

RIO GRANDE PACIFIC CORPORATION

IDAHO NORTHERN & PACIFIC RAILROAD * NEBRASKA CENTRAL RAILROAD
NEW ORLEANS & GULF COAST RAILWAY * WICHITA, TILLMAN & JACKSON RAILWAY

DISCIPLINE POLICY

EFFECTIVE DECEMBER 11, 2016

POLICY STATEMENT

The management of the respective railroads of *RIO GRANDE PACIFIC CORPORATION* recognizes that the rail transportation workplace is a complex environment involving employees who are largely self-supervised. Our safety culture must be, and is, focused on safe production in a safe workplace. One of the hallmarks of our safety culture is an active participation by our employees, managers and outside contractors. This revised policy is a reaffirmation of our commitment to safety.

The mutual objective of management and employees alike should be to identify and eliminate risks (physical plant risks, behavioral risks, and attitudinal risks) and create a safer workplace through a process of continuous improvement. We depend on and expect each and every employee to participate in this process.

To protect the safety and welfare of employees, preserve their means of livelihood, and provide for the orderly conduct of the operations, certain rules and policies governing employee performance are necessary.

Statistics have proven clearly that employees involved in multiple "potential discipline events" (rules or policy violations) are at risk for more serious infractions involving death, injury, or property damage.

The intent of the Discipline Policy is to correct improper performance, attendance, or conduct as it occurs. Management employees and co-workers should provide Positive Reinforcement to employees whenever warranted.

Nothing in this policy requires employees covered under a collective bargaining agreement to participate in this program or prohibits an employee covered under a collective bargaining agreement from requesting a formal investigation.

PROCESS

When a company manager has information that causes him/her to believe that an employee has violated a rule or policy, the employee will be so notified and the discipline process will be initiated.

TIME LIMITS

The time limit for formally charging an employee with a rule or policy infraction is TEN (10) days from the date of incident or, if the company is not advised by employee on date of the incident, TEN (10) days from the date the employee advised the company or the company is otherwise informed of the incident.

If, by action or inaction of the employee, a Remedial Training & Corrective Action Plan is stopped, aborted or otherwise not completed by the employee, the time limits for investigation and all subsequent time limits for appeal will start anew in their entirety at the date the company issues notice of failure to meet the requirements of the Remedial Training & Corrective Action Plan.

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RULE CATEGORIES

Category 1

- GENERAL CODE OF OPERATING RULES (GCOR)
- UPRR AIR BRAKE AND TRAIN HANDLING RULES (ABTH)
- UPRR MAINTENANCE OF WAY RULES (MOW)
- UPRR SAFETY RULES (SAFETY)
- RGPC TRAIN DISPATCHER'S RULES/INSTRUCTIONS MANUAL (TDR)

Category 2

- RGPC SYSTEM GENERAL ORDERS
- RGPC SYSTEM GENERAL NOTICES
- RGPC SYSTEM SPECIAL INSTRUCTIONS
- RGPC AND RAILROAD POLICIES, PROGRAMS, AND PLANS
- RAILROAD TIMETABLES AND SPECIAL INSTRUCTIONS
- RAILROAD GENERAL ORDERS AND GENERAL NOTICES
- FRA EMERGENCY ORDERS
- GCOR 1.1.3 – Accidents, Injuries, and Defects
- GCOR 1.4.1 – Good Faith Challenge
- GCOR 1.6.1 – Motor Vehicle Driving Records
- GCOR 1.6.2 – Notification of Felony Convictions
- GCOR 1.6.3 – Notification of Deteriorating Vision or Hearing
- GCOR 1.13 – Reporting and Complying with Instructions
- GCOR 1.15 – Duty-Reporting or Absence

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- GCOR 1.17 – Hours of Service Law
- GCOR 1.23.1 – Locomotive-Mounted Safety Devices
- GCOR 1.47 – Duties of Crew Members
- GCOR 2.21 – Electronic Devices
- GCOR 5.10 – Markers
- GCOR 5.13 – Blue Signal Protection of Workmen
- GCOR CHAPTER 6.0 – Movement of Trains & Engines
- GCOR CHAPTER 7.0 – Switching
- GCOR CHAPTER 8.0 – Switches
- GCOR 14.7 – Reporting Clear of Limits
- RGPC SWITCH POSITION AWARENESS PROGRAM
- UPRR ABTH CHAPTER 30.0 – Train Air Brake Tests & Inspections
- UPRR ABTH CHAPTER 31.0 – Locomotive Requirements
- UPRR ABTH CHAPTER 32.0 – Securement / Train Operations
- UPRR MOW 40.0 – GCOR Supplements
- UPRR MOW 42.3 – Main Track Authorization
- UPRR MOW 42.6 – Grade Crossings
- UPRR MOW 42.1.11 – Protection of Cars Not in Use
- UPRR SAFETY 70.3 – Job Briefing
- UPRR SAFETY CHAPTER 71.0 – Personal Protective Equipment
- UPRR SAFETY CHAPTER 74.0 – Automotive Equipment
- UPRR SAFETY 81.4.2 – Moving Equipment
- UPRR SAFETY 81.5.4 – Understanding Between Crew Members Before Crossing Through or Fouling Equipment

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- UPRR SAFETY 81.8.1 – Avoiding Fouling Hazards
- UPRR SAFETY 82.3 – Switch Operation
- UPRR INSTRUCTIONS FOR HANDLING HAZARDOUS MATERIALS FORM 8620
- RGPC ON-TRACK SAFETY RULES (including all associated UPRR MOW RULES)
- RGPC TDR 101.5 – Picking Up A Crew Member
- RGPC TDR 101.6 – Reverse Movements
- RGPC TDR 101.8 – Protection of Equipment Left On Main
- RGPC TDR CHAPTER 102.0 – Track Warrant Control Instructions
- RGPC TDR CHAPTER 103.0 – Track Bulletin Restriction Instructions
- RGPC TDR CHAPTER 105.0 – Automatic Warning Devices
- RGPC TDR 109.2 – Track Conditions

Category 3

- Failure to report or late reporting of a personal injury.
- Violation of personal conduct rule (GCOR 1.6) such as insubordination, dishonesty, felony conviction, physical altercation.
- Violation of Federal Regulations resulting in employee disqualification from duties, certification revocation, or the issuance of Federal fines either to the Company or employee.
- Violation of Train Dispatcher's Rules/Instructions resulting in Train Accident, Personal Injury or the issuance of Federal fines either to the Company or employee.
- Job abandonment and/or excessive absenteeism.
- EEO Policy Infractions.
- Overstaying Leave of Absence without authority.

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DISCIPLINE CHART – DETERMINATION

Rules Category	Occurrence within 12 Month Period	Discipline Category	
		Operational Testing Failure	Incident
1	1 st	A	A
	2 nd	B	B
	3 rd	C	C
2	1 st	B	C
	2 nd	C	D
	3 rd	E	F
3	1 st	F	F

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DISCIPLINE CHART - ACTION

Discipline Category	Disciplinary Action
A	Must receive immediate coaching/counseling by a manager and may be required to complete a Remedial Training & Corrective Action Plan if deemed necessary by a manager.
B	May be required to serve up to FIVE (5) working days suspension without pay to be served immediately and consecutively following the formal issuance of discipline. Must complete a Remedial Training & Corrective Action Plan after all disciplinary suspension days are fulfilled. The plan must be completed while on-duty on company property.
C	Must serve a minimum of FIVE (5) and up to TEN (10) working days suspension without pay to be served immediately and consecutively following the formal issuance of discipline. Must complete a Remedial Training & Corrective Action Plan after all disciplinary suspension days are fulfilled. The plan must be completed while on-duty on company property.
D	Must serve a minimum of TEN (10) and up to FIFTEEN (15) working days suspension without pay to be served immediately and consecutively following the formal issuance of discipline. Must complete a Remedial Training & Corrective Action Plan after all disciplinary suspension days are fulfilled. The plan must be completed while on-duty on company property.
E	Must serve a minimum of FIFTEEN (15) and up to THIRTY (30) working days suspension without pay to be served immediately and consecutively following the formal issuance of discipline. Must complete a Remedial Training & Corrective Action Plan after all disciplinary suspension days are fulfilled. The plan must be completed while on-duty on company property.
F	Must serve a minimum of THIRTY (30) working days suspension and up to DISMISSAL. Suspension days are to be served without pay immediately and consecutively following the formal issuance of discipline. Must complete a Remedial Training & Corrective Action Plan after all disciplinary suspension days are fulfilled. The plan must be completed while on-duty on company property.

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NOTES

Under "Rules Categories", where a rule chapter number is listed, all rules and sub-rules contained within that chapter are included. Where a specific rule number is listed, all sub-rules are included unless specified otherwise. All rules include any modifications made through General Order, Special Notice or other Instruction.

Discipline for violations of GCOR 1.5 (Drugs and Alcohol) are handled under the RGPC Drug and Alcohol Policy.

In assessing unpaid suspension, managers will review the employee's work record for the 36-month period preceding the most recent event.

GENERAL QUESTIONS AND ANSWERS

1. Does this Policy constitute a labor agreement?
No. It is a Company policy.
2. Does this Policy apply to probationary employees?
It is within management's discretion whether to apply the terms of the disciplinary policy to probationary employees.
3. Will employee be reimbursed for necessary expenses such as travel, meals and lodging if incurred in order to attend Remedial Training?
Yes, provided that training takes place at other than on the property of the employing railroad.
4. What happens if an employee fails to attend or complete the Remedial Training & Corrective Action Plan?
A hearing will be scheduled and the formal discipline process resumed.
5. How is the formal disciplinary process initiated?
By the issuance of a Notice of Investigation or Hearing.
6. Does this Policy impose any time limits for initiating formal disciplinary action?
Yes. The policy is ten days from the date of incident or date the company is otherwise informed of the incident, unless as described in Item #4 above. In this type of instance, the ten day period will begin on the date remedial training was scheduled to be completed.

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7. Does the Discipline Policy provide for the use of Deferred Suspension?
It is within management's discretion to impose Deferred Suspension.
8. What does "formal issuance of discipline" mean?
All company discipline must be issued in writing.