



Norfolk Southern Corporation
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D. L. Kerby
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Labor Relations
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AG-MW-2

Messrs. S. J. Alexander, General Chairman, BMWED
D. E. Bogart, Jr., General Chairman, BMWED
J. E. David, General Chairman, BMWED
J. Dodd, General Chairman, BMWED
E. W. Long III, General Chairman, BMWED

Gentlemen:

This will confirm our discussions concerning the application of the annual lump sum bonus paid to employees working on Designated Programmed Gangs who meet certain eligibility criteria, and also the extension of coverage to include System Bridge Tie Gangs. The eligibility requirements for employees working on DPGs or System Bridge Tie Gangs to earn these annual production bonuses are revised effective January 1, 2017, to be as follows:

1) Each employee who exercises seniority by bid or displacement to a DPG position or a System Bridge Tie Gang position, without voluntarily leaving the position (including being displaced by a senior employee) for at least six continuous months during the calendar year, will be entitled to receive a lump sum production bonus payment equal to 5% of the hourly compensation earned while on the position, but not to exceed \$1,000.

2) In the event that an employee working on a DPG or System Bridge Tie Gang position subsequently voluntarily bids to and is awarded a higher rated DPG or System Bridge Tie Gang position prior to six months from the start date of either such position, the continuous time that such employee worked on both of the DPG or System Bridge Tie Gang positions will be combined for the purpose of determining bonus eligibility and the lump sum production bonus will be considered to have been earned if this combined continuous time equals six months or more. Similarly, an employee who is working on a DPG or System Bridge Tie Gang position when displaced by a senior employee and exercises such displacement right to another position on a DPG or System Bridge Tie Gang, so that the employee continually works in DPG or System Bridge Tie gang service without obtaining an intervening assignment in some other non-Bonus covered service or going furlough, will be credited with the combined continuous time that such employee worked on both of the respective DPG or System Bridge Tie Gang positions for the purpose of determining bonus eligibility, and the lump sum production bonus will be considered to have been earned if this combined continuous time equals six months or more.

3) Payment is to be made within 30 days of the completion of the employee's qualifying service on the gang. In the event that a DPG or System Bridge Tie Gang position is abolished less than six months from its start date, the employee working on the position at that time will be paid the amount of the production bonus earned as of the date of abolishment.

Operating Subsidiary: Norfolk Southern Railway Company

This revision to the eligibility requirements for employees working on DPGs or System Bridge Tie Gangs to earn the annual production bonuses will not apply to eligibility criteria to earn the annual lump sum bonus paid to employees whose position works across two or more of the Virginia, Pocahontas, Lake and Illinois Divisions, pursuant to Section V (C) of the February 21, 2000 NW-WAB/NKP Seniority District Realignment Agreement.

If the above is consistent with your understanding, please indicate your concurrence below.

Very truly yours,

D. L. Kerby
Assistant Vice President
Labor Relations

Agreed:



S. J. Alexander
General Chairman, BMWED



D. E. Bogart, Jr.
General Chairman, BMWED
(Southern-D&H South Region)



I. E. David
General Chairman, BMWED



Jed Dodd
General Chairman, BMWED



E. W. Long III
General Chairman, BMWED

APPROVED:



R. Sanchez
Vice President, BMWED