

Conrail Agreement Employee Discipline Policy
Effective July 1, 2021

Each employee has an obligation to observe and follow the Company’s policies. However, if a policy is violated, disciplinary action is sometimes necessary. Generally speaking, if an individual’s behavior violates Company policy, corrective disciplinary measures will be taken. The severity of the disciplinary action depends upon, among other things, the nature and gravity of the offense and its impact on the organization, and the employee’s work record.

A. Generally speaking, disciplinary action will consist of the following progression:

Rule Category			
Rule or Policy Violation	Training 1	Training 2	Dismissal
Decertification Violation			

1. Decertification. When events are covered by the FRA certification regulations, the involved employee/s shall also be subject to the applicable FRA regulations and any other applicable federally mandated revocation periods, in addition to discipline pursuant to this Policy. Employees subjected to a federally mandated revocation period will generally be removed from service during the pendency of the revocation.
2. Training. Employees will be required to successfully complete any associated training at the direction of management. An employee also may be required to continue to participate in training prescribed by management after returning to service. An employee’s failure to successfully complete the required training may result in dismissal from service.

Managers are responsible for ensuring that scheduling, delivery and documentation of the training is completed.

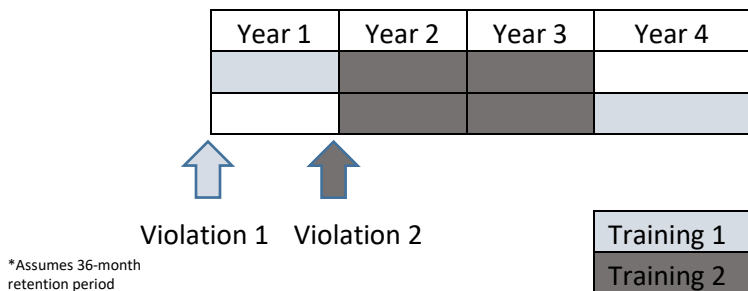
The employee is responsible for compliance with the applicable Hours of Service reporting after participating in a training session.

Employees will be compensated under the terms of the controlling CBA provisions, if any, for actual time spent participating in training required under this Policy. If an employee is suspended from service due to a regulatory requirement, the employee will receive the straight time rate of pay for participation in required training.

3. Retention Period. Violations remain active on an employee’s record for thirty-six (36) months from the date of the violation (the “Retention Period”). If the employee elects to sign a waiver, the retention period will be reduced to twenty-four (24) months from the date of the violation.

When an employee is found to be in violation of a rule or policy while currently on a retention period, the new retention period, if applicable, will begin on the date of the new violation.

Once a violation's Retention Period has expired, it will no longer be considered for the purposes of progressive discipline; for example:



B. Terminable Offenses. The Company reserves the right to modify, repeat, or omit any of the above-listed Steps in its sole discretion, based upon the circumstances and/or severity of the misconduct. For example, certain forms of serious misconduct and performance deficiencies may result in removal from service or discharge for a single incident and without prior counseling and/or progressive discipline. Examples of the types of violations that may subject an employee to immediate discharge include, but are not limited to, the following:

1. Conduct Unbecoming of an Employee of Conrail
2. Sleeping
3. Insubordination
4. Theft, fraud, falsification of records, and other misconduct involving dishonesty
5. Violations of Conrail's Policy regarding Threats or Acts of Violence in the Workplace
6. Violations of Conrail's Alcohol and Drug Policy and/or Rule G violations
7. Violations of Conrail's Code of Ethics
8. Illegal, immoral, or unethical conduct
9. Critical Rule violations, as defined in Appendix A
10. Gross negligence
11. Misconduct resulting in damage in excess of \$25,000.00
12. Unauthorized release of confidential information
13. Violations of the Company's Equal Employment Opportunity Policy

C. In situations where an employee's collective bargaining agreement conflicts with this Policy, the CBA will prevail.

D. Conrail's Attendance Policies are separate from this Policy. The management of those policies, or other Company policies not listed here, will be governed under the terms and conditions of those separate policies.

E. All terminations must be reviewed and approved by Human Resources and the Legal Department before being issued to employees.

Appendix A
Critical Rules

Engineering
1. On-Track Protection/RWP
2. Lock-Out/Tag-Out
3. Electronic Devices
4. Fall Protection
5. Human-Factor Highway Grade Crossing Activation Failure
6. Human-Factor False Proceed Signal Indication

Mechanical
1. On-Track Protection
2. Lock-Out/Tag-Out
3. Electronic Devices
4. Fall Protection
5. Failure to Secure Jacked Equipment
6. Blue Flag Protection

Transportation
1. Misconduct involving a Toxic Inhalation Hazard
2. Electronic Devices
3. Train Required to Stop
4. Protection of Shove Moves
5. Equipment Left Clear of Adjacent Track
6. Securement of Equipment
7. Riding Equipment
8. Fouling Equipment or Tracks
9. Hand Operation of Switches and Derails

*Critical Rules are more fully detailed in the Conrail Timetable