

C S X    T R A N S P O R T A T I O N  
JULY 9, 2021

HEADQUARTERS      SUB SYSTEM NOTICE      110

TO:                T&E CREWS AND ALL CONCERNED  
SUBJECT:          MARK-UP INCENTIVE AGREEMENT  
EFFECTIVE:        2359HRS, JULY 9, 2021

ITEM 1 - PURPOSE

BASED ON OUR MUTUAL INTERESTS, CSXT AND SMART-TD HAVE REACHED AN AGREEMENT WHICH WILL AFFORD EXTRA EARNING POTENTIAL TO ALL TRAIN SERVICE EMPLOYEES ACROSS THE SYSTEM WHILE ASSISTING TO INCREASE AVAILABILITY IN ORDER FOR CSXT TO CONTINUE TO PROVIDE GREAT SERVICE TO ALL OF ITS CUSTOMERS WHILE HIRING CONTINUES ACROSS THE SYSTEM.

THIS AGREEMENT HAS FLEXIBLE OPTIONS THAT ALLOWS QUALIFYING TRAINMEN TO EARN CSX COMMON STOCK OR THE CASH EQUIVALENT. THIS PROGRAM ALSO ALLOWS TRAINMEN TO SELL BACK THEIR VACATION AND/OR CURRENT YEAR PERSONAL LEAVE AT RATE OF 150% OF ITS VALUE. THIS PROGRAM IS VOLUNTARY BUT PROVIDES A GREAT INCENTIVE FOR ALL OF OUR TRAIN SERVICE EMPLOYEES.

ITEM 2 - OVERVIEW OF THE NEW INCENTIVE AGREEMENT

THE AGREEMENT HAS SIMPLISTIC REQUIREMENTS. THE ELIGIBILITY PERIOD WILL BEGIN JULY 12, 2021 AT 0001 AND RUN UNTIL 0001 ON JANUARY 15, 2022. IN ORDER TO BECOME ELIGIBLE TRAINMEN MUST MAINTAIN PERFECT ATTENDANCE WHICH IS DEFINED IN THE AGREEMENT. ONCE A TRAINMAN MAINTAINS TWO CONSECUTIVE WEEKS OF PERFECT ATTENDANCE THEY WILL BE ELIGIBLE FOR \$650 OF COMMON STOCK. IF A TRAINMEN CONTINUES TO MAINTAIN PERFECT ATTENDANCE THEY WILL RECEIVE \$400 OF COMMON STOCK WHICH WILL INCREASE BY \$50 EACH WEEK UP TO A MAXIMUM OF \$500 PER WEEK.

EMPLOYEES OBSERVING VACATION OR PERSONAL LEAVE WILL NOT BE DISQUALIFIED BUT WILL NOT RECEIVE THE INCENTIVE FOR THAT WEEK. THEIR ELIGIBILITY WILL BE PAUSED AND THEY WILL AGAIN RESUME THEIR PREVIOUS INCENTIVE LEVEL UPON MAINTAINING PERFECT ATTENDANCE FOR THE SUBSEQUENT WEEKS. REST DAYS OR COMPENSATED LAY-OFFS SUCH AS SAFETY, ETC. OR THOSE PROVIDED IN THE CBA WILL NOT COUNT AS BEING UNAVAILABLE.

QUALIFYING TRAINMEN WILL ALSO HAVE AN OPPORTUNITY TO CLEAN UP THEIR IDPAP AND THEIR ATTENDANCE RECORD THROUGH THIS PROGRAM BOTH DURING AND AT THE END OF THE INCENTIVE PERIOD BASED ON ELIGIBILITY.

AT THE END OF PROGRAM TRAINMEN WILL HAVE THE OPTION TO HAVE THEIR EARNED INCENTIVES PAID TO THEM IN COMMON STOCK OR THE CASH EQUIVALENT.

BOTH CSXT AND SMART-TD ARE PLEASED TO BE ABLE TO BRING THESE OPPORTUNITIES TO OUR HARD WORKING TRAIN SERVICE EMPLOYEES AND HOPE MANY OR ALL OF YOU TAKE ADVANTAGE OF THIS PROGRAM. QUALIFYING TRAINMEN WILL ALSO HAVE AN OPPORTUNITY TO CLEAN UP THEIR IDPAP AND THEIR ATTENDANCE RECORD THROUGH THIS PROGRAM BOTH DURING AND AT THE END OF THE INCENTIVE PERIOD BASED ON ELIGIBILITY.

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ISSUED BY EVPO - JAMIE BOYCHUK