

MEMORANDUM OF AGREEMENT

BETWEEN THE

**KANSAS CITY SOUTHERN RAILROAD (KCS)
d/b/a CANADIAN PACIFIC KANSAS CITY RAILWAY**

AND THE

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
SYSTEM COUNCIL 2 (IBEW)**

ARTICLE I – WAGES

Section 1 - First General Wage Increase

Effective July 1, 2025, basic hourly, daily, weekly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of 4.0% representing a general wage increase.

Section 2 - Second General Wage Increase

Effective July 1, 2026, basic hourly, daily, weekly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of 3.75% representing a general wage increase.

Section 3 - Third General Wage Increase

Effective July 1, 2027, basic hourly, daily, weekly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of 3.5% representing a general wage increase.

Section 4 - Fourth General Wage Increase

Effective July 1, 2028, basic hourly, daily, weekly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of 3.25% representing a general wage increase.

Section 5 - Fifth General Wage Increase

Effective July 1, 2029, basic hourly, daily, weekly and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the

amount of 3.0% representing a general wage increase.

In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

ARTICLE II – HEALTH AND WELFARE

The Railroad Employees National Health and Welfare Plan (“the Plan”), the Railroad Employees National Dental Plan (“the Dental Plan”), the Railroad Employees National Early Retirement Major Medical Benefit Plan (“ERMA”), and the Railroad Employees National Vision Plan (“the Vision Plan”), modified as provided in this Article with respect to employees represented by the Organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act. All amendments to the aforementioned plans and amendments governing Employee cost sharing as in effect between IBEW and the NCCC on or subsequent to the effective date of this agreement shall be incorporated herein by reference and adopted by the parties to this agreement.

ARTICLE III – GENERAL PROVISIONS

Amend Addendum No. 1, to reflect the following:

Effective January 1, 2026, new hire employees working full-time to have paid vacation days, to be taken as single day vacation subject to all applicable rules, based on their date of hire month (in Year 0) as follows:

- January / February 5 days
- March / April 4 days
- May / June 3 days
- July / August 2 days
- September / October 1 day

Note: Employees working alternative work schedules will earn this entitlement in accordance with local agreement rules.

Effective January 1, 2026, employees working full-time in their second calendar year of employment (Year 1) who did not qualify for vacation in the prior year (Year 0) under the National Vacation Agreement but who worked a full-time schedule will have five (5) paid vacation days subject to all applicable rules.

Effective January 1, 2026, the collective agreement provisions with respect to granting of vacation will be amended to reflect the following accrual schedules:

- Two (2) or more years 10 days
- Six (6) or more years 15 days
- Fifteen (15) or more years 20 days
- Twenty-three (23) or more years 25 days

ARTICLE IV – EFFECT OF THIS AGREEMENT

- A. The purpose of this Agreement is to fix the general level of compensation and rules covering working conditions through December 31, 2029, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. Neither party to this Agreement shall serve prior to November 1, 2029, not to become effective prior to January 1, 2030, any notice or proposal for the purpose of modifying, adding to, or deleting from the provisions of this Agreement.

The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.

- C. The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation.
- D. In the event any Article of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that, if any such provision is held to be illegal or unenforceable, there will be added in lieu thereof a provision that is similar in terms to such provision as is possible to be legal, valid and enforceable.
- E. Except to the extent specifically modified in this Memorandum of Agreement, all other terms and conditions contained in the Schedule of Agreement, remain unchanged.
- F. This Agreement is effective on, January 26, 2026.

For the:

KANSAS CITY SOUTHERN RAILROAD
(d/b/a Canadian Pacific Kansas City)



Myron Becker
VP & Chief Labor Officer

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS S.C. 2



Rick Reynoso
General Chairman IBEW



David Pezzaniti
Managing Director Labor Relations



Chris Clark
Assistant Director Labor Relations

Side letter No. 1 - Retroactivity and Eligibility

January 26, 2026

Rick Reynoso
General Chairman IBEW
1770 Mobile Avenue
Logan, IA 51546

Dear Sir,

This refers to our discussions regarding payment of the retroactive portion of the General Wage Increase effective July 1, 2025.

The Company shall endeavor to make the retroactive payments applicable to the period dating from July 1, 2025, up to the effective date of this agreement, within sixty (60) days from the effective date of this agreement, subject to all applicable taxes and deductions.

All current employees working for the carrier are eligible to receive the retroactive payments provided herein. Any and all employees who have retired or are deceased must have had an employment relationship with the Company under this Agreement on or after July 1, 2025, to be eligible for the retroactive payments.

In the event the Company is unable to make such payments within sixty (60) days, it shall notify the General Chairman of the reasons for the delay and the date on which such payments shall be made.

If you concur this reflects our understanding during negotiations leading to the tentative agreement between the parties, please sign in the space provided.

Sincerely,

For IBEW



Myron Becker
VP & Chief Labor Officer
Canadian Pacific Kansas City



Rick Reynoso
General Chairman
International Brotherhood of Electrical
Workers

Side letter No. 2 - 2025 Vacation Entitlements

January 26, 2026

Rick Reynoso
General Chairman IBEW
1770 Mobile Avenue
Logan, IA 51546

Dear Sir,

This refers to our discussions regarding the recent Memorandum of Agreement reached between the parties, specifically the implementation of Article III – General Provisions.

The parties agree that employees who have an employment relationship with the Company on the date of this Agreement, and who would have been eligible for vacation enhancements in Article III of this Agreement, will receive a pro rata payment in lieu of receiving vacation benefits for the calendar year 2025, subject to the following:

Description	Vacation Days
Employees hired prior to 2025	2 Days
Employees hired in 2025	1 Day

The below list of employees are eligible for vacation enhancements in Article III of this Agreement:

Employee Name	Employee ID	Years of Service	2025 Vacation Days
Casey Cheney	2205165	0	1
Jordan Bates	2202967	7	2
Brandon Cathey	2202950	7	2
Joseph Stoner	2200342	15	2
Allen Jiles	2182684	23	2

NOTE: The parties agree that the above list of employees is not intended to exclude individuals not listed in the event they are determined to be eligible.

If you concur this reflects our understanding during negotiations leading to the tentative agreement between the parties, please sign in the space provided.

Sincerely,

For IBEW



Myron Becker
VP & Chief Labor Officer
Canadian Pacific Kansas City



Rick Reynoso
General Chairman
International Brotherhood of Electrical
Workers

Agreement Codification and Housekeeping Items

January 26, 2026

Rick Reynoso
General Chairman IBEW
1770 Mobile Avenue
Logan, IA 51546

Dear Sir,

This refers to our discussions regarding the recent Memorandum of Agreement reached between the parties. The parties agree to meet ninety (90) days after the effective date of the Memorandum of Agreement, and codify the housekeeping items below:

Item 1: Starting Time

Amend Rule 3, Paragraph (a), to state the following:

The starting time for non-mechanical employees shall not be earlier than 5 a.m. nor later than 8 a.m. The time and length of the lunch period shall be arranged by mutual agreement, unless otherwise specified herein. It is recognized that railroad operations may necessitate temporary start times between 4:00 a.m. and 11:00 a.m. If such need arises, notice will be provided in accordance with paragraph (e).

Note: The General Chairman will be given notice of the project and expected completion date.

Add new Paragraph (e) to Rule 3, to reflect the following:

The established starting time of a bulletined position shall not be changed without at least twenty-four (24) hours notice to the regularly assigned employee.

Item 2: Daylight Savings Time

Add new Paragraph (j) to Rule 2, to reflect the following:

In conformity with the law, all the Company's operations will be governed by daylight saving time during the period it is in effect.

In making the changes from standard time to daylight saving time and from daylight saving time to standard time, employees who actually work only seven (7) hours as a result of the change to daylight saving time will be paid for eight (8) hours, and an employee who actually works nine (9) hours as the result of the return to standard time will be paid for eight (8) hours.

In reverting to standard time in the fall of the year, any employee required to work nine (9) hours as the result thereof will be compensated for the ninth (9th) hour at the overtime rate, unless such employee worked seven (7) hours when going from Standard to Daylight time in the spring of the year.

Item 3: Grievances, Discipline and Time Limit on Claims

Amend Rule 29, Paragraph (b), to reflect the following changes:

All claims or grievances must be presented electronically via the electronic system(s) as designated by the Company, by the Employee involved, or on behalf of the Employee, by his representative, or designee, (claims must be presented under the Employee's PIN) to the officer of the Company authorized to receive same within sixty (60) days from the date of the occurrence on which the claim or grievance is based.

Item 4: Probationary Period

Amend Rule 33, Paragraph (D), to reflect the following:

Shopmen will not be dismissed after the expiration of one hundred, twenty (120) days from date of entering the service on account of application not approved. If it is later found that applicant has given materially false information in his application, this section does not apply but he will not be dismissed without recourse to Rule 29 if he so requests.

If you concur this reflects our understanding during negotiations leading to the tentative agreement between the parties, please sign in the space provided.

Sincerely,

For IBEW



Myron Becker
VP & Chief Labor Officer
Canadian Pacific Kansas City



Rick Reynoso
General Chairman
International Brotherhood of Electrical
Workers

MEMORANDUM OF AGREEMENT

Between

CANADIAN PACIFIC KANSAS CITY RAILWAY

and its employees represented by the

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

This Agreement is made by and between Canadian Pacific Kansas City ("CPKC" or "Carrier") and the International Brotherhood of Electrical Workers (IBEW) as representative of certain CPKC employees in the railway electrical craft or class ("Employees") pursuant to the Railway Labor Act, as amended, 45 U.S.C. §151 et seq.

It is agreed and understood that the terms set forth herein shall apply to the following CPKC property: KCS.

- A. On the effective date of this Agreement each Employee shall be annually provided with four (4) days of paid sick leave to be exclusively used for absences related to or resulting from physical illness, mental illness, off-duty injury, doctor and dental appointments, or other medical conditions. The accrual of paid sick leave will begin after the completion of the Employee's applicable probationary period under the governing collective bargaining agreement.
- B. In addition to the annual paid sick leave, each Employee who meets the qualifying vacation requirements and the qualifying paid personal leave day requirements of the governing collective bargaining agreement, shall be permitted to annually convert up to a maximum of three (3) paid personal leave days to also be exclusively utilized as paid sick leave. Converted personal leave days may be utilized only after an Employee has exhausted the annual sick leave provided under this Agreement. Employees that utilize paid personal leave days as paid sick leave will be subject to the reporting requirements of this Agreement as described below. There will be no duplication of payment for the utilization of paid personal leave days used for paid sick leave.
- C. Each Employee will be permitted to use paid sick leave in a minimum of one (1) day increments. For the purposes of this Agreement a "day" shall mean the set hours of work each day in accordance with an employee's work schedule when the sick day is taken. An employee laying off sick during a work shift will be required to use a full paid sick day. Such paid sick day will not be combined with the hours actually worked to qualify for any overtime on that day.
- D. All paid sick leave will be paid at the respective straight time hourly rate of pay of the position currently held by the Employee. If the Employee is unassigned at the time of use of any paid sick leave the paid sick leave will be paid at the straight time hourly rate of the last position the Employee worked and was compensated.
- E. A request for the use of paid sick leave must be made at least seven (7) calendar

days in advance of the date(s) requested when the need for such paid sick leave is foreseeable (e.g., a doctor's appointment or medical procedure that is scheduled at least seven (7) days in advance of the absence.

- F. Where the use of paid sick leave is not foreseeable, Employees must report to their appropriate and available supervisor their use of paid sick leave as soon as practicable, but in all instances no later than the start time of their scheduled shift.
- G. With the exception of paid sick leave requested under Paragraph E above, all paid sick leave absences may be subject to the Company's Attendance Policy in effect at the time of the absence. The Carrier may require an Employee to provide a note from a healthcare provider to document the need of paid sick leave prior to the Employee's reporting back to work. Documentation will be required, **subject but not limited to**, the following cases:
- When the date(s) requested are the date(s) of recognized holidays under the current Paid Holiday rules or when the date(s) requested are adjacent to (either date(s) before or date(s) after) those recognized holidays.
 - When the date(s) requested are date(s) between December 15th through and including December 31st of any calendar year.
 - When the date(s) requested are the date(s) adjacent to (either date(s) before or date(s) after) scheduled rest days.
 - When the date(s) requested are the date(s) adjacent to (either date(s) before or date(s) after) scheduled weeks of annual vacation.
 - When the date(s) requested are the date(s) adjacent to (either date(s) before or date(s) after) scheduled personal leave days.
 - When the date(s) requested are the date(s) adjacent to (either date(s) before or date(s) after) significant events that traditionally experience heavy employee layoff activity (ex. Super Bowl, NCAA March Madness, etc.)

Nothing in this Agreement is intended to change the Carrier's existing return to work or fitness for duty processes or practices.

- H. Vacancies occasioned by the use of paid sick leave under this Agreement that cannot be filled through normal vacancy procedures, including the exhaustion of any overtime list at that location, may be filled by the use of any qualified employee.
- I. Newly hired Employees or Employees returning from leaves of absence, suspensions or dismissal will receive a pro-rated number of paid sick leave days and convertible personal leave days (adjusted quarterly) based on their date of hire, time out of service and/or their return to service date.

Ex. A new hire employee begins service in February 2025. They will begin accruing paid sick leave at the start of the second quarter (April 2025) at the rate of one (1) paid sick day per quarter for the balance of 2025. In January 2026, the employee would then receive their full allotment of four (4) paid sick days.

- J. Unused paid sick leave and personal leave at the end of the year will not be banked or carried over but will be paid out to the employee no later than February 15th of the following year at 100% of the Employee's straight time hourly rate of the

position currently held by the Employee. If the Employee is unassigned at the time of pay out the payment will be paid at the respective straight time hourly rate of the last position the Employee worked and was compensated.

NOTE: It is understood that specific pay dates in a month are subject to change. The Carrier will promptly advise the Organization should this occur.

- K. The provisions of this paid sick leave agreement will have no effect on and in no way alter collective bargaining agreement terms regarding paid time off and the application thereof for the employee, including but not limited to the use of: paid vacation (National Vacation Agreement and the subsequent amendments thereto), paid personal leave days when not utilized as paid sick leave, paid holidays (National Holiday Agreement and the subsequent amendments thereto), or the Family and Medical and Leave Act (FMLA) and any other laws applicable to the Carrier. An employee marking off for reasons covered by sick leave shall have sick leave applied to such absence until the Employee has exhausted their sick leave days provided under this agreement. Short term disability benefits, such as supplemental sickness benefits and off-track vehicle benefits provided through a collective bargaining agreement or disability and job protection benefits that are voluntary and paid for solely by the Employee (e.g., Aflac), Railroad Unemployment Insurance Act (RUIA) sickness and unemployment benefits, do not count towards the required leave that must be provided under the provisions of this Agreement. The provisions of this agreement have no effect on and in no way alter RUIA or supplemental sickness benefits.
- L. It is understood this agreement may alter other agreements to the extent necessary to give it effect. If abuse or other concerns are identified the parties will promptly meet and discuss the issues of concern and resolve those matters through conference settlement.
- M. This Agreement will become effective on the first day of the next calendar month thirty (30) days following the signing of this Agreement.
- N. The parties commit to conduct joint reviews of sick leave usage as necessary to determine if and how the Carrier's operations are being negatively affected by the use of paid sick leave. If the facts demonstrate that operations are being negatively affected, the parties agree to meet as soon as possible and within thirty (30) days of the joint review determine what steps should be taken and/or how the Carrier's concerns can be fully addressed. Absent resolution, the parties agree that the dispute resolution mechanisms provided by the applicable collective bargaining agreement may be triggered.

Agreed on: January 26, 2026.

KANSAS CITY SOUTHERN RAILROAD
(d/b/a Canadian Pacific Kansas City)

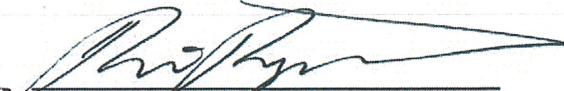
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS S.C. 2

Sincerely,

For IBEW



Myron Becker
VP & Chief Labor Officer
Canadian Pacific Kansas City



Rick Reynoso
General Chairman
International Brotherhood of Electrical
Workers