

Circular No. 070

KCS System Circular No. 070

Effective: February 1, 2021

ALL SUBDIVISIONS

Please be advised that, effective Monday, February 1, 2021, Policy 30.00 for employees of The Kansas City Southern Railway Company who are covered by a collective bargaining agreement has been updated and posted to the Company's intranet website, "Inside Track." This discipline policy has been retitled "Policy for Employee Accountability at KCSR" ("PEAK"). A copy of this new discipline policy is also attached to this circular. Features of the new policy include, but are not limited to, the following: (1) rule/policy violations that were previously categorized as *Minor*, *Major*, and *Dismissal* infractions will be treated as either *Non-Major* and *Major* infractions under PEAK; (2) disciplinary suspensions are being reduced to 1-, 3-, or 5-day actual suspensions (or "time served," if longer); (3) employees who accept offered waivers will receive reduced discipline; (4) dismissal will be the presumptive discipline when an employee commits a PEAK *Major* infraction or, within a 3-year lookback period, progressive violations as set forth in Section IV of the policy; (5) employees will be provided remedial coaching and/or training events in association with substantiated non-dismissal infractions; and (6) dismissed employees who are reinstated under PEAK will come back on probationary status for 2 years (leniency returns) or 3 years (arbitration returns) as set forth in Section VII of the policy.

The summary above highlights some, but not all, of the features of the new discipline policy; employees should therefore go to Inside Track or refer to the attached version of PEAK for full details on the new policy.

As was the case under the previous discipline policy, departmental attendance policies are included as appendices to PEAK; however, these attendance policies are still separate from the discipline policy itself.

Chris Knox	David O'Neal	Zach Mathews	Kiley Hinds
GM North Division	GM Southeast Division	GM Speedway Division	GM Border Division
Kansas City Southern	Kansas City Southern	Kansas City Southern	Kansas City Southern

*****END*****

Title:	Policy for Employee Accountability at KCSR (“PEAK”)
Policy Number:	30.00
Effective Date:	02/01/2021 ¹
Last Revised:	02/01/2021
Application:	Employees Covered by a Collective Bargaining Agreement

I. PEAK Purpose & Scope

The Kansas City Southern Railway Company (“KCSR” or “the Company”) issues the following *Policy for Employee Accountability at KCSR* (“PEAK” or “Policy”) to provide a meaningful and effective process for addressing employees’ rule and policy violations in a fair and consistent manner. As further set forth in this Policy, the Company recognizes that coaching and remedial training are tools that can be used to reinforce understanding of, and compliance with, the rules and policies that are vital to a safe and productive workplace at KCSR. However, certain rule or policy violations and/or patterns of behavior by employees may be so serious that discipline, up to and including dismissal, is necessary to protect employees, KCSR business partners, and the general public.

PEAK applies to all employees covered by a collective bargaining agreement (“CBA”). PEAK supersedes previous discipline policies of KCSR, but it does not replace the previously issued availability and/or attendance policies for specific departments that are included as appendices to PEAK or any other policies or procedures of the Company. PEAK also does not alter the terms and conditions of the controlling CBA provisions that pertain to employees’ right to a formal investigation. No provision of this Policy shall be applied or interpreted in a manner inconsistent with federal or state law.

II. Discipline Process

Non-Major vs. Major Violations. Procedures for “non-major” violations are addressed in Part IV of this Policy, while events of a more egregious nature (“major” violations) are addressed in Part V. The violation examples listed in Parts IV and V are illustrative only and are not intended to limit appropriate handling of other significant employee rule/policy violations that may also warrant corrective or disciplinary action, up to and including dismissal.

Removal from Service. The Company will remove an employee from service who is the subject of a formal investigation in situations where the employee may be subject to potential dismissal for a major violation (Part V) or through progressive discipline after a non-major violation (Part IV). In these situations, the Company is not “predetermining” that the employee committed the violation; rather, there is the recognition that where—given the employee’s disciplinary history or the category of the violation under investigation—the employee could be dismissed, it is not appropriate for the employee to continue working while the disciplinary process is pending. An employee will also be removed from service in situations when his or her violation, if proven at the investigation, could require revocation of FRA certification.

Formal Investigations. Unless waived, the Company will hold a formal investigation to determine whether imposition of discipline under this policy is appropriate. An officer of the Company (the “presiding officer”) will conduct a fair and impartial formal investigation to determine the facts that are relevant to a particular incident. After reviewing the investigation transcript and any exhibits introduced at the investigation, an officer

¹ The “Effective Date” represents when PEAK went into effect for all employees covered by a collective bargaining agreement. Departments may, however, choose to include their own departmental attendance policies as appendices to PEAK, which policies will have been effective since they were implemented/last revised.

designated by his or her department to administer discipline (the “deciding officer”) will issue appropriate discipline. There is a strong presumption that appropriate discipline will be the discipline suggested by PEAK based on the category of the rule violated and the employee’s then-current discipline record. However, in certain cases, mitigating or aggravating factors may merit alternative handling to the presumptive discipline set forth for non-major (Section VI) and major (Section V) violations under this Policy. It is also possible that employees involved in the same incident and/or charged with the same violation could receive different discipline based on the facts developed in the investigation or each employee’s discipline history.

Waivers. Employees receiving notice that they may be subject to discipline may request a waiver of the formal investigation. The Company, in its sole discretion, may grant or offer such waiver requests. Where an employee waives the formal investigation process, he or she will receive the presumptive discipline suggested by this Policy. An employee who requests and is granted a waiver may still be called to participate in a formal investigation if he or she has knowledge that is relevant to the subject of the investigation.

Suspensions. Along with KCSR’s disciplinary suspensions set forth in PEAK, employees will be required to serve all FRA-mandated suspensions pursuant to federal law and regulations. However, the Company will provide remedial training to shorten such FRA-mandated suspensions as permitted by applicable regulations.

Dismissal. If an employee is determined to have committed either a major violation or multiple non-major violations² within a rolling 3-year lookback period,³ the employee will be subject to dismissal. Additionally, if an employee is determined to have violated a decertification rule and there are two prior FRA certification revocations on the employee’s work history (regardless of which FRA certification the employee was operating under at the time of the latest incident), then the employee may be charged with violation of GCOR 1.6 and subject to dismissal after evaluation of the employee’s work history by the Vice President of the Operating Division or the VP’s designee.

III. Coaching/Remedial Training

Discipline for non-major violations under Part IV will be accompanied by formal coaching or remedial training as a non-disciplinary component as further described below.

Coaching Events. Formal coaching will be provided when an employee commits a substantiated non-major violation and it is his/her only violation within a 3-year lookback period (“Coaching Event”). The coaching should be documented through the approved Coaching/Counseling Documentation form that is *Appendix 1* to this Policy. Coaching events will ordinarily be handled at the frontline supervisor level, but may be elevated within the coached employee’s chain of command as appropriate.

Training Events. Except when an employee’s substantiated major or non-major violation results in a dismissal (see Sections V and IV), the employee will be required to undergo remedial training (Training Event”) as directed by his or her supervisor. The remedial training may include individualized supervisor instruction, “hands on” or on-the-job training, online instructional courses, formal classroom instruction, or any combination thereof as determined by the employee’s supervisor. Any employee who is assigned a Training Event must complete such remedial training within the time specified by the Company; failure to do so may

² See Section IV, Non-Major Violations – either three different violations or two of the same violation within a 3-year lookback period will make the employee subject to dismissal.

³ The lookback period will include the 3-year period ending on the date of the current infraction, including the prior anniversary date of the current infraction. For example, if the current infraction occurred on March 28, 2020, the 3-year lookback period would run from March 28, 2017, to March 28, 2020.

result in further discipline being assessed against the employee for failure to follow instructions. The training should be documented through the approved Training Documentation form that is *Appendix 2* to this Policy.

Although an employee will generally be offered a waiver for his/her first or second charged non-major violation within a 3-year lookback period, the employee may opt to proceed to a formal investigation to contest the charge(s) rather than accept a waiver. Regardless, the employee must still undergo coaching or remedial training for the charged violation, except when there is no discipline assessed following a formal investigation.

IV. Non-Major Violations

A non-major violation is a single event involving an employee’s violation of one or more KCSR rules/policies when such event (1) is not otherwise covered by Part V as a major violation, (2) does not result in a derailment, or (3) does not result in damage to equipment that meets the monetary damage threshold for an FRA-reportable accident/incident in effect at the time of the event. While “non-major” is the terminology used to distinguish these violations from the “major” violations discussed in Section V, the Company does not regard any violation as insignificant.

A single non-major violation will generally not be considered sufficient to warrant dismissal. Successive non-major violations within a 3-year lookback period will be handled progressively as set forth below. An employee who commits three different violations within a period of 3 years of compensated active service will be subject to dismissal as set forth below. Additionally, because repeated rule/policy violations are concerning and justify more significant handling, employees violating the same rule within the 3-year lookback period will be considered repeat offenders and will be handled in accordance with Part V of the Policy.

Progression Chart for Non-Major Violations*	
<i>Non-Major Violations**</i>	<i>Discipline + Coaching / Training Event</i>
No other violations within 3-year lookback period	Letter of Reprimand + Coaching Event or Suspension + Coaching Event <u>Option A</u> – Waiver for Letter of Reprimand. <u>Option B</u> – Formal investigation under CBA and, if substantiated, 1-day actual suspension***.
One violation within 3-year lookback period****	Suspension + Training Event <u>Option A</u> – Waiver for 1-day actual suspension. <u>Option B</u> – Formal investigation under CBA and, if substantiated, 3-day actual suspension***.
Two or more violations within 3-year lookback period	Dismissal (if not dismissed, Suspension + Training Event) Formal investigation under CBA and, if substantiated, dismissal; while dismissal is the presumptive discipline, if the substantiated violation does not result in dismissal due to mitigating factors, the employee will receive a 5-day actual suspension**** with a training event.

* For progressive discipline purposes, Major violations in the 3-year lookback period will be converted to Non-Major violations under the PEAK policy – see Section V, pgs. 4-5.

** Within the lookback period, employees’ “minor” violations under the Company’s pre-PEAK discipline policy will not be counted.

*** In cases where the employee was out of service in excess of 1/3/5 days and discipline is less than dismissal, “time served” will be assessed.

**** If the second non-major violation is the same as the first non-major violation, then the employee’s discipline for the second violation will be handled in accordance with Part V of this Policy.

V. Major Violations

Major violations are those that warrant removal from service pending a formal investigation and presumptive dismissal from service for a single occurrence if the employee is proven responsible. The following are examples of major violations and are for illustrative purposes only; they are not intended to limit the handling of other offenses that could also be considered major:

- Rule violations resulting in an FRA-reportable accident or incident based on property damage thresholds in effect at the time of the accident/incident
- Any FRA certification revocation event identified in 49 C.F.R. Parts 240 and 242
- Speeding 10 MPH or greater above authorized speed limit for on-track equipment
- Occupying track without authority
- Stop Signal violations
- Blue Flag violations
- Altercations
- Weapons
- Drug/Alcohol violations
- Violations of the Company’s Code of Business Conduct and Ethics
- Violation of the Company’s Non-Discrimination & Anti-Harassment, Retaliation, Workplace Threats & Violence, or Social Media policies
- Insubordination
- Dishonesty
- Theft
- Significant loss or damage to equipment or property
- Violation of rules that present an immediate threat of bodily injury or death (e.g., on-track protection, going in between equipment without proper distance, jacking equipment, etc.)
- Grossly negligent, willful, or flagrant conduct that disregards the rights of others, causes them harm, or recklessly endangers their safety.
- Repeat offenders of the same rule/policy violation within a 3-year period

Major Violations	
<i>Major Violations</i>	<i>Dismissal (if not dismissed, Suspension + Training Event)</i>
Each occurrence	<p>Removal from service before formal investigation and, if substantiated, dismissal; while dismissal is the presumptive discipline, if the substantiated violation does not result in dismissal due to mitigating factors, the employee will receive a 5-day actual suspension with a training event (in cases where employee was out of service in excess of 5 days and discipline is less than dismissal, “time served” will be assessed).</p> <p>The employee is also subject to the applicable FRA regulations and any federally-mandated revocation time period will be served as suspension.</p>

A major violation that does not result in dismissal under Part V will be included as a non-major “strike” under Part IV of PEAK for purposes of the progression of discipline for subsequent non-major violations within the 3-year lookback period. For example, if an employee receives a 5-day actual suspension for a major violation and subsequently commits another non-major violation within a 3-year lookback period, that violation will be

considered as the employee's second offense under Part IV when assessing the appropriate level of discipline.

VI. *Personal Injury Handling*

There will be no formal investigations solely to investigate an individual's personal injury. Formal investigations may be held to address any major or non-major violations that an employee may have committed, regardless of whether those violations occurred during, at the same time as, or in connection with the incident that resulted in an injury; such investigations shall thus not be considered an investigation of an individual's personal injury. An employee shall not be disciplined for suffering an injury, or for timely and honestly reporting an injury. An employee's injury record will not be considered in determining the appropriate discipline for a rule violation.

VII. *Post-Dismissal Returns to Work*

Where a dismissed employee is returned to work pursuant to a leniency agreement or an arbitration award, the employee will return on a probationary status from the date the employee returns to active service (including the date of the return to work). If returned pursuant to a leniency agreement, which the Company may offer in its sole discretion, the probationary period will be two years. If returned via arbitration award, the probationary period will be three years (unless the claim was fully sustained based on a finding at arbitration that the carrier did *not* sustain its evidentiary burden, in which case there will be no probationary period).

Any major violation that the employee commits during the applicable probationary period will be treated as a dismissal event. Any non-major violation during the applicable probationary period will also be presumptively treated as a dismissal event absent mitigating factors. If a non-major violation during the applicable probationary period does not result in dismissal due to mitigating factors, then discipline will be a 5-day actual suspension with a Training Event. Additionally, any non-major violation that occurs during a probationary period but does not result in dismissal will be counted for that employee's progressive discipline under Part IV (if such violation falls within the 3-year lookback period) for any future violation that occurs after expiration of the probationary period.

APPENDIX 1 – Coaching/Counseling Documentation Form



This document memorializes the coaching/counseling session that occurred between the below-signed employee and below-signed manager. The employee conduct that was observed and that led to this documented coaching/counseling would constitute the following infraction(s) (list all that apply):

Specifically, the employee identified below was observed on _____, 20____
doing the following: _____

The below-signed manager signifies that the following coaching/counseling was provided to the identified employee on the specified date. Specifically, the employee was advised as follows: _____

By signing this document, I the employee identified below am signifying that the manager identified below discussed with me the conduct and coaching/counseling as described above.

Employee Name:

Manager Name:

Employee Signature & Date:

Manager Signature & Date:

APPENDIX 2 – Training Documentation Form



This document memorializes the training event which occurred or will occur as the result of discipline assessed of the violation of the following infraction(s) (List all that apply):

The training event took or will take place on or by _____, 20_____.

The training event included or will include the following :

The below-signed manager signifies that the above training was assigned to the identified employee on the specified date. Additionally, the employee was advised as follows:

By signing this document, I the employee identified below am signifying that the manager identified below discussed with me the conduct and training as described above.

Employee Name:

Manager Name:

Employee Signature & Date:

Manager Signature & Date:

APPENDIX 3 – Availability Policy for Train, Engine & Yard (TE&Y) Employees

A. Introduction

As an employee of The Kansas City Southern Railway Company (KCSR), you were hired to work on a full-time basis. Assigned rest days, federal rest days, layover days, and agreement-provided compensated days off are available to you for personal business. In addition, reasonable personal lay-offs may be granted at the Carrier's discretion when circumstances permit.

It is your responsibility to notify the crew resources office, with reasonable advance notice, regarding personal or family issues that may affect your availability to work. However, notification that you are unavailable to work does not excuse your responsibility to protect your job. You may be considered in violation of these procedures, regardless of the explanation offered for any particular layoff and regardless of whether any particular lay-off was granted, if you do not responsibly protect your overall employment obligations. The following procedures do not constitute a change in practice; it has always been the responsibility of each KCSR employees to protect his/her job. These procedures simply memorialize and consolidate the Carrier's longstanding procedures for addressing TE&Y availability issues.

B. Attendance History

In order to ensure that TE&Y employees are properly protecting their employment obligations, the Company carefully monitors TE&Y employee attendance. Generally speaking, the following guidelines assist the Carrier in determining appropriate handling of TE&Y attendance issues.

1. Identification. Employees who may not be properly protecting their employment obligations will be identified for further evaluation and/or handling. For example, further evaluation and/or handling will generally be warranted regarding employees whose attendance history reflects:
 - a. Frequent, or pattern of, weekend lay-offs or layoffs on days before or after scheduled off days;
 - b. Frequent, or pattern of, holiday (or days before or after a holiday) lay-offs;
 - c. Frequent personal lay-offs;
 - d. Frequent sick or family sickness lay-offs without substantiating medical documentation when requested; or
 - e. Lower availability/work days when compared to peers.
2. Investigation. If further evaluation of the employee's attendance record warrants, an investigation will be held. If appropriate, discipline (as explained below) will be issued based on the results of the investigation.
3. Discipline. If it is determined, after a formal investigation, that an employee has a demonstrated an unacceptable attendance record, employee will be assessed two points under this policy.¹

¹ The consequence of being assessed points under this policy are discussed in Section F of this policy

Exceptions. These procedures will have no application to absences protected by state or federal law, including but not limited to bona fide absences pursuant to the Family and Medical Leave Act (FMLA) and the Uniformed Services Employment and Reemployment Rights Act (USERRA). Any such absences will not be considered in identifying and/or further handling of employee absenteeism if the employee has timely provided any required documentation certifying that the absence was protected.

4. Other Rules, Policies, Procedures etc. These procedures apply solely to an employee's protection of his or her assignment. Discipline under these procedures is independent and separate from discipline for other rule or policy violations, including but not limited to:
 - a. Rule or policy violations handled pursuant to the Carrier's Discipline Policy for Employees Covered by a Collective Bargaining Agreement.
 - b. Carrier handling of Rule 1.6 Conduct for conduct that may be related to attendance but is nevertheless a violation of Rule 1.6 (e.g. laying off under false pretenses), which will be handled under the Carrier's Discipline Policy.

C. Missed Calls

Employees failing to be available for call, also known as a "missed call" (see GCOR 1.16), will be set up for a formal investigation. If it is determined, after a formal investigation, that an employee missed a call in violation of GCOR 1.16, the employee will be assessed one point under this policy.

D. Tardiness, Absences Without Authority, Job Abandonment, and Other Violations of GCOR 1.15

Employees have an obligation to report to work on time and ready to work. Employee also have an obligation, in advance of absences, to notify the Company of any reason(s) that they will not be able to protect their assignments. Employees who are on leave or otherwise absent or unavailable to work have an obligation to keep the Company updated regarding their status and to comply with all requests, including requests from the Company's Medical Services Department, for information relating to their conditions and/or absences. Failure to provide documentation substantiating an absence when requested will render the period of absence "without authority" and will be handled under GCOR 1.15.

Employees who are alleged to have violated GCOR 1.15 will be subject to a formal investigation. If it is determined, after a formal investigation, that an employee violated GCOR 1.15, s/he will be assessed points, based on the circumstances, as follows:

- tardy less than 15 minutes will be assessed one point
- failure to report for work, tardy over fifteen minutes or absent without authority for seven days or less will be assessed two points
- absent without authority for greater than seven days or refusing a call will be assessed five points

E. TABLE SUMMARIZING POINTS ASSESSED FOR VIOLATION OF AVAILABILITY POLICY

The following table summarizes the number of points that will be assessed based on violations of this policy.

Availability Violation	Points
Missed Call	1
Tardy (less than 15 minutes)	
Attendance History Violation	2
Failure to Report for Work	
Tardy (over 15 minutes)	
Absent Without Authority (seven days or less)	
Refused Call	5
Absent Without Authority (more than seven days)	

F. CONSEQUENCES OF ACCUMULATING POINTS UNDER THIS POLICY

An employee who accumulates five points under this policy in any three year period will be dismissed.² Where an employee is returned to work pursuant to a reinstatement agreement, or through an arbitration award where violation of this policy was affirmed but the employee was returned to service, the employee will return to service with three points for three years from the date s/he was returned to service.

² Upon implementation of this revised Availability Policy, violations of GCOR 1.15 will no longer be considered in determining the step an employee is at for the purpose of assessing discipline under the matrix in the Company's Discipline Policy (30.00).

APPENDIX 4 – Availability Policy for Train Dispatchers

A. Introduction

As an employee of The Kansas City Southern Railway Company (KCSR), you were hired to work on a full-time basis. Assigned rest days and agreement-provided compensated days off are available to you for personal business. In addition, reasonable personal lay-offs may be granted at the Carrier's discretion when circumstances permit.

It is your responsibility to notify the on duty corridor manager, with reasonable advance notice, regarding personal or family issues that may affect your availability to work. However, notification that you are unavailable to work does not excuse your responsibility to protect your job. You may be considered in violation of these procedures, regardless of the explanation offered for any particular lay-off and regardless of whether any particular lay-off was granted, if you do not responsibly protect your overall employment obligations. The following procedures do not constitute a change in practice; it has always been the responsibility of each KCSR employee to protect his/her job. These procedures simply memorialize and consolidate the Carrier's longstanding procedures for addressing dispatcher availability issues.

B. Attendance History

In order to ensure that dispatchers are properly protecting their employment obligations, the Company carefully monitors dispatcher attendance. Generally speaking, the following guidelines assist the Carrier in determining appropriate handling of Dispatcher attendance issues.

1. Identification. Employees who may not be properly protecting their employment obligations will be identified for further evaluation and/or handling. For example, further evaluation and/or handling will generally be warranted regarding employees whose attendance history reflects:
 - a. Frequent, or pattern of, weekend lay-offs or layoffs on days before or after scheduled off days
 - b. Frequent, or pattern of, holiday (or days before or after a holiday) lay-offs
 - c. Frequent personal lay-offs
 - d. Frequent sick or family sickness lay-offs without substantiating medical documentation (provided in advance when possible).
 - e. Lower availability/work days when compared to peers.
2. Investigation. If further evaluation of the employee's attendance record warrants, an investigation will be held. If appropriate, discipline (as explained below) will be issued based on the results of the investigation.
3. Discipline. If it is determined, after a formal investigation, that an employee has demonstrated an unacceptable attendance record, employee will be assessed two points under this policy.¹

¹ The consequence of being assessed points under this policy are discussed in Section F of this policy.

4. Exceptions. These procedures will have no application to absences protected by state or federal law, including but not limited to bona fide absences pursuant to the Family and Medical Leave Act (FMLA) and the Uniformed Services Employment and Reemployment Rights Act (USERRA). Any such absences will not be considered in identifying and/or further handling of employee absenteeism if the employee has timely provided any required documentation certifying that the absence was protected.
5. Other Rules, Policies, Procedures etc. These procedures apply solely to an employee's protection of his or her assignment. Discipline under these procedures is independent and separate from discipline for other rule or policy violations, including but not limited to:
 - a. Rule or policy violations handled pursuant to the Carrier's Discipline Policy for Employees Covered by a Collective Bargaining Agreement.
 - b. Carrier handling of Rule 1.6 Conduct for conduct that may be related to attendance but is nevertheless a violation of Rule 1.6 (e.g. laying off under false pretenses), which will be handled under the Carrier's Discipline Policy.

C. Missed Calls

Employees failing to be available for call, also known as a "missed call" (see GCOR 1.16), will be set up for a formal investigation. If it is determined, after a formal investigation, that an employee missed a call in violation of GCOR 1.16, the employee will be assessed one point under this policy.

D. Tardiness, Absences Without Authority, Job Abandonment and Other Violations of GCOR 1.15

Employees have an obligation to report to work on time and ready to work. Employees also have an obligation, in advance of absences, to notify the Company of any reason(s) that they will not be able to protect their assignments. Employees who are on leave or otherwise absent or unavailable to work have an obligation to keep the Company updated regarding their status and to comply with all requests, including requests from the Company's Medical Department, for information relating to their conditions and/or absences. Failure to provide documentation substantiating an absence when required will render the period of absence "without authority" and will be handled under GCOR 1.15.

Employees who are alleged to have violated GCOR 1.15 will be subject to a formal investigation. If it is determined, after a formal investigation, that an employee violated GCOR 1.15, s/he will be assessed points, based on the circumstances, as follows:

- tardy less than fifteen (15) minutes will be assessed one (1) point
- failure to report for work, tardy over fifteen (15) minutes or absent without authority for seven (7) days or less will be assessed two (2) points
- absent without authority for greater than seven (7) days or refusing a call will be assessed five (5) points

E. TABLE SUMMARIZING POINTS ASSESSED FOR VIOLATION OF AVAILABILITY POLICY

The following table summarizes the number of points that will be assessed based on violations of this policy.

Availability Violation	Points
Missed Call	1
Tardy (less than 15 minutes)	
Attendance History Violation	2
Tardy (over 15 minutes)	
Absent Without Authority (7 days or less)	5
Refused Call	
Absent Without Authority (more than 7 days)	

F. CONSEQUENCES OF ACCUMULATING POINTS UNDER THIS POLICY

An employee who accumulates five (5) points under this policy in any three (3) year period will be dismissed. Where an employee is returned to work pursuant to a reinstatement agreement, or through an arbitration award where violation of this policy was affirmed but the employee was returned to service, the employee will return to service with three (3) points for three (3) years from the date s/he was returned to service.

APPENDIX 5 – Mechanical Department Attendance Policy

I. INTRODUCTION

As an employee of The Kansas City Southern Railway Company (“KCSR” or the “Company”), you were hired to work on a full-time basis. When an employee has attendance-related issues, it creates an operational burden on the Company, which affects the employee’s co-workers and the ability to serve the Company’s customers. Your applicable collective bargaining agreement provides for a limited number of compensated days off for personal business.

The most fundamental obligation an employee has to his/her employer is to arrive on time, ready to work. If an employee cannot make it to work, s/he has an obligation to provide the Company with timely advance notice so that the Company can plan for the absence. It is your responsibility to notify your manager as soon as practicable regarding issues that may affect your availability to work. Absent unforeseen circumstances, notice will be considered timely if given at least 2 hours prior to the start of your work shift. Unless instructed otherwise in writing, notification requires that you speak directly with a manager prior to the beginning of your work shift.

Notification that you are unavailable to work (including notices of late arrivals or early leaves from work) does not excuse your responsibility to protect your job. You may be considered in violation of these procedures regardless of the explanation offered for any particular lay off or late arrival/leave early event and regardless of whether any such unavailability was permitted if you do not responsibly protect your overall employment obligations.

These procedures do not constitute a change in practice; it has always been the responsibility of each KCSR employee to protect his/her job. These procedures simply memorialize the Company’s reserved management right and responsibility to address and respond to Mechanical employee attendance issues. Management of the Company reserves the right to modify this Policy at any time as it deems appropriate.

II. IDENTIFYING ATTENDANCE ISSUES

In order to ensure that Mechanical Department employees are properly protecting their employment obligations, the Company carefully monitors Mechanical employee attendance on a regular basis and conducts periodic reviews of its attendance records (“attendance review”). An employee may be deemed to have not properly protected his or her employment obligation if he/she has 7 or more individual days of absences or 5 or more individual late arrival/early leave events during 365-day period prior to the date of the attendance review. Such employees are subject to possible discipline through the investigation process outlined in the controlling and applicable Collective Bargaining Agreement.

If an employee is disciplined for attendance issues as a result of a formal investigation or a waiver, any absences or late arrival/early leave events considered for the purpose of assessing such discipline will not serve as the basis of additional discipline unless the employee accrues additional absences or late arrival/early leave events during future review periods. If the employee incurs additional absences prior to the next review date, then those absences and all other absences falling within the 365-day period prior to that review date will be considered to determine whether discipline under this Policy is appropriate, even if such absences were considered as part of the prior attendance review. The Company will apply a similar methodology to determine whether an employee’s late arrival/early events will be considered during any review period.

III. INVESTIGATION

If an employee is deemed not to have properly protected his or her employment obligation, a formal investigation will be held. If appropriate, discipline (as explained below) will be issued based on the facts developed at the investigation. The date on which the manager in charge reviews the attendance records shall be deemed the date of first knowledge of an Attendance Policy violation.

IV. DISCIPLINE

After a formal investigation is conducted, if the employee is determined to have violated the Attendance Policy such that discipline is warranted, an employee will be assessed a "Formal Reprimand – Attendance" or a "Formal Reprimand – Late Arrival/Early Leave", as appropriate. Employees determined to have violated the Attendance Policy three times within a 36-month look back period will be dismissed.

V. EXCEPTIONS

These procedures will have no application to absences protected by law, including but not limited to bona fide absences pursuant to the Family and Medical Leave Act (FMLA), the Uniformed Services Employment and Reemployment Rights Act (USERRA) or jury duty. Any such absences will not be considered in identifying or further handling of employee absenteeism if the employee has timely provided any documentation requested by the Company, including but not limited to documentation requested by the Company's medical or human resources departments pursuant to applicable law, certifying that the absence was protected.

Additionally, situations where an employee is approved for leave under the Mechanical Department Vacation Scheduling Guidelines and other compensated days under an applicable collective bargaining agreement or Company policy will not be considered in identifying attendance issues. (Note: No absence will be converted into a vacation day if it was not approved 48 hours in advance, absent extenuating circumstances as determined at the Company's sole discretion.)

VI. OTHER RULES, POLICIES, PROCEDURES, ETC.

These procedures apply solely to an employee's protection of his or her assignment. Discipline under this Policy is independent and separate from discipline for other rule or policy violations, including, but not limited to:

- a. Rule or policy violations handled pursuant to KCSR's Discipline Policy for Employees Covered by a Collective Bargaining Agreement (e.g., failure to provide proper notification of an absence, which will be addressed as a failure to comply with instructions under GCOR 1.13, or leaving work without notifying an appropriate manager, which will be addressed as a failure to protect a job assignment in violation of GCOR 1.15).
- b. Carrier handling of violations of GCOR 1.6 Conduct for conduct that may be related to attendance but is nevertheless a violation of GCOR 1.6 (e.g., laying off under false pretenses or misrepresenting hours worked, which will be addressed as "dishonesty"), which will be handled under the Company's Discipline Policy.

APPENDIX 6 – Availability Policy for Materials Department Employees

A. Introduction

As an employee of The Kansas City Southern Railway Company (KCSR/Company), you were hired to work on a full-time basis. Assigned rest days and agreement-provided compensated days off are available to you for personal business.

Employees who have issues with their attendance or who otherwise do not protect their job are subject to disciplinary action, up to and including dismissal. This does not constitute a change in practice; it has always been the responsibility of each KCSR employee to protect his/her job (see GCOR 1.15 Duty – Reporting or Absence). This policy simply memorializes and consolidates KCSR's longstanding procedures for addressing employee availability issues.

B. Scheduling time off and notification of absences

The most fundamental obligation an employee has to his/her employer is to arrive on time, ready to work. If an employee is unable to work a full work-shift, he/she has an obligation to provide the Company with timely advance notice so that the Company can plan for the absence. Absent unforeseen circumstances, notice of an expected absence or late arrival will be considered "timely" only if given at least **4** hours prior to the start of your work shift. However, it is your responsibility as an employee to notify the Company as soon as practicable regarding issues that may affect your availability to work. Additionally, it is to your advantage to notify the Company as soon as you are available to return to work, even if there are factors (CBA provisions, work schedules, etc.) that prevent you from immediately returning to work at the time that you advise the Company you are available to return.

Notification requires you call 318-676-6006 prior to the beginning of your shift when you know in advance there will be an attendance issue. You will be prompted to leave required information, including your name, employee ID number, work shift at issue, and reason for unavailability. If your unavailability for work does not become apparent until after the start of your shift, you must still call in and provide the requested information (outlined above) so that your unavailability is properly documented. Additionally, you must speak directly with the manager on duty prior to leaving.

Employees who fail to provide proper advance notification will be subject to a formal investigation. If it is determined, after a formal investigation, that proper advance notice was not provided, the employee will be assessed points based on the table contained in this policy.¹

NOTIFICATION THAT YOU ARE UNAVAILABLE TO WORK DOES NOT EXCUSE YOUR RESPONSIBILITY TO PROTECT YOUR JOB. EMPLOYEES WHO FAIL TO RESPONSIBLY PROTECT THEIR OVERALL EMPLOYMENT OBLIGATIONS MAY BE CONSIDERED IN VIOLATION OF THIS POLICY, REGARDLESS OF THE EXPLANATION OFFERED, THE DOCUMENTATION PROVIDED OR WHETHER THE COMPANY WAS PROPERLY NOTIFIED IN ADVANCE OF THE ABSENCE.

¹ The consequence of being assessed points under this policy are discussed in Section G of this policy.

Personal leave and vacation days must be scheduled and approved by an appropriate manager. Personal leave days must generally be scheduled at least two weeks in advance.

All vacation in excess of an employee's two-week entitlement must be scheduled at least one year in advance. Two weeks of vacation may be scheduled 72 hours in advance subject to the approval of the appropriate manager.

These procedures do not constitute a change in practice; it has always been the responsibility of each KCSR employee to protect his/her job. Rather, the procedures in this policy simply memorializes the Company's reserved management right and responsibility to address and respond to employee attendance issues. Management of the Company reserves the right to modify this Policy at any time as it deems appropriate.

C. Attendance Record Review

In order to ensure that employees are properly protecting their employment obligations, the Company carefully monitors employee attendance. Generally speaking, the following guidelines assist the Company in determining appropriate handling of attendance issues:

1. **Identification.** Employees who may not be properly protecting their employment obligations will be identified for further evaluation and/or handling. For example, further evaluation and/or handling will generally be warranted regarding employees whose attendance history reflects:
 - a. Frequent absences
 - b. Frequent, or a pattern of, weekend absences or absences on days before or after scheduled off days
 - c. Frequent, or a pattern of, holiday (or days before or after a holiday) absences
 - d. Frequent sick or family sickness lay-offs without substantiating medical documentation (when requested)
 - e. Lower availability/work days when compared to peers.
2. **Investigation.** If further evaluation of the employee's attendance record warrants, an investigation will be held. If appropriate, discipline (as explained below) will be issued based on the results of the investigation.
3. **Discipline.** If it is determined, after a formal investigation, that an employee has demonstrated an unacceptable attendance record, employee will be assessed points based on the table contained in this policy.
4. **Exceptions.** Absences protected by law, including but not limited to bona fide absences pursuant to the Family and Medical Leave Act (FMLA) and the Uniformed Services Employment and Reemployment Rights Act (USERRA), will not be considered in identifying and/or further handling of employee absenteeism. However, failure to timely provide notification and/or documentation related to such absences may subject an employee to disciplinary consequences, including dismissal.

D. Tardiness

Employees have an obligation to report to work on time and ready to work. Employees who are tardy for work assignments may be subject to a formal investigation. If it is determined, after a formal investigation,

that an employee was tardy in violation of this policy, s/he will be assessed points based on the table contained in this policy.

E. Absence Without Authority

Employees who are on leave or otherwise absent or unavailable to work have an obligation to provide proper advance notification of their absence and keep the Company updated regarding their status and to comply with all requests, including requests from the Company’s Medical Department, for information relating to their conditions and/or absences. Failure to provide documentation substantiating an absence when requested will render the period of absence “without authority.” Such situations will be subject to a formal investigation. If it is determined, after a formal investigation, that an employee has been absent without authority, s/he will be assessed points based on the table contained in this policy.

F. Table Summarizing Points Assessed for Violations of This Policy

The following table summarizes the number of points that will be assessed based on violations of this policy. In the event that an availability-related violation of this policy established through a formal investigation is not categorized below, the Deciding Official will determine the appropriate number of points to assess under the circumstances using the table below as a guide.

Availability Violation	Points
Failure to provide timely advance notice of absence	1
Tardy (less than 15 minutes)	
Attendance History Violation	2
Failure to Report for Work	
Tardy (over 15 minutes)	
Absent Without Authority (seven days or less)	
Absent Without Authority (more than seven days)	5

G. CONSEQUENCES OF ACCUMULATING POINTS UNDER THIS POLICY

An employee who accumulates five points under this policy in any three year period will be dismissed. Where an employee is returned to work pursuant to a reinstatement agreement, or through an arbitration award where violation of this policy was affirmed but the employee was returned to service, the employee will return to service with three points for three years from the date s/he was returned to service.

H. Other Rules, Policies, Procedures, etc.

Discipline under this policy is independent and separate from discipline for other rule or policy violations. Accordingly, violations of GCOR 1.15 are not considered in determining the step an employee is at for the purpose of assessing discipline under the matrix in the Company’s Discipline Policy (30.00).

Conduct-related violations, even those related to an availability issue (e.g. laying off under false pretenses, providing falsified medical documents, etc.), will not be handled under this policy. Such issues will continued to be addressed under GCOR 1.6 (Conduct) and the Company’s Discipline Policy (30.00).