



Northeast Region Railroads and Companies

Aliquippa & Ohio River Railroad Co.
Buffalo & Pittsburgh Railroad, Inc.
Columbus & Ohio River Rail Road Company
Connecticut Southern Railroad, Inc.
Granite State Transloading Inc.
Mahoning Valley Railway Company
Massena Terminal Railroad Company
New England Central Railroad, Inc.
Ohio Central Railroad, Inc.
Ohio Southern Railroad, Inc.
Pittsburgh & Ohio Central Railroad Company
Providence & Worcester Railroad Company
Rail Switching Services, LLC
Rochester & Southern Railroad, Inc.
South Buffalo Railway Company
TransRail North America
Warren & Trumbull Railroad Company
Wellsboro & Corning Railroad
Youngstown & Austintown Railroad, Inc.
Youngstown Belt Railroad Company

Discipline Policy

Employee Guide

Effective: July 2 2018

MESSAGE TO ALL EMPLOYEES:

The core values of the railroads and companies under the Northeast Region are as follows:

Focus....for disciplined growth.

Integrity....to earn the trust of others.

Respect....for all people with whom we deal.

Excellence....in all we do.

These values, those that guide us for the long term, each dictate that we must perform our duties within the guidelines of appropriate behavior, in line with these core values. All of us are expected to follow these values and behave accordingly. The success of our business depends upon the best possible use of our available assets, the most valuable being the talent and dedication of our employees. To ensure that all employees have the opportunity to work in an environment where talent and effort are recognized and misconduct is curtailed, the tool of discipline must be used.

For any discipline system to be effective the consequences of misconduct must be:

1. Fair and clearly defined.
2. Communicated to all that may be affected.
3. Consistently applied to all employees regardless of craft or function.

The purpose of this Policy is to prescribe the Company's expectations concerning the administration of discipline and a process for dealing with offenses.

OPEN DOOR POLICY

Every employee, regardless of position, should bring problems, concerns, or suggestions to management's attention. If you have suggestions or concerns, talk with your supervisor. If you are not satisfied with their response or do not wish to discuss the matter with your supervisor, you may bring the matter to the next level of management, or to Regional Labor Relations (LR).

POLICY OVERVIEW

This discipline policy is not intended to be a tool to punish employees, as people are our greatest asset. Rather, it is a means for better understanding, cohesiveness, and to modify behavior. We believe rules compliance, safety, and cost control is everyone's goal and is the driving factor in employee job satisfaction. Having one policy for all employees and managers creates a fair and unbiased way to deal with problems that arise because it is standardized, inherently fair and consistent for everyone.

We may impose the form of discipline we believe is appropriate in light of the employee's conduct, past work record, length of service and the surrounding circumstances. However, in

situations involving minor or first time infractions, employees will generally have an opportunity to correct problems and terminations rarely would be considered.

It is noted that when an employee is within their probationary period, the company reserves the right to terminate the employee without cause.

Ownership and accountability during an investigation are fundamental steps for growth and development and supported within our core values.

In the event there is an inconsistency between the terms of a collective bargaining agreement and this Policy, the Collective Bargaining Agreement language will control for employees covered by that agreement.

DISCIPLINE ASSESSMENT TABLE AND PROGRESSIVE DISCIPLINE TABLE

There are five levels of discipline in this policy with Level 1 being the least punitive, advancing incrementally, depending on the rule infractions, to Level 5, of discipline up to and including dismissal. The discipline levels will be cumulative within a 36 month period.

The Discipline Assessment Table and Progressive Discipline Table which follow are to be used by managers and employees in the discipline process.

To determine the discipline level of the current infraction, use the following table to find the rule violated and the level of discipline applicable. The significance of this table is the consistency of the application of discipline.

DISCIPLINE ASSESSMENT TABLE		
VIOLATIONS OF THESE RULES WILL RESULT IN		LEVEL
General Code of Operating Rules: 1.3 thru 1.4 1.6.1 1.8 thru 1.9 1.10 1.14 1.20 1.24 1.28 thru 1.35 1.37 thru 1.46 1.48 2.1 thru 2.5 2.7 thru 2.12 2.15 thru 2.20 4.0 thru 4.3 5.1 thru 5.3.2 5.3.5 - 5.3.6 5.9.1 thru 5.11 6.1 6.6 6.24 6.26 6.29 thru 6.30 8.1 8.4 thru 8.7 8.1 8.13 8.16 thru 8.17 8.19 9.2 thru 9.3 9.5.5 9.20 thru 9.22 9.24 14.8 15.1 15.6 thru 15.14 Air Brakes & Train Handling Rules: 100.3 100.16 thru 100.17	Safety Rules: Transportation: 1 thru 1004 1101 thru 1656 1800 thru 1962 Engineering: GW RWP 801-803,806, 853-861 1-8 8000, 8001, 8005-8009 8011 8030 thru 8071 8081 8083 thru 8085 8087 thru 8090 8093 - 8094 8450 – 8462 Mechanical: 1 thru 12 14 thru 15 18 thru 21 23 thru 24 26 thru 27 4000 4003 4009 thru 4047 4052 4142 - 4145 4155 4185 - 4186 4189 - 4200 4220 thru 4227 4233 - 4234 4301 - 4302 4304 - 4305 4311 4313 4317 thru 4319 4330 4340	Minor

<p>101 101.2.1 thru 101.4 101.7 thru 101.9 101.10.1 thru 101.10.4 101.14 thru 101.15 102.1 102.3 102.5 thru 102.6 104 thru 104.9 105 thru 105.7</p> <p>Non Major Offenses of United States Hazardous Material Instructions for Rail:</p>	<p>4351 4381 - 4382</p>	
<p align="center">VIOLATIONS OF THESE RULES WILL RESULT IN</p>		<p align="center">LEVEL</p>
<p>General Code of Operating Rules:</p> <p>1.11 1.17 1.21 thru 1.23 1.26 thru 1.27 1.36 2.6 2.14 5.3.7 5.8 thru 5.9 5.15 6.4 6.8 thru 6.12 6.16 thru 6.18 6.21 thru 6.23 7.1 7.2 thru 7.4 7.8 thru -7.13 8.8 8.9 1 8.11 8.14 9.13 9.15 thru 9.15.2 9.19 10.2</p> <p>Air Brakes & Train Handling</p>	<p>Safety Rules: Transportation: 1700 thru 1753, except 1702</p> <p>Engineering: 9 thru 26 8002 thru 8004 8080 8082 8086 8091 – 8092 8100 thru 8338 GW RWPP 807-808, 831 - 852</p> <p>Mechanical: 16 4001 thru 4002 4005 thru 4007 4048 thru 4086 4095 thru 4141 4146 thru 4154 4183 thru 4184 4187 thru 4188 4229 thru 4232 4235 thru 4264 4267 thru 4300 4303</p>	<p align="center">Serious</p>

100.2 101.2 101.5 101.6 101.11 101.16 101.17 thru 101.19 102.2 102.4 102.7 thru 102.7.1102.8 thru 102.9.3 102.11 102.13 thru 103.8.1 103.8 103.8.3 thru 103.12 United States Hazardous Material Instructions for Rail:	4306 thru 4310 4312 4314 - 4316 4320 thru 4329 4331 thru 4336 4338 thru 4339 4341 thru 4350 4352 thru 4380 4383 thru 4389	
VIOLATIONS OF THESE RULES WILL RESULT IN		LEVEL
General Code of Operating Rules: 100.8 1.1 thru 1.2 1.12 thru 1.13 1.18 thru 1.19 1.44 1.46 1.47 5.3.3 thru 5.3.4 6.7 6.19 thru 6.20 6.31thru 6.32 8.2 thru 8.3 8.12 8.15 8.18 8.20 9.8 thru 9.11	Safety Rules: Transportation: 1702 Engineering: 8350 thru 8381 GW RWP 805 Mechanical: 13 17 22 25 4014 4087 thru 4094 4156 thru 4182 4201 thru 4219 4228 4265 thru 4266 4337	Egregious

<p>9.23 14.7 14.9 thru 14.13 15.5 Air Brakes & Train Handling Rules: 102.12 thru 102.12.1 102.12.3 thru 102.12.4 103.8.2 101.6</p>		
VIOLATIONS OF THESE RULES WILL RESULT IN		LEVEL
<p>General Code of Operating Rules: 1.5 - 1.6 Major Offenses: Felony Conviction Fraud Theft Code of Ethics Policy Violations Insubordination</p> <p>1.7 2.21 5.4 thru 5.6 5.12 thru 5.14 6.2 thru 6.3 6.5 6.13 thru 6.14 6.27 thru 6.28 7.5 thru 7.7 9.1 9.4 9.5 thru 9.7 9.12 9.16 thru 9.18 10.1 10.3 14.1 thru 14.5 15.2 15.4 17.3 17.8</p>	<p>Safety Rules: Transportation: 1100 Engineering: 8010 GW RWP 809 thru 830</p> <p>Mechanical: 4004 4008 This list provides examples of major offenses, but is not meant to be exclusive or all encompassing.</p>	Dismissal

Air Brakes and Train Handling Rules: 100 thru 100.2 100.4 101.1 101.12 thru 101.13 102 thru 102.1.2 102.12.2		
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- Where rule numbers are shown, it includes sub-rules unless specified otherwise. Rules include any modifications to a rule through General Order, Time Table, and Special Instructions, on home or foreign railroads, and any modification to Safety Rules.
- Rules may be added, modified, or deleted at the discretion of the company.
- Ownership and accountability during an investigation are fundamental steps for growth and development and supported within our core values

Progressive Discipline Chart

	Step 1: History: no violations in the last three years	Step 2: History: one minor violation in the last three years.	Step 3: History: two minor OR one serious violation in the last three years.	Step 4: History: three minor OR one egregious and one minor OR two serious violations in the last three years.	Step 5: History: four minor OR one egregious and two minor OR two serious and one minor violation in the last three years. Dismissal
Current offense is a Minor Infraction	Reprimand with coaching and counseling	Reprimand with coaching and counseling	4 Days Suspension	6 Days Suspension	Dismissal
Current offense is a Serious Infraction	Reprimand with coaching and counseling	4 Days Suspension	6 Days Suspension	8 Days Suspension	Dismissal
Current offense is an Egregious Infraction	6 Days Suspension		10 Days Suspension	Dismissal	
Current offense is a Dismissal Infraction	Dismissal				

Note: The Progressive Discipline Chart maybe superseded by FRA required decertified events.