

MEMORANDUM OF AGREEMENT

BETWEEN THE

DELAWARE AND HUDSON RAILWAY COMPANY INC.

AND THE

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION

(BMWED)

The BMWED and CPKC jointly acknowledge that the Delaware and Hudson Railway Company was not part of the recent round of National Negotiations involving the US Class 1 Railroads via the NCCC. BMWED does recognize that the Carrier is free to propose terms that align with the recommendations set forth by PEB 250 and the subsequent imposed BMWED national agreement. The Carrier recognizes that the BMWED is free to propose alternatives to the strict terms of PEB 250 as part of a negotiated agreement. The agreement set forth below is thus a product of the parties efforts to generally adopt the PEB recommendations under terms acceptable to both parties.

ARTICLE I – WAGES

Section 1 - First General Wage Increase

Effective September 1, 2022, basic hourly, daily, weekly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of seven percent (7%) representing a general wage increase.

A productivity bonus in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and November 30, 2022 and who: (1) maintains an active employment relationship with the company as of December 1, 2022 or (2) retired or died on or after January 1, 2022.

Section 2 - Second General Wage Increase

Effective September 1, 2023 basic hourly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four percent (4%) representing a general wage increase.

A productivity bonus in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and November 30, 2023 and who: (1) maintains an active employment relationship with the company as of December 1, 2023 or (2) retired or died on or after January 1, 2023.

Section 3 - Third General Wage Increase

Effective September 1, 2024, basic hourly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four- and one-half percent (4.5%) representing a general wage increase.

A productivity bonus in the amount of \$1,000 shall be made to each employee who performed active service under the collective bargaining agreement between January 1 and November 30, 2024 and who: (1) maintains an active employment relationship with the company as of December 1, 2024 or (2) retired or died on or after January 1, 2024.

In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

ARTICLE II – HEALTH AND WELFARE

Section 1 Health & Welfare

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act. All amendments to the aforementioned plans and amendments governing Employee cost sharing as in effect between BMWED and the NCCC on or subsequent to the effective date of this agreement shall be incorporated herein by reference and adopted by the parties to this agreement.

It is understood that the above continuation of the Health and Welfare Plan will include the 90.4% of the National Health and Welfare Plan cost sharing contribution as set forth in Article III, paragraph (c) of the March 15, 2010 Memorandum of Agreement between the parties.

ARTICLE III – GENERAL PROVISION

Replace Rule 21 – Away from Home Expenses, with the following:

- A. Effective upon the date of ratification employees on traveling gangs who are assigned to work away from home shall be reimbursed for business travel expenses, lodging, and meal expenses (in lieu of any other travel and expense reimbursement) as follows:

1) Mileage and Tolls

- (a) Each employee who drives a personal vehicle for travel between home and reporting or work locations, and between work locations will be provided mileage reimbursement at the then-current IRS mileage rate (currently 65.5 cents/mile) for business travel via the most direct highway route to and from the work location, as well as other miles driven in connection with the Employee's performance of work for the carrier including traveling to and from their home and carrier-provided lodging, designated assembly points, gang startups and break ups, midweek worksite moves, changes in worksite, or worksite reporting, and to and from lodging. Employees will not be reimbursed for mileage for transportation from carrier provided lodging to a worksite and back to that lodging when the carrier provides transportation between that lodging and the work site.

Employees who elect to drive a personal vehicle between home and the designated lodging site at the beginning and end of each week and stay in company provided or reimbursed lodging will receive mileage at the then current IRS mileage rate (currently 65.5 Cents/mile) and are not entitled to the Travel Allowance provided for in Section (A) (2) below.

- (b). Employees who elect to travel between home and the designated lodging site at the beginning and end of each week as a passenger in a vehicle driven by an employee who is getting the IRS rate in (a) above, or other means of transportation, and stay in company provided or reimbursed lodging during the week shall receive a "Travel Allowance" of \$36.46 per 100-mile increment/\$18.52 per 50-mile increment. The Travel Allowance will be subject to applicable taxes and the Travel Allowance will be adjusted every January 1 based on any increases to the CPI-W. Such employees are not entitled to receive mileage reimbursement as provided in Section (A)(1)(a) above if they receive the Travel Allowance.
- (c) When lodging is not provided by the Company, mileage for trips between the lodging and designated assembly point will not exceed the distance between the nearest appropriate lodging location that falls within the GSA's standard CONUS lodging rates and the designated assembly point.
- (d) Only employees who drive a personal vehicle under Paragraph A(1)(a) will be reimbursed for tolls as an expense by the Company if the tolls are within the employee's most direct route of travel and are necessary to complete such

travel, and provided that the employee submits appropriate receipts to substantiate the costs of such tolls.

2) Meals and Incidental Expenses

- (a). An employee who is assigned to work at a location away from the employee's home will receive an allowance for meals and incidental expenses at the then-current Government Services Administration (GSA) standard CONUS per diem rates (currently \$59/day); provided, the allowance will only be paid in those circumstances where non-taxable per diem payments may be made under IRS standards.
- (b). The meals and incidental expense allowance will commence on the first day the employee travels, which shall be no earlier than the day prior to the employee's first work day, and will continue until the last day of the employee's work week; provided, the allowance will be extended to an additional travel day when traveling more than 300 miles in a partial day (provided the employee is eligible for and actually utilizes lodging under 3(c), below) or 750 miles in a full day.

3) Lodging

- (a). The use of employer-provided camp cars and trailers to lodge Employees shall be discontinued and shall be replaced by appropriate single occupancy motels or hotels; provided, nothing will prevent the use of camp cars or trailers in a natural disaster or other emergency situation.
- (b). An employee will be provided appropriate single-occupancy lodging at the carrier's expense or, if such appropriate lodging is not provided, reimbursed for lodging expenses not to exceed the then-current GSA standard CONUS scheduled amount for a single occupancy lodging room (currently \$98/stay). Lodging taxes paid by the employer are limited to the taxes on the reimbursable lodging costs of the current GSA standard CONUS scheduled amount for a single occupancy lodging room. If single occupancy lodging is not reasonably available, any employee who is required to be lodged in double occupancy lodging shall receive an additional allowance of \$25.00 for each night so lodged.
- (c). In lieu of company provided lodging, an employee may request authorization from the Carrier to travel between home and the designated reporting location each day of the work week in their personal vehicles. Employees who are authorized by the Carrier and elect to do so will receive mileage at the published IRS rate up to a maximum of 180 miles for each round trip that they drive their personal vehicle and will receive a per diem of \$25

- (d) The lodging described in subparagraph (b) will be provided or reimbursed on the night preceding each work day in a work week (e.g., for a Monday to Thursday work week, lodging will be provided from Sunday through Wednesday nights). An additional lodging night will, at the employee's request, be provided or reimbursed along the route between an employee's work site and home: (1) on the last night of the employee's work week if the employee must drive more than 300 miles to get home; or (2) two nights preceding the employee's first work day if the employee must drive more than 750 miles (e.g., Saturday night lodging ahead of a Monday start).
 - (e). The Company may condition reimbursement for lodging expenses upon submission of appropriate receipts from employees who work away from home.
- B. The IRS mileage rate, GSA standard CONUS per diem rates, and GSA standard CONUS lodging allowance for single-occupancy hotel rooms described in this Article will be adjusted to reflect the then-current published rates.
- C. Automobile Expenses – Amend Rule 22

When an employee is authorized in advance to use his personal automobile for transportation, in lieu of transportation furnished by the Company, he shall be reimbursed for such use at the current IRS mileage rate. Except for employees claiming expenses pursuant to Rules 21.2 to 21.7 inclusive, this Rule 22 does not require an employee to use his personal automobile for transportation.

ARTICLE IV – PERSONAL LEAVE

Each employee shall be provided with an additional paid day off and will elect, by providing notice to the Company during the prior year's vacation scheduling process, to use the additional paid day off under one of the following options:

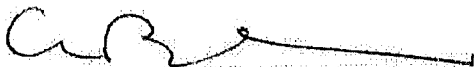
- A. A personal leave day to be scheduled during the upcoming year, subject to rules associated with personal leave days; or
- B. An additional single use vacation day to be scheduled during the upcoming year, subject to the rules associated with single use vacation days; or
- C. An awarded day off on the employee's birthday during the upcoming year or, if such birthday falls on a scheduled rest day, on the working day immediately preceding or following the employee's birthday, subject to the rules associated with scheduled vacation.
- D. An employee who does not make an election during the prior year's vacation scheduling process will be considered to have elected option (b).

ARTICLE V – EFFECT OF THIS AGREEMENT

- A. The purpose of this Agreement is to fix the general level of compensation and rules covering working conditions through December 31, 2024 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. Neither party to this Agreement shall serve prior to November 1, 2024, not to become effective prior to January 1, 2025, any notice or proposal for the purpose of modifying, adding to, or deleting from the provisions of this Agreement.
- 1). The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.
- C. The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation.
- D. In the event any Article of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that, if any such provision is held to be illegal or unenforceable, there will be added in lieu thereof a provision that is similar in terms to such provision as is possible to be legal, valid and enforceable.
- E. Except to the extent specifically modified in this Memorandum of Agreement, all other terms and conditions contained in the Schedule of Agreement, remain unchanged.
- F. This Agreement is effective on, October 16 2023.

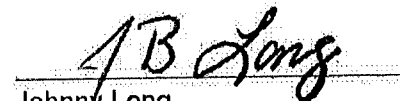
For the:

DELAWARE & HUDSON RAILWAY
(d/b/a Canadian Pacific Kansas City)



Myron Becker
VP & Chief Labor Officer

BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYES



Johnny Long
General Chairman BMWED

David Pezzarffi

David Pezzarffi
Managing Director Labor Relations

Sean D. Gerie

Sean Gerie
Vice President BMWED

Alan Weed

Alan Weed
Director Labor Relations

Alan Weed FOR

Al McCombs
Assistant Director Labor Relations

Side letter No. 1 – Retroactivity and Eligibility

October 16 2023

Johnny Long
General Chairman BMWED
9300 Runyon Road
Catlettsburg, KY 41129

Dear Sir,

This refers to our discussions regarding payment of the retroactive portion of the General Wage Increase effective September 1, 2022.

The Company shall endeavor to make the retroactive payments applicable to the period dating from September 1, 2022 up to the effective date of this agreement, within sixty (60) days from the effective date of this agreement, subject to all applicable taxes and deductions.

All current employees working for the carrier are eligible to receive the retroactive payments provided herein. Any and all employees who have retired or are deceased must have had an employment relationship with the Company on or after September 1, 2022 to be eligible for the retroactive wage and productivity bonus payments. An employee that has received the productivity bonus under a separate agreement will not be eligible to receive the productivity bonus under this Agreement.

In the event the Company is unable to make such payments within sixty (60) days, it shall notify the General Chairman of the reasons for the delay and the date on which such payments shall be made.

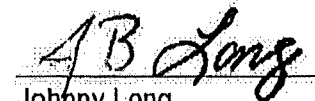
If you concur this reflects our understanding during negotiations leading to the tentative agreement between the parties, please sign in the space provided.

Sincerely,

For BMWED



Myron Becker
VP & Chief Labor Officer
Canadian Pacific Kansas City



Johnny Long
General Chairman
BMWED