

**Addendum No. 8  
(Revised)**

**MEMORANDUM OF AGREEMENT**

**Between The**

**Kansas City Southern Railway Company  
And**

**American Railway and Airway Supervisors Association-Division of TCIU**

This Agreement shall be made applicable to employees holding positions described in the preamble of the current agreement between Kansas City Southern Railway Company (KCS) and American Railway and Airway Supervisors Association-Division of TCIU (ARASA). In full and final disposition of the Section 6 Notice served on Kansas City Southern Railway Company by American Railway and Airway Supervisors Association-Division of TCIU dated November 20, 1999, the parties hereto agree as follows:

**ARTICLE I – WAGES**

Section 1 – Conversion to National Agreement Wage Adjustments

The general wage increases provided for in Article I of the January 23, 2003 TCU National Arbitrated Agreement between the National Carriers' Conference Committee and the Transportation Communications International Union will apply to KCS employees represented by ARASA.

**ARTICLE II – COST OF LIVING PAYMENTS**

Section 1 – Conversion to National Cost of Living Payments

The cost of living provisions contained in Article II of the January 23, 2003 TCU National Arbitrated Agreement between the National Carriers' Conference Committee and the Transportation Communications International Union will apply to KCS employees represented by ARASA.

## **ARTICLE III – HEALTH AND WELFARE**

### Section 1 – Conversion to National Health and Welfare

The Health and Welfare provisions contained in Article III of the January 23, 2003 TCU National Arbitrated Agreement between the National Carriers' Conference Committee and the Transportation Communications International Union will apply to KCS employees represented by ARASA.

### Section 2 – Implementation of Plan Benefit and Design Changes

In recognition of the fact this agreement will become effective after the TCU National Agreement, the appropriate changes shall be made to the implementation of the various National Agreement health and welfare provisions commencing with the effective date of this Agreement.

## **ARTICLE IV – OTHER PROVISIONS**

### Section 1

Article IV – Off-Track Vehicle Accident Benefits of the January 23, 2003 TCU National Arbitrated Agreement between the National Carriers' Conference Committee and the Transportation Communications International Union will not apply to KCS employees represented by the ARASA.

### Section 2

The KCS will make all reasonable efforts to pay the retroactive portion of the general wage increases provided for in Article I, Sections 1, 2 and 3 of the January 23, 2003 TCU National Arbitrated Agreement between the National Carriers' Conference Committee and the Transportation Communications International Union within sixty (60) days of the date all signatures have been placed on this agreement.

### Section 3

It is understood that the retroactive portion of the wage increases provided for in Article I, Sections 1, 2 and 3 of the January 23, 2003 TCU National Arbitrated Agreement between the National Carriers' Conference Committee and the Transportation Communications International Union shall be applied only to employees who have an employment relationship with the KCS on the date of this agreement.

**ARTICLE V – APPLICATION OF THE JANUARY 23, 2003 TCU NATIONAL  
ARBITRATED AGREEMENT**

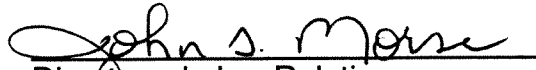
Except as specifically modified by this agreement, the January 23, 2003 TCU National Arbitrated Agreement and Side Letters between the National Carriers' Conference Committee and the Transportation Communications International Union will apply to KCS Employees represented by ARASA.

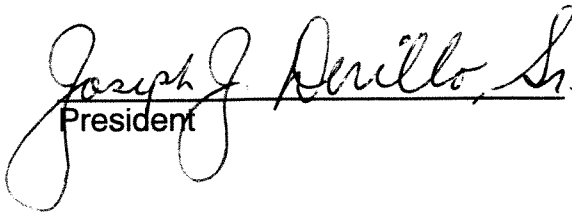
Signed at Kansas City, Missouri, this 5<sup>th</sup> day of April, 2004.

**For the American Railway and  
Airway Supervisors Association  
– Division of TCIU:**

  
General Chairman

**For the Kansas City Southern  
Railway Company:**

  
Director – Labor Relations

  
President

  
Vice President – Labor Relations

KANSAS CITY SOUTHERN

MAILING ADDRESS: P.O. BOX 219335 • KANSAS CITY, MO 64121-9335



April 5, 2004

Side Letter No. 1

Mr. Rick Brown  
General Chairman – ARASA/TCU  
204 Live Oak Lane  
Burleson, TX 76028

Dear Mr. Brown:

This will confirm our understanding with respect to Kansas City Southern Railway Company employees represented by American Railway and Airway Supervisors Association participating in Provident Life and Accident Insurance Company Group Policy R-5000 Supplemental Sickness Benefit Plan.

Effective April 1, 2004, mechanical foremen will be enrolled in this plan under the provisions of existing National Agreements as long as they hold seniority in one of the core shopcraft groups (IAM, IBEW, BRC, SMW, IBBB, NCF&O).

Please acknowledge your agreement by placing your signature in the space provided below.

Very truly yours,

A handwritten signature in black ink, appearing to read "Emerson M. Bouchard".

Emerson M. Bouchard  
Vice President – Labor Relations

I Agree:

A handwritten signature in black ink, appearing to read "Rick Brown".  

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General Chairman - ARASA

KANSAS CITY SOUTHERN

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April 5, 2004

Side Letter No. 2

Mr. Rick Brown  
General Chairman – ARASA/TCU  
204 Live Oak Lane  
Burleson, TX 76028

Dear Mr. Brown:


This will confirm our understanding with respect to Kansas City Southern Railway Company employees represented by the American Railway and Airway Supervisors Association performing service on a holiday.

Effective April 1, 2004, Addendum No. 6, paragraph (a) is amended, in part, to read as follows:

(a) Regularly assigned supervisors required to perform service on the holidays shown below shall be compensated at the time and one-half rate (1½) of the position worked, in addition to their regular monthly salary, provided the holiday falls on what would be a regular workday of the workweek of the individual employee.

Please acknowledge your agreement by placing your signature in the space provided below.

Very truly yours,

  
Emerson M. Bouchard  
Vice President – Labor Relations

I Agree:

  
General Chairman – ARASA

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April 5, 2004

Side Letter No. 3

Mr. Rick Brown  
General Chairman – ARASA/TCU  
204 Live Oak Lane  
Burleson, TX 76028

Dear Mr. Brown:

This confirms our understanding with respect to the Agreement of this date.

An employee's obligation for (i) retroactive cost-sharing contributions for periods on or after July 1, 2001 pursuant to Article III, Part B, Section 3 of the January 23, 2003 TCU National Agreement, plus (ii) repayment of cost-of-living amounts received in excess of 27 cents-per-hour for the period on and after July 1, 2002 pursuant to Article II, Part A of the January 23, 2003 TCU National Agreement, shall in no event exceed the retroactive portion of the general wage increases payable to such employee under Article I, Sections 1 and 2. This understanding is subject to the following conditions:

1. It is non-precedential and without prejudice to any position that the carrier may take subsequently with respect to similar or related issues.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,

Emerson M. Bouchard  
Vice President – Labor Relations

I Agree:

General Chairman – ARASA