

## **INDIANA HARBOR BELT RAILROAD**

### **DEVELOPMENT AND PERFORMANCE ACCOUNTABILITY POLICY FOR MECHANICAL EMPLOYEES**

This policy, effective **October 1, 2023**, supersedes all prior policies and practices relating to the handling of minor, serious, and major rule violations, excluding absenteeism policies, for mechanical employees.

The purpose of this policy is to provide a uniform structure in which to address rule and policy violations in a consistent and fair manner. Compliance with company rules, policies, and federal regulations is required in order to avoid injuries, deaths, and substantial property damage. Our goal is to use the policy as a tool to modify behavior to ensure the safe and efficient operation of the IHB for our employees, customers, vendors, and the communities we serve. All mechanical employees are valued members of the IHB team. This policy assures that all employees are treated with respect and fairness and in accordance with applicable labor agreements. The IHB expects all employees to be safe, conscientious, and dependable; to comply with rules; and to display a positive attitude toward teamwork and company objectives.

No provision of this policy shall be applied or interpreted in a manner inconsistent with federal, state, and local law. If this policy conflicts with an employee's applicable collective bargaining agreement (CBA), the CBA will take precedence over this policy.

#### **FRA REVOCATION EVENTS**

If an incident is covered by FRA certification regulations, in addition to the terms and conditions of this policy, the involved employee is also subject to the applicable FRA regulations and any federally mandated revocation period.

#### **GENERAL GUIDELINES**

Incidents considered minor offenses are addressed in Part I of this policy. Incidents of a more serious nature are addressed in Parts II and III. The examples listed in each section are illustrative only and not intended to limit appropriate handling for other significant offenses that may warrant corrective or disciplinary action, up to and, including dismissal.

#### **HELD OUT OF SERVICE PENDING HEARING**

Unless otherwise required in the employee's CBA, an employee will not be compensated for the time held out of service if any discipline is issued either on a waiver or after a finding of substantial evidence at a formal hearing. In addition, unless otherwise stated in the applicable agreement, the IHB is not required to credit the employee for the time held out of service upon the issuance of a suspension.

## PART I – COACHING FOR MINOR OFFENSES

Minor offenses are defined generally as rule violations, poor performance, or violation of IHB policies, practices, or procedures that do not result in derailment, personal injury, or damage to equipment and that are not otherwise identified individually as serious or major in Part II or III of this policy. A Coaching Session is a teaching and supportive improvement tool to alert employees to their behavior and actions and help them understand how these inhibit safety, performance, and productivity. The Coaching Session shall be utilized to assist employees in achieving acceptable performance levels.

For illustrative purposes only, examples of minor offenses include but are not limited to:

- Failure to wear personal protective equipment or wearing inappropriate clothing and jewelry.
- Operating switches and derails
- Proper use of seat belts when equipped
- Violations of the general safety rules

An event is an incident that may result in one or more minor offenses at a given period.

Example: When an employee is cited with 3 minor offenses during the same incident, those offenses shall only count as 1 event for Part I of this discipline policy.

Violations of Minor Offenses shall be handled in the following progression:

1 <sup>st</sup> Event	Coaching Session
2 <sup>nd</sup> Event	Coaching Session
3 <sup>rd</sup> Event	Performance Review
4 <sup>th</sup> Event	Employee will be subject to the discipline as prescribed in Part II of this policy.
5 <sup>th</sup> Event	If an employee is assessed discipline under Part II of this policy based on progression to a 4 <sup>th</sup> event, the employee resets to a 1 <sup>st</sup> Event Coaching Session, and the progression restarts.

Time Frame: 180 calendar days from the date of the event. Any break in service, including but not limited to furlough, discipline, or leave of absence (except for military leave), will be excluded when calculating the period referenced.

**PART II – SERIOUS OFFENSES**

Serious Offenses include rule violations resulting in damage to equipment, poor performance, or violation of the company’s policies, practices, or procedures that are not otherwise identified as minor or major offenses in Parts I or III. The 4<sup>th</sup> minor event an employee incurs, as defined in Part I of this policy, within the period as prescribed in that section, will be considered a serious offense.

An event is defined as an incident that may result in one or more serious offenses at a given period.

For illustrative purposes only, examples of Serious Offenses include but are not limited to:

- Properly protecting shoving movements
- Reporting and complying with instructions
- Incident resulting in equipment damage
- Getting on and off moving equipment
- Clearances
- Unauthorized use of company resources
- Electronic devices when not involved with safety-sensitive duties
- Driving 80 MPH or more in a company vehicle
- Violation of the FMLA & Company Medical Leave Policy.
- Locomotive Usage
- Failure to secure equipment
- Improper fouling
- Sleeping

Violations of Serious Offenses shall be handled in the following progression:

1 <sup>st</sup> Event	Option A - Waiver Training Day Option B: Formal Hearing* Training Day and three (3) days of actual suspension.
2 <sup>nd</sup> Event	Waiver or Formal Hearing* Suspension of not less than five (5) actual days and not more than thirty (30) actual days.
3 <sup>rd</sup> and Subsequent Events	Waiver or Formal Hearing* Suspension of not less than thirty (30) actual days and up to and including dismissal.

\*Formal Hearing in compliance with the appropriate CBA and if found responsible for the rule violation.

Time Frame: For each 180 calendar days that an employee does not have a Serious Offense, they shall be considered one serious event less in the progressive discipline issued. Calendar days are calculated from the date discipline is issued. Any break in service, including but not limited to furlough, discipline, or leave of absence (except for military leave), will be excluded when calculating the period referenced.

### PART III – MAJOR OFFENSES

Major Offenses are those that warrant removal from service pending a formal hearing and possible dismissal from service for a single occurrence if proven responsible. An event is defined as an incident that may result in one or more major offenses at a given period.

As indicated hereinabove, unless otherwise required in the employee’s CBA, an employee will not be compensated for the time held out of service if any discipline is issued either on a waiver or after a finding of substantial evidence at a formal hearing. In addition, unless otherwise stated in the applicable agreement, the IHB is not required to credit the employee for the time held out of service upon the issuance of a suspension.

For illustrative purposes only, examples of Major Offenses include but are not limited to:

- Electronic devices when involved with safety-sensitive duties
- Blue Flag
- Crossing through equipment without appropriate protection
- Fall Protection
- Theft
- Violence in the workplace
- Violations of the Information Technology Policies
- Drugs & Alcohol (consistent with IHB drug & alcohol policies)
- Rule violations that exceed the FRA Threshold/Reportable
- Making false statements or concealing material facts concerning matters under investigation
- Conduct including but not limited to:
  - o Insubordination
  - o Dishonesty
  - o Negligence
  - o Careless of the safety of themselves or others
  - o Other acts of blatant disregard for the rights of employees or the company and acts that cause harm to other persons or recklessly endanger the safety of yourself, employees, or the public

Violations of Major Offenses shall be handled in the following progression:

1 <sup>st</sup> and Subsequent Events	Waiver or Formal Hearing* Suspension of not less than thirty (30) actual days and up to and including dismissal.
---------------------------------------	---

\*Formal Hearing in compliance with the appropriate bargaining agreement and if found responsible for the rule violation.

Time Frame: For each 365 calendar days that an employee does not have a Major Offense, they shall be considered one major event less in the progressive discipline issued. Calendar days are calculated from the date discipline is issued. Any break in service, including but not limited to furlough, discipline, or leave of absence (except for military leave), will be excluded when calculating the period referenced.