

UNION PACIFIC RAILROAD COMPANY

Gary Taggart
Director – Labor Relations



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BUILDING AMERICA

June 13, 2016

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MR. ROY DAVIS
GENERAL CHAIRMAN – UTU
400 RANDAL WAY
SUITE 102
SPRING, TEXAS 77388

DEAR SIR:

Re: Suspension of Article XII of the 1985 UTU National Agreement

Dear Sir:

This refers to our discussions regarding Article XII (Termination of Seniority) of the 1985 UTU National Agreement.

This Letter of Understanding will serve to confirm the parties' agreement to suspend application of Article XII of the 1985 UTU National Agreement until August 1, 2017. At that time, this National Agreement provision will be automatically reinstated and in full force and effect. In concert therewith, the parties further agree to apply the terms set forth in this Letter of Understanding retroactively to any employee furloughed subsequent to August 1, 2015.

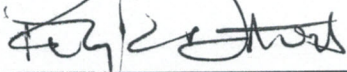
If the foregoing properly and accurately reflects our understandings regarding this matter, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,

T. Gary Taggart
Director Labor Relations

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Agreed,



Roy D. Davis

General Chairman – SMART-TD