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# **UNION PACIFIC RAILROAD POLICY AND PROCEDURES FOR ENSURING RULES COMPLIANCE**

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## INTRODUCTION

Union Pacific is committed to be a railroad where our customers want to do business, our employees are proud to work, shareholder value is created, and the safety of the public and our employees is our top priority.

Compliance with company rules is required to meet the commitments of Union Pacific. The intent of this policy is to provide a uniform structure to address rule and policy violations in a consistent and fair manner. This policy serves as a tool to change behavior to ensure the safe and efficient operation of the railroad and for the protection of the public, our employees, our customers and our shareholders. Certain rule violations and/or patterns of behavior may be so serious however, that dismissal is the only option. In all cases, the policy will be used to protect the safety of the public and our employees and otherwise meet the commitments of Union Pacific.

This policy is revised *April 1, 2009* and supersedes previous company discipline policies.

## DISCIPLINE POLICY - UPGRADE

### Policy Guidelines:

1. All collective bargaining agreements apply.
2. When practicable, incidents involving possible rule violations, except certain Level 5 violations, should be reviewed with the Employee to determine whether sufficient cause exists **prior** to proceeding to a formal hearing or waiver offer, as appropriate.
3. Employees must be allowed the opportunity to discuss waivers of formal hearing with Union Representatives when considering whether to waive or proceed with hearing. *Reduced retention periods, according to the table on page 3, will be offered to employees who choose to waive investigations.*
4. Managers are strongly encouraged to use informal coaching with Employees when appropriate.
5. All discipline is determined using the Discipline Assessment Table and Progressive Discipline Table following procedures described herein.
6. Training days may be provided as an alternative for all or some of a specified suspension period.
7. An alternative assignment may be used as an alternative to discipline as defined in the discipline assessment table for levels 2, 3, 4 and 4C.
8. Current Discipline Status corresponds to the most recent level of discipline assessed, begins with the date of the incident prompting the disciplinary action, and remains the status for the retention period specified below. If there is no further disciplinary action within the retention period specified, the status reverts to Level 0 for future reference.

<b>Retention Period Table (Months)</b>		
<b>Level</b>	<b>Waiver</b>	<b>Hearing</b>
2	9	12
3	12	18
4	18	24
4C	24	24

***Note 1:*** Employees who are assessed Level 4 by virtue of a single incident will have their status reduced to Level 3 after a 6-month period from the date of the incident if there is no further disciplinary action during that period. However, **if an employee commits two Level 4/4C infractions under this policy, within the months specified in the retention table for a Level 4/4C, the discipline will be assessed at Level 5.**

9. Existing policy and procedures pertaining to Rule 1.5 violations shall continue to be followed and such cases shall be considered Level 5 violations. Employees returning to service through the Employee Assistance Program (EAP) after a first offense for Rule 1.5 will revert to the discipline status in effect prior to the Rule 1.5 dismissal.
10. Corrective Action Plans, when appropriate, are required for all Employees assessed discipline at Levels 2-4C.
11. FRA Engineer Certification Requirements, with regard to suspension of certificate for certain rules infractions, are not preempted by this policy.
12. The Regional Vice President, equivalent senior manager, or their designated representative will be consulted before an Employee is charged with a Level 5 offense, other than for Rule 1.5. Dismissal for Level 5 offenses, except for Rule 1.5, will be only with the concurrence of the Vice President or equivalent.

13. Except when totally exonerated, an employee returned to service from Level 5 dismissal (for other than Rule 1.5) as the result of an arbitration award, will be returned at the employee's previous status level or a status Level 3, whichever is greater. The retention period begins with the date of return to active service.

## **DISCIPLINE ALTERNATIVES**

Conferencing, counseling, coaching and education are effective tools for rules compliance. Informal Coaching or Formal Conferencing may be used at the discretion of the manager. Managers will be accountable for the fair and consistent application of the Discipline Policy.

### **INFORMAL COACHING**

Employees may be provided informal coaching without being formally charged with a rule violation. The intent of informal coaching is to assist an employee in changing behaviors that are not in compliance with company rules and/or policies. Informal coaching is not documented in the employee's electronic discipline record.

### **FORMAL COACHING (Level 1 and 2 Violations)**

Employees charged with Level 1 or Level 2 infractions will be coached without being formally charged with a rule violation. The formal coaching session(s) will be documented and entered into the employee's electronic discipline record. No new discipline level is established. Excessive violations of Level 1 or Level 2 rules may result in a violation of Rule 1.13.

### **FORMAL CONFERENCING: (Level 3, 4, 4C Violations)**

Employees charged with Level 3, 4, 4C violations may be offered the opportunity to divert from the normal discipline process to a Corrective Action Plan consisting of formal conferencing, counseling, and/or education as outlined below. When formal conferencing is utilized, no new discipline level is established.

### **Guidelines for Formal Conferencing.**

1. For formal conference, the employee may arrange for union representation and the supervisor will meet with the employee's union representative and the employee to discuss appropriate rules application and provide suitable assistance/education.
2. Formal conferencing will be conducted while the employee is under pay.
3. The formal conferencing session will be documented on a form signed by the employee and a copy will be placed in the employee's personal record file. The form will record the rule(s) discussed and the date of the incident. The formal conference agreement will also be noted in the Employee's electronic discipline record.
4. The formal conference will consist of the following:
  - ❑ Discussion of the reason for conference.
  - ❑ A review of related or associated rules/policies regarding incident.
  - ❑ Discussion on how the incident could have been prevented.
  - ❑ Q & A and discussion by conference participants.
  - ❑ Review and completion of the Conference Form – including signatures.

### **TRAINING / EDUCATION (Level 2, 3, 4 and 4C violations)**

For Level 2, 3, 4 and 4C violations, employees may be offered education in lieu of discipline.

The agreement on a formal education session will be recorded on a form signed by the employee and a copy will be placed in the employee's personal record file. The form will record a date of occurrence and the corresponding discipline level for retention purposes only. The formal education agreement will also be noted in the employee's electronic discipline record.

**Note:** The Discipline Policy will recognize a Level 4/4C disciplinary diversion event as a Level 4/4C violation for the purpose of assessing discipline in the event that the employee is determined to be responsible for committing a subsequent Level 4/4C violation within the months specified in the retention period table following the date of the first Level 4/4C occurrence.

### **Training / Education for FRA De-Certifiable Events**

For events that resulted in the revocation of their 49 CFR Part 240 certification for 30 days or less, employees may be offered the opportunity to receive remedial training and to qualify for a reduced certificate revocation period as permitted by 49 CFR part 240.117(h)(5). Any train crew member charged with responsibility for a decertifiable event, as defined by 49 CFR Part 240, except rules identified as 4C such as failure to stop for a signal when required or occupying Main track without authority, will serve a minimum of a 15-day suspension.

### **DISCIPLINE MONITORING PROCESS**

- I. Labor or management may request a quarterly review of the discipline process at the Superintendent or Regional Vice president level.
- II. To ensure that the discipline policy is meeting its stated goals and likewise being fairly administered, Senior Management will conduct semi-annual reviews of the administration and effectiveness of the discipline policy as part of the overall safety and rules compliance effort. Upon request, labor representatives from the labor / management Culture & Discipline committee may participate in this review. Measures reviewed will include the number of discipline cases, including conferencing and training in lieu of formal discipline, personal injuries, human-factor caused accidents, 4-C violations, and any other similar measures deemed to provide insight into policy effectiveness.

### Assessment Table

Introduction Use the chart below to determine the appropriate action for Level 1 and Level 2 rule infractions.

<b>Assessment Table</b>		
<b>Violation of these rules*</b>	<b>Results in.....</b>	
	<b>Level ^</b>	<b>Actions</b>
<p><b>General Code of Operating Rules</b></p> <ul style="list-style-type: none"> <li>- Chapter 1.0 General Responsibilities</li> <li>- Chapter 3.0 Standard Time</li> <li>- Chapter 4.0 Timetables</li> <li>- Chapter 5.0 Signals &amp; Their Use</li> </ul> <p><b>UPRR Safety Rules (Ch. 70-83)</b></p>	<b>1</b>	<p><b>Employee coaching session.</b></p>
<p><b>General Code of Operating Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 1.1.4 Condition of Tools &amp; Equipment</li> <li>- Rule 1.6.1 M.V. Driving Records</li> <li>- Rule 1.6.2 – Notification of Felony Convictions</li> <li>- Rule 1.6.3 – Notification of Deteriorating Vision or Hearing</li> <li>- Rule 1.9 Respect of Railroad Co.</li> <li>- Rule 1.33 Inspection of Freight Cars</li> <li>- Rule 5.4 – 5.5 Flags and Signs (Placement)</li> <li>- Rule 5.6 Unattended Fusee</li> <li>- Rule 5.9 – 5.9.5 Headlight Display</li> <li>- Rule 5.10 – 5.10.2 Markers</li> <li>- Chapter 2.0 Railroad Radio Rules</li> <li>- Chapter 6.0 Movement of Trains and Engines</li> <li>- Chapter 7.0 Switching</li> <li>- Chapter 8.0 Switches</li> </ul> <p><b>Train Dispatcher Rules (Ch. 20-26)</b></p> <p><b>Air Brake and Train Handling Rules (Ch. 30-34)</b></p> <p><b>Hazardous Materials Instructions (Form 8620)</b></p> <p><b>Maintenance of Way Rules (Ch. 40-57)</b></p> <ul style="list-style-type: none"> <li>- Rules 1.3.1 &amp; 1.3.3 (Chief Engrs. Inst; Proc. Manual &amp; Stnds.; Signal Dept. FRA Insp, &amp; Mtce. Inst.; Book of Standards.)</li> </ul> <p><b>Fire Prevention Plans</b></p> <ul style="list-style-type: none"> <li>- Non-compliance with the Engineering Dept. Fire Prevention Plan (except as noted elsewhere in the Assessment Table.)</li> <li>- Noncompliance with the Mechanical Dept. Fire Prevention Plan (except as noted elsewhere in the Assessment Table)</li> </ul> <p><b>Timetable and Special Instructions</b></p>	<b>2</b>	<p><b>Coaching session or up to one day alternative assignment with pay to develop a Corrective Action Plan to modify behavior.</b></p> <p><b>Pay will be at basic yard day rate or regular assigned rate of pay for Mechanical and Engineering employees.</b></p>

\* Excessive violations of Level 1 or Level 2 rules may result in a violation of Rule 1.13 (Level 3)

See footnotes on page 11

Use the chart below to determine the appropriate discipline level for Level 3, 4, 4C and 5 rule infractions and to find the level of discipline called for.

<b>Assessment Table</b>		
<b>Violation of these rules*</b>	<b>Results in.....</b>	
	<b>Level ^</b>	<b>Actions</b>
<p><b>General Code of Operating Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 1.2.5 Reporting</li> <li>- Rule 1.11 Sleeping</li> <li>- Rule 1.13 Comply with Instructions</li> <li>- Rule 1.15 Duty – Reporting or Absence (No Show)</li> <li>- Rule 1.47 Duties of Crew Members</li> <li>- Rule 2.13 (Radio) in Place of Hand Signals</li> <li>- Rule 2.6 Comm. Not Understood</li> <li>- Rule 5.3.3 Signal Disappearance</li> <li>- Rule 5.3.7 Radio Response</li> <li>- Rule 5.8.1 Ringing Engine Bell</li> <li>- Rule 5.8.2 (7) Sounding Whistle</li> <li>- Rule 6.4 Reverse Movements</li> <li>- Rule 6.13 Yard Limits</li> <li>- Rule 6.14 Restricted Limits</li> <li>- Rule 6.15 Block Register Territory</li> <li>- Rule 6.16 Approaching Railroad Crossings</li> <li>- Rule 6.19 Flag Protection</li> <li>- Rule 6.23 Emergency Stop or Severe Slack Action</li> <li>- Rule 6.29 Inspecting Trains</li> <li>- Rule 7.1 Switching Safely and Efficiently</li> <li>- Rule 7.5 Testing Hand Brakes</li> <li>- Rule 7.6 Securing Cars or Engines</li> <li>- Rule 8.2 Position of Switches</li> <li>- Rule 8.3 Main Track Switches</li> <li>- Rule 8.12 Crossover Switches</li> <li>- Rule 8.15 Switches Run Through</li> <li>- Rule 8.20 Derail Location and Position</li> <li>- Chapter 9.0 Block System Rules</li> <li>- Chapter 10.0 Rules App. Only in CTC</li> <li>- Chapter 11.0 Rules App. Only in ACS/ATS</li> <li>- Chapter 12.0 Rules App. Only in ATS</li> <li>- Chapter 13.0 Rules App. Only in ACS</li> <li>- Chapter 14.0 Rules App. Only within TWC</li> <li>- Chapter 15.0 Track Bulletin Rules</li> <li>- Chapter 16.0 Rules App. Only in DTC</li> <li>- Chapter 17.0 Rules App. Only in ATC</li> </ul> <p><b>Air Brake and Train Handling Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 32.1 Securing Equipment</li> </ul> <p><b>UPRR Safety Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 70.3 Job Briefing</li> <li>- Rule 74.1 Vehicle Maintenance</li> <li>- Rule 74.3 Driver Responsibility</li> <li>- Rule 74.6 Clearing Obstructions</li> <li>- Rule 74.8 Seat Belts</li> <li>- Rule 74.17 Train Yard or Utility Type Vehicles</li> <li>- Rule 78.8 Electrical Power Supply Turned Off</li> <li>- Rule 78.10 L.O.T.O. Electrical Power</li> </ul> <p><b>Cardinal Safety Rules</b>, as designated by the employing department, will be Level 3 unless listed by specific rule number at a higher level. Employees are responsible for all Card. Safety Rules which may apply to the nature of the work being performed.</p> <p><b>Maintenance of Way Rules</b></p> <ul style="list-style-type: none"> <li>- Chapter 42 On-Track Operations</li> <li>- Rule 56.1.2 Testing for Quality</li> </ul>	<p><b>3</b></p>	<p><b>Up to five days off work without pay or up to one day training without pay. A Corrective Action Plan must be developed upon return to work.</b></p>

*See footnotes on page 11*

<b>Assessment Table</b>		
<b>Violation of these rules*</b>	<b>Results in.....</b>	
	<b>Level ^</b>	<b>Actions</b>
<p><b>Chief Engineer's Bulletins</b></p> <ul style="list-style-type: none"> <li>- CE Bulletin 136 On-Track Safety</li> </ul> <p><b>Engineering Track Matce Field Handbook</b></p> <ul style="list-style-type: none"> <li>- Chapter 4.5.1 through 4.5.6 Rail and Joints</li> <li>- Chapter 4.15.1 through 4.15.11 Rail and Joints</li> <li>- Chapter 6.3 through 6.3.12 R of W and Other Facilities</li> <li>- Chapter 7.6 through 7.9.7 Track Buckling Prevention Guidelines</li> </ul> <p><b>F.R.A. Regulations (Part 213 Track Safety Standards)</b></p> <p><b>System Special Instructions</b></p> <ul style="list-style-type: none"> <li>- Item 8 Descending Grade Operations</li> <li>- Item 10B Remote Control Operations</li> <li>- Item 10K Main Track Switches in Non-Signaled Terr.</li> </ul>	<b>3</b>	<p><u>Up to five days off work without pay or up to one day training without pay. A Corrective Action Plan must be developed upon return to work.</u></p>
<p><b>General Code of Operating Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 1.23.1 Locomotive Mounted Safety Devices</li> <li>- Rule 5.4-5.5 Flags &amp; Signs (Speed &amp; Stopping Reqs.)</li> <li>- Rule 5.12 Protection of Occ. Outfit Cars</li> <li>- Rule 5.13 Blue Signal Protection of Workers</li> <li>- Rule 5.14 Signs Protecting Equipment</li> <li>- Rule 6.2 Initiating Movement</li> <li>- Rule 6.3 Main Track Authorization</li> <li>- Rule 6.5.1 Remote Control Movements</li> <li>- Rule 6.7 Remote Control Zone</li> <li>- Rule 6.25 Movement Against Curr. Of Traffic</li> <li>- Rule 6.27 Movement at Restricted Speed</li> <li>- Rule 6.28 Movement. Other than Main Track. (except Subrules .1, .2, .3)</li> <li>- Rule 6.31 Max. Authorized Speed (when exceeds auth. speed by 10 MPH)</li> <li>- Rule 6.32.2 Automatic Warning Devices (Resulting in FRA Decertification Event)</li> <li>- Rule 9.15 Track Permits</li> <li>- Rule 9.5 Where Stop Must be Made</li> <li>- Rule 14.1 Authority to Enter TWC Territory</li> <li>- Rule 15.1 Track Bulletins</li> <li>- Rule 15.3 Auth. Movement Against Current of Traffic</li> </ul> <p><b>Air Brake and Train Handling Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 30.10 Initial Terminal Brake Test</li> <li>- Rule 30.11 Transfer Train Movements Test</li> <li>- Rule 30.12 1000 Mile Test</li> <li>- Rule 30.15 Application and Release Test</li> </ul> <p><b>Maintenance of Way Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 42.2.2 Other Speed Requirements</li> <li>- Rule 42.3 Main Track Authority</li> <li>- Rule 42.4 Track and Time</li> <li>- Rule 42.4.2 Using Track and Time Authority</li> <li>- Rule 42.5 Use of Yard Limits</li> <li>- Rule 42.7 RR Crossings at Grade</li> <li>- Rule 42.13 Lineups</li> <li>- Rule 42.15 Flag Protection</li> <li>- Rule 42.16 Foul Time</li> <li>- Rule 43.10 Protecting Against Passing Equip.</li> <li>- Rule 44.2 Excavation</li> </ul>	<b>4</b>	<p><u>Up to 10 days off work without pay or up to five days training without pay and must pass necessary operating rules exam or equivalent in order to return to work. A Corrective Action Plan must be developed upon return to work^^^.</u></p>

See footnotes on page 11

<b>Assessment Table</b>		
<b>Violation of these rules*</b>	<b>Results in.....</b>	
	<b>Level ^</b>	<b>Actions</b>
<p><b>UPRR Safety Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 74.2 Driver Requirements</li> <li>- Rule 81.4.2 Moving Equipment (Getting on or Off)</li> </ul> <p><b>Chief Engineer's Bulletins</b></p> <ul style="list-style-type: none"> <li>- C.E. Bulletin 121 Protection for Gangs from Trains on Adj. Tracks</li> <li>- C.E. Bulletin 122.3.1 Bridge Worker Safety</li> <li>- C.E. Bulletin 135.3.2 L.O.T.O. for Roadway Machines and Work Equipment</li> <li>- C.E. Bulletin 135.3.4 Place Equipment Back in Service</li> <li>- C.E. Bulletin 135.4 Mntce or Repair of Running Equipment</li> <li>- C.E. Bulletin 136.4 – 136.5 On Track Safety</li> </ul> <p><b>Timetable and Special Instructions</b></p> <ul style="list-style-type: none"> <li>- Rules 9.2.14, 9.2.15, 9.2.18, 9.2.22</li> <li>- Item 10-B.A.1 – Remote Control Crews Man Down Trans.</li> <li>- Item 10-B.B.1 – Linked and Tested</li> <li>- Item 10-B.C.(1-4) – Operating the Equipment</li> </ul>	4	<p><u>Up to 10 days off work without pay or up to five days training without pay and must pass necessary operating rules exam or equivalent in order to return to work. A Corrective Action Plan must be developed upon return to work<sup>^^^</sup>.</u></p>
<p><b>General Code of Operating Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 1.47 Failure to Maintain Conductors Log (Missing Multiple Entries)</li> <li>- Rule 6.3 Main Track Authorization (Resulting in FRA Decertification Event)</li> <li>- Rule 6.5 Handling Cars Ahead of Engine (Unprotected Shove)</li> <li>- Rule 6.27 Restricted Speed (Resulting in FRA Decertification Event)</li> <li>- Rule 7.6 and 32.1, 32.1.1, 32.1.2, 32.1.3 Securing Cars or Engines (When Resulting in Uncontrolled Movement)</li> <li>- Rule 8.3 Main Track Switches (Switch Left in Other than Normal Position in Non Signaled Territory)</li> <li>- Rule 9.5 Where Stop Must be Made (except Rule 9.5.5) (Resulting in FRA Decertification Event)</li> <li>- Rule 15.2 Protection by Track Bulletin Form B.</li> </ul> <p><b>UPRR Safety Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 78.7 Boom Near Overhead Power Lines</li> </ul> <p><b>Maintenance of Way Rules</b></p> <ul style="list-style-type: none"> <li>- Rule 42.2.2 Other Speed Requirements (Resulting in Collision)</li> <li>- Rule 56.1.3 Compromising Signal Safety</li> </ul> <p><b>Engineering Dept. Fire Prevention Plan</b></p> <ul style="list-style-type: none"> <li>- Rule 4.1 Not conducting/documenting a fire risk assessment prior to hot work being conducted.</li> <li>- Rule 5.1.3 Not discontinuing rail grinder operations when fire risk is high.</li> <li>- Rule 5.2.3 Not complying with flash-butt welding requirements when the fire risk is high.</li> <li>- Rule 5.3.3 Not complying with open-flame rail heater requirements when the fire risk is high.</li> <li>- Rule 5.4.3 Not complying with requirements for welding, grinding, cutting or using a torch when the fire risk is high.</li> <li>- Rule 5.5 Not complying with cadwell bonding requirements when fire risk is high.</li> </ul> <p><b>Mechanical Dept. Fire Protection Plan</b></p> <ul style="list-style-type: none"> <li>- Rule 4.1 &amp; 5.0 Not conducting/documenting a fire risk assessment prior to beginning hot work.</li> <li>- Rule 5.1 &amp; 5.2 Not complying with the requirements for Hot Work when the fire risk is high.</li> <li>- Rule 5.3 Not obtaining Director (Manager in absence of Dir) authorization to begin Hot Work when fire risk is high.</li> <li>- Rule 5.4 Cutting a pinion gear when the fire risk is high.</li> <li>- Rule 8.1 Not complying with the requirements of Loco Educator Tube &amp; Carbon Trap Cleaning Program.</li> </ul>	4C	<p><u>Up to 60 days off work without pay and must pass necessary operating rules exam or equivalent in order to return to work. A Corrective Action Plan must be developed which will include remedial training upon return to work.**</u></p>

*See footnotes on page 11*

<b>Assessment Table</b>		
<b>Violation of these rules*</b>	<b>Results in.....</b>	
	<b>Level ^</b>	<b>Actions</b>
<b>General Code of Operating Rules</b> - Rule 1.5 Drugs and Alcohol (Rule "G") - Rule 1.12 Weapons - Rule 1.6 Conduct. Employees must not be: 1. Careless of Safety 2. Negligent 3. Insubordinate 4. Dishonest 5. Immoral 6. Quarrelsome (excludes 1.6.1) - Rule 1.7 Altercation - Felony Conviction; Fraud or Theft - EEO Policy Infractions*** - Overstaying Leave of Absence Without Authority - Workplace Violence Policy Infractions^^	<b>5</b>	<b>Permanent dismissal</b>

\* Where Chapter Numbers are shown, all Rules within Chapter(s) are Violation Level indicated EXCEPT FOR: Specific Rules which may be listed by rule number at a different level. Where rule numbers are shown, it includes Sub-Rules unless specified otherwise. Rules include any modification to rule through General Order, M of W General Order, SALERT, Timetable Special Instruction, or change of rule number.

^ Any rule violation which results in \$150,000 property damage will receive the next higher level discipline except when a level 4 status results from a one time occurrence or for 4C rule violations.

\*\* For Engineering employees, Rules 1.47, 6.5 and 9.5 are not applicable. Violation of rules 6.3, 6.27 and 15.2 will be assessed at Level 4. For Mechanical employees, Rules 1.47, 6.27, 6.5, 9.5 and 15.2 are not applicable. Violation of 6.3 will be assessed at Level 4.

\*\*\* A lesser Level of Discipline may be issued in some EEO cases when consistent with EEO Policy Application and when recommended by the Director-EEO.

^^ A lesser Level of Discipline may be issued in some cases pursuant to review and recommendation of the Workplace Violence Committee.

^^^ If infraction involves a decertifiable event, paragraph under "Training / Education for FRA Decertifiable Events" will apply.

## GLOSSARY

The following definitions, while not all inclusive or absolute, are intended to guide the determination of whether various acts by employees meet necessary criteria to be considered a violation of applicable Level 5 Rules.

**ALTERCATION:** When an employee's actions cause or result in a vehement quarrel characterized by physical activity such as pushing, shoving or fighting.

**CARELESS OF SAFETY:** When an employee's actions demonstrate an inability or an unwillingness to comply with safety rules as evidenced by repeated safety rules infractions. When a specific rule(s) infraction demonstrates a willful, flagrant, or reckless disregard for the safety of themselves, other employees, or the public.

**DISHONEST:** When an employee's actions or statements constitute lying, cheating or deception.

**FELONY CONVICTION:** The conduct of an employee leading to the conviction of a felony in state or federal court is prohibited. Guilty pleas, diversion programs, deferred decisions or adjudication, and other alternative sentencing or adjudication procedures, regardless of local nomenclature, are considered convictions under this policy.

**FRAUD:** When an employee's actions or statements are intentional misrepresentations of fact for the purpose of deceiving others so as to secure unfair or unlawful gain.

**IMMORAL:** When an employee's actions are contrary to commonly accepted moral principles.

**INSUBORDINATION:** When an employee's actions or statements indicate a refusal (as opposed to a failure for cause) to carry out the instructions of a supervisor which are work, safety or policy related and which conform to accepted Company and industry practice, or when an employee demonstrates gross disrespect towards a supervisor. **NOTE:** Any failure to comply with Union Pacific's Drug and Alcohol Policy will be considered insubordination.

**NEGLIGENT:** An employee demonstrates negligence when his or her behaviors/actions cause, or contribute to, the harm or risk of harm to the employee, other employees, the general public or company property.

**QUARRELSOME:** When an employee's continued behavior is inclined or disposed toward an angry verbal confrontation with others in the workplace.

**THEFT:** When an employee's action is intended to and/or results in the taking and/or removing of property or other items of value from the Company, its customers, or other employees without proper authority.

## PROGRESSIVE DISCIPLINE TABLE

Introduction Determining the correct level of discipline to be assessed for a current rules infraction requires use of the Progressive Discipline Table. Accurate use of the Progressive Discipline Table requires knowledge of the Current Discipline Level, the Level of the Infraction, and the Discipline Assessment Table.

### Progressive Discipline Table

If the Alleged Violation Level is..	Then the action you should take is..	
<b>1/2</b>	<b>Coaching. Excessive violations may result in a Rule 1.13 violation.</b>	
If the Alleged Violation Level is..	And the Current Discipline Status is..	Then the Discipline Level to assess is..
<b>3</b>	<b>0</b>	<b>3</b>
	<b>2</b>	<b>3</b>
	<b>3</b>	<b>4</b>
	<b>4</b>	<b>4</b>
	<b>4C</b>	<b>4C</b>
<b>4</b>	<b>0</b>	<b>4</b>
	<b>2</b>	<b>4</b>
	<b>3</b>	<b>4</b>
	<b>4</b>	<b>5</b>
	<b>4C</b>	<b>5</b>
<b>4C</b>	<b>0</b>	<b>4C</b>
	<b>2</b>	<b>4C</b>
	<b>3</b>	<b>4C</b>
	<b>4</b>	<b>5</b>
	<b>4C</b>	<b>5</b>

NOTE: If an employee commits three repetitions of the same Level 3, 4 or 4C rule infraction during a 36 month period (excluding missed calls and tardiness) the discipline will be assessed at Level 5 – Permanent Dismissal. Rule violations which were elevated on May 1, 2008 from level 2 to level 3 or higher infractions will be included in determining if an employee has committed three violations of the same Level 3, 4 or 4C rule during a 36 month period.

## GUIDE TO DETERMINING DISCIPLINE LEVEL

Step 1 – Determine the primary (highest level) alleged rule violation.

Step 2 – Complete the Discipline Calculation Worksheet as follows:

- a. Specify the rule(s) violation(s) in Section One.
- b. Check or list the applicable rule(s) or policy publications in Section One.
- c. Place a check in one or both boxes in Section Two, if applicable.
- d. Determine the level of alleged rule infraction by reviewing the Discipline Assessment Table. Locate the Discipline Level corresponding to the primary rule and complete Section Three.
- e. Obtain the Employee's current discipline status (level) and complete Section Four:
  - For Level 2 through 4C violations, review the PeopleSoft Discipline History for the previous 24 months.
  - Apply the Discipline Level Retention Periods from the Policy Guidelines found in the retention table (retention period changes if employee waived a hearing) to the most recent entry in the discipline record to determine whether the status reflected remains in effect for current consideration.
- f. Utilizing the Progressive Discipline Table and the information from Sections Three and Four, complete Section Five-A.
- g. Determine whether the infraction resulted in property damage greater than \$150,000 requiring the next higher level of discipline. Complete Section Five-B. **This is the Level of Discipline required for the infraction.**
- h. If the assessment results in suspension and/or training days, enter the number of each in Section Five-C.

**DISCIPLINE CALCULATION WORKSHEET**

FORM 20063  
Rev. 05/10

<b>DISCIPLINE CALCULATION WORKSHEET</b>			TODAY'S DATE
			FILE NUMBER
Last Name	First Name / MI		Emp ID#
Job Title	Hire Date	Dept / Svc Unit	Work Location / Gang
<b>SECTION ONE</b>	This Notice Indicates a ( ) violation or ( ) possible violation of Rule(s) _____  Found in the following Union Pacific Railroad publication(s): <i>Check the appropriate box:</i> <input type="checkbox"/> Union Pacific Rules <input type="checkbox"/> Timetable/SSI <input type="checkbox"/> Other: (specify) _____ In connection with: (Describe incident) _____ _____ _____		
<b>SECTION TWO</b>	<input type="checkbox"/> Event Involved Personal Injury <input type="checkbox"/> Event Involved Human Factor Rail Equipment Incident		
<b>SECTION THREE</b>	Under the Discipline Assessment Table, violation of the rule(s) listed in <b>Section One</b> requires a minimum discipline of: LEVEL _____		
<b>SECTION FOUR</b>	A. Disciplinary action within the past 24 months for which retention period has not expired. (Rule and description)		
(Circle Primary Rule) }	RULE	DESCRIPTION OF VIOLATION	LEVEL
			DATE
	B. This equates to a Current Discipline Status of: LEVEL _____.		
<b>SECTION FIVE</b>	A. Using the Progressive Discipline Table, a current violation of the rule(s) cited in <b>Section One</b> plus the Current Discipline Status requires the assessment of: LEVEL _____. B. The incident Did ___ Did Not ___ have results requiring assessment of the next higher level of discipline per the footnote to the Discipline Assessment Table. Therefore, <b>the required discipline is:</b> LEVEL _____. C. Discipline assessed includes: _____ days suspension; _____ days training. If suspension assessed: Start Date: _____ End Date: _____		

Initiating Manager: \_\_\_\_\_ Phone: \_\_\_\_\_ Emp. ID: \_\_\_\_\_

**DISCIPLINE NOTICE**

FORM 20069

<b>DISCIPLINE NOTICE</b>	___ Notice of Proposed Discipline ___ Waiver of Hearing ___ Notice of Discipline Following Hearing		Today's Date	
			File Number	
Last Name	First Name / MI		Emp ID#	
Job Title	Hire Date	Dept / Svc Unit	Work Location / Gang	
<b>SECTION ONE</b>	This Notice Indicates a ( ) violation or ( ) possible violation of Rule(s) _____  Found in the following Union Pacific Railroad publication(s): Check the appropriate box: <input type="checkbox"/> Union Pacific Rules <input type="checkbox"/> Timetable/SSI <input type="checkbox"/> Other: (specify) _____ In connection with: (Describe incident) _____ _____ _____			
<b>SECTION TWO</b>	<input type="checkbox"/> Event Involved Personal Injury <input type="checkbox"/> Event Involved Human Factor Rail Equipment Incident			
<b>SECTION THREE</b>	Under the Discipline Assessment Table, violation of the rule(s) listed in <b>Section One</b> requires a minimum discipline of: LEVEL _____			
<b>SECTION FOUR</b>	A. Disciplinary action within the past 24 months for which retention period has not expired. (Rule and description)			
Circle Primary Rule <div style="font-size: 3em; margin-left: 10px;">}</div>	RULE	DESCRIPTION OF VIOLATION	LEVEL	DATE
B. This equates to a Current Discipline Status of: LEVEL _____.				
<b>SECTION FIVE</b>	A. Using the Progressive Discipline Table, a current violation of the rule(s) cited in <b>Section One</b> plus the Current Discipline Status requires the assessment of: LEVEL _____. B. The incident Did ___Did Not ___have results requiring assessment of the next higher level of discipline per the footnote to the Discipline Assessment Table. Therefore, <b>the required discipline is:</b> LEVEL _____. C. Discipline assessed includes: ___ days suspension; ___ days training. If suspension assessed: Start Date: _____ End Date: _____			
<b>Waiver Notice:</b> When permitted by the applicable collective bargaining agreement, employee may elect to waive formal hearing and accept proposed discipline by signing the statement below and returning a signed copy of this form and the attached notice, if any, to the appropriate manager within ____ days. The designated manager may be contacted by telephone at _____.				
<b>Statement of Employee:</b> I, the undersigned employee, wish to waive my right to a hearing in connection with the incident referenced by this notice and accept discipline as proposed above.				
Employee Signature: _____ Date: _____				
Initiating Manager: _____ Phone: _____ Emp. ID: _____				

**LEVEL 1 and 2 COACHING SESSION FORM**

FORM 20064

Date: \_\_\_\_\_ Employee Name: \_\_\_\_\_

Emp. ID: \_\_\_\_\_ Manager Name: \_\_\_\_\_

Manager Title: \_\_\_\_\_

Description of Event: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rules(s) Discussed: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Previous Level 1 or 2 coaching session(s) in last six months: \_\_\_\_\_

\_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Manager Signature

**NOTE:** This form is to be used for Level 1 and Level 2 coaching events. Excessive violations of Level 1 or Level 2 rules will result in a disciplinary charge of violating Rule 1.13 – Complying with Instructions.

FORMAL CONFERENCING / TRAINING

FORM 20065

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Employee ID: \_\_\_\_\_

Check One:

Conference (L 3, 4, 4C)

Training (L 2, 3, 4, 4C)

Mr. / Ms. \_\_\_\_\_

This is to confirm our conference on \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ AM / PM at \_\_\_\_\_ in connection with events described below: (location)

Description of Event: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rule(s) Discussed: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

I agree to have a conference.

I agree to Training.

I decline to have a conference.

I decline Training.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Manager's Signature

\_\_\_\_\_  
Title

Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: Formal Conference / Training option will not increase the employee's current discipline level.

NOTE: The Discipline Policy will recognize a Level 4/4C disciplinary diversion event as a Level 4/4C violation for the purpose of assessing discipline in the event that the employee is determined to be responsible for committing a subsequent Level 4/4C violation within the months specified in the retention period table following the date of the first Level 4/4C occurrence.

## SUMMARY OF POLICY UPDATES

This section outlines the periodic updates made to the Policy and Procedures for Ensuring Rules Compliance.

Updates Effective May 1, 2008

Page No.	Updates Made
2	Policy Guidelines – added items 6 and 7.
4	Changed Formal Coaching from Level 1 infractions only to Levels 1 and 2.
4	Changed Formal Conferencing from Level 2 only to Levels 3, 4, and 4C.
5	Changed Training/Education from Levels 3 and 4 only to Levels 2, 3, 4, and 4C.
7	Assessment Table – Changed actions for Level 1 and Level 2 to included coaching. Added that excessive infractions of Level 1 or Level 2 rules can result in a charge of Rule 1.13.
8	Assessment Table – Reclassification of rules 1.25, 1.13 and 1.15 from Level 2 to Level 3.
9	Assessment Table – Level 4 suspension period changed from 30 days to up to 10 days.
10	Assessment Table – Level 4C suspension period changed from 180 days to up to 60 days. Removal of 120 days suspension if EQMS score is 950 or greater. Removal of 180 and 120 day criteria for Non-Operating employees.
13	Progressive Discipline Table – Assessed discipline for Levels 1 and 2 is coaching unless excessive violations.
13	Progressive Discipline Table – Removal of additive effect for Level 2 violations unless they are excessive violations.
13	Progressive Discipline Table – Changed additive effect of a Level 3 violation and current status of “4” from an assessed Level 5 to assessed Level 4.
App. B	Coaching Session Form – changed to show use with Levels 1 and 2.
App. C	Formal Conferencing / Training Form – changed to show levels at which Conference and/or Training can be offered in lieu of discipline.
App. D	Added Summary of Policy Updates section

Updates Effective April 1, 2009

Page No.	Updates Made
3	Note 1 Under Retention Table – Replaced ‘24 Months’ with Months Specified in the Retention Table for a 4/4C.
6	Note 1 Under Training/Education – Replaced ‘24 Months’ with Months Specified in the Retention Table.
6	In Note – changed all references of Level 4 events/violations to Level 4/4C.
7	Assessment Table Addition of Engineering Dept. Fire Protection Plan as Level 2.
7	Assessment Table Addition of Mechanical Dept. Fire Prevention Plan as Level 2.
8	Assessment Table Reclassification of Rules 70.3, 74.1, 74.3, 74.6, 74.17, from Level 1 to Level 3; Rule 74.2 from Level 1 to Level 4.
10	Assessment Table Addition of Items 4.1, 5.1.3, 5.2.3, 5.3.3, 5.4.3, 5.5 of the Engineering Dept. Fire Protection Plan as Level 4C.
10	Assessment Table Addition of Items 4.1, 5.0, 5.1, 5.2, 5.3, 5.4 and 8.1 of the Mechanical Dept. Fire Prevention Plan as Level 4C.
App. C	Appendix C – Second Note - Replaced ‘24 Months’ with Months Specified in the Retention Period Table. Second Note - changed all references of Level 4 events/violations to Level 4/4C.

Updates Effective May 15, 2009

Page No.	Updates Made
15	Revised instructions for completing Discipline Calculation Worksheet to reflect previous change to worksheet (addition of Section Two) and addition of Section Five C to document suspension / training days.
App. A	Added Section Five C to document number of suspension / training days.

Updates Effective July 20, 2009

<b>Page No.</b>	<b>Updates Made</b>
7, 8	Changed Rule 1.11 - Napping from Level 2 to Level 3 infraction.
11	Added new footnote as symbol ^^ for infractions involving decertifiable evants.
14	Added second sentence to note pertaining to rule violations which were elevated on May 1, 2008.

Updates Effective April 1, 2010

<b>Page No.</b>	<b>Updates Made</b>
9, 10	Maintenance of Way Rule 56.1.3 from Level 4 to Level 4C infraction.
9, 10	Chief Engineer Instruction Bulletin 135.3.2 from a Level 3 to a Level 4.
10	Added Chief Engineer Bulletins 135.3.4 and 135.4 as Level 4.

Updates Effective June 1, 2010

<b>Page No.</b>	<b>Updates Made</b>
App. A	Updated Section One and added suspension start and end date to Section Five C.
App. A-1	Added Discipline Notice (Form 20069) as Appendix A-1.