

MEMORANDUM OF AGREEMENT

BETWEEN THE

DAKOTA, MINNESOTA, & EASTERN RAILWAY (DM&E)

AND THE

**EMPLOYEES THEREOF REPRESENTED BY THE BROTHERHOOD OF
MAINTENANCE OF WAY EMPLOYEES
DIVISION/IBT (BMWED)**

The DM&E BMWED recognizes and understands that the Dakota, Minnesota & Eastern Railroad Corporation is not part of the National Negotiations involving the US Class 1 Railways and the NCCC. As such, the BMWED also recognizes that the Carrier is under no obligation to adopt any of the recommendations set for by PEB 250 and the subsequent agreement ratified by the BMWED membership on other Class 1 Railways.

The Company is prepared, on a without prejudice basis, and as a result of the current circumstances surrounding the supply chain to adjust the hourly wage rates for BMWED represented craft employees on DM&E so the rates of pay are approximately 90% of the hourly wage rates for comparable positions within the same craft on the Soo Line.

ARTICLE I – WAGES

Work Category	Percentage of Rate	2024 Rate
Track Inspector	100%	\$ 36.23
Track Foreman	100%	\$ 35.42
Structures Foreman	100%	\$ 35.42
Welder	100%	\$ 34.10
Work Equipment Repairman	100%	\$ 34.10
Machine Operator A	100%	\$ 34.81
Material Truck Driver	100%	\$ 34.46

Work Category	Percentage of Rate	2024 Rate
Assistant Foreman	100%	\$ 34.81
	95%	\$ 33.07
	90%	\$ 31.33
Machine Operator B	100%	\$ 32.20
Welder Helper	100%	\$ 31.52
	95%	\$ 29.95
	90%	\$ 28.37
Carpenter	100%	\$ 32.02
	95%	\$ 30.42
	90%	\$ 28.82
Bridge Tender	100%	\$ 30.60
	95%	\$ 29.07
	90%	\$ 27.54
Laborer	100%	\$ 30.55
	95%	\$ 29.02
	90%	\$ 27.49

In the chart above the reference to 100% pay reflect 90% of the Soo Line rate for the comparable position.

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; payable no later than January 31, 2025.

ARTICLE II – HEALTH AND WELFARE

Continuation of Health and Welfare Plan

Employees subject to this agreement will continue to be covered pursuant to the Health and Welfare plans for DM&E Employees.

ARTICLE III – 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 as:

- (a) A personal leave day to be scheduled during the upcoming year, subject to rules associated with personal leave days.
- (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.

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 IV – GENERAL PROVISIONS

Replace Rule 24 – Meals, Lodging and Travel Expense Reimbursement, with the following:

- A. Effective October 1, 2024, employees who are assigned to work away from their homes shall be reimbursed for business travel expenses, lodging, and meal expenses (in lieu of any other traveler expense reimbursement) as follows:

Mileage and Tolls

- 1. 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 67 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 employees performance of work for the carrier including traveling to and from their home and carrier provided lodging, designated assembly points, gang startups and breakups, 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 work site and back to that lodging when 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 at the end of each week and stay in company provided or reimbursed lodging will receive mileage at the then current IRS mileage rate (currently 67 cents/mile) and are not entitled to the travel

allowance provided for in Section (A)(2) below.

2. Employees would like 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 was 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 \$37.66 per 100-mile increment/\$19.33 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) above if they receive the Travel Allowance.
3. 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 GSA's standard CONUS lodging rates and the designated assembly point.
4. Only employees who drive a personal vehicle under Section (A)(1) will be reimbursed for tolls as an expense by the Company if the tolls are within the employees most direct route of travel and are necessary to complete such travel and provided that the employee submits appropriate receipts to substantiate the cost of such tolls.

Meals and Incidental Expenses

1. An employee who is assigned to work at a location away from the employee's home will receive an allowance for meals and incidentally expenses at the then current Government Service 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.
2. 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 allowances 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 Paragraph 3 (Lodging) below or 750 miles in a full day.

Lodging

1. 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.
2. 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 \$107/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 that is required to be lodged in double occupancy shall receive an additional allowance of \$25.00 for each night so lodged.
3. 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 \$25.00.
4. The lodging described in Subparagraph (2) 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 employees request, be provided or reimbursed along the route between an employee's work site and home: (1) on the last night the employees work week if the employee must drive more than 300 miles to get home; or (2) two nights preceding the employees first work day if the employee must drive more than 750 miles (e.g., Saturday night lodging ahead of a Monday start).
5. The Company may condition reimbursement for lodging expenses upon submission of appropriate receipts from employees who work away from home.
6. Employees who are required to obtain lodging as a result of their service to the CPKC/DM&E will be allowed the option of receiving a camper allowance of \$72.02 a day in lieu of lodging expenses as provided in Section 2 & 3 above. (See Rule 24, Section 3, Paragraph C of DM&E Collective Bargaining Agreement).

This rate will be adjusted up or down, annually, based on the same percentage change of the previous year's CPI-W adjustment.

- 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.

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.

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 _____, 2024.

For the:

DM&E RAILROAD CORPORATION
(d/b/a Canadian Pacific Kansas City)



Myron Becker
VP & Chief Labor Officer

BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES

BJR 06.25.2024
Brian Rumler
General Chairman BMWED

David Pezzaniti
Managing Director Labor Relations

GEO 06.25.2024
Galen Owen
Vice President BMWED

Alan Weed
Director Labor Relations

Al McCombs
Assistant Director Labor Relations

Side Letter No. 1 – Retroactivity and Eligibility

_____, 2024

Brian Rumler
General Chairman BMWED
235 Nature Valley Place
Owatonna, MN 55060

Dear Sir,

This refers to our discussions regarding payment of the retroactive portion of the General Wage Increase effective January 1, 2024.

The Company shall endeavor to make the retroactive payments applicable to the period dating from January 1, 2024 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 Company 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 January 1, 2024 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,



Myron Becker
VP & Chief Labor Officer
Canadian Pacific Kansas City

For BMWED

BJR 06.25.2024

Brian Rumler
General Chairman
BMWED

Side Letter No. 2 – Supplemental Payment

_____, 2024

Brian Rumler
General Chairman BMWED
235 Nature Valley Place
Owatonna, MN 55060

Dear Sir,

This refers to our discussions regarding the supplemental payment of \$.85 per hour for all actual hours worked by BMWED represented employees subject to the terms of this Collective Bargaining Agreement between the Parties.

The Parties agree to the following:

Effective with the ratification of this Agreement, the terms of Appendix G of the Collective Bargaining Agreement will be of no further force or effect.

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

BJR 06.25.2024

Brian Rumler
General Chairman
BMWED



Myron Becker
Vice President & Chief Labor Officer

C: (816) 705-4082
Email: Myron_Becker@cpr.ca
427 W 12 St,
Kansas City, MO
United States 64105

_____, 2024

Brian Rumler
General Chairman BMWED
235 Nature Valley Place
Owatonna, MN 55060

Dear Mr. Rumler:

I am writing to memorialize our recent conversation relating to the gap in hourly wage rates for employees of Dakota, Minnesota & Eastern Railroad Corporation (DM&E) who are represented by your Organization compared to the hourly wage rates for employees represented by your Organization on Soo Line Railroad Company (Soo Line) who hold comparable positions.

In the current round of DM&E local wage and rules negotiation under Section 6 of the Railway Labor Act, we agreed to hourly wage rates for maintenance of way craft employees on DM&E that are approximately 90% of the hourly wage rates for comparable positions within the same craft on Soo Line as of January 1, 2024.

We committed to offer your Organization DM&E hourly wage rates equal to 100% of the hourly wage rates for employees represented by your Organization on the Soo Line who hold comparable positions as of December 31, 2026. The hourly wage rates would then be adjusted from that point on a going forward basis.

Please let me know if you would like to discuss any of these matters further.

Sincerely,

BJR 06.25.2024

GEO 06.25.2024

Myron W. Becker
VP & Chief Labor Officer
Canadian Pacific Kansas City