

**THE LONG ISLAND RAIL ROAD COMPANY
PLAN FOR ADDITIONAL PENSIONS**

As Amended Through May 31, 1997

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The Board of Directors of The Long Island Rail Road Company (hereinafter called the Company) has approved the following pension plan (hereinafter called the Plan for Additional Pensions), effective July 1, 1971, in order to provide pensions for its employees (provided they meet the eligibility conditions herein set forth) in addition to pensions payable under The Long Island Rail Road Company Pension Plan (hereinafter called the Basic Plan) and in fulfillment of the Company's collective bargaining agreements.

ARTICLE I

Definitions

SECTION 1. Definitions Incorporated by Reference. The definitions of the following terms embodied in the Basic Plan, as from time to time amended, are incorporated herein by reference:

- (a) Board of Managers
- (b) Break in Service
- (c) Compensation
- (d) Credited Service
- (e) Disability Pension
- (f) Employee
- (g) Joint Board
- (h) Plan for Supplemental Pensions
- (i) Secretary
- (j) Service-Age Pension
- (k) Surviving Annuitant
- (l) Credit Union

SECTION 2. Final Average Remuneration. "Final Average Remuneration" shall mean the average monthly Compensation of an Employee for the 60 consecutive calendar Months of Service during the 120 consecutive calendar months of Credited Service immediately preceding his actual retirement date that produces the highest such average. For this purpose, Months of Service before and after an interruption shall be treated as consecutive and the interrupted months disregarded, except if the interruption constituted a Break in Service. The term Compensation as used in this Section 2 with

respect to any Employee for a given calendar Month of Service shall also include compensation deferred with respect to that month under any deferred compensation plan, arrangement or program adopted or approved by or pursuant to the order of, the Company's Board of Directors.

SECTION 2A. Final Average Base Remuneration. "Final Average Base Remuneration" shall mean the monthly average for an Employee obtained by (a) multiplying his hours worked during the last 12 months of Credited Service immediately preceding his actual retirement date, not to exceed 2,080 hours, by the applicable straight time hourly rate for the hours worked (in the case of a salaried Employee, his weeks worked in such last 12 months, not to exceed 52 weeks, multiplied by his applicable salary rates) plus (b) his earned but not used vacation plus (c) compensation deferred for an Employee under any deferred compensation plan, arrangement or program adopted by, or pursuant to the order of, the Company's Board of Directors with respect to the last 12 months of Credited Service immediately preceding his actual retirement date, (but excluding amounts deferred from payments in lieu of vacation with respect to vacation time worked) all divided by 12.

SECTION 3. Additional Pension. "Additional Pension" shall mean the pension computed under Section 2 of Article II.

SECTION 4. Additional Disability Pension. "Additional Disability Pension" shall mean the pension computed under Section 3 of Article II.

SECTION 5. Month of Service. "Month of Service" shall mean any calendar month for which an Employee is credited with a Month of Service under the Basic Plan, except that the last sentence of Section 4 of Article I of the Basic Plan shall not apply in determining an Employee's Months of Service under this Plan for Additional Pensions.

SECTION 6. Union. "Union" shall mean the local unit of any labor organization representing Employees covered by this Plan and which is a party to a collective bargaining agreement with the Company, including (a) with respect to employment after December 31, 1987, the international governing body of any such labor organization (the "International") which after that date has entered into a contract of the type referred to in Article VIII, Section 2, and (b) with respect to employment on or after August 1, 1991, an International if it could have but did not enter into such a contract, but only with respect to each individual who could have been covered by the contract who (i) immediately prior to transferring employment to the International, was covered under this Plan as an employee of a Union which had entered into such a contract and (ii) enters into a contract to make all contributions which the International would have been required to make with respect to such individual had it entered into the contract. The contract referred to in clause (b)(ii) must among other things give the Board of Managers the right to obtain information satisfactory to it concerning the individual's compensation from the International.

SECTION 7. Masculine pronouns where used throughout the Plan shall refer to both men and women unless the context indicates otherwise.

SECTION 8. The titles of the Articles and the headings of Sections used herein are for convenience of reference and, in case of conflict, the text of the Plan, rather than such titles or headings, shall control.

(iv)

- 50% for all *Employees* who were hired on or after July 1, 1974, and were active *Employees* on the following dates:

02/22/99 for United Transportation Union (UTU) Trackworkers, Trainmen, Carmen, & M/W Supervisors memberships;

04/28/99 for UTU Yardmasters, and National Conference of Firemen & Oilers memberships;

05/24/99 for International Association of Machinists & Aerospace Workers membership;

06/30/99 for Independent Railway Supervisors Association - Gang Foremen membership;

09/30/99 for all management personnel;

02/29/00 for Transportation Communication Union membership;

03/28/00 for Brotherhood of Locomotive Engineers membership;

05/24/00 for Brotherhood of Railway Signalmen membership;

06/29/00 for Sheet metal Workers International Association membership;

04/25/01 for International Brotherhood of Electrical Workers membership.

ARTICLE II

Benefits

SECTION 1. Employees Covered. The benefits of this Plan for Additional Pensions shall be effective only for individuals who retire on or after July 1, 1974 and who at no time are "Eligible Employees" within the meaning of the Long Island Rail Road Company Money Purchase Pension Plan.

SECTION 2A. Additional Pensions Prior to Age 65. A retired Employee eligible to receive a Service-Age Pension on a current basis shall, in addition to such Service-Age Pension and until attainment of age 65, be eligible to receive an Additional Pension the monthly amount of which shall be equal to (a) plus (b) less (c):

(a) 2% of the Employee's Final Average Remuneration, or Final Average Base Remuneration if larger, multiplied by 1/12th of the number of his Months of Service up to a maximum of 300.

(b) 1.5% of his Final Average Remuneration, or Final Average Base Remuneration if larger, multiplied by 1/12th of the number of his Months of Service in excess of 300.

(c) the monthly pension payable to him prior to attaining age 65 under the Basic Plan.

SECTION 2B. Additional Pensions at or after Age 65. A retired Employee eligible to receive a Service-Age Pension on a current basis shall, upon attainment of age 65 or upon his retirement, if later, be eligible to receive an Additional Pension the monthly amount of which shall be equal to (a) plus (b) less (c) less (d):

(a) 2% of the Employee's Final Average Remuneration, or Final Average Base Remuneration if larger, multiplied by 1/12th of the number of his Months of Service up to a maximum of 300.

(b) 1.5% of his Final Average Remuneration, or Final Average Base Remuneration if larger, multiplied by 1/12th of the number of his Months of Service in excess of 300.

(c) the monthly pension payable to him commencing at age 65 or the date of his retirement, if later, under the Basic Plan.

(d) a percentage of the retired Employee's Full Railroad Retirement Act Annuity, or if he is receiving a disability annuity under the Railroad Retirement Act, a percentage of such annuity. The percentage shall be:

- (i) for an Employee who has 240 months of Credited Service prior to July 1, 1974, 25%;
- (ii) for an Employee not included above who was an Employee prior to July 1, 1974, 50%;
- (iii) for any other Employee, 100%. *

SECTION 2C. Railroad Retirement. For purposes of this Plan, an Employee's Full Railroad Retirement Act Annuity is that annuity payable or which would on proper application therefor be payable to him under the Railroad Retirement Act commencing at age 65, based on his Compensation and Credited Service to the date of his retirement or to age 65, or the Closing Date applicable to him, if he retired thereafter. In every case the amount of the Railroad Retirement Act Annuity to be deducted under subsection (d) above shall be the indicated percentage of the Full Railroad Retirement Act Annuity notwithstanding that the retired Employee may be receiving a reduced Railroad Retirement Act Annuity. The amount of the reduction under subsection (d) above shall not be redetermined, after the first month for which it is applicable, on account of any subsequent legislated increases in Railroad Retirement Act Annuities.

SECTION 3. Additional Disability Pension. A retired Employee eligible to receive a Disability Pension on a current basis shall be eligible to receive an Additional Disability Pension the monthly amount of which shall be equal to:

- (a) $1 \frac{2}{3}\%$ of the Employee's Final Average Remuneration multiplied by $\frac{1}{12}$ th of the number of his Months of Service (which number shall not exceed 360), reduced by the sum of
- (b) the monthly Disability Pension payable to him under the Basic Plan and
- (c) the full amount of the disability annuity to which he is entitled under the Railroad Retirement Act.

SECTION 4. Additional Survivor Option. If either Option A or Option B under the Basic Plan shall be effective with respect to a particular Employee, the pension to which such Employee, as a pensioner, or his Surviving Annuitant, as appropriate, shall be eligible hereunder shall, in lieu of any benefits otherwise payable under this Plan for Additional Pensions, be a monthly amount added to the monthly benefit of the pensioner or his Surviving Annuitant, as appropriate, under the Basic Plan, equal to the difference between

- (a) the monthly pension which would have been payable in accordance with the option elected if such monthly pension had been based on a Service-Age Pension of the Employee involved determined solely by reference to Article II, Section 3(a)(i) of the Basic Plan, and as if the terms Final Average Remuneration and Final Average Base Remuneration were substituted for the terms Final Average Compensation and Final Average Base Earnings set forth therein, reduced upon attainment of age 65 by the amount described in subsection (d) of Section 2B of Article II of this Plan for Additional Pensions, and
- (b) the monthly pension actually payable under the Basic Plan.

An annuity payable to a surviving spouse in accordance with Option A or Option B shall commence on the first day of the calendar month next following the later of the date of death of the electing Employee or the date he would have attained age 50 had he lived.

SECTION 5. Cancellation of Benefits. Notwithstanding any other provision of this Plan for Additional Pensions, an Employee whose employment commences on or after July 1, 1971, and whose

service is terminated on account of misconduct, dishonesty, theft, or willful destruction of Company property, occurring after July 1, 1971, shall thereby receive no benefits under this Plan for Additional Pensions, and no benefits shall be paid hereunder to a person claiming as Surviving Annuitant of such Employee; and the pension of a pensioner whose employment commenced on or after July 1, 1971, and who it is subsequently determined has engaged in such acts during his employment with the Company on or after July 1, 1971, shall be discontinued, and no pension shall be paid to his Surviving Annuitant, if any.

ARTICLE III

Payment of Benefits

SECTION 1. Applications. Written application to the Secretary on the prescribed form to secure benefits under the Basic Plan shall be considered proper application for benefits hereunder.

SECTION 2. Furnishing Information. An applicant for, or recipient of, benefits under this Plan for Additional Pensions must comply with any reasonable request by the Secretary for information, proof, or documentation, including without limitation, requests pertaining to proof of age, cooperation in securing official verification by the Railroad Retirement Board of its benefit determination, benefit payments, railroad employment, and cooperation in securing records of employment from the Social Security Administration. Failure to comply with such request or to execute the requests or authorizations necessary to secure relevant records or to forward such records to the Secretary when so requested shall be sufficient basis for the Board of Managers to deny benefits hereunder.

SECTION 3. Inalienability of Benefits. The right of any person to receive any payment under the provisions of this Plan for Additional Pensions shall not be subject to alienation or assignment, and if such person shall attempt to assign, transfer or dispose of such right, or should such right be subjected to attachment, execution, garnishment, sequestration or any legal, equitable or other process, it shall ipso facto pass and be transferred to such one or more persons as may be appointed by the Board of Managers from his beneficiary under the Basic Plan, spouse, dependents or relatives of the person with respect to whom such right arises, in such shares and proportions as the Board of Managers may determine; provided, however, that notwithstanding any of the foregoing conditions or any appointments so made, the Board of Managers, in its sole discretion, may reappoint the first above-mentioned person to receive any payment thereafter becoming due, either in whole or in part. Any appointment made by the Board of Managers under this Section may be revoked by it at any time and a further appointment made.

SECTION 5. Non-duplication of Benefits. If, for a calendar month for which he would otherwise be entitled to receive a pension under this Plan for Additional Pensions (or under such provisions of the Plan for Supplemental Pensions as are continued under this Basic Plan), a pensioner receives sick leave pay from the Company, or sickness or disability benefits from any welfare or insurance plan for which the Company made contributions, and if the total amount of the aforementioned benefits for that month exceeds the pension payable for that month under the Basic Plan, such excess shall reduce, but not below zero, the pension for that month payable hereunder.

SECTION 6. Missing Recipients. If a person having a right to the payment of benefits under the Basic Plan has not applied for such benefits within five years after such benefits are to commence, the Board of Managers may send a notice of such right to him at his last known address as shown on the

records of the Company, and if written application is not made for the benefits within 183 days after such notice is sent, his right to the benefits hereunder may be cancelled.

ARTICLE IV

Establishment Of Fund

SECTION 1. Establishment of Fund. For the purpose of supplying the benefits herein provided, the Company may establish a Fund or it may pay such benefits directly out of its current operating revenues or other funds. The Company is free to determine the manner and means of making provision for funding and/or paying the benefits hereunder.

ARTICLE V

Contributions

SECTION 1. Contributions Required. Subject to Section 2 of this Article V, if the Company elects to establish a Fund, it shall set aside in the Fund annually such amounts as may be determined to be actuarially necessary to meet the costs of this Plan for Additional Pensions. The Company alone shall be liable for the provision of benefits hereunder; no Employee shall contribute thereto, except that each Employee hired on or after July 1, 1978 shall contribute to the Company an amount equal to 3% of his total gross wages and, an amount equal to 3% of any deferred compensation includable in the computation of his Final Average Remuneration pursuant to Section 2 of Article I of this Plan for Additional Pensions, such contributions to be made on a weekly basis through payroll deduction and to be deducted from wages remaining after the deferral of compensation, to the extent possible, and then from amounts deferred to the extent not so recovered. Refunds of amounts contributed by Employees hereunder shall be made under the same circumstances and pursuant to the same terms as refunds of Employee contributions are made pursuant to Section 2 of Article VI of the Basic Plan.

Forfeitures arising for any reason under this Plan for Additional Pensions shall not be applied to increase the benefits any Employee would otherwise receive hereunder but shall be used to reduce the Company's contributions.

SECTION 2. Contributions in Lieu of Employee Contributions Notwithstanding any other provision of the Plan to the contrary, from and after the "starting date" prescribed below, contributions by Employees pursuant to Section 1 of this Article will no longer be required. In lieu of such contributions, the Company shall contribute to the Fund an amount equal to the amount of contributions which each Employee would have been required to make but for this Section 2 from and after such starting date. An amount equal to the amount of the Employee contributions which but for this Section 2 would have been so required shall be deducted from the compensation which would otherwise be payable currently to each Employee but for this Section 2, and the amount so deducted shall not be paid to such Employee. Such deductions shall be effected by means of subtraction from the Employee's current remuneration, or offset against future pay increases, or a combination of these methods. No Employee shall have any right to elect that any such deduction from compensation not be made.

Notwithstanding any other provision of the Plan to the contrary including any provision of the Basic Plan incorporated by reference herein, for all purposes under the Plan, including but not limited to the determination of the benefits, rights and privileges under the Plan for any Employee and the amount of

any Additional Pension or Additional Disability Pension or other benefit payable to or in respect of an Employee with respect to the Plan and the determination of an Employee's Compensation, Final Average Remuneration and Final Average Base Remuneration, (a) the amount of the Company contributions which reduce an Employee's compensation pursuant to this Section 2 shall be deemed to be a part of the Compensation of the Employee for the period in which the amount of such reduction would otherwise have been paid to the Employee but for this Section 2, and (b) the amount of each such reduction shall be treated as a contribution by the Employee involved for purposes of the applicability of the last sentence of the first paragraph of Section 1 of this Article.

The "starting date" for purposes of this Section 2 shall be the first day of the first whole payroll period of the Company specified by the Company.

SECTION 3. Limitation of Company Liability. The liability of the Company shall be limited to setting aside in the Fund, if any, the amounts required in Section 1 above and to the payment of benefits hereunder.

No employee, pensioner, or Surviving Annuitant, even after payment of a benefit shall have been approved or made, shall be entitled to have any part of the monies or assets of the Fund set aside for his benefit, nor shall he be entitled to any claim on the Company.

SECTION 4. No Change in Employment Rights. Nothing contained in this Plan for Additional Pensions shall be construed to give any Employee any right whatever to be retained in the service of the Company or to become entitled to a pension except in accordance with the terms of this Plan for Additional Pensions.

ARTICLE VI

Administration

SECTION 1. Board of Managers of Pensions. This Plan for Additional Pensions shall be administered by the Board of Managers of Pensions established under the Basic Plan. The Board of Managers is authorized to adopt any rules consistent with the provisions of this Plan for Additional Pensions deemed necessary to effectuate it.

SECTION 2. Organization. The members of the Board of Managers may, if they so desire, elect one of their members as Chairman, and they shall appoint a Secretary. The Internal Auditor of the Company shall be responsible for the inspection and audit of all accounts, books and records open to the Company pursuant to the provisions of the document covering the Fund, and he shall also be responsible for the audits of all reports submitted pursuant to such document. The Treasurer-Controller of the Company, shall, upon certification of the Internal Auditor of the Company as to the amount due, remit such amount to the Fund.

The Board of Managers may authorize one of their members to execute on their behalf tax returns, any other documents required by governmental or regulatory agencies, and any legal papers in court proceedings involving this Plan for Additional Pensions or the Board of Managers.

SECTION 3. Meetings and Voting. A majority of the Board of Managers shall constitute a quorum for all purposes. Decisions of the Board of Managers shall be by a majority vote of the members present at the meeting.

SECTION 4. Passing on Applications. The Board of Managers may authorize the Secretary to pass upon pension applications, subject to the right of an applicant to secure review of an unfavorable decision. In the case of applicants who are not covered by a collective bargaining agreement, or of persons claiming as Surviving Annuitants of such nonrepresented persons, the review shall be by the Board of Managers, whose decision shall be final. In the case of applicants who are covered by a collective bargaining agreement or whose last employment was covered by such an agreement, or of persons claiming as Surviving Annuitants of such represented persons, the review shall be by the Joint Board on Pension Applications pursuant to Section 5 below.

SECTION 4A. Investment Managers and Consultants.

- (a) The Board of Managers shall have exclusive authority and responsibility, as elaborated on below, (i) to appoint and remove any Investment Consultant or Investment Manager, (ii) to direct the segregation of assets of the Plan for Additional Pensions fund into one or more Investment Accounts at any time, and from time to time to add to or withdraw assets from any such Investment Account as it deems desirable or appropriate, and to direct the Company's contribution or any portion thereof into any Investment Account, and (iii) to establish investment guidelines for any Investment Account. Except as expressly set forth above, the Board of Managers shall have no responsibility for or control over the investment of any assets held in the Plan for Additional Pensions fund.
- (b) The Board of Managers shall adopt such investment objectives, standards, restrictions and guidelines with respect to the Plan for Additional Pensions fund and each Investment Account as it shall determine, and the same shall become effective upon their delivery in writing to the Investment Manager responsible for managing each separate Investment Account to which such objectives, standards, restrictions and guidelines are applicable. The Board of Managers may from time to time request that an Investment Consultant recommend such investment objectives, investment standards, investment restrictions and investment guidelines as it deems necessary or appropriate for the investment of assets of the Plan for Additional Pensions fund. Such investment objectives, standards, restrictions and guidelines may be applicable to the Plan for Additional Pensions fund as a whole or to any one or more separate Investment Accounts. The Board of Managers shall make such use of the recommendations of an Investment Consultant as the Board of Managers deems appropriate in adopting, modifying or withdrawing investment objectives, standards, restrictions and guidelines for the investment of assets of the Plan for Additional Pensions fund.
- (c) The Board of Managers may, but shall have no duty to, appoint one or more Investment Consultants. The duties of an Investment Consultant may include the recommendation to the Board of Managers of investment objectives, restrictions and guidelines in accordance with Article VII, Section 5(b) of this Plan for Additional Pensions, the recommendation of the appointment or removal of any Investment Manager, the allocation of Plan for Additional Pension fund assets to any Investment Manager in accordance with Article VII, Section 5(d) of this Plan for Additional Pensions and such other duties and responsibilities

as may be specified by the Board of Managers. The Board of Managers shall enter into a written contract with an Investment Consultant containing such terms and provisions, consistent with the Trust Agreement, as the Board of Managers shall consider desirable, including, without limitation the right of the Board of Managers to require reports from the Investment Consultant at such times and containing such information as the Board of Managers determines to be appropriate. The Investment Consultant may recommend to the Board of Managers the terms of any agreement to be entered into with an Investment Manager, including the duties of, and the fees to be paid to, the Investment Manager.

- (d) The Board of Managers may from time to time direct the segregation of any portion or portions of the Plan for Additional Pensions fund into one or more separate Investment Accounts, and, in such event, may appoint one or more Investment Managers to direct the investment and reinvestment of each such Investment Account, subject to any applicable investment objectives, restrictions and guidelines established by the Board of Managers. The Board of Managers shall enter into an agreement on behalf of the Plan for Additional Pensions fund with each such Investment Manager, which agreement shall contain such terms and conditions as the Board of Managers shall determine. Each Investment Manager must be either (i) an investment Consultant registered as such under the Investment Advisers Act of 1940, as amended, (ii) a bank as defined in that Act, or (iii) an insurance company qualified to perform investment management services under the laws of more than one State. No Investment Manager may be affiliated with an Investment Consultant. The Board of Managers shall notify the Trustee in writing of the appointment of each Investment Manager.

SECTION 5. Joint Board on Pension Applications. The Joint Board on Pension Applications established under the Basic Plan shall serve to review determinations by the Secretary with respect to pension applications by applicants who are covered by a collective bargaining agreement or whose last employment was covered by such an agreement, or by persons claiming as Surviving Annuity holders of such represented persons.

The Joint Board shall choose a Chairman and a Secretary, one of whom shall be one of the members of the Board of Managers and the other shall be one of the Union members. These offices shall be rotated every twelve months, from Board of Managers' member to Union member and vice-versa.

Four members of the Joint Board shall constitute a quorum.

Decisions of the Joint Board shall be by majority vote of the members present at the meeting. In the event of a tie vote, the question shall be put over until the next meeting of the Joint Board. If the question is not resolved at that time, it shall be submitted to a special board of adjustment established pursuant to the Railway Labor Act, as amended, and known as The Long Island Rail Road Company - Joint Board on Pension Applications Special Board of Adjustment, provided written request is made to the Secretary, Board of Managers of Pensions within thirty (30) calendar days of the date of receipt of notice of the deadlock by the Joint Board.

ARTICLE VII

Amendment And Termination

SECTION 1. Right to Amend or Terminate. The Company reserves the right to modify, amend, or restrict this Plan for Additional Pensions or to discontinue it altogether, subject however to the obligations of the Company under its collective bargaining agreements.

However, no amendment shall adversely affect pensions previously granted hereunder.

ARTICLE VIII

Split Employment - Company, Union, Welfare Trust Fund And/Or Pension Trust Fund

SECTION 1. Retirement and Continuity of Service. If prior to July 1, 1971, an individual ceased, or if on or after such date an Employee ceases, to be actively employed by the Company by reason of a grant to him by the Company of a leave of absence for his full-time employment by a Union and Credit Union or by a welfare trust fund or a pension trust fund established by a Union:

(a) his service with the Company shall not be deemed to have been terminated for purposes of the Plan for Additional Pensions during the continuance of his full-time employment with the Union, the Credit Union, the welfare trust fund or the pension trust fund; and

(b) his absence from Company employment because of such full-time employment with the Union, the Credit Union, the welfare trust fund or the pension trust fund shall not constitute a Break in Service.

SECTION 2. Credited Service. A Union, the Credit Union or the trustee or trustees of a welfare trust fund or of a pension trust fund established by a Union, will enter into a written contract with the Board of Managers for the inclusion as Months of Service of full or part-time employment with the Union, the Credit Union, the welfare trust fund, or the pension trust fund toward a pension under this Plan for Additional Pensions for persons who (i) have had such employment directly after 60 calendar months of continuous employment with the Company, or (ii) have such employment during service with the Company in the case of part-time employees.

When such a contract is entered into, the Months of Service of an individual covered thereby who had been employed by the Company and who thereafter entered employment with the contracting Union, Credit Union, welfare trust fund or pension trust fund shall include his Months of Service with the Company and his Months of Service, computed by application of the provisions of Section 4(a)(i) and (ii) of Article I of the Basic Plan, with the Union, the Credit Union, the welfare trust fund, or pension trust fund, provided that in the case of such a contract entered into on or after January 1, 1988, the Months of Service with the Union, the Credit Union, the welfare trust fund or the pension trust fund to which the contract relates shall include only Months of Service on or after the date subsequent to December 31, 1979 specified for the purpose in the contract, and the contract shall apply only with respect to individuals in the employ of the Company on or after the date the contract is entered into, including, but not limited

to, individuals on a leave of absence for full-time employment by such Union, Credit Union, welfare trust fund or pension trust fund. In the case of individuals who are Employees and who are employed part-time by a Union, Credit Union, or fund which enters into a contract referred to in this Section 2, the periods of service during a given month with both employers shall be aggregated for purposes of the determination to be made with reference to Article I, Section 4(a)(i) of the Basic Plan. The Compensation of an individual covered by this Section 2 for purposes of computing benefits under this Plan for Additional Pensions shall be comprised of his Compensation and the Compensation, as determined pursuant to Section 2 of Article I of the Basic Plan, paid to him in the course of his employment by the Union, Credit Union, or fund during the Months of Service for which credit is given under the contract as if such employment was with the Company and the payer was the Company. Final Average Base Remuneration will be determined in a consistent manner. Retirement, in the case of such an individual, shall mean his separation from the employment of the Company, the Union, the Credit Union, the welfare trust fund, and the pension trust fund.

SECTION 3. Contributions. The Union, Credit Union, welfare trust fund or pension trust fund which has entered into a contract referred to in Section 2 of this Article must contribute to the Company for each individual involved at the same time and in the same amount it would have been required to contribute under Section 3(a) of Article IX of the Basic Plan had that Section 3(a) not been amended to preclude contributions based on gross wages for services after December 31, 1988. In the event that the payments required by subsections (a) and (b) of Article IX, Section 3, of the Basic Plan and this Section 3 are not completed with respect to any person by the time his pension hereunder is to commence, the pension payable to him hereunder may be terminated or appropriately reduced.

SECTION 4. Coverage for Other Persons. A Union may, with the consent of the Company, enter into a written contract with the Board of Managers for the provision of benefits under this Plan for Additional Pensions for persons who on July 1, 1971, were actively employed by a Union and had been so employed for a period of not less than three years as the Union representatives to the Company, but who had not immediately prior to such employment been employed by the Company, provided they are actively employed by the Union as such representatives and are covered by the Railroad Retirement Act. The benefits to be paid hereunder to or in respect of such a person shall be the total of such benefits as would be payable hereunder and under the Basic Plan under the following assumptions:

- (a) that such person was an Employee of the Company immediately prior to his being employed by the Union;
- (b) that his service with the Company assumed under (a) shall not be considered to have been terminated for purposes of the Basic Plan or this Plan for Additional Pensions during the continuance of his employment with the Union;
- (c) that his absence from Company employment as described in (a) and (b) because of such employment with the Union shall not constitute a Break in Service; and
- (d) that his period of Credited Service and his Months of Service shall include that period of his continuous employment with the Union, computed by application of the provisions of Section 4 of Article I of the Basic Plan and Section 5 of Article I of this Plan for Additional Pensions as if the Union was the Company, provided that the Union pays to the Company such amounts as it would be required to pay to the Company for the person involved pursuant to a contract covering him of the type described in Section 3 of

Article IX of the Basic Plan and at the times therein prescribed. For purposes of computing such contributions, the Compensation of the individual involved shall be the Compensation, as determined pursuant to Section 2 of Article I of the Basic Plan, paid to him in the course of his employment by the Union as if such employment was full-time employment with the Company and the payer was the Company. In the event the payments required by this Section are not completed with respect to a particular person by the time his benefits hereunder are to commence, such benefits may be terminated or appropriately reduced.