (i) On or after January 1, 2014, all employees may accumulate and use up to a maximum limit per calendar year of one hundred and twenty (120) hours of compensatory time. For example, an employee may not exceed one hundred and twenty (120) hours total accrual of compensatory leave time during any given calendar year as this is the maximum cap allowed and the maximum amount that can be used in a calendar year. Compensatory time accumulated beyond one hundred and twenty (120) hours shall be paid out at the rate for which it was earned on or before July 31 of the following year.

(ii) Employees may elect, however, to cash out any accumulated compensatory time at the rate for which it was earned provided they submit written notice of said election to their supervisor no less than thirty (30) days prior to June 1 in any given year. Said written notice must include, at a minimum, the employee's name, signature, and the amount of time requested to be cashed out. P&W shall not be required to process any request if notice is not received in a timely fashion. If proper notice is received, however, then P&W shall either process a single lump sum payment, or process installment payments, totaling the cash out request. The payment(s) contemplated in this Paragraph (g)(ii) will be processed in an employee's regular pay check on or before July 31 of the year requested.

5. **Health and Welfare Benefits.** Rule 13 of the 2006 Agreement is hereby amended as follows:-

- a. The fourth sentence of Paragraph (b) of Rule 13 of the 2006 Agreement is hereby amended by deleting the words "The P&W shall have no contractual obligation to continue these payments for any single employee for an aggregate period of more than three years" and replacing it with the following words:- "The P&W shall have no contractual obligation to continue these payments for any single employee, during the course of their employment, for a total aggregate period of more than one (1) year"
- b. The second sentence of the last paragraph of Paragraph (c) of Rule 13 of the 2006 Agreement is hereby amended by deleted the words "The P&W shall have no contractual obligation to continue these payments for any single employee for an aggregate period of more than three years" and replacing it with the following words:- "The P&W shall have no contractual obligation to continue these payments for any single employee, during the course of their employment, for a total aggregate period of more than one (1) year"
- c. Rule 13 of the 2006 Agreement is hereby amended by inserting the following new paragraphs (f) and (g):-
  - (f) Employees covered under this Agreement will provide monthly cost sharing contributions, on a pre-tax basis so long as this practice is permitted in accordance

with applicable laws, rules, and regulations, for the coverage referred to in Paragraph (a) of this Rule. The monthly cost sharing contributions will be calculated, beginning on the first full pay period following July 15, as follows:

- a. Effective July 15, 2014, the contribution rate shall be one half ( $\frac{1}{2}$ ) of a percent.
  - b. Effective July 15, 2015, the contribution rate shall be increased to three quarters ( $\frac{3}{4}$ ) of a percent.
  - c. Effective July 15, 2016, the contribution rate shall be increased to one and one quarter ( $1\frac{1}{4}$ ) of a percent.
  - d. Effective July 15, 2017, the contribution rate shall be increased to two (2) percent.
  - e. Effective July 15, 2018, the contribution rate shall be increased to two and a half ( $2\frac{1}{2}$ ) percent.
  - f. Effective July 15, 2019, the contribution rate shall be increased to two and three quarters ( $2\frac{3}{4}$ ) of a percent.
  - g. Effective July 15, 2020, the contribution rate shall be two and three quarters ( $2\frac{3}{4}$ ) of a percent.
- (g) Effective July 15, 2014 and for so long as permissible in accordance with applicable laws, rules, and regulations, employees covered by this Agreement who are eligible to elect to decline health insurance benefits, with the exception of certain on-duty employee health care benefits, as applicable, shall be eligible for a continuing annual "opt-out benefit" pursuant to P&W's health insurance policy. Those employees electing to "opt-out" shall receive Four Thousand Dollars (\$4,000.00) for opting-out of a plan under this policy ("Opt-Out Benefit"). For employees that have previously dropped a P&W health plan, they must have been enrolled in a P&W health plan for at least one (1) year at some point during their employment and provide updated proof of other coverage during the open enrollment period as prescribed below. Employees are eligible for the payment if they have coverage under another plan. Employees must show proof of coverage annually. Other plans generally include but are not limited to: (i) your spouse's/partner's plan; (ii) another health insurance plan; (iii) a plan offered through a second employer (if you have another job that provides health care benefits); or (iv) a retiree health plan from an employer other than P&W. If an employee opts out of health insurance benefits, they may re-enroll due to a loss of coverage if that coverage was terminated as a result of loss of eligibility for that coverage (e.g., losing such eligibility as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment). The employee, however, will be required to pay back a prorated amount of their Opt-Out Benefit and begin making monthly cost sharing contributions. Employees who already participate in the "opt-out" cash

benefit program must complete a renewal form, election form, or such other form as may be required each year during open enrollment in order to receive their cash benefit. The Opt-Out Benefit provided in this Paragraph (g) shall be payable in the month of June.

In instances where employees are spouses/partners both working for P&W one spouse (and only one) must “opt-out” of the health insurance benefits. The employee spouses/partners may decide which will opt out of the health insurance coverage. The full Opt-Out Benefit, however, will not be available to the employee spouses/partners opting out of coverage. The employee spouse/partner “opting-out” shall receive Two Thousand Five Hundred Dollars (\$2,500.00) for opting-out of a plan under this policy, payable in the month of June.

P&W reserves the right to suspend or terminate the “opt-out” cash benefit program in the event the Opt-Out Benefit exceeds the health care savings envisioned in adopting this program.

Employees “opting-out” of health insurance benefits pursuant to this paragraph (g) shall not be required to make the cost sharing contributions provided in paragraph (f) of this Rule 13.

6. **Moratorium.** Rule 17 of the 2006 Agreement is hereby amended by deleting the date “December 31, 2012” appearing in the first sentence and inserting in place thereof the following date:- “December 31, 2020”
7. **Miscellaneous.** Rule 18 of the 2006 Agreement is hereby amended by inserting the following new paragraphs (f) and (g):-
  - (f) To promote communication and problem resolution, representatives from TCU and P&W may meet quarterly to discuss or resolve current issues. The first meeting may take place during the third quarter of 2014. The time and place of each meeting will be mutually agreed upon in advance of the meeting. At least one week’s notice shall be provided for each meeting. If there are no issues to discuss, the quarterly meeting may be cancelled through mutual agreement of both parties. An agenda for any meeting shall be mutually agreed upon prior to the meeting.
  - (g) All employees covered by this Agreement will make necessary arrangements to allow for electronic funds transfer of their wages. All current employees will have sixty (60) days following the effective date of this Agreement to select a financial institution which accepts such funds transfer and will provide necessary information to P&W to facilitate such transfer.
8. Employee spouses/partners currently working for P&W must elect which spouse/partner will opt-out of the health insurance benefits provided for in paragraph (g) of Rule 13, added pursuant to section 5 of this Agreement, within ten (10) days of ratification of this Agreement.




9. In executing this Agreement the parties expressly accept the 2006 Agreement as if executed between the parties. No later than ninety (90) days following execution of this Agreement, the parties agree to initiate negotiation and execute an amended and restated collective bargaining agreement (the "Amended and Restated Agreement") consistent with both the 2006 Agreement and this Agreement. The Amended and Restated Agreement shall incorporate all of the revisions and amendments stated and agreed to herein. The Amended and Restated Agreement, so negotiated, shall apply to all members of the TCU and shall be reduced to writing by P&W, ratified, and signed by all the parties.
10. Employee elections required pursuant to this Agreement (e.g., Paragraph 8 above) shall be made within the time periods provided herein. Failure to make timely elections may result in the employee being taken out of service.

**IN WITNESS WHEREOF**, this Agreement shall be effective following its execution by the parties hereto and approval of the international president and ratification by the general membership. Signed in Worcester, Massachusetts on the date first above written.

**FOR:**

**PROVIDENCE AND WORCESTER  
RAILROAD COMPANY**


By: \_\_\_\_\_

  
P. Scott Conti  
President


**FOR:**

**TRANSPORTATION INTERNATIONAL  
COMMUNICATIONS UNION**

By: \_\_\_\_\_


  
Arthur Maratea  
TCU National Vice President

By: \_\_\_\_\_

  
William DeCarlo  
TCU National Representative

**APPROVED:**

By: \_\_\_\_\_

  
Robert Scardelletti, President  
TCU International

**Exhibit A**

Amended and Restated Agreement  
dated as of August 8, 2006  
(unexecuted)

THIS AMENDED AND RESTATED AGREEMENT, dated as of August 8, 2006, is by and between the **PROVIDENCE AND WORCESTER COMPANY** (hereinafter referred to as "P&W") and the **TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION** (hereinafter referred to as "TCU") for System Board No. 86.

WHEREAS, the P&W is a carrier by railroad as defined in the Railway Labor Act; and

WHEREAS, the P&W requires the services from time to time of station agents, yard clerks, secretaries, office machine operators, data processing clerks, office clerks and patrolmen (hereinafter collectively referred to at times as "clerical employees and patrolmen"); and

WHEREAS, TCU is a labor organization organized in accordance with Section 2 of the Railway Labor Act, national in scope, having representation on the National Railroad Adjustment Board, and expects to become the duly certified representative of the P&W clerical employees for the purpose of negotiating applicable collective bargaining agreements establishing rates of pay, rules and working conditions.

NOW, THEREFORE, in consideration of the premises, terms and conditions herein contained and in anticipation of certification by the National Mediation Board, it is agreed as follows:

## GENERAL WAGE INCREASES

[This section amended in the August 8, 2006 Agreement] Each employee covered by the Collective Bargaining Agreement between P&W and the TCU shall receive a salary increase as follows:

1. Effective July 1, 2006, rates of pay then in effect shall be increased by \$10.00 per week.
2. Effective July 1, 2007, rates of pay then in effect shall be increased by \$10.00 per week.
3. Effective July 1, 2008, rates of pay then in effect shall be increased by \$10.00 per week.
4. Effective July 1, 2009, rates of pay then in effect shall be increased by \$10.00 per week.
5. Effective July 1, 2010, rates of pay then in effect shall be increased by \$10.00 per week.
6. Effective July 1, 2011, rates of pay then in effect shall be increased by \$10.00 per week.
7. Effective July 1, 2012, rates of pay then in effect shall be increased by \$10.00 per week.
8. Effective July 1, 2013, rates of pay then in effect shall be increased by \$10.00 per week.

RULE 1

EMPLOYEES COVERED

**[This section amended in the December 14, 1979 Agreement]** The employees covered by this agreement are all employees of the P&W, other than officials, who shall now or hereafter be required to render services in the principal primary occupations of station agents, yard clerks, secretaries, office machine operators, bookkeepers, switchboard operators, data processing clerks, general office clerks and patrolmen. The employees covered by this agreement may collectively be referred to as "clerical employees or patrolmen".

## RULE 2

### SENIORITY DISTRICTS

(a) [This subsection amended in the December 14, 1979 Agreement] The clerical employees or patrolmen shall be divided into three separate seniority districts. The station agents, yard clerks and utility clerks who primarily perform services outside of the principal office of the P&W shall comprise Seniority District #1; all other clerical employees shall be in Seniority District #2. Patrolmen shall be in Seniority District #3.

(b) All regular employees shall have prior rights in accordance with their seniority within their seniority district to promotion, assignments, displacement and work, subject to the terms, conditions and qualifications hereinafter set forth.

(c) [This subsection amended in the December 14, 1979 Agreement] Positions or vacancies of five (5) days or more, but less than 30 days duration will be considered temporary and filled without bulletining, but senior employees shall have preference to said vacancy provided they desire same.

## RULE 3

### SENIORITY ROSTERS

- (a) The P&W shall maintain a seniority roster of all employees in each seniority district showing name, title of position, location, and date of seniority of each regular employee rendering services as station agents, yard clerks and utility clerks.
- (b) Proper notation will be made on rosters showing employees on leave of absence, promoted to official positions, or retired under the disability provisions of the Railroad Retirement Act, so long as they retain seniority rights.
- (c) A contention that an entry on the seniority roster is in error must be made by either the employee adversely affected by the alleged error or by TCU within thirty (30) days after a copy of the roster is made available pursuant to this agreement. In the event that a copy of the roster is furnished and no protest is made within thirty (30) days the entries on the roster shall be deemed correct.
- (d) Rosters shall be revised and made available within thirty (30) days after the following events: the addition of a regular employee, the promotion of an employee, reduction in force.

## RULE 4

### PROBATIONARY EMPLOYEES

[This rule deleted and restated in its entirety by the December 14, 1979 agreement]

(a) All clerical employees shall become regular employees, regardless of their initial date of employment, after sixty (60) days of continuous service unless the P&W shall, before the end of the probationary period, serve a notice on TCU and the employee expressing a doubt with respect to the aptitude or qualifications of said employee. In the event of the service of such a notice the P&W shall not be required to regularize employment until it is satisfied with respect to said employee's qualifications. In no event, however, may a probationary period be extended beyond one hundred and twenty (120) days.

(b) A probationary employee, regardless of his seniority district, shall have no seniority or tenure and may be discharged as of the end of any working day without cause. He shall not be covered during the period of probation by any profit-sharing plan, pension plan, Sunday or vacation agreement, or health and welfare plan, except for the insurance provided in this agreement.

(c) Probationary employees shall be paid for their services at the end of each work week at a minimum daily rate which may, for the first sixty (60) days but not thereafter, be 10% below the minimum scales set forth in this agreement computed on a daily basis.

(d) After the sixtieth (60th) day of employment the minimum daily rate of pay of probationary employees shall be increased to a daily rate computed by dividing the minimum guaranteed annual wage by 260.

(e) In Seniority District #1 these daily rates for probationary employees shall apply regardless of the number of hours of service rendered, the days on which services are performed, or the location in which said services are rendered.



(f) Probationary employees in Seniority District #2 shall be entitled to the same provisions with respect to overtime and holiday pay as the regular employees in Seniority District #2.

(g) In Seniority District #3 these daily rates for probationary employees shall apply regardless of the number of hours of service rendered, the days on which services are performed, or the location in which said services are rendered.

RULE 5

REGULAR EMPLOYEES

(a) [This subsection deleted and restated in its entirety by the August 8, 2006 Agreement] Subject to subparagraph (d) of this rule, each employee covered by this Agreement, in active service as of August 8, 2006, shall, while in P&W's service receive a rate of pay not less than the rate such employee earned on August 8, 2006. This rate-of-pay provision will not apply, however, if an employee voluntarily moves into a lower-rated position when such employee has sufficient fitness, ability and seniority to hold a position with a rate higher than such position. This subparagraph is not intended to create or preserve specific positions nor to specify or preserve any particular pay rates for positions. It applies only to employees in service on August 8, 2006.

(b) [This subsection (formerly subsection (e)) amended in the December 22, 1987 Agreement and the May 18, 1994 Agreement and here restated as subsection (b))] The entry level salary per annum for regular employees hired after August 8, 2006, shall be as follows. Such entry salary shall not be increased by an COLA, but individual employees shall receive the COLA adjustment provided in subparagraph (d) of this rule:

1. District I Yard Clerks..... \$44,669.64
2. District III Policemen..... \$44,669.64
3. District I General Clerks..... \$40,202.68
4. District II Clerks..... \$30,925.14

(c) [This subsection (formerly subsection (b)) amended in the December 14, 1979 Agreement and here restated as subsection (c)] The amounts hereinabove set forth are minimum annual wages. Nothing herein contained shall be construed to prevent the P&W, at its

option and without consultation with TCU, to pay amounts in excess of those specified herein for any individual employee, or to increase the amounts paid to any employee covered by this agreement at any time and in its sole discretion. TCU shall be entitled at all times to be informed of the salary, wages and bonuses of all clerical employees covered by this agreement.

(d) **[This subsection added in the December 22, 1987 Agreement]** The P&W shall adjust the compensation of regular employees covered by this agreement semi-annually so as to reflect the percentage increase in the cost of living index as measured by the Consumer Price Index for U.S. City Average (w), based upon the months of December and June, but no such individual's semi-annual increase adjustment shall exceed 2.5 percent.

(e) **[This subsection (formerly subsection (f)) and here restated as subsection (e)) added in the December 22, 1987 Agreement]** District I Yard Clerks and District III Policemen shall, within three years after employment, receive the then applicable prevailing rate for regular employees. District II Clerks and District I General Clerks will not be entitled to such increase, but will receive the COLA adjustment provided for in subparagraph (b) of this rule.

(f) **[This subsection (formerly subsection (g)) and here restated as subsection (f)]**

(i) Employees unfit for work on account of short term illness will be granted sick leave each calendar year as follows:

After 1 year continuous service.....	2 days
After 2 years continuous service.....	3 days
After 3 years continuous service.....	4 days
After 5 years continuous service.....	5 days
After 7 years continuous service.....	10 days

(ii) Employees hired on or after July 1, 1994 who are unfit for work on account of short term illness will be granted sick leave each calendar year as follows:

After 1 year continuous service.....	2 days
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After 2 years continuous service..... 3 days  
After 3 years continuous service..... 4 days  
After 5 years continuous service..... 5 days  
After 10 years continuous service..... 10 days

(iii) **[This subsection amended in the May 9, 2000 Agreement]** Employees hired on or after July 1, 2000 who are unfit for work on account of short-term illness will be granted sick leave each calendar year as follows:

After 1 year continuous service..... 2 days  
After 2 years continuous service..... 3 days  
After 4 years continuous service..... 4 days  
After 5 years continuous service..... 5 days

(1) **[This subsection amended in the August 8, 2006 Agreement and labeled subsection (g)(1) is restated herein as subsection 5(f)(1)]** Compensation for short-term sick days shall be a full day's pay. Satisfactory evidence in the form of a letter or certificate from a reputable physician confirming the employee's sickness may be required. Any employee who is absent because of continuous illness or disability, after using short-term sick leave days, will be paid in accordance with Rule 13(c); provided, however, that an employee may reserve not more than seven (7) days of sick leave, whether from his annual sick leave allowance or his sick leave "bank." **[The following sentence added by the May 9, 2000 Agreement]** The sick leave allowance provided to all employees qualifying for short-term sick leave under this subparagraph, which remains unused at the end of the sick leave year, shall be added to the employee's "bank" on the first day of the next sick leave year and may accumulate without limitation.

(2) **[This subsection added in the August 8, 2006 Agreement and labeled subsection (g)(2) is restated herein as subsection 5(f)(2)]** Each employee with accumulated sick leave shall be furnished, on or before January 31 of each calendar year, a summary of (A)

the number of unused sick days for the prior calendar year that have been added to the employee's bank, and (B) the cumulative number of unused sick days outstanding as of the first day of the calendar year. P&W's summary shall be conclusive on these matters in the absence of written objection furnished to P&W's treasurer disagreeing with such summary within ten (10) days of the date thereof.

**(3) [This subsection added in the August 8, 2006 Agreement and labeled subsection (g)(3) is restated herein as subsection 5(f)(3)]** A regular employee who has accumulated sick time and who is within three (3) years of being eligible for railroad retirement benefits may elect to be compensated for a portion of his accumulated sick time, payable at the rate of fifty percent (50%) of the rate otherwise applicable to a day's sick leave pay, in accordance with the following schedule:

- (a) As of December 31 of the calendar year in which the employee is eligible for railroad retirement benefits in less than three (3) years, one-third (1/3) of his accumulated sick leave;
  - (b) As of December 31 of the calendar year in which the employee is eligible for railroad retirement benefits in less than two (2) years, one-half (1/2) of his accumulated sick leave; and
  - (c) As of December 31 of the calendar year in which the employee is eligible for railroad retirement benefits in less than one (1) year or, upon the date of retirement, whichever is earlier, the full balance of his accumulated sick leave.
- Any employee that wishes to be paid for accumulated sick time in accordance with this provision must notify P&W of his election in writing not later than November 15 of the calendar year specified in subsection (a)

hereof. Any compensation paid shall be treated as regular compensation to the employee for all tax and wage reporting purposes.

**(4) [This subsection added in the August 8, 2006 Agreement and labeled subsection (g)(4) is restated herein as subsection 5(f)(4)]** Any accumulated sick leave in an employee's sick leave "bank" shall be compensable to the employee's estate following the employee's death, payable at the rate of one hundred percent (100%) of the rate otherwise applicable to a day's sick leave pay, upon the earlier of (A) sixty (60) days following the employee's date of death, or (B) receipt of a written demand therefor from the deceased employee's duly qualified executor or administrator.

**(g) [This subsection (formerly subsection (h)) was added in the December 22, 1987 Agreement and amended by the May 9, 2000 Agreement and is restated herein as subsection (g)]** After three (3) years of continuous employment, regular employees will be granted three (3) personal leave days per year subject to approval of their immediate supervisor which approval shall not be unreasonably withheld. All requests must be submitted in writing to the employee's supervisor at least forty-eight (48) hours in advance. Subject to the foregoing, requests for personal leave will be honored on the basis of the chronological order of the requests. Compensation for a personal leave day shall be a full day's pay. **[The following sentence was amended in the August 8, 2006 Agreement ]** Unused personal days from a given year may be carried forward to the succeeding year; provided, however, that in no event shall any employee have, at any time, more than six (6) personal days outstanding. Each employee with accumulated personal time shall be furnished, on or before January 31 of each calendar year, a summary of (A) the number of unused personal days for the prior calendar year that have been added to the employee's bank, and (B) the cumulative number of unused personal

days outstanding as of the first day of the calendar year. P&W's summary shall be conclusive on these matters in the absence of written objection furnished to P&W's treasurer disagreeing with such summary within ten (10) days of the date thereof.

## RULE 6

### HOURS OF WORK

(a) [This subsection amended in the December 14, 1979 Agreement] Subject to applicable legislation, the P&W shall have the right to call any employee in Seniority Districts #1 or #3 who has received proper rest to perform necessary services at any time.

(b) [This subsection amended in the December 14, 1979 Agreement and the August 8, 2006 Agreement] In the event that an employee in Seniority District #1 is called to perform services on a rest day, P&W agrees that the employee may elect to receive: (i) compensatory time to be scheduled following such services, subject to the approval of his supervisor, (ii) compensatory time to be added to the employee's "bank," or (iii) pay equal to the employee's pro-rated daily rate of pay; provided, however, that in no event shall an employee be entitled to elect such pay if, at any time, it should be determined that overtime rates would apply to such pay. (The terms "compensatory time" and "compensatory hours" mean that time or hours determined at the rate of one (1) hour awarded for one (1) hour worked.)

(c) [This subsection amended in the December 14, 1979 Agreement] While the P&W will endeavor to arrange work schedules of no more than 8 hours in each work day, with 2 days of rest in each 7-day period, the employees in Seniority Districts #1 and #3 shall not be entitled to overtime or penalty pay in the event that situations arise from time to time which shall make an 8 hour day impractical. However, no employee shall be required under any circumstances to perform more than 2500 hours of work during the period of 52 weeks to which his guaranteed minimum annual wage applies.



In the event an employee in Seniority Districts #1 or #3 is called to perform work on any one of his rest days or is required to work over eight (8) hours on any given day, said employee will be allowed equivalent compensatory time off or leave with pay equal to time worked.

Said time should be taken within a reasonable time and all efforts will be made to comply accordingly.

(d) Employees in Seniority District #2 shall be entitled to time and a half for each hour over forty (40) in a given work week.

(1) Employees in Seniority District #2 shall be paid for services on Sundays and holidays as hereinafter defined at 2-1/2 times their dialy rate.

(2) Overtime and holiday rates of pay in Seniority District #2 shall be computed as follows: for each hour or part thereof over 40 in any single work week said employee shall receive at least \$5.25 per hour. If said services are performed on a Sunday or holiday as defined in this agreement the hourly rate shall be at least \$8.75.

(e) **[This subsection amended in the December 14, 1979 Agreement and the December 22, 1987 Agreement]** Holidays, as used in this agreement, include New Year's Day, Washington's Birthday, Employee's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve and Christmas Day.

## RULE 7

### SENIORITY

The seniority rights to which regular employees are entitled shall be only as herein defined.

(a) Seniority rights shall be based on the date when the P&W has accepted said employee as a regular employee. In the event that more than one employee shall have had his employment regularized on the same date, the P&W shall designate the respective rank of such employee.

(b) [This subsection amended in the December 14, 1979 Agreement] A regular employee promoted to official or other positions with either the P&W or TCU, and a regular employee appointed to the United States Department of Transportation and/or the Public Utilities Commission of any state in which the P&W operates, who has accumulated seniority under the provisions of this agreement, will not have such seniority terminated by reason of the provisions hereof during such period of time as the employee shall be serving in such capacity. To maintain seniority during such period, the employee must continue to hold full membership with TCU.

(c) Seniority shall be lost by any regular employee who is discharged pursuant to this agreement or who shall voluntarily leave the service of the P&W.

(d) A probationary employee shall have no seniority.

(e) Employees granted a leave of absence pursuant to this agreement may return to their former position (unless said former position has been abolished during their absence or the position is held by a senior employee as a result of a displacement made under these rules). If, upon returning from a leave of absence, an employee's position has been abolished or is held by

a senior employee who has displaced him, the employee returning from such leave has a right to exercise displacement over junior employees.

Each employee thus adversely affected by a return and displacement may exercise displacement over a junior employee, and the most junior employee shall be furloughed.

(f) Promotions, assignments and displacements shall be based on seniority, fitness and ability; fitness and ability of applicants being sufficient, seniority shall prevail. The P&W shall be the sole judge of fitness and ability but shall not act in a capricious, arbitrary or discriminatory manner in the application of this rule.

(g) In the event that a new position or vacancy shall occur the P&W shall, on a given day, promptly notify the Local Chairman and each employee on the roster of said vacancy or new position, with a description which will include duties, rate of pay, assigned hours of service, location and, if temporary, the probable or expected duration. Any employee desiring such position must submit his application to the P&W within five (5) days of notification, in writing, with a copy to the Local Chairman. In the absence of such a written application within five (5) days notified employees shall be deemed to have waived any rights to said new position or vacancy but shall otherwise not lose any seniority.

The P&W may elect to fulfill the notice requirement under the foregoing rule by posting a bulletin containing the requisite information at a location which would give notice to all employees on the roster affected.

(h) [This section amended in December 22, 1987 Agreement] In the event of a general reduction in force reverse seniority shall govern, fitness and ability being sufficient as heretofore described in paragraph (f) hereof. A general reduction in force resulting in the abolishment of a position or positions can only be accomplished on at least thirty (30) days prior

written notice and as of the 1st day of July in any calendar year; [This clause amended in the May 9, 2000 Agreement] provided that in District I, II and III, the junior most employee, not to exceed one (1) in each District, may be laid off in reverse seniority order, on at least two (2) weeks' prior written notice.

(i) Any employee who does not possess sufficient seniority to displace any regular employee shall be furloughed without pay or other benefits of this agreement but shall remain on the roster as an unassigned employee.

(j) When forces are increased or vacancies occur, unassigned employees shall be notified and required to return to service in order of their seniority rights. Such employees who are qualified for the position shall be used to fill short vacancies and positions pending a permanent assignment. Failure to report in response to a notification shall terminate seniority.

(k) When the duties of any position are so changed that the occupant cannot satisfactorily perform them, then he shall have the right to exercise displacement rights to a position held by a junior employee. This rule shall likewise have application when an employee's physical condition becomes such that he can no longer perform his regular duties.

(l) [This subsection added in the May 9, 2000 Agreement] Once a year, on or about January 1, all positions in Seniority District #1 will be posted on the bulletin board for bidding by TCU employees.

RULE 8

UNION SECURITY

(a) In accordance with and subject to the terms and conditions hereinafter set forth, all employees now or hereafter subject to this agreement, except as hereinafter provided, shall as a condition of their continued employment become members of the Union within sixty (60) calendar days of the date that they first perform compensated services as such employee after the effective date of this agreement, and thereafter shall maintain membership in the Union.

(b) **[This subsection amended in the December 14, 1979 Agreement]** Employees who retain seniority under this agreement and who for a period of thirty (30) days or more are (1) furloughed on account of force reduction, or (2) on a furlough or leave of absence, or (3) are absent on account of sickness or disability, will not be required to maintain membership as provided in paragraph (a) so long as they are furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by these rules and continue therein thirty (30) calendar days or more they shall, as a condition of their continued employment, be required to become and remain members of the TCU within thirty-five (35) calendar days after the date of their return to such service.

(c) **[This subsection amended in the December 14, 1979 Agreement]** The seniority status and rights of employees furloughed to served 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-service men shall not be terminated by reason of any of the provisions of this agreement but such employees shall, upon resumption of employment be considered as new employees for the purposes of applying this agreement. In the event a permanent employee enlists in the active Military Reserves of the

United States, he will be reimbursed by P&W the difference between his service pay and two-hundred-dollars (\$200.00) per week for his initial entry into the Military Service for up to six months; this will also apply for his two weeks active duty each year.

(d) Nothing in this agreement 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 agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time in the same organizational unit.

(e) Each employee covered by the provisions of this agreement shall be considered by the P&W to have met the requirements of the agreement unless and until the P&W is advised to the contrary in writing by TCU. TCU will notify the P&W 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 agreement and who TCU therefore claims is not entitled to continue in employment. Upon receipt of such notice P&W will, within ten (10) calendar days, 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 TCU. An employee so notified who disputes the fact that he has failed to comply with the terms of this agreement shall, within a period of ten (10) calendar days from the date of receipt of such notice, request the P&W in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt

of such request the P&W 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 a copy to TCU, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of TCU shall attend and participate in the hearing. The receipt by the P&W of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the P&W is rendered. In the event the employee concerned does not request a hearing as provided herein, the P&W shall proceed to terminate his seniority and employment not later than thirty (30) calendar days from receipt of the above described notice from TCU, unless the P&W and TCU agree otherwise in writing.

(f) The P&W shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this agreement and shall render a decision within twenty (20) calendar days from the date that the hearing was closed, and the employee and TCU shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this agreement, his seniority and employment shall be terminated within twenty (20) calendar days of the date of said decision, except as hereinafter provided or unless the P&W and TCU agree otherwise in writing.

If the decision is not satisfactory to the employee or to TCU it may be appealed in writing by Registered Mail, Return Receipt Requested, directly to the President of the P&W. Such appeal must be received by the President 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. The P&W shall promptly notify the other party in writing of any such appeal by Registered Mail, Return Receipt Requested. 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 TCU shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the decision on such appeal is that the employee has not complied with the terms of this agreement, his seniority and employment hereunder shall be terminated within twenty (20) calendar days of the date of said decision unless either TCU or the employee request submission of the controversy to the permanent Neutral Referee established by the Grievance and Arbitration rule of this agreement. The decision of the President of the P&W shall be final and binding unless, within ten (10) calendar days from the date of his decision, the request for submission to the Neutral Referee shall be made, and such request for submission to the Neutral Referee 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 Referee.

(g) If, within ten (10) calendar days after the date of a decision on appeal by the President of the P&W, TCU or the employee involved requests the permanent Neutral Referee designated by this agreement to resolve the controversy, the permanent Neutral Referee shall make a final and binding determination within thirty (30) calendar days from the date of notification of his employment. The P&W, TCU, and the employee involved shall have the right to appear and present evidence at the hearing before the Neutral Referee.

The P&W, the employee and TCU shall be promptly advised in writing by Registered Mail, Return Receipt Requested, of the decision of the Neutral Referee. If the position of the employee is sustained, the fee, salary and expenses of the Neutral Referee shall be borne in equal



shares by the P&W and TCU; if the employee's position is not sustained, such fee, salary and expenses shall be borne in equal shares by the P&W, TCU, and the employee.

(h) The time periods specified herein may be extended in individual cases by written agreement between the P&W and TCU.

(i) In the event of any conflict between this rule and the general grievance procedures established by this agreement, the procedures specified herein shall govern where the issue involves compliance with this rule.

(j) The General Chairman of TCU System Board No. 86 shall notify the P&W in writing of the title and address of its representative who is authorized to serve and receive the notices described in this rule.

(k) In computing the time periods specified in this agreement, the date on which a notice is received or decision rendered shall not be counted.

(l) Other provisions of this agreement to the contrary notwithstanding, the P&W shall not be required to terminate the employment of an employee until such time as a qualified replacement is available, but not for a period in excess of sixty (60) calendar days from the date of the last decision rendered under the preceding provisions, or ninety (90) calendar days in the event that the employee does not request a hearing. Any employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights and his position shall be declared and advertised as vacant under this agreement. This extension period may be further extended by agreement between TCU and the P&W.

(m) An employee whose seniority and employment is terminated pursuant to the provisions of this rule, or whose employment is extended by reason thereof, shall have no time or

money claims by reason of such termination or extension.

(n) If the final determination under this rule is that an employee's seniority and employment shall be terminated, no liability against the P&W in favor of TCU or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement, shall arise or accrue during the period up to the expiration of the sixty (60) or ninety (90) days extension periods referred to herein, or while such determination may be stayed by a court or while a discharged employee may be restored to service pursuant to judicial determination. If the final determination is that an employee's seniority and employment shall not be terminated, his continuance in service shall give rise to no liability against the P&W in favor of TCU or other employees based upon an alleged violation, misapplication or non-compliance with any part of this agreement.

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

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

## RULE 9

### RETURN TO DUTY

(a) Employee unable to work because of personal sickness or physical disability shall notify the P&W of that fact as early as possible, and his seniority shall be protected pursuant to this agreement during the period of such disability.

(b) When an employee has been granted an annuity under the disability provisions of the Railroad Retirement Act his or her position, unless discontinued, shall be advertised as a vacancy pursuant to this agreement. Should such employee's annuity be later cancelled or terminated before reaching the age which entitles him or her to full benefits under the provisions of the Railroad Retirement Act, such employee will be permitted to resume service and may exercise seniority to displace any junior employee of such position as he or she is qualified to handle.

(c) Employees shall be required to resume services when they are physically capable and qualified to perform their previous duties. In the event of a dispute as to whether or not an employee is physically qualified to return to his former duties, the dispute shall be resolved in the following manner:

The employee shall furnish the P&W with a certificate of his treating physician certifying as to his condition. The employee shall promptly submit to a physical examination by a physician to be selected by the P&W and paid by the P&W. If there is a disagreement between the examining physician for the P&W and the employee's physician, the examining physicians shall agree upon a third physician, to be paid by P&W, whose decision shall be final and binding with respect to whether or not the employee is fit and qualified to return to his former employment.

Rule 10

VACATIONS WITH PAY

(a) **[This subsection amended in the May 9, 2000 Agreement]** For each regular employee hired before July 1, 1994, the following vacation allowances shall apply:

After completing 1 year of continuous service, 2 weeks of vacation per year  
After completing 3 years of continuous service, 3 weeks of vacation per year  
After completing 6 years of continuous service, 4 weeks of vacation per year  
After completing 10 years of continuous service, 5 weeks of vacation per year  
After completing 30 years of continuous service, 6 weeks of vacation per year

All vacations shall be provided without a reduction in the guaranteed annual wage.

**(This subsection amended in May 18, 1994 Agreement)** For each regular employee hired on or after July 1, 1994 the following vacation allowances shall apply:

After completing 1 year of continuous service, 2 weeks of vacation per year  
After completing 5 years of continuous service, 3 weeks of vacation per year  
After completing 10 years of continuous service, 4 weeks of vacation per year  
After completing 15 years of continuous service, 5 weeks of vacation per year  
**(The following phrase was added in the August 8, 2006 Agreement)**  
After completing 30 years of continuous service, 6 weeks of vacation per year

All vacations shall be provided without a reduction in the guaranteed annual wage.

(b) In computing the time of continuous service, temporary layoffs for lack of work or other reasons beyond the employee's control, and absences due to illness, shall not be considered interruptions thereof.

(c) If any employee who is entitled to a vacation under this rule but has not taken it, should quit, be discharged or have his employment otherwise terminated for any reason whatsoever, he shall not be entitled to any additional monies due to the circumstance that the vacation has not been utilized.

(d) Vacations under this agreement are intended to be a rest or change from work for the employee.

RULE 11

DUES CHECKOFF

P&W shall periodically deduct from the wages of employees subject to this agreement dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in TCU, and shall pay the amount so deducted to such officer of TCU as TCU shall designate: providing, however, that the requirements of this paragraph shall not be effective with respect to any individual employee until he shall have furnished the P&W with a written assignment to TCU of such member dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement, whichever occurs sooner.

The provisions of this rule shall not become effective until the parties have entered into a separate agreement setting forth the specific terms and conditions including, but not limited to, the amounts to be deducted, the form, procurement and filing of authorization certificates and revocation notices, the frequency of deductions, the payment and distribution of amounts withheld, and related matters pertinent thereto.

## RULE 12

### GRIEVANCE PROCEDURES AND ARBITRATION

(a) In accordance with the provisions of the Railway Labor Act, any grievances or disputes concerning the interpretation or application of this agreement or concerning rates of pay, rules or working conditions, shall be disposed of by conference and agreement between an appointed officer of the P&W and a representative of TCU, but failing to reach an adjustment in this manner the parties agree to submit any controversy forthwith to a Board of Adjustment consisting of a Vice President of the P&W, a Vice President or General Chairman of TCU, and Donald E. Lampson, who shall serve as a permanent Neutral Referee until such time as either party shall request the Mediation Board to select a Referee, or until the parties alternatively shall agree upon a successor Referee. The compensation of the Referee, if any, shall not exceed the rate of pay established by the Mediation Board. The P&W shall pay all of the expenses and compensation of the Neutral Referee unless the Neutral Referee finds that TCU has been unreasonable in forcing the grievance to arbitration, in which event the Neutral Referee shall assess his expenses and compensation against TCU, System Board #86.

(b) Investigations and hearings shall only be conducted at the request of the Referee in those cases where the P&W and TCU cannot agree on facts which the Neutral Referee believes necessary to a determination, and there shall be no time limit for the conduct of such investigation, providing the parties have complied with the time limits set forth in Section 2, Paragraph Sixth, of the Railway Labor Act.

(c) The determination of the Referee shall have the same force and effect as awards of the National Railroad Adjustment Board, or, if the award affects rates of pay, rules or working

conditions, then the Board of Adjustment shall be the arbitration tribunal referred to in Section 7 of the Railway Labor Act.

(d) When serving as an arbitration board, all provisions of the Railway Labor Act shall be observed and be applicable, except that a reduction in the guaranteed annual wage of an employee shall not be subject to arbitration.

(e) [This subsection added in the December 14, 1979 Agreement] A regular employee shall not be suspended or dismissed or have discipline recorded against said individual without a formal impartial hearing, provided same is requested by TCU.



RULE 13

HEALTH AND WELFARE BENEFITS

(a) [This subsection amended by Agreement dated December 14, 1979 and the Agreement dated August 8, 2006] P&W agrees to obtain and pay the premiums for group insurance coverage paying benefits to the employees covered by this Agreement, and their families, substantially parallel to that maintained by other railroads represented by the TCU, as exemplified by:

- i. The Railroad Employees National Health and Welfare Plan covering certain employees represented by the Transportation Communications International Union, Brotherhood of Railway Carmen-Division of Transportation Communications International Union, and Transport Workers Union;
- ii. Railroad Employees National Vision Plan;
- iii. Railroad Employees National Dental Plan; and
- iv. Railroad Employees National Early Retirement Major Medical Benefit Plan (GA-46000).

(b) [This subsection amended in the May 9, 2000 Agreement] In the event that a regular employee (not a probationary employee) shall sustain a personal injury in the course of employment which shall totally disable him/her to perform his/her regular services, the P&W shall pay him/her the difference between his/her guaranteed monthly wage and any benefits which he/she may be entitled to receive during said disability under the provisions of the Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.). In determining the amount of said accidental benefit, the P&W shall also be credited with any earnings said injured employee shall be able to earn during his/her period of disability from regular service. In the event of a

recovery from the P&W under the Federal Employers' Liability Act, the P&W shall be entitled to set off therein any sum it shall have paid, pursuant to this section, to the injured employee as provided in 45 U.S.C. §55, and the balance of any obligation due under this section shall be paid in a lump sum and similarly set off. The P&W shall have no contractual obligation to continue these payments for any single employee for an aggregate period of more than three years. The P&W has under consideration an insurance plan whereby it will contract with an insurance company to supplement the income of occupationally disabled regular employees during the period of disability. For and in consideration of such payments by the P&W, the TCU agrees that supplemental income benefits, if any, paid by said insurance company may be set off, as authorized by Section 5 of the Federal Employers' Liability Act (45 U.S.C. §55), against the obligation, if any, of the P&W to an employee under the Federal Employers' Liability Act.

P&W covenants that, having instituted such insurance on a voluntary basis, it will not thereafter change the program except on at least thirty (30) days prior written notice to the TCU.

(c) [This subsection amended in the December 14, 1979 Agreement and the May 9, 2000 Agreement] In the event that a regular employee (not a probationary employee) shall become disabled due to illness or an accident not incurred in the course of his/her employment, and is unable to perform services for P&W, he/she shall receive a supplemental income benefit per the terms and conditions of this Article. The disability condition must be certified by a legally qualified physician. A disabled employee within the meaning of this Article must handle all matters related to the disability with his/her designated supervisor.

The employee must apply for sickness benefits under the RUIA. If the employee qualifies for RUIA sickness benefits he/she also will qualify for benefits provided by the P&W under this Article.

Commencing on the first day of the disability period as determined by the RUIA, the employee shall be entitled to a weekly benefit provided by the P&W which is \$350.00 less all benefits for the week from the RUIA, from sources other than the RUIA and the P&W.

If a disabled employee is able to earn income on a given day, whether from P&W or from non-P&W sources, the weekly benefit shall be further reduced by that day's prorated amount of \$350.00. If the employee earns income on a given day, RUIA sickness benefits will not be paid. In the event such disability arises from the negligence of a third party, the employee shall assign the P&W a lien on any claim asserted against said third party for the amount of benefits paid by the P&W to said employee pursuant to this provision.

Supplemental benefits provided by the P&W will not be provided for any day or other time period that the disabled employee does not qualify for benefits from the RUIA. Exceptions to this requirement are waiting days during the initial registration period, other waiting days, days after an otherwise eligible employee has exhausted RUIA benefit or days before the employee has sufficient service or compensation to qualify for RUIA benefits.

In the event that an employee is still disabled at the expiration of the maximum benefit allowed by the RUIA, the P&W shall continue to provide disability benefits. The P&W shall have no contractual obligation to continue these payments for any single employee for an aggregate period of more than three (3) years since the start of the disability period.

(d) [This subsection amended in the May 9, 2005 Agreement] The age of an employee, or the fact that he/she is eligible for Railroad Retirement Benefits, shall not in and of itself provide a basis for disqualification for further employment, providing said employee is physically qualified to perform his/her duties.

(e) **[This subsection added in the May 9, 2000 Agreement]** A regular employee may elect to continue his/her COBRA required medical insurance coverage after the COBRA benefit period ends provided; however, that he/she has not reached the age at which he/she qualifies for Medicare. To continue coverage in the COBRA period and in the after COBRA period a retired employee must pay the monthly premiums as paid by P&W for active employees with the same insurance coverage. The total period of COBRA plus after COBRA coverage will be until a retired employee qualifies for Medicare.

RULE 14

FORCED SUSPENSION OF RAILROADING

**[This subsection amended in the December 14, 1979 Agreement]** In the event that the Boston & Maine Railroad Company, or its successor, or the Consolidated Rail Corporation, or its successor, shall for any reason suspend or be forced to suspend or reduce the operation of its rail lines connecting to the P&W so that the P&W must shut down its operations, the P&W shall nevertheless pay its regular employees the difference between their guaranteed monthly wage and their unemployment insurance benefits during the period of such shutdown.

RULE 15

SUPPLEMENTAL PENSION

The P&W consents to the establishment of a supplemental pension which will provide retirement benefits to the regular clerical employees covered by this agreement in addition to the benefits available to the employees under the Railroad Retirement Act. The contributions of the P&W to the funding of such supplemental pension shall be the profit-sharing arrangement described in Rule 16 hereof and such additional contributions as are voluntarily made by the employees. If a supplemental pension fund has not been established before the effective date of the master profit-sharing plan referred to in Rule 16, the parties agree that this option of the employees shall have been deemed waived.

RULE 16

PENSION AND PROFIT-SHARING

A separate agreement covering profit-sharing has been entered into between P&W, TCU, UTU and BRS, dated May 20, 1974. The duration of said profit-sharing agreement shall be co-extensive with the other terms and conditions of this agreement and the moratorium provisions set forth in Rule 17 herein shall be applicable thereto.

RULE 16A.

401(k) PLAN

**[This section was added in the August 8, 2006 Agreement] P&W currently has a 401(k) plan (the "Plan") to which all employees may contribute at their own expense. Beginning with the first day of the month following August 8, 2006, employees covered by this Agreement who already participate in the Plan shall have their contributions matched by P&W, subject to (a) a maximum matching amount of \$20.00 per month by P&W, and (b) a minimum employee contribution of \$20.00 per month.**

**Employees covered by this Agreement who are not participating in the Plan as of the date referenced herein shall be entitled to join the Plan on the enrollment date(s) established by the Plan administrator from time to time, whereafter such employees shall be entitled to P&W's matching contribution, in the amounts and upon the conditions set forth herein, starting on the first day of the month following such employee's enrollment.**



RULE 17

MORATORIUMS

**[The section was amended in the August 8, 2006 Agreement]** The parties agree not to serve or progress, prior to December 31, 2012, any notice or proposal for changing any matter contained in this Agreement.

The agreement shall be effective following execution by the parties hereto and approval of the international president.

RULE 18

MISCELLANEOUS

(a) [This subsection amended in the May 21, 1974 letter Agreement, the December 14, 1979 Agreement and the May 18, 1994 Agreement] Bereavement: (1) In the event of death of a spouse, blood relative or parent in-law of an employee, such employee will be allowed 3 working days paid leave to attend the funeral and handle all personal matters in connections therewith. (2) In the event of the death of someone other than those mentioned above, payment for attending the funeral will be allowed (one day). The maximum days allowed under this subparagraph (2) will be five (5) days per calendar year. (3) In the event of other extraordinary personal circumstances, an employee will be allowed time off with pay.

(b) [This subsection added in the December 14, 1979 Agreement] P&W shall supply agents, yard clerks and patrolmen with foul weather gear, work clothes, shoes and lanterns.

(c) [This subsection added in the December 14, 1979 Agreement] From time to time, upon reasonable request, P&W shall furnish TCU a single document incorporating this agreement and all applicable amendments thereto. Any such document shall have the latest applicable wage scales inserted in lieu of those originally contained in this agreement.

(d) [This subsection added in the letter agreement dated August 28, 1980] A regular employee who is pregnant will continue her employment until such time as her physician indicates that she should stop working. At that time, the employee shall apply for sick benefits under the Railroad Retirement Act; and if she qualifies for such benefits, the Company will pay the difference between such benefits and \$250.

After the birth, the employee will have three months within which to return to work. If during that time a physician should find the employee fit to return to work and sick benefits under the Railroad Retirement Act should stop, the Company will stop making payments as set forth above. However, the employee will still have the option of remaining out of work until the 90<sup>th</sup> day after the birth of the child.

If the employee does not return to work on the 90<sup>th</sup> day after the birth of the child, her employment with the Company will be deemed to have terminated.

(e) **Vacation Bids:** Vacation bids will be received by the designated carrier officer for the succeeding calendar year during the month of October. Employees will be notified of vacation periods assigned for the succeeding calendar year by notice on or before December 1<sup>st</sup> of each year.

**EXECUTED** as an instrument under seal as of the date first written above.

**PROVIDENCE AND WORCESTER  
RAILROAD COMPANY**

By: \_\_\_\_\_  
Its \_\_\_\_\_

**TRANSPORTATION COMMUNICATIONS  
INTERNATIONAL UNION**

By: \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Its International President