

**MEMORANDUM OF UNDERSTANDING
BETWEEN
UNION PACIFIC RAILROAD
And the
SMART-TD**

Recently the parties met to discuss the viability of a pilot program that would allow train service employees working in the Eastern 1 Seniority District to schedule paid personal leave days (PLD) and/or single vacation days (SVD) in advance.

During our discussions it was recognized Crew Management has put in place programming designed to assist in the pre-scheduling. This programming is still in its developmental stages with enhancements and modifications that will remain on-going during any pilot phase with your respective Committee.

With this understanding, the parties have agreed to a pilot not to exceed (180) days (unless by mutual consent) beginning on May 23, 2016. Crew Management will be responsible for coordination and communication with the Local Committees beginning on May 12, 2016. The pilot will encompass the following all locations/assignments on the Eastern 1 Seniority District.

This pilot will operate under the current parameters set forth by Crew Management to include the following:

- 1) Employees may take up to (6) consecutive days of paid personal leave and/or paid single vacation days. Requests will be approved on a first come/first serve basis manpower needs permitting.
- 2) Personal Leave and/or Single Vacation Day advance requests may be made between (48) hours and 120 days (rolling period) in advance of the day(s) requested.
- 3) Cancellation of pre-approved days must be made no later than (72) hours ahead of the scheduled day(s).
- 4) Once approved, the scheduled day(s) must be taken. The employee will be required to "activate" the personal leave and/or single vacation day on the day it is scheduled. An employee who fails to "activate" the approved day(s) may no longer be permitted to participate in the pilot project.

NOTE 1: An employee may advance or defer the start of his/her approved day(s) by (16) hours to accommodate a change in work schedule.

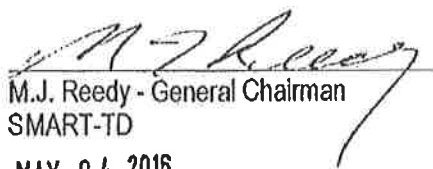


It is further understood no time claims will be filed or progressed regarding any aspect of the pre-approved layoff process, nor will the Carrier be subject to any liability in connection with this pilot project. Should an issue of concern or dispute arise regarding this pilot project, the matter will be addressed promptly between the General Director Crew Management (or her designee), the Director Labor Relations, and the General Chairman.

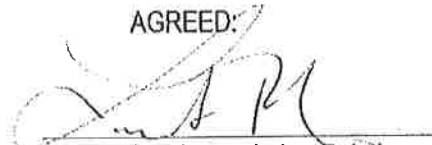
This pilot may be cancelled by either party with thirty (30) days advance written notice. If such notice is served by either the General Committee or by the Carrier, the involved parties will meet prior to the effective cancellation date and attempt to resolve any issues/disputes that led to the cancellation notice. Any remaining days requested and approved at the time of the cancellation will be honored. Requests will not be accepted after a notice of cancellation has been served. The parties further commit to work together to process and handle any remaining pre-approved days with the least amount of disruption to service and manpower needs.

If this adequately reflects our understanding of the pilot project involving the pre-approval and scheduling of paid personal leave and single vacation days, please indicate your concurrence in the space indicated below.

AGREED:


M.J. Reedy - General Chairman
SMART-TD
MAY 04 2016

AGREED:


L. A. Ruf - Director Labor Relations
UPRR