David Pezzaniti
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May 26, 2026

Jonathan B. Long
General Chairman D&H BMWED
9300 Runyon Road
Catlettsburg, KY 41129

RE: Letter of Understanding – D&H BMWED employees working Off District as a Contractor on CP's Central Main & Quebec Railway-Canada

Dear Mr. Long,

This is further to the discussions between the Company and the Union concerning the utilizations of employees from the D&H to perform work off district on CP's Central Main & Quebec Railway (CMQ-US). The Parties have expressed the desire for BMWED represented employees of the D&H to perform work on CMQ-US, subject to the conditions set forth herein.

The Parties agree, on a without prejudice or precedent basis, to allow for temporary utilization of D&H BMWED employees on a voluntary basis in system seniority order to perform off district work on the CMQ-US. The Company and Union will canvass, employees io establish the list of volunteers.

The Company will establish the number of positions and qualifications required and bulletin these positions to D&H BMWED employees. The positions will be filled based on qualifications and system seniority.

While employees are performing work off district on the CMQ-US, these employees' work shift schedules will be set to one or more of the schedules below:

1. Other than when alternate work cycles are in place, employees will work eight (8) consecutive hours per day, five (5) days per week, with two (2) consecutive rest days, with the understanding that non-consecutive rest days may be assigned when the Company has a specific operational need.

2. Alternate Work Cycles

   - Notwithstanding the above, D&H may assign alternate work cycles which provide for work cycles of the following, but not limited to:

- Eight (8) consecutive ten (10) hour work days followed by six (6) consecutive rest days; or

- Four (4) consecutive ten (10) hour work days followed by three (3) consecutive, rest days; or

- Seven (7) consecutive work days consisting of eleven hours and 25 minutes (1 1.4166 hours) followed by seven (7) consecutive rest days.

- If the work cycle is changed, the affected employee(s) will be notified no later than the start of the work shift on the last workday of the previous work cycle. There is no requirement to post this notification.

- The parties reserve the right to discuss additional work schedules and implement upon mutual agreement.

3. For such jobs, overtime shall be paid after the employee has worked the number of hours in the scheduled work shift. All overtime will be calculated in the same manner it is calculated under the BMWED-D&H CBA.

   Note: It is understood that employees may be required to work overtime preceding, following or continuous with their regularly assigned work period in the event of an operational necessity (ex: train delay), or any instance that may delay block start times. It is understood that overtime in these circumstances will be limited to a maximum of three (3) hours overtime. However, such overtime will not be required beyond the designated quitting time of the final day of a work cycle, unless agreed to by a majority of the crew members affected.

4. All positions will have a start time(s) or assigned hours that will be stated on the bulletin.

   - There will be no restriction to a start time for these positions.

   - If the work shift start time(s) is changed, the affected employee(s) will be so advised no later than the start of the meal period of the previous work shift. When change is made under this paragraph, employee(s) will be provided rest equivalent to the hours worked up to a maximum of ten (10) hours. Those working in excess of ten (10) hours will receive ten (10) hours rest. There is no requirement to post this notification.

5. The positions working on the CMQ-US will be considered non-headquartered crews and be paid the same travel expenses that they would receive as non-headquartered crews under the BMWED-D&HCBA

6. The positions working on the CMQ-US will be paid D&H hourly rates based on the position listed on the bulletin.

7. Employees making placement to these positions will remain on these positions until the positions are abolished at the end of the work season.

    - In the event a DH BMWE employee is displaced and they have no seniority to hold a position on the DH, the employee may exercise seniority to the CMQ, if a position is available on an Off-District Crew.

8. When the positions are abolished, or an employee is displaced by an exercise of seniority, the affected employee(s) will have to immediately exercise their seniority on the D&H or forfeit their bonus prescribed in Appendix T. In the event an employee chooses not to immediately place and forfeit their bonus, the employee will have seventy-two (72) hours to make placement to another position on the D&H. The seventy-two (72) hours will not include assigned rest days or holidays, If the employee is working an alternate work cycle the seventy-two (72) hours and assigned rest days/ holidays cannot exceed ten (10) days to place.

9. Ability to Fill Positions

*From Section 2 (g) of the April 15, 2015 D&H/CPR-BMWED Implementing Agreement (Revisions in **Bold** for CMQ Work Agreement for D&H BMWED Employees)*

> *(g) Rights to Maintenance of Way positions on the D&H system shall be based on the relative ranking on the D&H System Seniority Roster, subject to application of prior rights.*
>
> *A furloughed employee who is recalled **or actively working employee who voluntarily exercises seniority (through bid or displacement)** to a fixed headquartered position on other than the employee's prior right district and which is in excess of one hundred (100) miles from the employee's residence shall be paid such expenses as are payable to mobile production gang employees pursuant to BMWED-D&H CBA Rules 21 and 22. **This language does not serve to deny preference to employees with prior rights designation where the position is assigned to such fixed headquartered***

positions ahead of otherwise senior employees with a different prior rights designation or junior system employees hired after September 18, 2015.

The Parties further agree that there may be times when positions remain unfiled even after adopting the language above. In the event that a position remains unfilled after all regular fill provisions are exhausted the Company may:

A. Force the junior qualified employee from a different prior rights district to an open position for a period of forty (40) working days. When a furloughed employee is forced from his/her prior right district in this manner and the work location is in excess of one hundred (100) miles from the employee's residence, the employee shall be paid such expenses as are payable to mobile production gang employees pursuant to the BMWED-D&H CBA Rules 21 and 22.

B. At the end of the forty (40) working days the employee who has been forced can elect to return to his/her home district, by requesting release by the last work day of his/her work week following the fortieth (40th) day, The employee may also elect to stay on the position, making that person an automatic bidder, and that position would no longer be subject to bulletin.

C. If the employee elects to return to his/her home district the company will re-bulletin the position, with the understanding that after all regular fill options have been exhausted the junior employee from a different prior rights district may be forced to the position as outlined in Item 9, Paragraphs A and B of this Agreement.

D. The purpose of this rule is to allow for the Carrier to have additional ability in filling positions by: First, allowing all employees to make application thereto such positions; and Second, to assure coverage subject to seniority provisions provided in this Agreement.

10. After Hours and Weekend Response

The Company and the D&H BMWED will review opportunities where four (4) qualified employees from North Seniority District and four (4) qualified employees from the South Seniority District will be placed on-call on the following basis:

A. Positions will be awarded on a senior "may accept" basis. If the event that no bids are received, the junior qualified employee will be required to protect for a period of up to three (3) weeks in the event of no bidders during that three (3) week period. After three (3) weeks, the next junior qualified employee ahead of the person holding the position will be assigned to the position.

B. In this application, the employee on call will be the first called for any after-hours callouts during the on-call period on their home section limits. In situations for callouts that are off employee's home section limits, regular calling procedures will apply prior to using employees from a different seniority district call list.

C. On-call employees will cover work for the entire subdivision or terminal.

D. Company has the ability to implement/ cancel "on-call" with seven (7) days' notice depending on seasonal and/or operational requirements.

E. Employees who are on-call to receive eight (8) hours pay at straight time rates, for each seven (7) day period on-call.

F. Employees who are on-call must carry a Company supplied cellular phone while protecting the service.

G. Employees who are on-call must be fit for duty and will be required to respond to callouts during the on-call period.

H. If an employee fails to respond to a call during their seven (7) day period, they will forfeit the eight (8) hours pay at straight time rate outline in Item 10, Paragraph (E).

I. If an employee elects to bid these positions and does not report as required, the employee will be restricted from bidding, any of the positions they had bid, for a period of thirty (30) days. This provision does not restrict the Company from forcing a junior employee to protect the position.

11. Camper Option

The camper option will be available to an employee who performs service that requires them to remain away from their home work location for which lodging would be otherwise paid.

A. To qualify as a camper, the vehicle or trailer must contain inhabitable living quarters. The employees must present the Engineering Manager of this crew with their name, employee number, and camper license number (if such license is required) or other agreed upon identification.

B. The employee will be entitled to a camper allowance reimbursement of $75.94 for each day the company would otherwise be obligated to reimburse the employee or provide lodging. This rate will be adjusted up or down, annually, based on the same percentage change of the previous year's CPI-W adjustment.

C. This allowance must be designated as a camper allowance on the employee's expense account.

D. The employee will be responsible for transporting the camper from one work location to the next, and cannot use Company equipment or paid time to move their personal camper.

E. Personal Campers may not be stored or parked on Company Property.

12. Staffing

- It mutually agreed that any BMWED employees hired by the Carrier on the D&H after January 10, 2022 (as anticipated by CPKC), will be required to protect and work positions on any crews assigned to perform work on the CMQ and D&H properties for which their seniority and qualification shall govern.

- In the event of any employee covered by the D&H-BMWED CBA or the BMWED-CPKC-CMQ that presents a reasonable request of a hardship, such instances will be handled on a "case-by-case" basis through discussion between the Chief Engineer and/ or Labor Relations and the General Chairman or his designee to reach an amicable accommodation with the presentation of evidence of the hardship that would preclude the employee from reporting, or continuing in such assignment.

- Nothing in this Item 12 is intended to compromise or alter any of the currently existing governing language of the D&H-BMWED CBA or the BMWED-CP-CMQ Side Letter agreement.

It is anticipated that this work will commence and will be completed for the 2026 season and will remain in affect anytime there are D&H employees working on the CMQ-US. Either Party may cancel or extend this Agreement by providing fourteen (14) days' advance notice to the other Party.

The Union agrees that no grievance shall be filed with respect to the provisions and/or application of this Agreement. If any disagreement arises with respect to the application of the terms of this Agreement, the parties agree to meet and discuss those disagreements and attempt to find resolution.

If you are in agreement with the foregoing terms and conditions, please signify your concurrence by signing in the space provided below and return one signed copy of this letter to me for the Company's records.

For the Company:

D Pezzaniti

David Pezzaniti
Managing Director Labor Relations
Canadian Pacific Kansas City

For the Union:

J.B. Long

Jonathan B. Long
General Chairman
D&H BMWED