

MEMORANDUM OF AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.

AND ITS EMPLOYEES REPRESENTED BY

SMART-TRANSPORTATION DIVISION

This refers to the parties' discussions in connection to the efficient operation of crews and trains. Whereas, the parties' have a mutual interest to provide positive incentives to Train Service Employees who remain available for service for the defined incentive period while hiring continues in order to replenish the workforce. As a good faith effort to all Train Service Employees who continue to assist in providing great service to all CSXT customers by increasing their availability under this program, the Carrier agrees to remove one (1) Discipline step reflected in their personal file once they qualify with perfect attendance for the initial two (2) consecutive months. In addition, for those employees who don't get disqualified during the incentive period described below, will also have one (1) CAPS step and one (1) additional Discipline step removed at the end of the incentive period. These reductions will be in addition to the removal of any steps afforded to eligible employees under the current CBA forgiveness rules.

THEREFORE, IT IS ALSO AGREED:


- A. In order to qualify for the incentives listed herein, all Road and Yard Trainmen in active service, or who become active during the incentive period, must not be marked with a valid miss call or lay-off for a non-compensated reason and have perfect attendance as defined in the Question and Answers in Attachment 2 of this Agreement.

- B. An incentive period will be established between July 12, 2021, 0001 and January 15, 2022 at 0001 wherein CSXT will award each Conductor/Trainman on the Consolidated Southern Region (CSRA) and the Northern Mid-Atlantic District (B&O and B&OCT), options to earn extra money or shares of CSXT Common Stock. The criteria for each is as set forth below:
 1. CSX Common Stock: Upon maintaining eligibility through the second (2nd) consecutive work week an employee would be entitled to \$650.00 of common stock. If the employee continues to maintain perfect attendance during the following week he/she will receive \$400.00 of common stock. The weekly incentive level will then increase by \$50 per week for each consecutive week the employee remains eligible up to the maximum of \$500.00 per week. However, in the event an employee observes vacation or personal leave days the weekly incentive level will be paused. The employee will not receive the weekly incentive but instead resume the previous weekly incentive level the following week. *See* Attachment 1 for the accelerated earning potential. In the event an employee is deemed ineligible in a work week, the employee must again maintain two (2) consecutive weeks of perfect attendance to again become eligible. Stock payments earned in this agreement will be paid out to the employee at the end of the incentive program into the employee's 401K account. Weekly reports of eligibility will be provided to the SMART-TD General Chairpersons and a breakdown of the deposit(s) will be provided to both the SMART-TD General Chairpersons and to the eligible employees within thirty (30) days of the incentive program concluding.

2. Cash Payments: In lieu of common stock, an employee may elect to receive the cash equivalent, which will be paid in a separate check within thirty (30) days of incentive program concluding. Note: Employees not enrolled into a 401K will automatically receive the cash option.
- C. A Paid Leave Buyback will be offered to all active Trainmen as an incentive to increase current manpower utilization as CSXT hires additional employees. Trainmen will have a voluntary option to sell entitlements back to the Carrier, which will include: weekly vacation, daily vacation and current year personal leave days and will receive compensation at a rate of 150% of the current value. Trainmen may sell all or a portion of their entitlements at their discretion. Payouts of vacation and personal leave will not offset any guarantees and will be paid in a separate check from regular earnings. A System Notice will be issued for instructions for employees wishing to elect this option.
- D. Employees who are dual certified will not be deemed ineligible if used in another craft on a daily vacancy. Further, should a Trainman be stepped up into another craft and assigned a position on a JAD, the Trainman will not be eligible for this incentive while assigned to another craft position. However, the Trainman will retain their previous incentive level upon re-entering the Trainman craft.
- E. This agreement will remain in effect until the end of the incentive period and will expire on the date of January 15, 2022 at 0001 hours. However, the terms of this agreement will be referable by either party relative to awarding and/or processing the incentives earned and handling of incentive disputes, if any. This does not prevent the Carrier and Organization extending this agreement upon mutual concurrence.

Signed this 9th day of July, 2021 at Jacksonville, Florida.

For the Employees:



NMAD/B&O General Chairperson



CSRA/SCL General Chairperson




CSRA/L&N General Chairperson




CSRA/C&O General Chairperson


For the Carrier:



Jamie Boychuk, EVP and COO



Jennifer Manz, Director—Labor Relations



Jennifer Fry, Director—Labor Relations

INCENTIVE POTENTIAL EXAMPLE

	<u>EMPLOYEE</u> <u>1</u>	<u>EMPLOYEE</u> <u>2</u>	<u>EMPLOYEE</u> <u>3</u>
Week 1	\$0	\$0	DISQUAL
Week 2	\$650.00	\$650.00	\$0
Week 3	\$400.00	\$400.00	\$650.00
Week 4	\$450.00	DISQUAL	\$400.00
Week 5	\$500.00	\$0	\$450.00
Week 6	\$500.00	\$650.00	\$500.00
Week 7	\$500.00	\$400.00	\$500.00
Week 8	\$500.00	\$450.00	DISQUAL
Week 9	\$500.00	\$500.00	\$0
Week 10	\$500.00	\$500.00	\$650.00
Week 11	\$500.00	\$500.00	\$400.00
Week 12	\$500.00	\$500.00	PAUSE
Week 13	\$500.00	\$500.00	PAUSE
Week 14	\$500.00	\$500.00	\$450.00
Week 15	\$500.00	\$500.00	\$500.00
Week 16	\$500.00	DISQUAL	\$500.00
Week 17	\$500.00	\$0	DISQUAL
Week 18	\$500.00	\$650.00	\$0
Week 19	\$500.00	\$400.00	\$650.00
Week 20	\$500.00	\$450.00	PAUSE
Week 21	\$500.00	\$500.00	\$400.00
Week 22	\$500.00	DISQUAL	\$450.00
Week 23	\$500.00	\$0	\$500.00
Week 24	\$500.00	\$650.00	\$500.00
Week 25	\$500.00	\$400.00	DISQUAL
Week 26	\$500.00	\$450.00	\$0
TOTAL	\$12,500.00	\$9,550.00	\$7,500.00

Questions and Answers

Question 1: How is perfect attendance defined in this agreement?

Answer 1: Perfect attendance is defined as one hundred percent (100%) availability for each week during the incentive period and relative to the agreed-to calling rules of each agreement. Rest days and all sanctioned paid leave (safety, company reason, jury duty, military, bereavement) other than Vacation and Personal Leave are considered as being available for service. Missed calls and non-compensated mark offs will be considered as unavailable.

Note 1: Employees observing vacation and personal leave entitlements will be paused and not qualify for the weekly incentive during that period, but will retain their incentive level for the subsequent week(s).

Note 2: Employees under the B&O Agreement and holding displacement rights must exercise seniority to another assignment within two (2) hours of notification of displacement.

Question 2: What is a defined work week?

Answer 2: A defined work week begins at 0001 each Saturday and ends at 2359 each Friday between the effective dates of this agreement.

Question 3: The incentive period in this agreement is defined to begin July 12, 2021 at 0001, which excludes the first weekend. Will this initial start date impact any incentive eligibility?

Answer 3: No. The start date was to allow Trainmen a fair opportunity to know about this incentive opportunity via CSX issuing a System Notice. Trainmen which avail themselves with perfect attendance by July 12, 2021 0001 will be considered as meeting the requirements of perfect attendance for the work week.

Question 4: Does a Trainman have to maintain perfect attendance for two (2) consecutive weeks to become eligible?

Answer 4: Yes. In order to become eligible a Trainman must maintain two (2) weeks of perfect attendance. If an employee is disqualified for one week he/she will not be eligible or re-eligible until they again work two (2) consecutive weeks with perfect attendance as outlined in Q&A #1.

Question 5: Will Trainmen receive a Discipline step removed from their record once they become eligible by maintaining perfect attendance for the initial two (2) consecutive months (8 consecutive work weeks) and another step removed if they maintain perfect attendance for the entire incentive period?

Answer 5: Yes. Once a Trainman maintains perfect attendance for two (2) consecutive months, a Discipline entry step will be removed from their IDPAP progression at that time. Additionally, if an employee maintains perfect attendance for the entire period, they will have another Discipline step removed at the

end of the incentive program period. This will be separate and apart from the discipline step removal provided in their governing agreement.

Question 6: Does the CAPS step removal only apply if an employee maintains perfect attendance the entire incentive program period?

Answer 6: Yes. Trainmen who maintain perfect attendance the entire incentive program will have a CAPS step removed at the end of the incentive program period. This will be separate and apart from the step removal provided in their governing agreement.

Question 7: Does this agreement apply to all Trainmen employees?

Answer 7: Yes. Trainmen whether assigned to a regular assignment, pool or extra board (road and yard service) will be eligible for the incentive(s) in this agreement.

Question 8: Does the time spent by a SMART-TD Union Officer when marked off Union Business cause the Union Officer to be considered unavailable for any purpose?

Answer 8: No.

Question 9: Will Trainmen observing mandatory RSIA (FRA) Rest affect the incentive?

Answer 9: No. Trainmen not rested for their assignment and observing FRA rest will not be deemed as ineligible for the incentive(s).

Question 10: Will these incentive payments impact or offset any guarantee payments (extra boards, etc.)?

Answer 10: No. Incentive payments will be in addition to arbitrary payments, penalty payments, and all regular earnings and/or guarantee payments.

Question 11: Will the incentives earned by employees throughout this program be payable to them if they become disqualified at some point during the incentive period?

Answer 11: Yes. All incentives earned while maintaining perfect attendance will become payable to the employee even if they later become disqualified.

Question 12: How will qualifying Trainmen make an elective of the common stock or cash payments?

Answer 12: Prior to the end of the incentive period a Trainman must make an election by the processes outlined in a future System Notice. Failure to make an election, the employee will be paid the cash equivalent within thirty (30) days of the incentive program concluding.

Question 13: Can a dual certified employee obtain availability incentives in both operating crafts?

Answer 13: Yes. However, the incentive will be craft and agreement specific. In other words, an employee working as a Trainman will fall under the SMART-TD incentive program. If a Trainman is dual certified and stepped up to another craft, the incentives earned while working as a Trainman will be retained only

for the period of time in Trainman Service. There will be no pyramiding with other craft agreement availability incentives.

Question 14: How will qualifying Trainmen receive their earned incentive payments if they retire, fall under bona fide medical disability, die, are dismissed from service or if they voluntarily resign?

Answer 14: A Trainman who retires or becomes medically disabled (bona fide) will receive their earned incentive and will be paid at the end of the incentive period as outlined in the agreement. An employee who dies will have their earned incentive paid to their estate upon notification of their death. A Trainman who is dismissed will be paid their earned incentive as outlined in the agreement. A Trainman who voluntary resigns will not be entitled to any incentive.

END OF DOCUMENT