

## ***INDIVIDUAL DEVELOPMENT & PERSONAL ACCOUNTABILITY POLICY***

### Purpose

The professional development and well being of all contract employees is a critical element in CSXT's continued success. The vast majority of employees do their jobs in a professional manner, day in and day out. All contract employees are valued members of the CSXT team and must be treated with respect and fairness in accordance with labor agreements.

This policy is designed to provide everyone an opportunity to improve and grow through a measured, open, and just process. The Company's rules must be adhered to by all employees if we are to avoid injuries, deaths, and substantial financial losses. Serious violations of Company rules must therefore be addressed in an appropriate and effective manner.

### Responsibilities

All CSXT employees are expected to be safe, conscientious, and dependable; to comply with rules; and display a positive attitude toward teamwork and Company objectives.

CSXT intends to continue to provide a safe work environment in which all employees can experience meaningful work and contribute to the success of the team. Managers must provide fair and consistent treatment to all employees under their charge, using alternatives to formal discipline wherever appropriate.

### General Guidelines

Incidents that are considered minor deviations will be subject to handling in accordance with procedures described in Part I of this policy.

Incidents of a more serious nature will be subject to handling prescribed in Parts II and III of this policy. Examples listed in Parts II and III are illustrative only, and not intended to limit appropriate handling for other serious offenses that may warrant corrective or disciplinary action, including dismissal.

### **Part I: *Minor Offenses***

Minor offenses are defined as rule violations that do not result in derailment, or damages to equipment, or personal injury.

Managers are encouraged to utilize informal corrective instruction based upon individual circumstances. At minimum, the first two minor offenses committed by an employee in a three-year period will be handled with informal corrective instruction.

The main concern is with repetitive behavior. Repeated violations of the rules may require more focused intervention with each succeeding offense.

For the third minor offense committed in a three-year period, an employee will elect between the following two options:

**Option A:** The employee will be offered the opportunity to participate in the “Incident review Committee” (IRC) process. The IRC is comprised of fellow craft employees selected by the appropriate Local Chairman. Corrective intervention will be determined solely by the IRC. The IRC will develop the root cause for the problem and prescribe appropriate corrective follow up. The only record maintained will be a note that the individual was referred to IRC.

**Option B:** Customary handling under the Railway Labor Act and applicable collective bargaining agreement.

For the fourth minor offense in a three-year period, a formal hearing will be conducted under the appropriate collective bargaining agreement and discipline of up to ten days suspension will be assessed if the employee is found responsible. The fifth minor offense will result in up to 30 days discipline if the employee is found responsible in a hearing and the sixth minor offense could result in possible dismissal.

Employees that work one hundred eighty days (180) without a minor offense will have one minor offense removed from consideration when determining the application of the policy.

## **Part II: *Serious Offenses***

This part of the policy describes the corrective action prescribed for a serious offense. A single serious offense will not be considered sufficient to warrant dismissal. However, suspension and/or retraining may be appropriate depending upon circumstances.

If an employee commits three serious offenses within a period of three years, the employee may be subject to dismissal. The employee's entire record will be taken into consideration when assessing discipline.

Serious Offenses include all train accidents resulting in a derailment, or damages to equipment, or personal injury. Other examples of Serious Offenses are violations of the following SOFA Recommendations/Serious Rules; 3-Step Protection, coordination between crews working in the same and adjacent tracks, distance to go communication, mounting and dismounting moving equipment, crossing over or riding the lead end of a car being shoved. Engineer or Remote Control Decertification events not considered Major offenses below would be considered as Serious Offenses. Other incidents may also be considered Serious depending on the circumstances.

Progressive handling of serious offenses will be pursuant to the following principles:

For the first serious offense, an employee will elect between the following:

**Option A:** The employee will be offered an opportunity to participate in the "Time Out" process conducted by the Division Manager or his designee. This process will include voluntary and full participation by the involved parties to develop the root cause and corrective solution. The applicable local chairman is encouraged to attend. The only recorded information will be a note that the individual was referred to a "Time Out". There will be a list of action items retained to ensure follow up is accomplished.

**Option B:** Customary handling under Railway Labor Act and the applicable collective bargaining agreement.

For the second serious offense within three years, discipline up to 30 days actual suspension will be assessed. This assumes that a fair and impartial hearing under the terms of the applicable labor agreement has been conducted and the employee is found to be at fault; or, a waiver was exercised under the applicable labor agreement and the employee accepted responsibility. The actual length of suspension will be based upon the nature of the violation, the employee's record, and taking into consideration the employee's willingness to accept responsibility. At the discretion of the Division Manager, or designee, the employee may be offered the opportunity for additional training for up to one-half of the time actually suspended.

The third serious incident within three years may result in dismissal. This assumes that a fair and impartial hearing under the terms of the applicable labor agreement has been conducted and the employee is found to be at fault.

**Part III: Major Offenses Warranting Removal from Service Prior to Hearing**

Major Offenses are those that warrant removal from service pending a formal hearing and possible dismissal from service for a single occurrence if proven responsible. Examples of such offenses include; altercation, dishonesty, late report of an on duty personal injury, theft, insubordination, Rule G, weapons on the property, excessive speeding (speed at or above FRA levels for Engineer decertification), passing stop signals without authority, occupying track without authority, blue flag violations, major accidents, other acts of blatant disregard for the rights of employees or the company, and acts that recklessly endanger the safety of employees or the public.

#### **Part IV: FRA Decertification Event**

Notwithstanding anything else in this policy, if an incident is covered by the FRA certification regulations, the involved employee is subject to those regulations and must satisfy the federally mandated revocation time period. Based upon the employee's record, acceptance of responsibility, and the employee's work history, the Division Manager, may elect with the employee's consent to provide additional training for up to one-half of the time the certification is revoked consistent with the requirements of 49 C. F. R., Part 240.

#### **Part V: Administration of Policy**

Responsibility for administration of the policy rests with Division Managers. A joint labor-management oversight committee will be established to review major discipline cases to ensure consistency and fairness in policy administration. The oversight committee will meet as necessary and will be chaired by the Vice President-Labor Relations. Other members of the committee will include the; the Vice President and Chief Safety Officer; the Assistant Vice President-Labor Relations; the two Regional Vice Presidents; and two each General Chairmen from BLE and UTU, designated by the involved labor organization.

### **Part VI: *Personal Injury Handling***

There will be no formal hearings solely to investigate an individual's personal injury. The Individual Development and Personal Accountability Policy outlined herein sets forth the manner in which rules violations are to be addressed.

All personal injuries must be reported to the appropriate supervisor at the time of occurrence prior to leaving the property on the day of occurrence so that prompt medical treatment may be provided.

However, if the injury manifests itself after departing the property, the injury must be reported to the appropriate supervisor upon manifestation and in no case later than 48 hours after the incident. Manifestation may include such factors as a decision to seek medical attention or the use of a prescriptive medication, treatments or remedies.

Failure to adhere to these reporting procedures will subject the employee to handling under the IDPAP, up to the level of a Major Offense.

# IDPAP - Minor Offenses

|                    |   |
|--------------------|---|
| <b>Definition</b>  | All rule infractions that do not result in a derailment, or damages to equipment, or a personal injury  |
| <b>Progression</b> | 1 & 2 - ICI<br>3 - IRC<br>4 - Up to 10 days<br>5 - Up to 30 days<br>6 - Up to dismissal   |
| <b>Time Frames</b> | <ul style="list-style-type: none"><li>· Three (3) year rolling period</li><li>· Six (6) months without minor offense will remove last minor offense from consideration in application of the policy</li></ul> |

# IDPAP - Serious Offenses

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| <b>Definition</b>  | All train accidents resulting in derailment, or damages to equipment, or personal injury and serious rule violations, i.e., SOFA, etc. |
| <b>Progression</b> | 1 - Time Out<br>2 - 30 days suspension<br>3 - Up to dismissal  |
| <b>Time Frames</b> | · Three (3) year rolling period  |

# IDPAP - Major Offenses

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|--------------------|---|
| <b>Definition</b>  | <ul style="list-style-type: none"><li>- Major Accidents</li><li>- Excessive speeding</li><li>- Stop signal violations</li><li>- Main track authority</li><li>- Blue Flag violations</li><li>- Dishonesty</li><li>- Late reporting of injury</li><li>- Other severe offenses</li></ul> |
| <b>Progression</b> | Removal from service - up to dismissal  |
| <b>Time Frames</b> | Three (3) year rolling period   |