

Norfolk Southern Corporation  
223 East City Hall Avenue  
Norfolk, Virginia 23510-1728

D. L. Kerby  
Assistant Vice President  
Labor Relations  
(757) 629-2405

June 4, 2015

DHA-IA-BMWED

Dale E. Bogart Jr., General Chairman-NESF  
Brotherhood of Maintenance of Way Employees Division  
3321 Vestal Parkway East  
Vestal, New York 13850

Dear Mr. Bogart:

This refers to previous correspondence and our recent discussions with regard to the NSR's acquisition of the D&H South Lines, which was approved by the STB on May 15, 2015. The parties have entered into an Implementing Agreement dated April 6, 2015, to provide for the incorporation of the D&H South Lines and certain D&H employees into the NSR agreements and seniority rosters effective the date that NSR commences operation of the D&H South Lines. Some clarifications with respect to the application of the Implementing Agreement, in particular to D&H employees who enter service on NSR in a non-agreement capacity (management), to residual effect of former D&H District 1 and District 2 on the D&H South Lines, and the positions identified in Appendix Number 1 to Side Letter No. 1.

This will confirm our understanding that:

- For current D&H employees who occupy positions promoted beyond the scope of the BMWED Agreement and who retained seniority pursuant to Rules 4.9 and 4.10 of the BMWED/D&H Agreement and enter service with NSR on a non-agreement position, the Organization has been and remains agreeable to dovetailing their former D&H seniority into the corresponding NSR D&H South Region seniority rosters established pursuant to the parties' April 6, 2015 Implementing Agreement.
- D&H employees, active on BMWED covered positions, who are offered and accept employment with NSR pursuant to the terms of the parties' April 6, 2015 Implementing Agreement or on the non-agreement positions referenced above, will receive a "prior rights" designation on the NSR D&H South Region seniority roster corresponding to their existing D&H District 1 or District 2 seniority. Former D&H employees who receive such prior rights designation shall be given

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preference to all future positions that are bulletined with a headquarters that is located on their designated prior rights territory, which corresponds to their former D&H District 1 or District 2 subdivision territories. In the event that an employee who is granted "prior rights" pursuant to this agreement is subsequently displaced or occupies a position that is abolished, such employee will not be required to exercise seniority to (or be recalled from furlough for) a position located beyond the prior righted employee's designated prior rights territory in order to retain or protect seniority on NSR rosters.

- BMWED-represented positions to be established on the NSR D&H South Region, as listed in Appendix Number 1 to Side Letter No. 1 of the April 6, 2015 Implementing Agreement, will be adjusted to establish one additional Laborer position on two of the referenced Track Maintenance Gangs, and also replace one of the two Roadway Equipment Mechanic positions to be established on the NSR D&H South Region by adding one Roadway Machine Repairman position to be established on the NSR Northern Region.

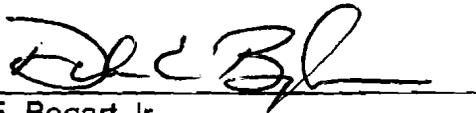
Please indicate your concurrence in these matters by signing in the space provided below and returning a signed copy to me for our records.

Very truly yours,



D. L. Kerby  
Assistant Vice President  
Labor Relations

Agreed:



D. E. Bogart Jr.  
General Chairman, BMWED