

BYLAWS

of the

Brotherhood of Maintenance of
Way Employes Division

of the

International
Brotherhood of Teamsters

Revised and Amended at the Second Regular Convention of
the National Division held in the city of Las Vegas, NV
June 21-23, 2010

NATIONAL DIVISION HEADQUARTERS
Southfield, Michigan

BYLAWS
OF THE
BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES DIVISION
OF THE
INTERNATIONAL BROTHERHOOD
OF
TEAMSTERS



NATIONAL DIVISION HEADQUARTERS
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2010

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PREAMBLE

The objectives of the Brotherhood are:

1. To exalt the character and increase the ability of its members.
2. To ensure greater safety for our members and the traveling public and affect economy in the departments in which our members are employed by interchanging ideas and adopting the best methods of performing our duties.
3. To benefit the general public by raising the standard of efficiency of our membership.
4. To alleviate distress and suffering caused by sickness or disability among our members.
5. To assist the families of deceased members.
6. To inspire all members of the Brotherhood to live a sober, moral, and honest life.
7. To encourage all members to faithfully and honestly perform their duties to the best of their ability for the Brotherhood and for their employers.
8. To use all honorable means to secure the passage of laws beneficial to our membership, and to improve labor conditions generally.
9. To stimulate the civic education of the members in their political rights; and to use the ballot intelligently to the end that the Government may not be perverted to the interest of the favored few, but that it may be a "Government of the people, by the people, and for the people" in the fullest sense.

ARTICLES OF THE BYLAWS
OF THE
BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES DIVISION
OF THE
INTERNATIONAL BROTHERHOOD
OF
TEAMSTERS



ARTICLE I

Organization of the BMWED

Section 1. This Organization shall be known as the Brotherhood of Maintenance of Way Employes Division (BMWED) of the International Brotherhood of Teamsters (IBT). The BMWED also shall be a member of the Rail Conference within the International Brotherhood of Teamsters. BMWED shall have full and exclusive jurisdiction over wages and working conditions in classes, crafts or bargaining units where it holds bargaining rights. BMWED shall consist of a National Division, System Divisions and Federations and Local Lodges.

The National Division may merge itself with another division of the IBT Rail Conference only upon approval of the majority of the ballots returned by the active membership in good standing through a referendum ballot.

Applications from other labor organizations to merge or affiliate with BMWED must be presented to the National Division Officers for consideration. Authorization of the National Division Officers must be obtained before negotiations with such an applicant and any expenditures connected to a proposed merger or affiliation occur. The National Division shall not merge itself with another labor organization without first obtaining approval of the majority of the ballots returned by the active membership in good standing through a referendum ballot, and approval of the written merger agreement by the IBT General Executive Board pursuant to Article IX, Section 12 of the IBT International Constitution. Such a merger or affiliation may include a provision allowing the other labor organization appropriate proportional representation with BMWED.

Sec. 2. The National Division shall have jurisdiction over all matters pertaining to the National Division not otherwise referable to the IBT pursuant to the terms of the Merger Agreement.

Each member specifically retains the right to communicate with any other BMWED member at any time.

The use of words such as he, his and him, as they appear in these Bylaws are not intended to restrict the application of these Bylaws or a particular Article or Section to a specific gender, but are used solely for the purpose of grammatical convenience and clarification.

Sec. 3. The Officers of the National Division shall consist of a President, five (5) Vice Presidents, a Secretary-Treasurer, and five (5) members of the Executive Board. The National Division President may appoint a Chaplain, Messenger, Sentinels and Sergeants-at-Arms at each Convention of the National Division.

Between Conventions of the National Division all administrative, executive and judicial power and authority of the Division shall be vested in the National Division Officers as provided in these Bylaws, except for matters referable to the IBT pursuant to the terms of the Merger Agreement.

Sec. 4. The National Division Officers shall be members of a BMWED lodge and shall be nominated and elected at the regular quadrennial Conventions of the National Division by a representative majority vote of the duly accredited delegates elected by secret ballot. In the event balloting results in no candidate winning a majority vote (a number greater than half of the total possible votes), the candidate garnering the fewest votes shall be dropped from the ballot, and a run-off ballot will be conducted. If there is only one nominee for an office, there shall be no ballot for that position, and the nominee will be declared elected. The five (5) Vice Presidents and the five (5) members of the Executive Board shall be from a System Division or Federation in his respective region and shall be nominated by delegates from his respective region. National Division Officers shall serve for a term of four (4) years unless removed by death, resignation or for cause, and shall be eligible for re-election. They shall be installed during the session of the National Division Convention in which they are elected, their installation and term of office to be effective commencing September 1 following election except in the case of filling an unexpired term, when such Officer shall take charge of his office immediately upon being elected and he shall serve for the remainder of the term; provided, however, that the term of office of any temporary National Division Officer will expire immediately upon the election and installation of his successor. Any vacancy in such office, temporary or permanent in nature, shall be filled in accordance with the terms of these Bylaws.

Eligibility and good standing to nominate, second, run for office and vote shall be governed by the terms of the Merger Agreement.

Every bona fide candidate for National Division office shall have certain rights with respect to the distribution of campaign literature and freedom from discrimination. The National Division will comply with all reasonable requests of all such candidates to distribute, by mail or otherwise, at the candidate's expense, campaign literature in aid of his candidacy to all members in good standing of the BMWED. Whenever the National Division or its incumbent Officers authorize distribution to members, by mail or otherwise, of campaign literature on behalf of any bona fide candidate for office or on behalf of the National Division itself with

reference to elections, similar distribution shall be made by the National Division and its Officers for any other bona fide candidate if so requested by such candidate, and equal treatment will be accorded as to the expense of such distribution to be borne by such candidate. Every bona fide candidate shall have the right, upon request, once within thirty (30) days prior to National Division elections in which he is a candidate, to inspect the list containing the names and last known addresses of all members of the BMWED who are subject to Union Shop Agreements requiring membership in the BMWED as a condition of their employment, which lists shall be maintained by the Secretary-Treasurer at the Headquarters of the BMWED. Every bona fide candidate for National Division office may supply the National Division with a picture and a brief campaign announcement of 250 words or less to be published in the BMWED Journal. All information shall be published in the same Journal edition as the last proposed Bylaws changes prior to the National Division Convention. The National Division shall also provide adequate safeguards to insure that its elections are fair and impartial, and any candidate has the right to request and designate an observer at the polls and the counting of ballots.

No funds received by the National Division through initiation fees, dues, assessments or similar levy shall be contributed or applied to promote the candidacy of any person in elections of National Division Officers, nor shall any money of an employer of members of the BMWED be so contributed or applied. The BMWED may, however, expend its funds for notices, factual statements and other expenses necessary for the conduct of its elections so long as such activities do not involve promotion of candidates for office.

The National Division Secretary-Treasurer shall preserve for one (1) year the credentials of all delegates and alternates and all ballots, minutes and other records of the Convention pertaining to the election of National Division Officers.

Sec. 5. The National Division shall convene in regular Convention in the month of June, quadrennially, at a time and date and in such city as may be determined by the National Division President and National Division Secretary-Treasurer jointly, with the approval of the National Division Executive Board.

The rules contained in the current edition of Robert's Rules of Order shall govern the BMWED in all cases to which they are applicable and provided they are not inconsistent with these Bylaws and any special rules of order the BMWED may adopt.

Sec. 6. At each regular Convention of the National Division, delegates shall be entitled to cast one vote for every member in good standing of the membership which he represents. Each National Division Officer shall be a delegate ex officio but he may not participate in the election of National Division Officers unless he has been elected as a delegate by secret ballot vote of members of a Local Lodge.

Sec. 7(a). In the event a National Division Officer becomes incapacitated, upon receipt of notice of such incapacitation, the President or Secretary-Treasurer shall within ten (10) days thereafter, call a meeting of all remaining National Division Officers to determine if such office should be filled and, if so, they shall appoint a member from the region, if applicable, to fill the position.

Any vacancy or vacancies resulting from such temporary appointments, or election, if deemed necessary, shall be filled in the same manner.

Sec. 7(b). In the event of a vacancy in a National Division office, the President or Secretary-Treasurer shall immediately set a date for a special election and promptly give notice thereof to all National Division Officers and System Division and Federation General Chairmen, who shall be the duly qualified electors to fill such vacancy for the remaining term of office and shall cast their votes in accordance with the provisions of Article XVIII, Section 14. In the interim between the occurrence of the vacancy and the said election, it shall be filled temporarily by majority vote of the remaining National Division Officers.

Each National Division Officer will be entitled to cast one vote, and each General Chairman or his duly-authorized representative, will be entitled to cast the representative vote of the membership of the System Division or Federation he represents, for the membership paid up to the end of the previous quarter, as shown by the National Division record as of the date the vacancy occurred.

In the event of a vacancy in the office of Vice President or Executive Board member, those eligible to be elected to fill such vacancy, must be from a System Division or Federation of the region where the vacancy occurs, and must be nominated by a System Division or Federation Officer from that region.

The election must be held not more than sixty (60) days from the date the vacancy occurs, or the date it becomes known that a vacancy will exist. Any vacancy or vacancies resulting from said special election and/or any vacancy or vacancies occurring between the

date the call is issued and the date of the election will also be filled at that election in the same manner.

The expenses of the General Chairmen and System Federation General Chairmen, or their duly authorized representatives, attending these meetings will be borne by their respective System Divisions or Federations.

Vacancies occurring less than three (3) months previous to a Convention of the National Division will remain vacant until the Convention except in the office of the President, Secretary-Treasurer or Executive Board, in which case the temporary Officer elected by the National Division Officers will hold office until the Convention.

If the President is unable to issue the calls provided for by this Section 7, such calls shall be issued by the National Division Secretary-Treasurer.

Sec. 8. Special Conventions of the National Division may be called by the President with the written consent of a majority of the members of the Executive Board. The President shall call a special Convention of the National Division upon petition of any four (4) members of the Executive Board. At least sixty (60) days' notice in writing must be given to System Divisions and Federations and Local Lodges indicating the time and place of holding such special Convention and its purpose. No other business except that specified in the call shall be considered or transacted at such special Convention of the National Division. Upon written request of a majority of the delegates and National Division Officers at the last regular National Division Convention, setting forth the reason for such request, and bearing the seal of the Local Lodges, a special Convention shall be called for the purpose of considering such question or questions as are specified in the request for such special Convention, and it shall be the duty of the Secretary-Treasurer upon receipt of such majority request, within ten (10) days thereafter, to make the necessary arrangements for the holding of such special Convention, the same to be held not later than sixty (60) days from the date of the filing of the majority request.

Sec. 9. At such special Conventions the voting shall be as prescribed in Section 6 of this Article.

Sec. 10. The representation at all special Conventions of the National Division shall be the duly accredited delegates at the last preceding regular Convention of the National Division. In case of a vacancy of both the delegate and alternate of a Local Lodge, such Local Lodge shall immediately proceed to elect another delegate and alternate.

Sec. 11. At least one hundred fifty (150) delegates entitled to a seat on the floor of the house shall form a quorum of the National Division.

Sec. 12. The fiscal year of the National Division and all of its subordinate bodies shall end on March 31 of each year.

Sec. 13. Only the elected officers of the National Division are authorized to be its agents for service of process. The officers and employees of subordinate bodies are not authorized to be agents of the National Division for service of process under any circumstances.

ARTICLE II

National Division Jurisdiction and Supervision

Section 1. The National Division shall exercise general supervision and control over all System Divisions and Federations, Local Lodges, Officers and the entire membership of the BMWED, as well as all subjects pertaining to the same. While the autonomy of System Divisions and Federations is duly recognized, and they may adopt Bylaws establishing procedures for the conduct of their internal affairs and business, none of the provisions of such Bylaws shall be in conflict with any of the provisions of these Bylaws subject to the terms of the Merger Agreement. Prior to becoming effective, all System Division or Federation Constitutions and Bylaws and any amendments thereto must be approved by the National Division President and the IBT General President.

Sec. 2. The National Division shall adopt and prescribe laws and regulations for the government of Local Lodges and shall have the power to amend or repeal the same; and it shall do all things necessary to promote the welfare of the BMWED.

Sec. 3. National Division Officers and persons occupying National Division appointed positions shall, when consistent with good service, employ their assistants from the ranks of the BMWED, but under no circumstances shall any such person employ any of his relatives where such relatives would be required to work under his direct supervision.

ARTICLE III

National Division President

Section 1. The National Division President shall exercise general supervision over all the affairs of the BMWED. It shall be the duty of the National Division President to preside at all sessions of the National Division, and he shall submit at each regular session of the National Division, when assembled, a message setting forth in a general manner the affairs of the BMWED during his term of office, including a complete report of his decisions with reference to the interpretation of the Bylaws, or his decision in any matter concerning which an appeal may have been taken to the Appeal Board under the Bylaws, together with suggestions for legislation and changes in these Bylaws for the best interest of the BMWED; also such other suggestions and recommendations as he may deem advantageous to the BMWED and its members.

Sec. 2. He shall decide all questions pertaining to the interpretation or meaning of any clause or Section of these Bylaws as well as all controversies which may be appealed from System Divisions, Federations or Local Lodges and shall promptly forward his decision in writing to the System Division, Federation or Local Lodge from which the appeal is taken. Appeals from the decisions of the President may be appealed by either party to the National Division Appeal Board, which shall consist of all National Division Officers. Such appeals shall be filed with the National Division Secretary-Treasurer within sixty (60) days after receipt of the President's decision. The Secretary-Treasurer shall refer the appeal to the National Division Appeal Board, except for those members who may be directly involved in the case under consideration. The National Division Appeal Board will report their decision to the National Division President and the appellant. Further appeal of the decision of the Appeal Board shall be handled in accordance with the applicable provisions of the IBT Constitution, subject to the terms of the Merger Agreement.

Sec. 3. He may, with the consent of the National Division Executive Board issue such dispensations as may be necessary to overcome emergencies or conditions not herein provided for.

Sec. 4. All appointments for positions coming under the President's supervision, and their salaries must be approved in advance by the National Division Executive Board, except for temporary appointments of less than sixty (60) days.

All consultants hired by the President, and their fees and/or salaries must be approved by the National Division Executive Board prior to any services being rendered, except in cases of emergency.

Any vote on appointments or the hiring of consultants shall be by roll call and the minutes thereof shall be sent to all System Officers.

Sec. 5. He shall have the authority, subject to the approval of the National Division Executive Board, to appoint Assistants to the President to assist him in the discharge of the duties of his office per the requirements in Section 4 of this Article.

He may also delegate authority to act for him to any National Division Officer.

He may also deputize any member to be his immediate representative for particular duties. Such deputies to possess only such power as is expressly delegated. Such deputies shall submit in writing a full and complete report of his actions to the National Division President immediately after the conclusion of his duties.

Sec. 6. He shall, at his discretion, appoint National Division Organizers or Representatives. Such appointees shall be subject to the same qualifications prescribed in Article I, Section 4, for eligibility to National Division office. Such Appointee in the performance of his duties shall cooperate and work in conjunction with the General Chairman of the System Division or Federation on which he is working.

Sec. 7. He may summarily suspend from office and shall discontinue the salary of any National Division Officer who, in his judgment, is guilty of such misconduct in office as to warrant such removal for cause; provided that any such National Division Officer so disciplined shall have the right, upon demand in writing, to an immediate hearing before the National Division Appeal Board, whose decision shall be final unless reversed on further appeal under the applicable provisions of the IBT Constitution. If the decision of the National Division Appeal Board is in favor of the accused, he shall be returned immediately to his former position and be paid for all time lost and personal expenses. If the final decision is in favor of the accused his record shall be cleared of such charges.

Sec. 8. He shall have the power to convene Joint Protective Boards or Grievance Committees and/or Local Lodges when he deems such action advisable and to report to such Board or Grievance Committee and/or Local Lodge any member thereof who failed to perform

his duties, or who is guilty of sedition, or committed malfeasance in office. He shall have the power to summarily remove from office and suspend any member who, after charges and trial, has been found guilty of sedition or malfeasance in office, subject to appeal to the National Division Appeal Board and further appeal under the applicable provisions of the IBT Constitution.

He shall have the power to suspend from office any National Division or System Division or Federation Officer who, without having obtained the President's permission, deviates from any uniform collective bargaining policy. Any Officer thus suspended shall remain out of office unless reinstated following an appeal to the National Division Appeal Board in accordance with Article IX of these Bylaws and further appeal under the applicable provisions of the IBT Constitution.

He shall, with the approval of the National Division Executive Board, revoke the charter of any Local Lodge guilty of willful violation of the provisions of these Bylaws, or of failure to comply with valid orders, decisions or policies of the BMWED, subject to appeal to the National Division Convention. Should it be necessary to revoke the charter of a Local Lodge, all loyal members in good standing may be transferred to the nearest Local Lodge.

Sec. 9. He shall remove Officers or representatives of Local Lodges, System Divisions or Federations, and the National Division after their surety bond coverage has been canceled. Should any Lodge or System Division or Federation fail to fill, within a reasonable time, a vacancy thus created, the National Division President shall fill such vacancy by appointment for the unexpired term.

Sec. 10. He shall also have the power to appoint legislative representatives when approved by the National Division Executive Board.

Sec. 11. When he is unable by reason of unavoidable cause to preside at any session of the National Division, the Officers and delegates present will proceed to elect a temporary presiding Officer for such meeting. The National Division President may request any National Division Officer, or delegate, to temporarily fill the chair during any session of the National Division Convention. Any temporary vacancy of the National Division President's chair, during recess of National Division, must be filled by a National Division Officer.

Sec. 12. Immediately after the close of each National Division Convention and yearly thereafter, at such time and place as the National Division President directs, he shall convene

the National Division Officers and System Officers, for the purpose of discussing the field work and outlining the work to be carried out by the National Division Vice Presidents, and also to be instructed in carrying out any policy which the National Division President, Secretary-Treasurer and the Executive Board may have prepared; provided further that the System Officers represented at such meetings shall be recognized in an advisory capacity.

Sec. 13. He shall have all active National Division representatives insured at the expense of the BMWED, insuring the BMWED against any loss resulting from the death or injury of such National Division representative. The insurer and amount of such insured liability shall be determined by the National Division President and Executive Board, but shall not be less than an amount equal to that prescribed by the Worker Compensation Laws where the National Division is headquartered. All National Division representatives shall be construed as being hired at the National Division Headquarters.

Sec. 14. He shall appoint members, two from each region of the United States who shall serve as a National Division Convention Bylaws Committee; and five (5) members, at least one from each region who shall serve as a National Division Convention Resolutions Committee. The Resolutions Committee shall also act as the Credentials Committee.

These Committees shall be provided sufficient time and resources to meet, deliberate and provide a written Report to the Delegates at the National Division Convention. The time and place of Committee meetings shall be at the discretion of the National Division President. All appointments shall be made at least thirty (30) days prior to the convening of the Committees.

All proposed changes in the Bylaws as presented by the Bylaws Committee Report shall be indicated in the Committee's Report by printing said changes in bold type or italicized print.

Sec. 15. The President shall also appoint the members of, designate the temporary Chairman, and convene the additional National Division Convention Committees hereafter designated, and such other special committees and assistants as may be necessary to facilitate the work of the BMWED. Each Committee listed below shall contain at least one (1) member from each region:

- Committee on National and State Legislative Matters
- Committee on Rules
- Committee on National Division Officers Reports

Committee on Jurisdiction
Committee on Appeals
Committee on Salaries and Finances
Committee on Ritual

Note: The Committee on Legislative Matters shall consist of six (6) members, at least one from each region and a Convener, who is the Assistant to the President/National Legislative Director on legislative matters.

Sec. 16. In the case of any collective bargaining agreements adopted upon approval by the President on behalf of the BMWED on a national or regional basis, the President shall forward a copy of such agreement to each constituent System Division, Federation or Local Lodge which has members directly affected by such agreement and also maintain at the Headquarters of the BMWED copies of any such agreement available for inspection on request by any member or any employee whose rights are affected thereunder.

The National Division President shall not have the power to enter into any agreement other than national agreements without the written consent of the affected General Chairmen (Chairman). If the National Division President is not able to receive the written consent of all affected General Chairmen, he shall have the right to submit such agreement directly to the affected rank and file. Such ratification vote shall be by mail ballot referendum to all members in good standing covered by such agreement. Such vote will be conducted by an impartial ballot counting company. If the agreement is ratified, the National Division President shall be empowered to enter into the agreement.

Sec. 17. In addition to the foregoing, the National Division President shall exercise authority and perform such other duties as are additionally prescribed in these Bylaws or other governing laws of the BMWED or which may be delegated or assigned to him by the National Division Convention or which may be imposed upon him by the IBT Constitution, the Merger Agreement or applicable law.

ARTICLE IV

National Division Vice Presidents

Section 1. The duties of each National Division Vice President are to assist the National Division President in the discharge of his duties under his general direction, subject to the provisions hereinafter made in this Article.

Sec. 2. The office of each Vice President shall be located in the region from which he is elected and as near as practicable in the general locality in which the Vice President resides. The National Division President may assign a Vice President to perform work in another region on a temporary basis.

Sec. 3. The Vice Presidents will be assigned to the following duties, namely:

They shall be nominated from one of each of five regions comprising the Northeastern territory, the Northwestern territory, the Southeastern territory, the Southwestern territory and the Western territory. The National Division Vice Presidents shall devote their entire time to the up building of the BMWED and to do such work as decided upon by the National Division Officers at their annual meetings. They will work under the direct instructions of the National Division President. They shall visit and instruct Local Lodges, assist the General Chairmen in their committees and boards and shall have authority to examine and audit the records and books of any Local Lodge and shall institute civil and criminal action to protect the interests of the BMWED when so directed by the National Division President. Each National Division Vice President shall prepare a written report on his activities and responsibilities to each Regular Convention.

ARTICLE V

National Division Secretary-Treasurer

Section 1. It shall be the duty of the National Division Secretary-Treasurer to keep a true and correct record of the proceedings of the National Division. He shall read all documents submitted to that body which are proper to be read. He shall receive all funds of the National Division. He shall preserve any documents pertaining to the business of the BMWED. Except where otherwise provided in these Bylaws, he shall have charge of the books, papers

and records of the BMWED and also possession (for the trustees) of the personal property and funds of the BMWED.

Sec. 2. He shall countersign all charters, cards and certificates emanating from the National Division. He shall also issue all official receipts for fees, dues, and assessments. It shall be his duty to keep accurate accounts of all monies received and disbursed by him, a correct record of National Division members, Local Lodges, their Officers, members and post office addresses, dates of joining, membership numbers and such other information as may be required by the President or Executive Board.

Sec. 3. He shall have charge of all funds of the National Division. He shall make disbursements to cover all expenses of operating the National Division when authorized by these Bylaws or resolution adopted thereunder. Disbursements can not exceed income from dues and investments unless approved by the National Division Executive Board. If such approval is made, each General Chairman will be advised why it was necessary to spend down assets.

Where applicable, he shall promptly return to System Division or Federation Secretary-Treasurer and Local Lodge Secretary-Treasurer receipts for all monies received from them and remit to the System Division or Federation Secretary-Treasurer on or before the 20th day of each month all monies due them. He shall on or before the 20th day of the first month of each quarter, forward to the Local Lodge Secretary-Treasurer all monies due them for the preceding quarter.

Should a Local Lodge Secretary-Treasurer fail to submit the Local Lodge quarterly audit report within ninety (90) days after the end of the quarter, no money due the lodge will be released until receipt of the quarterly audit report. Should a Local Lodge not receive monies due them in any quarter as a result of failure to file a quarterly audit report, the National Division Secretary-Treasurer shall notify by letter the National Division President, the General Chairman, and the Local Lodge Officers.

He will see that the National Division audit reports provided for in Article VI, Section 8, of these Bylaws are made available for inspection by the persons so authorized by such provision.

He shall discharge on behalf of the BMWED such duties as may be imposed upon him by applicable law. He shall execute and file reports to Federal or State authorities as required. He

shall maintain such records available for inspection as applicable law may require to be preserved in support of reports filed by the BMWED.

Sec. 4. He shall assist the National Division President in making all necessary arrangements for each Regular Convention of the National Division, and attend in person, unless excused for proper cause. He will furnish such Conventions a statement showing the financial condition of the BMWED, and a full report covering his term of office.

Sec. 5. He shall deposit all monies and securities belonging to the BMWED in national banks or with reliable trust companies and securities firms to be selected by himself and the National Division President, jointly, and subject to the approval of the National Division Executive Board. The National Division Secretary-Treasurer will have the authority, with the approval of the National Division President and the Executive Board, to invest surplus funds of the BMWED in securities guaranteed by the full faith and credit of the United States Government, Federal agency issues, or in bonds and other fixed-income securities of suitable investment grade quality that will enable the BMWED to secure an optimal return on investment without undue risk. These investments may include equities, but not to exceed forty percent (40%) of the total National Division surplus funds.

With respect to bonds and other fixed-income securities, any such investments shall meet the rating qualifications of A or Higher (Standard & Poor's and/or Moody's).

Such investments shall be consistent with the policies endorsed by the BMWED and the free trade union movement.

Sec. 6. All funds and securities must be deposited in the name of the BMWED and all checks against said funds must be signed by him or his designee and countersigned by the National Division President or his designee.

Sec. 7. He shall cause a copy of each official circular issued by the National Division to be forwarded to all National Division Officers, System Divisions and Federations and Local Lodges.

Sec. 8. When instructed by the National Division Executive Board, he shall levy assessments upon the members of the BMWED; he shall collect all such assessments and disburse the same upon the order of the National Division Executive Board.

Sec. 9. He shall deliver to his successor (when elected, installed and after bond has been executed and accepted by the National Division Executive Board) all monies belonging to the National Division, together with all books, documents and other properties of the BMWED, which may be in his possession.

Sec. 10. He shall employ auditors as may, in his judgment, be necessary to carry on the auditing work; such auditors to be entirely responsible to him under his jurisdiction. To qualify for appointment, such auditors shall meet the same requirements as those prescribed in Section 4 of Article I for eligibility to National Division office.

Sec. 11. All appointments for positions coming under the National Division Secretary-Treasurer's supervision and their salaries must be approved by the National Division Executive Board prior to their appointment, except for positions of less than sixty (60) days duration. All consultants hired by the National Division Secretary-Treasurer and their fees and/or salaries must be approved by the National Division Executive Board prior to any services rendered.

Any vote on appointments or the hiring of consultants shall be by roll call and the minutes thereof shall be sent to all System Officers.

Sec. 12. He shall be empowered, either personally or through his designee to examine and audit the books and accounts of any National Division Officer, System Division or Federation or Local Lodge of the BMWED at any time.

Sec. 13. In case a where a member remits National Division dues and System Division or Federation dues only, the National Division Secretary-Treasurer shall hold his official receipt until the member furnishes proof that he has paid his Local Lodge dues.

Sec. 14. On System Divisions or Federations handling remittances, the matter of missing payments in dues will be taken up with the System Secretary-Treasurer. On other System Divisions or Federations the matter will be taken up with the remitter, with copy to the System office.

Sec. 15. On System Divisions or Federations handling remittances, the matter of apparently backdated dues payments will be taken up with the System Secretary-Treasurer, and a satisfactory explanation or proper correction of such payment dates on dues receipts and remittance reports requested. On other System Divisions or Federations the matter of

apparently backdated payments will be taken up with the remitter, with copy to the System office.

Sec. 16. When an Officer or representative unreasonably delays his remittance reports or willfully persists in the practice of backdating dues payments, it shall be the duty of the National Division Secretary-Treasurer to cancel the surety bond coverage on his position and advise the lodge, system or Officer under whose jurisdiction such Officer or representative is functioning. Such lodge, system or Officer shall thereupon take immediate steps to remove such Officer or representative from the service, and, where he is not promptly removed, the National Division Secretary-Treasurer shall bring the matter to the attention of the National Division President for action under the provisions of Article III, Section 9.

Sec. 17. He shall keep record of the last known address and other relevant data concerning any member who retires. Names and addresses so maintained shall be furnished to the BMWED's Legislative Department upon request.

Sec. 18. In addition to the foregoing, the National Division Secretary-Treasurer shall exercise such authority and perform such other duties as may be additionally prescribed in these Bylaws or other governing laws of the BMWED or which may be delegated or assigned to him by the National Division Convention.

ARTICLE VI

National Division Executive Board

Section 1. Immediately after the final adjournment of the National Division Convention, the National Division President shall call the National Division Executive Board together for the purpose of electing a Chairman, Vice Chairman and Secretary, to transact such other business as is provided by these Bylaws and special enactments of the National Division Convention, and other business that may properly come before the National Division Executive Board.

Sec. 2. The quorum of the National Division Executive Board shall be three (3) members.

Sec. 3. It shall be the duty of the National Division Executive Board to conform in every respect to these Bylaws of the BMWED and the enactments of the National Division Convention. By joint action the Board may, with the National Division President and National Division Secretary-Treasurer, adopt such provisions as may be necessary, in their opinion, for the best interests of the BMWED.

Sec. 4. The National Division Executive Board shall, through its Secretary, submit to each regular Convention of the National Division a full report of all business transacted by them, and stating what legislation is necessary, in their opinion, to promote the welfare of the BMWED.

Sec. 5. Except as otherwise provided in these Bylaws, all administrative, executive and judicial power and authority of the BMWED shall be vested in the National Division President, Secretary-Treasurer, Vice Presidents and the Executive Board as heretofore provided in Article I, Section 3, who shall jointly determine the general policies to be adopted and enforced during the interim between National Division Conventions, including the adoption of such resolutions as may be necessary or advisable to effectuate provisions of these Bylaws, the enactments, resolutions or decisions of the National Division Convention, or the requirements of any applicable law. All such policies shall be executed by the National Division Officers who shall be accountable to the National Division Executive Board for any departure therefrom, due allowance being made for all circumstances in such events.

Sec. 6. The National Division Executive Board shall meet once in each year as provided in Article III, Section 12, said meeting to be held immediately after the adjournment of the annual meeting of National Division Officers, to transact all business pertaining to their office. Special meetings may be called upon the written request of a majority of the members of the National Division Executive Board, such requests being forwarded to the Chairman of the National Division Executive Board by registered letter. Such petitions shall state the reason for calling a meeting and shall allow sufficient time for each member of the National Division Executive Board to receive ten (10) days notice of such meeting prior to the date. Copies of such notices shall be forwarded by the Secretary of the National Division Executive Board to all other National Division Officers.

Sec. 7. The National Division President may call a meeting of the National Division Executive Board at any time, notice of said meeting to be given in accordance with the provisions of Section 6 of this Article.

Sec. 8. It shall be the duty of the National Division Executive Board to engage the services of a certified public accountant to conduct quarterly certified audits at Headquarters.

The National Division Executive Board shall have free access to the books and papers of all National Division Officers. The National Division Executive Board shall furnish, through the National Division Secretary-Treasurer, a copy of the audit report signed by the accountant, to the National Division President, Secretary-Treasurer and each member of the National Division Executive Board, and upon request a copy will be furnished to Local Lodge Secretary-Treasurers which may be inspected by any member in good standing.

Sec. 9. The duty of the National Division Executive Board Secretary shall be to keep minutes of all transactions of the National Division Executive Board.

The National Division Executive Board Secretary shall furnish each System Officer with these minutes within sixty (60) days of the conclusion of the National Division Executive Board's meeting. The minutes shall include the voting record and results of any and all questions acted on by the National Division Executive Board, excluding death benefit appeals.

The National Division Executive Board Secretary may call on the National Division President for assistance in reproduction and distribution of such minutes.

In the event of a vacancy in the office, or the absence or inability to act, of the Chairman of the National Division Executive Board, the Vice Chairman shall, for the time being, perform the functions and duties of the Chairman.

Sec. 10. It shall be the duty of the National Division Officers between National Division Conventions, by majority vote of its members, to authorize such special assessments upon all members as may be necessary to provide sufficient funds with which to administer the affairs of the BMWED properly. Such assessments shall be effective until the next regular National Division Convention. After such assessment has been ordered, the National Division Executive Board Secretary shall notify the National Division Secretary-Treasurer thereof, who, in turn, shall levy such assessments and notify all members of the BMWED by mail. Any member failing to pay lawful assessments after due notice will forfeit all rights in the BMWED. Such assessments may be paid by the members to the System Division or System Federation Secretary-Treasurers, Local Lodge Secretary-Treasurers, or to any authorized representative.

Sec. 11. Legal title to all property (real, personal and otherwise) of the BMWED, and to all interests of said BMWED and of its members therein, shall be deemed to be, and hereby is declared, vested in the Trustees of said BMWED. Reference to "Trustees" herein shall include the successors of said Trustees. The Trustees shall hold title in trust for the benefit of the BMWED and shall be deemed to be Trustees of an active express trust. Legal title to property and interests may be transferred, conveyed, encumbered or affected by instruments or conveyances executed by said Trustees, and such instruments or conveyances shall bind all rights of said Trustees, the BMWED and its members in and to the property affected thereby without any other or different instrument or conveyance being executed by said BMWED, its Officers or members. The Trustees shall not sell, exchange or encumber any of the property or interests to which they hold title unless previously authorized to do so in each particular case by two-thirds of all National Division Officers. Such authorization shall be contained either in minutes of meetings of such National Division elective Officers, or in writings signed by them.

Except where otherwise provided, said Trustees shall also be custodians of all property of said BMWED, and no property of said BMWED, except documents and evidence involved in litigation, arbitration, hearings, conferences, legal matters and the like in which said BMWED is interested or concerned, shall be removed from Headquarters or disposed of in any manner without the written consent of said Trustees.

The style of signature of said Trustees shall be the individual names of said Trustees followed by "Trustees of Brotherhood of Maintenance of Way Employes Division."

There shall be three of such Trustees. The respective persons acting as Chairman, Vice Chairman and Secretary of the Executive Board of said BMWED shall during their respective incumbency in office ex officio be the Trustees.

The certificate or affidavit of the President or Secretary-Treasurer of said BMWED relating to the election, term of office, incumbency in office, death, resignation or removal of any Chairman, Vice Chairman or Secretary of the Executive Board or any Trustee or successor, and/or to the provisions or any provision of the Bylaws of said BMWED, shall be deemed sufficient proof and evidence thereof.

Upon the death, resignation, removal, expiration of Trusteeship or of term of office, of any Trustee, all right, title and interest of said Trustee in and to any and all property of said BMWED and interests therein shall automatically and without conveyance or other transfer be deemed, and hereby is vested in the successor of such Trustee, free and clear from all right,

title, interest, claim and demand of said former Trustee, his heirs, representatives and persons claiming or to claim by, through or under him individually.

The Trustee who is also Secretary of the Executive Board of said BMWED shall keep true and correct records of all accounts, doings and actions of said Trustees; said records shall at all times be open for inspection by the National Division elective Officers.

Sec. 12. In authorizing expenditures or loans neither the Executive Board nor any other established body of the BMWED or Officer thereof shall directly or indirectly authorize or make any loan or loans to any Officer or employee of the National Division or of any of its System Divisions, Federations or Local Lodges which result in a total indebtedness on the part of such Officer or employee to the BMWED in excess of two thousand dollars (\$2,000.00).

Sec. 13. None of the funds of the BMWED shall be obligated or used directly or indirectly to pay the fine of any Officer or employee convicted of any willful violation of the Labor-Management Reporting and Disclosure Act of 1959, but this prohibition shall not prevent the assumption by the National Division or by any System Division, Federation or Local Lodge of the costs of defending the BMWED or any of its constituent bodies or Officers, agents, representatives or employees in any civil or criminal proceedings in which they may become involved for any alleged violations of law.

Sec. 14. In addition to the foregoing, the National Division Executive Board shall exercise authority and perform such other duties as are additionally prescribed in these Bylaws or other governing laws of the BMWED or which may be delegated or assigned to it by the National Division Convention.

ARTICLE VII

Salaries of National Division Officers and Personnel

Section 1. Section 1. For the faithful performance of his duties, each elective National Division Officer shall receive an annual salary as follows:

President: \$158,106.63*

Secretary Treasurer: \$137,900.84*

Vice President \$121,268.62*

*Note: Rate reflects adjustment adopted at 2nd Regular National Division Convention.

Each elective National Division Officer's salary and each National Division Appointee's salary shall be adjusted periodically so as to reflect all general wage increases including cost-of-living adjustments as provided for under National Agreements applicable to the membership of the BMWED. All such increases shall be applied in the same manner and on the same dates as provided for under subsequent National Agreements.

Sec. 2. The salaries of the National Division President, Vice Presidents, Secretary-Treasurer and Appointees shall be on an annual basis, and shall be paid in equal semi-monthly installments. For each National Division Officer or Appointee paid on an annual basis, the National Division shall provide medical, dental, and vision insurance policies at least equivalent to that received by members under the National Agreement.

Sec. 3. The salary of members of the Executive Board, or Board of Trustees, shall be paid on a per diem basis, from the time they leave their respective headquarters until they have completed their duties as Executive Board Members, or Members of the Board of Trustees, and return to such headquarters. National Division Officers paid on a per diem basis, will not receive medical, dental, and vision insurance coverage at National Division expense.

Sec. 4. The salaries of all clerical forces and other employees employed at the National Division Headquarters shall be determined by agreement negotiated between the National Division President, Secretary-Treasurer, and duly elected Committee representing the employees' organization.

Sec. 5. All National Division Officers or representatives when attending the National Division or traveling in the interests of the BMWED, or when their duties require them to leave their regular boarding and lodging places, shall have their expenses paid out of the General Fund when the same are approved by the National Division President.

ARTICLE VIII

Charges and Trials of BMWED National Division Officers

Section 1. Whenever charges are filed against a National Division Officer for a violation committed in that capacity, such charges shall be filed in writing in duplicate with the National

Division Secretary-Treasurer. Trials shall be conducted in accordance with Article XIX of the IBT Constitution subject to the terms of the Merger Agreement.

ARTICLE IX

Appeals

Section 1. Decisions of the National Division Appeal Board may be appealed by either party in accordance with the provisions of the IBT Constitution and the terms of the Merger Agreement.

Sec. 2. No Officer or member of the BMWED shall resort to the civil courts or agencies of the Government in any case, controversy, or dispute or appeal any grievance to any such tribunal until such Officer or member shall have first exhausted all remedies provided by these Bylaws and the Merger Agreement not inconsistent with applicable law for the redress of such cases.

ARTICLE X

Authorization of Legal Services

The President of the National Division, with the approval of the National Division Executive Board, may employ the services of an attorney at law. The expense of such services shall be paid out of the general funds of the BMWED; provided, however, that no National Division Officer shall employ an attorney at law at the expense of the National Division to carry on internal disputes. Any services required of an attorney at law not otherwise a full time employee of the BMWED, must include a fully executed written retainer.

ARTICLE XI

National Division Departments

The National Division shall include the following departments consistent with Paragraphs 1.3 and 3.9 of the Merger Agreement:

- National Legislative Department
- Strategic Coordination and Research Department
- Safety and Education Department
- Organizing Department
- Communications Department
- Arbitration Department - Chicago

ARTICLE XII

BMWED Legislative Boards

Section 1. Purpose. To protect the interest and advance the quality of life of its membership and their families with respect to legislation the National Division shall maintain State Legislative Boards which shall work cooperatively with the BMWED National Legislative Director and IBT Department of Governmental Affairs.

Sec. 2. Carrying out the activities of the Legislative Department. To fulfill its purpose, a Legislative Board shall be organized in each state and in any state where only one Local Lodge is located that lodge shall be designated a Legislative Board and shall elect the appropriate list of Officers.

Sec. 3. Organization of State Boards. Each Local Lodge shall, at a regular or special meeting held between January 1 and June 30 in the year following a National Division Convention, elect by secret ballot a local Legislative Representative to serve as a member on the State Legislative Boards, and in addition they shall elect a Vice Legislative Representative who shall serve in the event the Legislative Representative is unable to carry out the prescribed duties. The Secretary-Treasurer of each Local Lodge shall report immediately to the National Division President the results of the election, giving the name of the persons elected as Legislative Representative and Vice Legislative Representative together with any other personal data pertaining thereto. After June 30 in the year following a regular National Division Convention, the National Division President or his designee will direct the incumbent Director of the State Legislative Board to convene the members elect at some convenient location within the State for a Legislative Convention for the purpose of reviewing its work and achievements, and to elect Officers. An accurate record of the proceedings of the State Convention shall be forwarded to the National Division President, the BMWED National

Legislative Director and the Director of the IBT Department of Government Affairs, within 30 days after the State Convention.

Sec. 4. Officers of State Legislative Boards. Each Board shall elect a State Legislative Director and an Assistant State Legislative Director.

Effective January 1, 2006, any member in good standing of a Local Lodge, as provided in the Merger Agreement, falling under the jurisdiction of said State Legislative Board shall be eligible to be nominated and elected to the position of State Legislative Director and Assistant State Director.

The election shall be by secret ballot with each Local Legislative Representative entitled to cast a vote. There shall be no voting by proxy in the election.

Local Lodge Legislative Representatives shall be given at least fifteen (15) days advance notice in writing at their last known home address of the time, date, and place at which elections will be held.

Incumbent Directors and Assistant Directors shall be representatives ex officio, unless elected as a Local Legislative representative, and shall be entitled to run for re-election as an officer of their respective Boards, but shall not be entitled to cast a vote.

Sec. 5. Term of Office. Members of State Legislative Boards shall serve a four-year term of office beginning January 1 in the year following the holding of their regular Legislative Convention.

Sec. 6. Eligibility Requirements. Any member who at the time of nomination for the position of Local Legislative Representative or Vice Legislative Representative, must be a resident and registered and/or qualified voter of the State from which elected to serve and meet the eligibility requirements set forth in the Merger Agreement. These requirements shall also apply to the position of Legislative Director and Assistant Legislative Director at the time of nomination to the position.

Sec. 7. Bylaws. The State Legislative Boards will be governed by these Bylaws as provided for herein.

Sec. 8. Duties. It shall be the duty of the Legislative Directors when authorized by the National Division President, or his designee, to carry out the program promoting legislation that will advance the wages, hours and working conditions and improve the quality of life for the membership and their families and to oppose legislation deemed detrimental.

The Legislative Directors will preside at all meetings of their respective State Legislative Board and cast the tie breaking vote.

The Legislative Directors shall comply with all applicable Lobbying Laws and cooperate with the IBT Government Affairs Department in the filing of reports required thereunder.

The Legislative Directors shall render appropriate bills for salary and expenses and a written report outlining their legislative activities to the National Division President and his designee not later than the 1st and 15th days of each month.

Should any of the Legislative Directors for any reason be unable to attend to their duties, they shall at once notify the National Division President, who will instruct the Assistant Legislative Director of that State Legislative Board to serve as the Legislative Director until the incumbent Legislative Director is able to resume duties or until the end of the term, whichever the case may be. If for any reason the Assistant Legislative Director is unable to serve, the National Division President or his designee may appoint a Local Lodge Legislative Representative recommended by the Legislative Director to perform necessary duties of the Legislative Director until the Legislative Director and/or Assistant Legislative Director is able to resume duty.

For all elections held on or before December 31, 2005, eligibility and good standing to nominate, second, run for office and vote shall be governed by the provisions of the BMW Constitution and Bylaws in effect immediately prior to the merger. For elections held on January 1, 2006 or after, eligibility and good standing to nominate, second, run for office and vote shall be governed by the provisions of the Merger Agreement.

The Legislative Directors shall attend legislative meetings in their home state as directed by the National Division President or his designee to keep informed on pertinent Legislation, and in every way possible advance the interests of the Union. The Legislative Director will work with the Local Lodges and other IBT Local Unions and Joint Councils and oversee the formation of a working COPE and Legislative Action Committee in each of the

Electoral Districts in their state and to increase participation in IBT's DRIVE (Democratic, Republican, Independent Voter Education) fund in the United States.

The Legislative Directors, upon authorization of the National Division President or his designee, shall seek membership in various state labor and interest groups that share in the Union's goals.

The Legislative Directors, upon authorization of the National Division President, shall represent the Union before regulatory agencies for the purpose of disposing of questions that arise concerning safety, health and sanitary conditions that directly affect the membership.

Sec. 9. Vacancies. Should the incumbent State Legislative Director be unable to serve for any reason, the Assistant State Legislative Director shall be notified by the National Division President or his designee to fill the temporary vacancy or the unexpired term. Should a vacancy occur in the office of the Assistant State Legislative Director, said vacancy shall be filled by appointment by the National Division President or his designee. Should the Local Legislative Representative position in any Local Lodge become vacant, the Vice Local Legislative Representative shall fill the vacancy for the unexpired portion of the term and an election shall be held at the next regular Lodge meeting for the purpose of filling the position of Vice Local Legislative Representative for the unexpired portion of the four-year term of office. Such elections shall be subject to the terms of the Merger Agreement.

Sec. 10. Assignment. The National Division President shall appoint a National Legislative Director from the BMWED to work cooperatively with the IBT Department of Government Affairs to carry out, direct and coordinate Legislative activities in the United States. Unless otherwise provided for in these Bylaws, no Legislative Director shall become active on legislative matters until authorization has been obtained from either the National Division President or his designee.

Sec. 11. Salary and Expenses. The salary and expenses of Officers of State Legislative Boards will be fixed by the Director of the IBT Government Affairs Department in accordance with the IBT Constitution. The salary and expenses of Local Lodge Legislative Delegates attending State Legislative Conventions, as provided for in Section 3 of this Article, will be borne by the respective Local Lodges.

Sec. 12. Endorsing of Candidates for Public Office. Legislative Directors, after consulting the appropriate COPE committees, if in place, may submit to the National Division President,

for approval, recommendations with respect to the endorsement of candidates for any public office. Prior to the COPE Committee or Legislative Director making any recommendation, they shall advise the Local Lodges in that electoral district of the proposed endorsement. Under no circumstances shall any member of the National Division issue or publicize endorsements of any kind utilizing the National Division's name in any form, for any candidate to any public office without the written approval of the National Division President.

Sec. 13. Legislation. State Legislative Directors shall not advocate or oppose legislation without the specific approval or authorization of the National Division President or his designee except where bills directly affecting the BMWED, or railroad labor, require immediate attention.

Sec. 14. Cooperating in Legislative Work. State Legislative Directors of the BMWED shall cooperate with Legislative Representatives of the Legislative Boards of other standard labor organizations in organizing and maintaining joint legislative boards or committees in the respective States in order that our organization may be in a position to do its part in securing favorable legislation and in opposing unfavorable legislation concerning matters in which the BMWED and such other organizations have mutual interests. However, State Legislative Directors shall not incur or commit the BMWED to any joint expense without first securing the approval and authorization of the National Division President.

The Officers of the System Divisions or Federations and Local Lodges of the BMWED should fully cooperate in actively supporting such legislative programs as may be agreed upon by such Joint Legislative Boards or Committees; and, if possible, such Officers should furnish the Legislative Representative information requested by him or the National Division President for the purpose of carrying out the legislative program.

ARTICLE XIII

BMWED Death Benefit Department

Section 1. Subject to the provisions of these Bylaws, the National Division shall maintain a Department known as the Death Benefit Department. The Department heretofore maintained and known as the Provident Department and the Superintendent of said Provident Department shall henceforth be known, respectively, as such Death Benefit Department and the Superintendent of such Death Benefit Department.

Sec. 2. The Secretary-Treasurer of the National Division immediately upon his election as such Secretary-Treasurer, and qualification, ex officio, shall be and become also the Superintendent of the Death Benefit Department and shall act as such Superintendent during his tenure in office as Secretary-Treasurer and shall have custody of all property, funds, securities, papers, records, books and documents of every kind relating to or belonging to said Death Benefit Department.

Sec. 3. Upon due proof of the death of any member of the BMWED, who, at the time of such death shall be in good standing in said BMWED, and who shall be eligible to receive death benefits pursuant to Section 13 of this Article and whose participation in the benefits of the Death Benefit Department is not limited under Section 4 or debarred under Sections 6, 8 and/or 13 of this Article, the Superintendent of the Death Benefit Department shall, out of the funds or property coming into his custody or control as such Superintendent, pay the beneficiary of such member the sum of five hundred dollars (\$500.00) if such member has had a continuous membership since January 1, 1971.

Sec. 4. New or rejoined members who are eligible to receive death benefits pursuant to Section 13 of this Article but who had reached the age of fifty years at joining date or last rejoining date (whichever was latest) may participate in the benefits of the Death Benefit Department to the extent provided in this Section. Upon due proof of the death of any such member who at the time of such death shall be in good standing in the BMWED, and who is not debarred from participation in the BMWED, and who is not debarred from participation in the benefits of the Death Benefit Department under the provisions of Sections 6, 8 and/or 13 of this Article, the Superintendent of the Death Benefit Department shall, out of the funds or property coming into his custody or control as such Superintendent, pay the beneficiary of such member the sum of one hundred and fifty dollars (\$150.00) if such member has had a continuous membership since January 1, 1971.

Sec. 5. A copy of the death certificate or Coroner's Report must be furnished to the Superintendent to establish proof of the member's death. Said Superintendent may require further and other proof and data including satisfactory proof of the deceased member's date and year of birth where there shall exist a reasonable doubt as to his age. Such proof of death and other data will be furnished without cost to the BMWED.

Sec. 6. Any member eligible for death benefit rights pursuant to Section 13 of this Article who shall fail to pay all of his dues and properly levied assessments on or before the first day of the month for which such dues and assessments are due shall be deemed to be

delinquent insofar as his status in the Death Benefit Department is concerned and to have forfeited all rights, interests and benefits of, in and to said Death Benefit Department, its funds and property, except that any such member may regain such rights if such member, prior to death and during the month for which such dues and/or assessments became payable, pays such dues and assessments in full; provided, however, that a retired member eligible for death benefit rights pursuant to Section 13 of this Article who shall fail to pay all of his dues on or before the first day of the first month (i.e., January, April, July or October) of the quarter of the calendar year for which such dues are due shall be deemed to be delinquent insofar as his status in the Death Benefit Department is concerned and to have forfeited all rights, interests and benefits of, in and to said Death Benefit Department, its funds and property, except that any such retired member may regain such rights if such retired member, prior to death and during the month on the first day of which such dues became payable, pays such dues in full. While such member is delinquent neither he, nor his beneficiary, widow, estate or Local Lodge, nor any other person who might otherwise be entitled to the death benefit as to such member, shall be entitled to any rights, interests or benefits of, in or to said Death Benefit Department, its funds or property. If such member remains delinquent during the entire month on the first day of which such dues became payable, he, his beneficiary, widow, estate and the aforesaid Local Lodge and persons shall permanently forfeit all rights, interests and benefits of, in and to said Death Benefit Department, its funds and property and become ineligible for death benefit rights unless such member shall have rejoined prior to January 1, 1963, and shall have become entitled to benefits computed from the date of said rejoining under Sections 3 or 4 and 13 of this Article.

Sec. 7. In the event a member is expelled from membership in the BMWED, or his System Division or Federation or Local Lodge disaffiliates with the BMWED, he, his beneficiary and aforesaid Local Lodge and persons, shall be deemed to have forfeited all rights, interests and benefits of, in and to said Death Benefit Department, its funds and property, and no payments to any person shall be made under this Article by reason of death of said member.

Sec. 8. Any member eligible for death benefit rights pursuant to Section 13 of this Article holding a Retiree Membership Card or an Unemployment Card may nevertheless continue his rights in said Death Benefit Department, subject to the provisions of this Article, without payment of other than National Division dues, as provided in Article XV, Section 3, provided, however, that if such member shall not resume full active membership in good standing in the BMWED within thirty (30) days after returning to the service of any company in a position under the jurisdiction of the BMWED, all of the rights, interests, benefits and privileges of said member, his beneficiary, and aforesaid Local Lodge and persons, in and to said Death Benefit

Department, its funds and property, shall immediately upon the expiration of said thirty (30) days cease and no payments to any person shall be made under this Article by reason of the death of said member.

Sec. 9. Each member of the BMWED eligible for death benefit rights pursuant to Section 13 of this Article (including retired members and unemployed members) may from time to time designate one or more persons and/or institutions to whom any benefits to which he may be or become entitled shall be paid, and the last valid designation in force at his death shall be given effect; provided, that a valid designation shall not be revoked except by burning, tearing, canceling or obliterating the same, with intention to revoke the same, by the member or by some person in his presence and by his direction or by a subsequent valid designation; but the death of any designated beneficiary prior to the death of the member shall automatically revoke the designation as to that beneficiary. Unless otherwise provided in the designation, the entire benefits payable thereunder shall be paid in equal shares to the beneficiaries who survive the member, if there be more than one such surviving beneficiary; otherwise entirely to the sole survivor thereof. A designation shall be valid only if made in writing upon a beneficiary form provided by the BMWED for such purpose and: (1) If the beneficiary or beneficiaries was filled in by the member himself and was signed by the member other than by mark, or, if not so filled in and signed, then (2) If said form shows the beneficiary or beneficiaries and bears the signature or signature mark of the member and the signatures of two other persons each of whom thereby attests that the designation of beneficiary or beneficiaries so shown is in accordance with the member's expressed wish and that they witnessed the member's signature or signature mark thereon.

No claim based upon any beneficiary designation shall be considered or allowed unless such designation is delivered to the Superintendent of the Death Benefit Department, supplemented by proof satisfactory to him that such designation was not revoked. Where a member dies leaving in force no valid beneficiary designation or where no designated beneficiary survives the member, any benefits which are payable shall be paid to the widow or widower of said member if one survives, otherwise to the estate of said member; provided, however, that in either of said cases, the Superintendent, upon due proof of the death of said member and of the amount and status of the expense of his funeral or burial, may, in his discretion, pay said benefit, or any part thereof, not to exceed the amount of said benefit or the amount of said expense, whichever be smaller, to the Local Lodge or person or persons, including representatives of the estate of said member, who have paid said funeral or burial expense, or, in cases where said expense has not yet been paid, jointly to said Local Lodge or person or persons who assumed financial responsibility for such expense and to the undertaker

of the funeral home involved. Any balance remaining after any such payment shall be paid to the widow or widower or to the estate as the case may be. Where the amount payable after payment of the funeral or burial expense is One Hundred Dollars (\$100.00) or less, and where no widow or widower survives, the Superintendent may, in his discretion, make such payment to the legal representative of the deceased. No claim as to any death benefit shall be recognized unless made within two years after the death of the member. All questions which may arise as to the Death Benefit Department or death benefit matters shall be decided in accordance with these Bylaws and applicable State and/or Federal law. Where conflicting claims are made as to the benefit, the Superintendent may, in his discretion, enter into an agreement with the claimants whereby the claimants agree as to how the benefit shall be paid or agree to submit the matter to arbitration or judicial determination, in which event any payment made by the Superintendent in accordance with any such agreement shall be in full discharge of all obligation of the BMWED, the Superintendent, and the Death Benefit Department; provided, however, that no such agreement, arbitration or judicial proceedings shall entail cost or obligation other than payment of the benefit on the part of the BMWED, the Superintendent or the Death Benefit Department.

Sec. 10. The Superintendent of the Death Benefit Department shall receive all claims against said Department and shall issue checks signed by himself as such Superintendent or by someone whom he has duly authorized to sign checks for him, and countersigned by the President of the National Division, or someone authorized by him to do so, covering all claims which he shall determine to be valid and payable. A Reviewing Committee, composed of the National Division President and of at least four (4) members of the Executive Board, shall meet at the call of the National Division President to review and determine the validity of any death benefit claims appealed or referred to it. The Superintendent of the Death Benefit Department shall not be a member of the Reviewing Committee. In all cases in which any claimant to a death benefit shall be dissatisfied with the disposition of the claim made by the Superintendent, such claimant shall appeal from the disposition made by the Superintendent to the Reviewing Committee, and, unless the Committee then fails to determine the validity of the claim during the ensuing four (4) months, the claimant shall secure the determination of the Committee as to the validity of the claim before instituting any action at law or in equity as to it. Appeals to the Committee shall be taken in writing, delivered to the Reviewing Committee at National Division Headquarters. The claimant and the Superintendent shall submit in writing all evidence and arguments they wish considered and shall furnish each other with copies of all material submitted. The Superintendent may also refer doubtful undetermined claims to the Committee for its decision as to their validity.

Sec. 11. The Superintendent of the Death Benefit Department shall have jurisdiction over all matters pertaining to the Death Benefit Department. No other Officer, representative, member, Local Lodge or Officer or representative thereof, nor any other person, shall, without express written authority to do so from said Superintendent first obtained, have any right, power or authority to act as agent or representative of said Department or of said Superintendent.

Sec. 12. The Superintendent of the Death Benefit Department shall, at the close of each fiscal year, prepare and submit to the Executive Board of the BMWED a detailed statement of all monies, funds and property received and all claims paid, as well as all charges against the Death Benefit Department. He shall prepare a statement in detail similar to the foregoing to be presented to the delegates at each National Division Convention and shall also cause the publication in the Official Journal of the names of those individuals for whom a death benefit was paid.

Sec. 13. Participation in the benefits of the Death Benefit Department is closed to members joining or rejoining the BMWWE after December 31, 1962. Only those members of the BMWWE whose joining date and whose last rejoining date, if any, prior to death pursuant to Article XV, Sections 5, 5(a) and 5(b) are each prior to January 1, 1963, shall be eligible to receive death benefits. Death benefits are payable solely to eligible members and are payable solely for, and solely in consideration of, continuous promptness in the payment of the required regular union dues and assessments which must be paid in any event for the maintenance of BMWWE/BMWED membership. No extra fee or charge can be paid for them. Questions as to whether a death benefit is payable or the amount to be paid shall be determined solely by the deceased member's period of continuous membership for death benefit purposes. Continuous membership of a member for death benefit purposes shall mean that period preceding the death of the member during which all of his dues and assessments were continuously and without interruption paid in advance or within the month in which due or in the case of retired members, in advance or within the first month of the quarter in which due. In computing said period of continuous membership of a member, no period prior to his joining date or to his last rejoining date pursuant to Article XV, Sections 5, 5(a) and 5(b), whichever of said dates is latest, shall be included; nor shall said period include any period after the date of death of said member, even though his dues may have been paid beyond the date of death.

Sec. 14. This Article shall govern all claims and payment thereof where the member's death occurs on or subsequent to said date. Where the death occurs prior to said date the

claims and payment thereof shall be governed by the provisions of these Bylaws as in effect at the date of death.

Sec. 15. Any member of the BMWED eligible for death benefit rights pursuant to Section 13 of this Article entering the military service of the United States of America, shall have his death benefit standing maintained as of the date of entering military service; provided, however, that upon his returning to the BMWED-represented service he will, within thirty-five (35) days, re-affiliate himself with the BMWED by paying the current month's dues or, if totally disabled, securing a Retiree Membership Card; and further provided that while in military service neither the member, his beneficiary, nor his estate, will have any claim upon the Death Benefit Department of the BMWED.

A member in military service has all the rights and privileges in the BMWED, including any death benefit rights for which he is eligible, if he continues to pay his dues, as required by these Bylaws with respect to eligibility for and maintenance of said rights, while in such service, subject to the terms of the Merger Agreement.

ARTICLE XIV

Bonds

Section 1. All National Division Officers, organizers, representatives and employees who handle funds or property of the BMWED or of a trust in which the BMWED is interested shall be bonded in such amounts as are determined by the National Division Secretary-Treasurer with the approval of the Executive Board to be required by applicable law; provided, however, that the bonds of the National Division President and Secretary-Treasurer shall be not less than the amount of \$500,000 each, the bonds of the members of the Executive Board in the sum of at least \$100,000 each, and the bonds of each Vice President, National Division organizer, representative or traveling auditor not less than \$100,000 each irrespective of the requirements of applicable law. The expenses of all such bonding shall be paid from the general funds of the National Division.

Sec. 2. All System Division or Federation Officers, organizers, representatives, or employees who handle funds and property of the BMWED or of any of its constituent bodies or of a trust in which any of such bodies is interested shall be bonded in such amounts as are determined by the National Division Secretary-Treasurer to be required by applicable law;

provided, however, that all active General Chairmen, System Division or Federation Secretary-Treasurers, Vice Chairmen, Assistant Chairmen and System Division or Federation organizers shall be bonded in an amount not less than \$2,500 each irrespective of the requirements of applicable law. The expenses of all such bonding shall be paid from the funds of the respective System Division or Federations, and the bonds shall be made payable to the National Division or the System Division or Federation as their respective interests may appear.

Sec. 3. All Local Lodge Officers, organizers, representatives or employees who handle funds and property of the BMWED or any of its constituent bodies or of a trust in which any of such bodies is interested shall be bonded in such amounts as are determined by the National Division Secretary-Treasurer to be required by applicable law; provided, however, that irrespective of the requirements of said law each Secretary-Treasurer of a Local Lodge shall be bonded in the sum of not less than \$2,500. The expense of such bonding shall be paid from the funds of the respective Local Lodges but nothing in this Section shall prevent System Divisions or Federations from paying such expenses from their funds should they so elect.

Sec. 4. All such bonds provided for in the foregoing Sections shall be arranged and contracted for by and through the National Division Secretary-Treasurer with a reliable surety company selected jointly by the National Division President, Secretary-Treasurer and Executive Board. All such bonds shall remain in the custody of the National Division Secretary-Treasurer on behalf of the Trustees of the BMWED subject to their disposition and control as hereinbefore provided in Section 11 of Article VI.

Sec. 5. Should any shortage be discovered under any of the bonds provided for in this Article, the same shall be reported to the surety company through the National Division Secretary-Treasurer, such report to consist of a complete and correct audit and a sworn statement outlining all the essential facts in the case.

In the event of any such shortage, no Officer, board, committee or other body of the BMWED shall be authorized to accept any amount in settlement or release the surety company from liability without the written consent of the National Division Secretary-Treasurer, or in case of shortage of a National Division Officer, the written consent of the Executive Board and National Division Secretary-Treasurer who shall not grant such consent without the approval and authorization of the surety company.

ARTICLE XV

Revenue, Fees, Dues and Assessments

Section 1. Revenue shall be derived from initiation fees, dues and assessments, as are levied by properly constituted authority in accordance with these Bylaws, plus amounts earned through investments and other miscellaneous receipts. Aside from such sums as these Bylaws provide shall be allocated to and placed in other funds, all revenue of the National Division shall be placed in a fund known as the General Fund and shall be in the possession of the National Division Secretary-Treasurer for the purpose of defraying expenses of the National Division. The National Division will furnish new lodges with supplies at no cost.

Sec. 2. Initiations for new members shall be \$100.00, the entire amount of which will be collected in every instance and given to the local lodge that the member joins. Initiation fees for new members hired where a non standard contract is in place or for non-rail contracts, shall be \$20.00, the entire amount of which will be collected in every instance and given to the local lodge that the member joins. No portions of this fee to be returned to applicant or any dispensation granted doing away with same except on roads, portions of the roads, or employers where there is no organization, where the BMWED has become depleted, where dual organizations hold contract or where the BMWED is being seriously threatened by new organizations. The National Division President, with the approval of the Executive Board, may issue dispensations temporarily eliminating the initiation fee.

System Divisions or Federations operating under check-off agreements on properties where a Union Shop Agreement is not in effect, shall deduct the required initiation fee from the initial dues payment withheld from the employee's earnings and remitted to the BMWED.

New members paying their initiation fee in accordance with the provisions of the preceding paragraph shall be required to make application for membership by filing a membership request form with the proper System Division or Federation office. Such forms shall be furnished and approved by the National Division.

With regard to the percentage of any initiation fee due under Article X, Section 3(a) of the IBT Constitution shall be paid entirely from the local lodge that the member joins.

Sec. 3. Each member shall be required to pay all BMWED dues and assessments.

National Division dues shall be adjusted each January to reflect one and three-tenths (1.3) of the average straight time hourly rate of pay for each of the three rate classifications listed in Paragraph 3.8 of the Merger Agreement. The average straight time hourly rate of pay for standard contracts will be based on the information reflected in the annual statement published by the National Railway Labor Conference which shall be used as an equivalent formula. In the event that the National Railway Labor Conference ceases to publish the annual statement or alters it materially, and for non-standard and non-rail contracts listed in Paragraph 3.8 of the Merger Agreement, an alternative equivalent formula shall be adopted so as to accurately reflect increases in rates-of-pay provided for under Agreements during the appropriate measurement period. Said amounts shall be rounded to the nearest 25 cents, which additional sum shall be taken into consideration when calculating any dues increase for the following year.

Any member who wishes to maintain full good standing during periods of unemployment or sickness may pay dues at the applicable Non-Working rate. The Non-Working rate shall equal the sum of the then current applicable IBT and Rail Conference per capita remittances, plus one dollar each to National Division, his System Division or Federation, and his Local Lodge. Dues timely paid at the Non-Working rate shall supersede any System Division or Federation or Local Lodge rate of dues and assessments set by action of their governing bodies. Members paying Non-Working dues will be counted in National Division's per capita remittances to the International Union. Provided, however, that notwithstanding a rail carrier's classification as Class II or III, where the average weighted straight-time hourly rate on such property falls within the range of hourly rates of standard contracts, National Division dues shall be that applicable to members working under standard contracts. National Division dues for retired members shall be \$16.00 per member per year payable in the amount of \$4.00 per quarter.

The National Division President may temporarily waive these dues obligations on new-organized properties with the approval of the National Division Officers. Such waiver will not continue beyond the effective date of the first collective bargaining agreement.

Each January 1 any monies in the strike fund in excess of 15 million (absent any additional assessments) shall be transferred by the National Division Secretary-Treasurer to the National Division General Fund. An itemized account of this transfer shall be provided to the National Division Executive Board with a copy to all System Officers.

Subject to the provisions of Section 4 of this Article, Joint Protective Boards or System Division or Federation Conventions may establish System Division or Federation dues.

Local Lodge dues shall be uniform by System Divisions or Federations subject to the provisions of Section 4 of this Article. All Local Lodge Secretary-Treasurers shall remain exempt from the payment of all dues until December 31, 2005 while holding that office. Except that any Local Lodge Secretary-Treasurer who is delinquent for more than ninety (90) calendar days in the execution and filing of Local Lodge reports as required in accordance with Article XVIII, Section 13, will be responsible for the payment of full dues, fees and assessments retroactively for each month, beginning the month such report was due and continuing each month until such written report is finally compiled and received.

System Division or Federation dues and Local Lodge dues shall be paid to the System Division or Federation and to the Local Lodge having jurisdiction over the position to which a member is regularly assigned.

New and rejoining members shall be required to pay the full month's dues for the month in which they become members.

System Divisions or Federations shall consider the odd cents collected in conjunction with the foregoing provisions as Local Lodge dues and such monies shall revert to the Local Lodge.

Newly merged or consolidated System Divisions or Federations may temporarily preserve their pre-merger or pre-consolidation dues structures, and those of their respective affiliated lodges, provided that they be gradually equalized in accordance with a plan approved by the National Division President and Executive Board.

Sec. 4. Increases in the established initiation fee or in National Division dues shall be made pursuant to a representative majority vote of the delegates voting at a regular National Division Convention, or at a special Convention of the National Division held upon not less than thirty (30) days written notice to all System Divisions or Federations and Local Lodges entitled to such notice.

Any increases in dues by Joint Protective Boards or System Divisions or Federations shall be effected as follows: By majority vote of the delegates to a regular Convention of the Joint Protective Board, System Division or Federation; or, if at a special Convention, by majority

vote of the delegates after not less than thirty (30) days' written notice to each of the Local Lodges comprised within such Joint Protective Board, System Division or Federation, or by majority vote of the members in good standing of each of the Local Lodges comprised within said Protective Board, System Division or Federation voting in a membership referendum conducted by secret ballot; or by majority vote of the members of the System Division or Federation Joint Protective Board or similar governing body, pursuant to express authority contained in the System Division's or Federation's Constitution and/or Bylaws; provided, however, that such increase shall be effective only until the next regular Convention of the System Division or Federation.

Any increases in Local Lodge dues may be made on the uniform basis required by said Section 3 after authorization by the membership of the Local Lodges within a given System Division or Federation voting as follows: (1) by majority of those Local Lodges voting, each lodge vote will be governed by majority vote by secret ballot of the members in good standing voting at a general or special membership meeting after reasonable notice of the intention to vote upon such question; or (2) by majority of those voting members in good standing voting in a membership referendum conducted by secret ballot.

Sec. 5. Effective January 1, 1983 upon written request of a member, the Superintendent of the Death Benefit Department shall promptly notify any member in writing who upon retirement is ineligible for death benefits as a result of a late or missing dues payment. All dues and properly levied assessments must be paid in advance to an authorized representative on or before the first day of the month for which such dues and assessments are due; if they are not so paid a member eligible for death benefit rights shall be deemed to be delinquent insofar as his status in the Death Benefit Department is concerned and to have forfeited any and all rights, interests and benefits of, in and to said Death Benefit Department and its funds and property as provided in Article XIII, of these Bylaws and particularly in Sections 3, 4, 6 and 13 thereof. Except as to his status in the Death Benefit Department as governed by Article XIII, a member who is not otherwise delinquent and who pays his current dues and assessments in full within the current month will be considered in good standing and entitled to all benefits and privileges of the BMWED, subject to the terms of the Merger Agreement. A member refusing or failing to pay his unpaid back dues and assessments in full or refusing or failing to pay his current dues and assessments in full within the current month is not in good standing, is delinquent for all purposes and shall not be entitled to a seat in his lodge or to any of the benefits or privileges of a BMWED member; provided, however, that a retired member who is not otherwise delinquent and who pays his current dues and assessments in full within the first month (i.e., January, April, July or October) of any current quarter will be considered in good standing and entitled

to all benefits and privileges of the BMWED, subject to the terms of the Merger Agreement. A retired member refusing or failing to pay his unpaid back dues and assessments in full or refusing or failing to pay his current dues and assessments in full within the first month of any current quarter is not in good standing, is delinquent for all purposes and shall not be entitled to a seat in his lodge or to any of the benefits or privileges of a BMWED member. Any member desiring to pay his dues in advance will be allowed to do so. Upon death of a member any dues paid in advance beyond the month or quarter in which death occurs shall be refunded.

(a) A member coming under the provisions of a Union Shop Agreement who becomes delinquent for all purposes by reason of failure to pay his dues and assessments shall be considered in violation of said agreement; such violation requires the filing of a citation notice, after which dues and assessment payments cannot be accepted.

An individual residing in the United States covered by a Union Shop Agreement must pay the initiation fee, dues and assessments (not including fines and penalties) required of all members of the union within the time limits provided for in the Union Shop Agreement. Such an individual may elect to meet the requirements of the Union Shop Agreement without joining the BMWED or if presently a member, by resigning such membership and continuing to pay a fee equivalent to periodic full (monthly) dues and assessments required for the acquisition or retention of membership in the BMWED. If a member chooses to resign his/her membership, he/she must notify the National Division Secretary-Treasurer in writing. Such individual shall be referred to as an agency fee payer and thereafter, considered a non-member and deemed to have met the membership requirements of the Union Shop Agreement. Agency fee payers shall be equally eligible for all benefit programs available to members, including strike benefits, death benefits and the Journal. Non-members shall not be eligible to run for or hold office, participate in the BMWED's governing activities, vote or be counted for purposes of tabulating votes.

A non-member coming under the provisions of a Union Shop Agreement who fails to pay the initiation fee, dues and assessments necessary to become a member within the time required by the agreement shall be considered in violation of said agreement; such violation requires the filing of a citation notice, after which such initiation fee, dues and assessments cannot be accepted.

(b) A member not coming under the provisions of a Union Shop Agreement who becomes delinquent for all purposes for a period of less than six (6) months may, subject to the limitations of Article XIII, and particularly Sections 3, 4, 6, 8 and 13 thereof, rejoin as a member

upon payment of all back and current dues and assessments; if six (6) or more months delinquent, he may rejoin upon payment of an initiation fee and the current month's dues.

Sec. 6. Each System Division or Federation Secretary-Treasurer properly qualified to handle remittances shall remit to the National Division Secretary-Treasurer all National Division funds and other funds coming into his possession, not belonging to his System, including National Division and IBT portions of the initiation fee, twice each month and include in such remittance all funds received by him more than five (5) days prior to the date of such remittance; except that funds in his possession belonging to Local Lodges assigned to his System shall be remitted to the Local Lodge Secretary-Treasurers of the respective Lodges within twenty (20) days after receipt of the current quarterly Local Lodge audit report in proper order. He shall see that all Local Lodge Secretary-Treasurers remit all collections in accordance with Section 7 of this Article and shall promptly notify the National Division Secretary-Treasurer of such Secretary-Treasurers who fail to comply in full with Section 7. He shall promptly handle with the Local Lodges, Organizers and other representatives remitting to him, all matters of correction of payment credits and other discrepancies in reports, collection of missing payments, etc., as well as all correspondence pertaining thereto, furnishing copies of same to the National Division Secretary-Treasurer, when transmitting the respective remittances. He shall maintain proper membership records and an adequate record of all funds and receipts received, handled and distributed by him, maintaining an accurate account of all such items with all Local Lodges, Organizers and other representatives under his jurisdiction, as well as with the National Division; and deposit, in the name of the BMWED, all monies coming into his possession, in reliable banks or trust companies covered by the Federal Depository Insurance Laws. He shall maintain a proper record of all financial transactions of his office and be prepared, at all times, to make a complete accounting for all funds, turned over to him or remitted to him, as well as any BMWED property or securities coming into his possession. He shall keep a strict check on the audits of all Local Lodges assigned to his System, seeing to it that audits are promptly and regularly made each quarter and reports covering rendered to the System office and to the National Division within the required time.

Sec. 7. Each Local Lodge Secretary-Treasurer shall remit to the Secretary-Treasurer of the System Division or Federation to which assigned (if qualified to receive remittances, otherwise to the National Division Secretary-Treasurer) all collections received by him, including full initiation fee, at least once each month except that he shall retain in his possession, for Local Lodge purposes, the Local Lodge dues collected for his Lodge.

Sec. 8. Refunds of monthly dues, fees and assessments for those who transfer outside the jurisdiction of BMWED will only be allowed for the months following the month the applicable General Chairman involved receives a written request and/or a valid revocation of the Dues Deduction Agreement wage assignment authorization. A notice pertaining to the Brotherhood's dues refund Bylaws provision will be published semi-annually in the Secretary-Treasurer Report of the Journal or its successor publication.

ARTICLE XVI

Dues Receipt, Unemployment, Dispensation and Life Membership Cards, Emblems and Badges

Section 1. The payment of fees, assessments and monthly dues shall be receipted for by a monthly serially-numbered official dues receipt card furnished by the National Division and bearing the National Division logo, provided, however, that in the case of employees of employers who are subject to dues check-off agreements, such individual payroll check stubs shall serve as their official dues receipt and evidence of the payment of dues. In addition to the foregoing, the National Division shall provide each remitter on checkoff with an annual dues receipt following January 1 of each year, reflecting the dues paid by each remitter during the preceding 12-month period. Any such receipt must be completely filled out showing actual date of payment, name of remitter, identification number, date of birth, occupation, employer, Lodge number, month to which paid, amount paid and signature in full of the Local Lodge Secretary-Treasurer or authorized representative. An official receipt so issued and showing no erasure or alteration shall be recognized as evidence of good standing in the BMWED. No receipt for fees, assessments or dues other than on the official form furnished for this purpose by National Division shall be recognized as evidence of good standing in the BMWED. The National Division Secretary-Treasurer shall prescribe regulations to govern the issuance and reporting of official dues receipts, which regulations shall be rigidly complied with by all bonded Officers and representatives of the BMWED.

Dues payments received at the National Division shall be receipted for in conformity with data processing. Consistent with the foregoing, National Division shall furnish periodic reports to each System Division or Federation that requests monthly membership records for their respective System Division or Federation in a form which to the extent practicable is compatible with record keeping systems maintained by such System Division or Federation.

Sec. 2. Any member who is fully paid up and in good standing shall be entitled to an Unemployment Card, without cost, when laid off through a reduction in forces, sickness or temporary disability, strikes or lockouts, or when serving in the Military Service of the United States. Any member now or hereafter holding an Unemployment Card shall be entitled to retain such card only while he holds seniority rights to a position under the jurisdiction of the BMWED. When he has lost such seniority rights, such Unemployment Card shall become void, and shall be forthwith surrendered and such member shall thereafter be subject to the provisions governing Withdrawal Cards and Retiree Membership Cards; provided, however, that if such member leaves the service of the employer, transfers to or becomes employed in a position not under the jurisdiction of the BMWED, or becomes employed in an official capacity, he will be required to pay full dues. Members to whom this provision applies must comply with its requirements; failing to do so, they shall forfeit any and all rights, interests, benefits and privileges in the BMWED and in and to said Death Benefit Department, its funds and property.

Members who apply for an Unemployment Card must, do so within sixty (60) days from the last day of the month in which they were employed. At the time of such application, the member will furnish their date of birth, which shall appear on said Unemployment Card when issued. Such Unemployment Cards shall be obtained from the Secretary-Treasurer of the Local Lodge in which membership is held, or from a bonded System Representative of the BMWED on his System Division or Federation. The original Unemployment Card shall be given to the member and a duplicate thereof shall be forwarded within thirty-one (31) days, with the authorized representative's current remittance report. A triplicate copy shall be forwarded to the System Office and a quadruplicate copy of such Unemployment Card shall be retained by the Local Lodge Secretary-Treasurer when issued by him; otherwise, it shall be retained by the bonded System Representative issuing the card for his permanent record. When such member is re-employed in a position under the jurisdiction of this BMWED for a period of thirty (30) calendar days, he must, within thirty-five (35) calendar days from date of such re-employment, present and surrender such Unemployment Card to the Secretary-Treasurer of the Local Lodge within the jurisdiction of which he is employed or to a direct representative of the National Division or System Division or Federation, and pay dues for the month in which he returns to service. The original Unemployment Card, when available, shall be forwarded to the National Division Secretary-Treasurer with the remittance report listing the member's current monthly dues payment. On System Divisions or Federations qualified to receive remittances, the card shall be forwarded to the System Division or Federation Secretary-Treasurer for transmittal to the National Division Secretary-Treasurer.

A member holding an Unemployment Card shall for one year from the date of its issuance be considered a member in good standing and shall be entitled to all the rights, privileges, benefits and protection guaranteed by these Bylaws of the National Division except as provided in the Merger Agreement. After one year, such member shall be entitled to a seat in the Local Lodge while in session, but shall not be entitled to a voice or a vote. The provisions of this Section shall also apply to a member paying National Division dues only and holding a Retiree Membership Card, except those who have been granted a 50 year life membership in accordance with Section 4 of this Article, subject to the terms of the Merger Agreement.

Sec. 3. The permanent emblems, badges and other regalia supplied by the National Division may be used. No other emblems, badges or regalia shall be used unless first approved by the National Division.

Sec. 4. Any member who has 50 years of continuous membership in the BMWED shall receive a life membership and appropriate merit awards. Retirees who have less than 50 years of membership with the BMWED and wish to become a life member will be offered a chance to purchase a life membership in the BMWED. The cost for a life membership will be determined by the number of years needed to equal 50 calendar years of membership multiplied by 70% of the current retiree dues rate. Dues payments in the first and/or last year of membership will fulfill the dues requirement for that year. Life members shall continue to have all of the rights and benefits afforded a full dues-paying retired member in accordance with the provisions of these Bylaws, subject to the terms of the Merger Agreement.

ARTICLE XVII

Membership

Section 1. Eligibility. Any employee or any individual for whom the BMWED is seeking representation rights for, is eligible for membership in the Brotherhood of Maintenance of Way Employes Division.

Sec. 2. Assignment of Members. All members shall be assigned to the Local Lodge nearest their point of residence on the System on which employed and under whose jurisdiction the member is working. Members from any Local Lodge's jurisdiction may be assigned to a System Lodge upon the approval of the General Chairman, the jurisdiction of the Local and System Lodges to be defined and designated by the General Chairman.

Sec. 3. Transfer of Membership. A member moving from the jurisdiction of one Local Lodge to that of another Local Lodge must apply for his Transfer Card within sixty (60) days. A member transferring from one Local Lodge to another Local Lodge nearer his point of residence will be governed by the provisions of the next following paragraph of this Section.

The Transfer Card shall be issued by the Secretary-Treasurer of the Local Lodge to which the member belongs. Where the Local Lodge Secretary-Treasurer fails to issue a Transfer Card, same will be issued by the General Chairman. The original card shall be given to the member to be presented by him to the Lodge to which he desires to transfer. Copies thereof shall be forwarded within thirty-one (31) days to the National Division Secretary-Treasurer, the System Office, the Local Lodge to which transferred and a copy retained by the Local Lodge Secretary-Treasurer for his permanent record. Transfer Cards are good only ninety (90) days from date of issue. The original Transfer Card presented by the member will be accepted and filed by the Secretary-Treasurer of the Lodge to which transfer is made. Nothing in this Section shall operate to prevent the transfer of members or groups of members without Transfer Cards in connection with consolidation of Lodges where such consolidation has been properly requested and authorized.

Sec. 4. Withdrawal Cards and Loss of Active Membership. Any member who is fully paid up and in good standing:

(a) Who leaves the service of the employer or transfers to or becomes employed in a position not under the jurisdiction of the BMWED, or who is employed in an official capacity, shall be entitled to apply for and receive a Withdrawal Card without cost; or if he so desires, may continue his membership by continuing to comply with all provisions of these Bylaws applicable to membership, including payment of full dues and assessments; provided, however, that such a member will not be eligible to participate in or take any part in transacting the business of the BMWED. Members holding Withdrawal Cards and returning to service in a position under the jurisdiction of the BMWED for a period of thirty (30) calendar days must, within thirty-five (35) calendar days from date of such re-employment, present and surrender such Withdrawal Card to the Secretary-Treasurer of the Local Lodge within the jurisdiction of which he is employed, or to a direct representative of the National Division or System Division or Federation and pay dues for the month in which he returns to service.

The original Withdrawal Card, when available, shall be forwarded to the National Division Secretary-Treasurer with the remittance report listing the member's current monthly dues payment; except that on System Divisions or Federations qualified to receive remittances,

the card shall be forwarded to the System Division or Federation Secretary-Treasurer for transmittal to the National Division Secretary-Treasurer.

(b) Who is retired or receiving an annuity may:

(I) Apply for and receive a Withdrawal Card without cost or

(II) If he desires to continue as a member of the BMWED, apply for and receive a Retiree Membership Card. Contingent upon receiving such card and thereafter complying with all provisions of these Bylaws applicable to retired members, including payment of all National Division dues prescribed in Article XV for members holding Retiree Membership Cards, he shall have all of the rights of a retired member including any rights in the Death Benefit Department for which he is eligible pursuant to the provisions of Article XIII, subject to the terms of the Merger Agreement; or

(III) If he desires to continue full membership in the BMWED, he may do so upon continuing to comply with all provisions of these Bylaws applicable to full membership including payment of full dues and assessments, subject to the terms of the Merger Agreement.

After December 31, 2005, members who upon retirement, or upon the receipt of an annuity, continue without interruption to pay full dues and assessments or who have received life memberships shall be entitled to attend Local Lodge meetings. Such members serving as BMWED Officers or representatives at the time of retirement, or at the time annuity is granted, may serve out the balance of the term for which elected, subject to the terms of the Merger Agreement. They shall not be eligible for election or re-election or to participate in the transaction of BMWED business except to the extent herein provided and in the case of Local Lodge Secretary-Treasurers who shall be eligible for re-election as Local Lodge Secretary-Treasurers, subject to the terms of the Merger Agreement.

(c) Withdrawal Cards and Retiree Membership Cards shall be obtained from the Secretary-Treasurer of the Local Lodge in which membership is held, or from a bonded System Representative of the BMWED on his System Division or Federation. The original card shall be given to the member and a duplicate thereof shall be forwarded within thirty-one (31) days with the authorized representative's current remittance report. A triplicate copy shall be forwarded to the System Office and a quadruplicate copy retained by the Local Lodge Secretary-Treasurer when issued by him; otherwise, it shall be retained by the bonded System Representative issuing the card for his permanent record. Members applying for either

Withdrawal Cards or Retiree Membership Cards must, at time of such application, furnish their date of birth which shall appear on said Withdrawal and Retiree Membership Cards when issued.

Sec. 5. Notification of Expelled Membership. When a member is expelled by a Local Lodge, the Secretary-Treasurer of such Lodge shall at once notify the System Division or Federation Secretary-Treasurer and the National Division Secretary-Treasurer, giving the expelled member's name, membership number, address and cause of expulsion, and it shall be the duty of the National Division Secretary-Treasurer to notify all Local Lodges by circular letter, of such expulsion, giving name, address, membership number and cause of expulsion.

Sec. 6. Duties of Members. Each member shall pay all required dues, as well as all assessments or fines properly levied, to a proper representative of the BMWED, and shall, after paying such dues, assessments or fines in full, receive an official dues receipt card.

It shall be the duty of every member to pay all dues and assessments promptly; to attend the meetings of his Local Lodge regularly unless prevented by sickness or other just cause; to comply with and assist in enforcing provisions of these Bylaws and other laws, rules and regulations of the BMWED; to see that these Bylaws are not violated; to recognize any member in good standing as a Brother and to never knowingly harm a fellow member; to never discriminate against a fellow worker on account of race, color, religion, sex, age, physical disability, sexual orientation, or national origin; to refrain from any conduct that would interfere with the Union's performance of its legal or contractual obligations; and at all times to bear true and faithful allegiance to the BMWED and his Local Union.

Sec. 7. Maintenance of Good Standing. Subject to the terms of the Merger Agreement, "Good Standing" means the payment of all required dues on or before the last day of the current month without a late or missing payment for the required number of months, or time stipulated in the various provisions of these Bylaws. Membership in good standing in the BMWED includes any person who has fulfilled the requirements for membership and who has not voluntarily withdrawn from membership, become ineligible for continued membership, or been suspended or expelled as provided in these Bylaws; provided, however, that the exercise of certain rights and privileges of membership shall be subject to the reasonable rules, regulations and limitations set forth in these Bylaws, the Merger Agreement or in those of the member's System Division. Any member who fails to meet the requirements set forth in these Bylaws regulating the payment of dues and assessments shall automatically lose his membership and all rights, privileges and benefits pertaining thereto.

Those members unemployed due to legal strike by our organization or sister railroad organization will maintain good standing for the duration of said strike without said payment of dues, assessments and fees for any month for which they do not receive compensation, subject to the terms of the Merger Agreement.

Sec. 8. Privileges of Membership. Every member in good standing shall be entitled to all rights, privileges, benefits and protection guaranteed by these Bylaws of the National Division and the Merger Agreement.

Any member in good standing shall be admitted as a visitor to any Local Lodge of the BMWED while said Local Lodge is in session provided he can prove that he is in good standing with his own Local Lodge.

Every member in good standing shall have the right and privilege to vote in elections or referendums of the BMWED, to attend membership meetings and participate in the business of such meetings subject, however, to applicable provisions of these Bylaws, the Merger Agreement and to such reasonable rules and regulations, qualifications, limitations or restrictions as may be provided by other applicable laws, policies or decisions of the BMWED including those contained in Constitutions and/or Bylaws of System Divisions or Federations or Local Lodges.

ARTICLE XVIII

Government of Local Lodges

Section 1. Formation of Local Lodges and Application for Charters. To institute a Local Lodge twenty-five (25) or more persons eligible for membership under the provisions of these Bylaws shall meet under the auspices of someone authorized to represent the BMWED, and after paying the required fees and dues, they shall proceed to vote by secret ballot upon each applicant in turn in alphabetical order. If two or more negative votes are cast against an applicant he shall be rejected. When the ballot is closed those who have been accepted shall be initiated by the duly accredited representative, and those who have been rejected shall have their fees and dues returned. If the necessary number have been accepted they shall decide upon a name for their Lodge, leaving the number blank, and proceed to elect Officers as hereinafter provided in Section 9 of this Article. After the Officers are installed, application must be made for a charter upon blanks furnished by the duly accredited representative of the

BMWED and requests for instructions addressed to the National Division Secretary-Treasurer respecting bonding of Officers, representatives and employees. When the said application and request for instructions are received by the National Division Secretary-Treasurer, accompanied by the necessary fees and dues, he shall at once issue and forward a charter, a full set of supplies to the Secretary-Treasurer of the Lodge and instructions governing bonding of the Local Lodge's Officers, representatives and employees.

Sec. 2(a). Dissolution of Local Lodges. A Local Lodge cannot voluntarily surrender its charter if ten (10) members in good standing desire to retain it. When the membership of any Local Lodge is less than ten (10) for six (6) successive months, the National Division Secretary-Treasurer may, with the approval of the System Division or Federation General Chairman, consolidate the Local Lodge with another Local Lodge and reclaim its charter and the National Division or IBT property as hereafter provided in the next paragraph of this Section. When the membership of a Local Lodge is down to five (5) or less for six (6) successive months, or should a Local Lodge fail to hold meetings for a period of twelve (12) months, the National Division Secretary-Treasurer may, after consultation with the System Division or federation General Chairman, dissolve the Local Lodge and reclaim its charter and the National Division or IBT property as hereafter provided.

All minute books, record books and charters furnished to Local Lodges by the National Division Secretary-Treasurer or IBT shall remain the property of the National Division or IBT and be returned to it should the Local Lodge be dissolved as hereinbefore provided, and in such event the funds and properties of said Local Lodge shall be forwarded to the National Division Secretary-Treasurer and shall be equally divided and assigned to the National Division and the System Division/Federation having jurisdiction of the dissolved Local Lodge; provided, however, that in the event of consolidation of two or more Local Lodges, the funds and properties of all such Local Lodges which consolidate shall revert to the Local Lodge(s) in which they are consolidated.

Sec. 2(b). Consolidation of Local Lodges. Local Lodges of the same System Division or Federation may consolidate in order to facilitate the representation of the members therein, in the following manner:

(1) Each Local Lodge will assemble at a special meeting to determine by majority vote of the attending members in good standing if they desire consolidation with another Local Lodge or Lodges;

(2) If approval for consolidation is attained, a joint special meeting of the Local Lodges involved will be called by the Presidents of the respective Local Lodges. At such joint session all officers' positions shall be declared vacant and new officers elected. Subsequently, it will be determined which charters will be returned to the National Division.

In all cases of consolidation of two (2) or more Local Lodges, the funds and physical assets of those Local Lodges which consolidate shall revert to the Local Lodge in which they are consolidated; however, the charter(s) and all National Division and IBT property as hereinbefore provided shall be returned to the National Division.

Sec. 3. Jurisdiction. Except as otherwise provided in these Bylaws or the Merger Agreement, Local Lodges shall have jurisdiction over all their members on subjects pertaining to the BMWED, provided, however, that their decisions in all matters shall be subject to appeal to be handled in accordance with the applicable provisions of these Bylaws and the Merger Agreement. Local Lodges shall have power to summon witnesses and impose penalties for violation of these Bylaws, the IBT Constitution or the Merger Agreement by any member after charges and trial.

Sec. 4. Governing Laws. Each Local Lodge, its Officers, representatives and members shall recognize, observe and be bound by the provisions of these Bylaws, the Merger Agreement and the IBT Constitution and including interpretations thereof rendered by the individual granted authority under these Bylaws, the IBT Constitution or the Merger Agreement, the resolutions, decisions and directives of the governing body of the BMWED or IBT when made in conformity with the authority granted by these Bylaws, the Merger Agreement or the IBT Constitution, and the resolutions adopted and the policies established at National Division or IBT Conventions.

Sec. 5. Provisions Governing Local Lodge Assessments. Assessments may be levied by Local Lodges for special purposes upon a two-thirds vote of members voting by secret ballot in accordance with the procedures governing increases in Local Lodge dues set forth in Article XV of these Bylaws, provided, however, that all members of the Local Lodge have been notified by mail of such proposed assessment no less than thirty (30) days previous to the vote of its membership, provided, further, that such assessments shall become effective only after approval of the National Division President.

Sec. 6. Membership Meetings. Regular and special meetings of a Local Lodge shall be held as determined by the membership of the respective Lodges.

Special meetings may be called by the IBT General President, National Division President, the General Chairman, the President, or Secretary-Treasurer of the Local Lodge, or at the request of five (5) members in good standing, of which all members shall be given due notice by mail which shall also specify the purpose of the meeting. Any other business than that for which such special meeting was called may be transacted at such meeting with the consent of the majority of the members present.

Five (5) members in good standing shall constitute a quorum and shall be qualified to transact all business properly coming before the Local Lodge.

Every member in good standing of a Local Lodge shall have the right to attend all regular and special meetings of the Lodge and to participate in its deliberations and vote, and to express at such meetings his views upon candidates in elections of the Local Lodge or upon any business properly before the meeting subject, however, to such reasonable rules and regulations as the Local Lodge shall establish pertaining to the conduct of its meetings including its right to enforce reasonable rules governing the responsibility of every member to his Local Lodge and the BMWED as an institution and prohibiting conduct which would interfere with the Local Lodge's or the BMWED's performance of their legal or contractual obligations.

Members of Local Lodges shall also have the right to meet and assemble freely with other members of the BMWED and express their views, arguments or opinions; provided, however, that in so doing they are not guilty of misconduct under these Bylaws, the IBT Constitution or the Merger Agreement or as may be prescribed in the Constitution and/or Bylaws of the System Division or Federation with which it is affiliated.

Sec. 7. Investment and Expenditure of Funds. The money and the property of a Local Lodge shall be used solely for the benefit of the BMWED, the Lodge and its members and not for the personal gain or profit of any Officer or member. Local Lodge Officers, agents, representatives and employees who handle the Lodge's funds or property shall be held to this standard of conduct and accountable for any breach thereof under these Bylaws, the IBT Constitution and the Merger Agreement and as provided by law. Such Officers as are given the responsibility under these Bylaws, the Merger Agreement, the IBT Constitution or applicable System Division or Federation governing laws shall manage, invest and expend its funds and property only in accordance with the applicable provisions of said governing laws and any resolutions properly adopted thereunder.

A Local Lodge shall not contract, agree or be obligated in any way to pay salary or expenses to any Local Lodge member or Officer or to incur any obligation of any kind with members, or others, beyond the extent of the Local Lodge funds and current income of such Local Lodge. Any obligations incurred contrary to the foregoing provision shall not create a claim or lien against the Lodge beyond the extent of available funds in the Local Lodge Treasury.

None of the funds of a Local Lodge shall be obligated or used directly or indirectly to pay the fine of any Officer or employee convicted of any willful violation of the Labor-Management Reporting and Disclosure Act of 1959, but this prohibition shall not prevent the assumption by a Local Lodge of the costs of defending the Lodge or any of its Officers, agents, representatives or employees in any civil or criminal proceedings in which they may become involved for any alleged violations of the law.

In the event of a Local Lodge's funds accumulating to the extent that the members of such Local Lodge decide by a majority vote at a regular meeting to invest their surplus funds, the Secretary-Treasurer will have the authority, with the approval of the President and Chairman of the Auditing Committee, to invest such funds in federal, state, provincial, or municipal bonds, or other investments decided upon by the members, and to collect and deposit the interest due therefrom in the Local Lodge Treasury. All such securities must be purchased in the name of the Lodge.

Sec. 8. Audits and Financial Reports. Examination of the financial affairs of a Local Lodge and audit of its books shall be performed by the Auditing Committee of the Lodge as hereafter provided in Section 13 of this Article. The National Division Secretary-Treasurer may personally or through his accredited representative examine and audit the books and accounts of any Local Lodge as hereinbefore provided in Article V, Sections 10 and 12. Such audits may also be conducted under Article X of the IBT Constitution.

Financial reports shall be prepared and submitted by the Secretary-Treasurer of each Local Lodge as hereafter provided in Section 13 of this Article.

Sec. 9. Nomination and Election of Officers. Eligibility and good standing to nominate, second, run for office and vote, shall be governed by the provisions of the Merger Agreement.

The Officers of each Local Lodge of the BMWED shall consist of a Past President, President, Vice President, Secretary-Treasurer, Recording Secretary, and Auditing Committee of

three members and a Grievance Committee or Committees composed of at least one (1) member from the different departments. The position of Past President is honorary and shall be filled by nomination and election of a member who formerly filled the office of President of the Lodge. The offices of Secretary-Treasurer and Recording Secretary may be consolidated at the option of the Lodge.

Any member in good standing of a Local Lodge who has established seniority rights on some position coming under the jurisdiction of the BMWED, and who meets the eligibility requirements under the IBT Constitution and the Merger Agreement at the time of nomination and election and is a member in good standing at the time of assuming office, shall be eligible to be a candidate and to hold office unless disqualified therefrom by provisions of these Bylaws, the Merger Agreement, the IBT Constitution or applicable law; provided, however, that when new lodges have been established Article II, Section 4(b) of the IBT Constitution will govern.

A member in good standing who accepts employment with another employer to a position under the jurisdiction of the BMWED without interrupting his membership, and who transfers from one Local Lodge to another in accordance with these Bylaws, shall be deemed to have continuous seniority on the new position for purposes of election to Union office.

All Officers of Local Lodges shall be nominated and elected as hereafter provided, subject to the terms of the Merger Agreement. In the United States, nominations and elections shall be held once every three (3) years commencing with the fall elections in 1960 at the first regular meeting of each Local Lodge in the last three (3) months of the year. At the option of the Local Lodge, nominations may be held either at the same meeting at which elections are held or at a meeting preceding the first regular meeting of the last three (3) months when elections are conducted, provided that all members in good standing of the Local Lodge have been given at least fifteen (15) days advance notice in writing at their last known home addresses of the date, time and place at which nominations shall be made and the date, time and place at which elections shall be held; and provided, further, that Local Lodges may at their option permit nominations to be made by mail to the Secretary-Treasurer of the Lodge during the period following the notice and preceding the meeting at which the election is to be conducted. All Officers shall be elected from duly nominated candidates as aforesaid and no "write-in" candidates are permitted.

All elections shall be conducted by secret ballot vote of the members in good standing of the Local Lodge, and each such member shall be entitled to cast one vote unless ineligible therefor under these Bylaws, the Merger Agreement or the IBT Constitution. There shall be no

voting by proxy in any election of Local Lodge Officers. If only one candidate is nominated for a given office, he may be declared elected by acclamation. The requirements of law respecting a "secret ballot" vote mean the expression by ballot, voting machine, or otherwise, of a choice by the member cast in such manner that such member cannot be identified with his vote.

Every member in good standing of the Local Lodge shall be permitted to nominate candidates and shall be eligible as a candidate for office unless disqualified therefrom by provisions of applicable law or ineligible by virtue of provisions in these Bylaws, the Merger Agreement or the IBT Constitution.

Every bona fide candidate for Local Lodge office shall have the right to request distribution of campaign literature in behalf of his candidacy, and the Local Lodge shall comply with all reasonable requests of any such candidate to distribute such literature, by mail or otherwise, to all members of the Lodge in good standing provided that such distribution shall be at the candidate's own personal expense. Whenever the Lodge authorizes distribution of such literature on behalf of a bona fide candidate for office, similar distribution shall be made upon request for all other bona fide candidates and equal treatment will be accorded as to the expense to be borne by such candidates. Any discrimination in favor of or against any candidate by the Local Lodge with respect to use of membership lists, or otherwise, is prohibited. If request is made to the Secretary-Treasurer of the Local Lodge, every bona fide candidate shall also have the right, once within a period of thirty (30) days prior to election, to inspect the list containing the names and last known addresses of all members of the Local Lodge; provided, however, that this requirement shall apply only to Lodges whose membership is subject to Union Shop Agreements in which event a membership list shall be maintained and kept by the Secretary-Treasurer of the Local Lodge at its principal office.

No funds of a Local Lodge or of an employer of any members of such Lodge shall be contributed or applied to promote the candidacy of any person for office; provided, however, that a Local Lodge may make expenditures from its funds for notices, factual statements of issues, and other items necessary to conduct elections so long as they do not involve promotion of any candidate.

The Local Lodge President shall appoint two scrutineers to receive and count the ballots separately for each office. Each candidate for office shall be entitled upon request to appoint one observer who shall be permitted to witness the manner of distribution, casting and tabulation of ballots. Questions concerning validity of any ballot cast or the eligibility of any member to nominate or vote shall be decided by the scrutineers and the Local Lodge President.

On or after January 1, 2006 appeals concerning eligibility shall be handled in accordance with paragraph 4.10 of the Merger Agreement.

A majority of the votes cast for each office is necessary to elect. In the event there is less than a majority vote with three (3) or more nominees, the candidate receiving the lowest number of votes shall be dropped and the balloting shall proceed in this manner until one candidate receives a majority. In the event of a tie vote balloting shall continue until the tie is broken.

The results of the election for each office, as well as the names of all nominees for such office and those members proposing the nomination, shall be duly recorded in the minutes of the Lodge and reported to the membership at the next meeting of the Lodge.

The Secretary-Treasurer of the Local Lodge shall preserve for one year the ballots and all other records pertaining to the election of Officers.

The elections conducted as aforesaid shall become effective and the Officers elected shall assume their respective duties on the first day of January following said elections.

Except for the foregoing specific requirements which must be observed in all Local Lodge nominations and elections of Officers, and except as may otherwise be provided in other Articles of these Bylaws, the Merger Agreement or the IBT Constitution, Local Lodge elections shall be conducted in accordance with procedures established by the Local Lodge.

Sec. 10. Terms of Office. Commencing with the election of Officers in the last quarter of 1960, or the first election held by the Lodge pursuant to the provisions set forth in Section 9 of this Article, all Local Lodge Officers shall serve for a term of three (3) years unless relieved of their duties as provided in these Bylaws or the IBT Constitution or in the case of occupying office as a result of a vacancy as hereafter provided.

Sec. 11. Vacancies in Office. Vacancies occurring in Local Lodge offices because of death, resignation, incapacity, or other cause shall be filled for the unexpired term by election at a regular or special meeting of the Lodge, but the procedure for elections of successors to fill such vacancies may be determined by Local Lodges without regard to the requirements set forth in Section 9 of this Article. Officers elected to fill vacancies shall be installed and assume their duties immediately following election.

Sec. 12. Salaries, Allowances and Expenses of Officers. Salaries and expenses of Local Lodge Officers shall be determined and established by the membership of the respective Local Lodges.

Sec. 13. Authority and Duties of Officers. The Past President shall attend the meetings of the Lodge, assist in the initiation of candidates, install Officers when elected, preside over the meetings in the absence of the President and Vice President, and perform such other duties as are required by the Ritual.

The President shall preside at all meetings of the Lodge, preserve decorum and decide all questions of order subject to an appeal to the Lodge. He shall see that a correct audit of the Secretary-Treasurer's books is made by the Auditing Committee as hereafter provided in this Section not later than thirty (30) days after the end of each quarter. He shall appoint all Committees, except the Auditing Committee and Grievance Committee, the members of which shall be elected as provided in Section 9 of this Article. He shall enforce compliance by all Officers and members of the Lodge with the provisions of these Bylaws, the IBT Constitution and the Merger Agreement and any applicable System Division or Federation Constitution and/or Bylaws. He shall cast the deciding vote on all questions in case of a tie vote of the Lodge.

The President shall also discharge on behalf of the Local Lodge such duties as may be imposed upon him by applicable law, including the execution and filing of any required reports, and he shall cause to be maintained by the Lodge such records in support of such reports and for such periods as the law requires.

The Vice President shall assist the President in the performance of his duties and in the absence of the President he shall preside at all meetings of the Lodge. The Secretary-Treasurer shall receive all communications, conduct the correspondence and have charge of the records of the Lodge. He shall keep a correct account between the Lodge and its members and between the Lodge and the System Secretary-Treasurer and/or the National Division Secretary-Treasurer, and deposit all monies in a reliable bank or trust company in the name of the BMWED, selected jointly by himself and the President of the Lodge. All disbursements from funds so deposited, whether covering remittances of collections or disbursements from the Local Lodge Treasury, shall be by check, signed by the Secretary-Treasurer and may be countersigned by the President of the Lodge. He shall collect from the members of the Lodge all BMWED required dues and initiation fees, as well as any assessments properly levied and any fines imposed by the Lodge, giving properly authorized receipts for same. He shall receive all applications for membership, receive all official dues receipts issued to him by the National Division Secretary-

Treasurer or the System Secretary-Treasurer and keep a proper record of the same upon his books, rendering proper reports upon the forms provided to fully account for all such official dues receipts. He shall present to the Lodge for approval at its first regular meeting in each quarter a report of all business transacted during the previous quarter. He shall deliver to his successor (when elected, qualified and bonded) all books, papers, funds, and other property of the Lodge in his possession, taking his receipt for same. This shall include verification and turning over of the monies on deposit in the bank or trust company. He shall remit to the System Division or Federation Secretary-Treasurer all required dues and initiation fees as well as any assessments collected, at least once each month. Such remittances are to be reported on the forms provided, with the necessary copies, in accordance with standing instructions. After being duly qualified under the provisions of these Bylaws, he shall assume the duties of his office and furnish the National Division Secretary-Treasurer, the System Division or Federation Secretary-Treasurer and the General Chairman a list of the names of Officers elected for the current term. In the case of Local Lodge Secretary-Treasurers remitting direct to the National Division Secretary-Treasurer instead of to the System Secretary-Treasurer, all of the provisions of this paragraph shall apply except that the Secretary-Treasurers of all such Lodges shall be required to remit within the same stipulated time but direct to the National Division Secretary-Treasurer, with the necessary copies of remittance forms provided in accordance with standing instructions.

The Secretary-Treasurer shall also discharge on behalf of the Local Lodge such duties as may be imposed upon him by applicable law, including the execution and filing of any required reports, and he shall maintain such records in support of such reports and for such periods as the law requires.

The Recording Secretary shall keep a true and correct record of the proceedings of each meeting of the Lodge and read the same at the next succeeding meeting for action thereon. He shall also read at the Lodge meetings relevant communications from the National Division, the IBT, the Rail Conference, System Division or Federation or other sources that are of interest to the members.

The members of the Auditing Committee shall have the duty of examining the financial affairs of the Lodge. They shall meet if available and audit the Lodge books not later than thirty (30) days after the end of each quarter. If necessary, they may employ the services of a competent auditor to assist them in making such audit and the expense thereby incurred shall be paid from the Local Lodge funds. The report of the Auditing Committee shall be read at the next regular meeting for approval of the Lodge and filed by the Secretary-Treasurer. A copy of

such report shall be sent to the National Division Secretary-Treasurer and the System Division or Federation General Chairman (except that on System Divisions or Federations qualified to receive remittances, the report shall be forwarded to the System Division or Federation Secretary-Treasurer). Such report shall be signed by the members of the Auditing Committee if available and the Local Lodge Secretary-Treasurer.

The Officers of the Grievance Committee or Committees shall perform such duties as are prescribed for such Committees in Article XIX, Section 11, and as may be provided in the Constitutions and Bylaws of System Divisions or Federations.

Sec. 14. Each Local Lodge in good standing shall be entitled to be represented at the National Division Convention by a delegate or alternate, or a delegate ex officio as set forth in the second paragraph of this Section. However, in the event a Local Lodge elects not to send its own member or delegate ex officio to the National Division Convention, two or more Local Lodges may elect to be represented by a delegate and/or alternate of another Local Lodge in the BMWED from their System Division Federation. No delegate may represent more than five hundred (500) members at the National Division Convention unless such members are all members of one Local Lodge. A delegate or alternate to the National Division Convention may represent as many Lodges as may elect him if the total membership so represented does not exceed five hundred (500) members.

All delegates and alternates to National Division Conventions must be elected by secret ballot vote of the members in good standing of the Local Lodge by which they are accredited to the Convention; provided, however, that National Division Officers shall be delegates ex officio at all National Division Conventions as set forth in Article I, Section 6, if they are not elected as a delegate by a Local Lodge; and provided, further, that if a General Chairman or elective full time System Division or Federation Officer is not elected as a delegate by a Local Lodge, such General Chairman or such System Division or Federation Officer when designated by the General Chairman will, by virtue of his election to such office, be a delegate ex officio at all National Division Conventions (at no expense to the National Division) and accorded the same rights and privileges enjoyed by National Division Officers who are delegates ex officio as set forth in Article I, Section 6. When National Division Officers or General Chairmen or full time System Division or Federation Officers are delegates ex officio at National Division Conventions, such Officers will be entitled to cast one vote in all matters before the National Division Convention except election of National Division Officers.

All National Division Convention delegates or alternates shall be members in good standing of some Local Lodge in good standing with the National Division, and shall meet the eligibility requirements as set forth in paragraph 4.9 of the Merger Agreement, and be a member in good standing to May 1 of the Convention year.

Local Lodges shall elect delegates and alternates to the National Division Convention at a meeting held on or after January 1 of the year in which the Convention convenes. Provided, however, that Local Lodges that do not ordinarily meet between January 1 and May 1 may conduct such elections during the second half of the year prior to the year in which the Convention convenes. All members in good standing of the Local Lodge will be given at least fifteen (15) days advance notice in writing at their last known addresses of the date, time and place at which election shall be held. The National Division Secretary-Treasurer will be advised of the results of such elections in ample time for this information to be recorded at the National Division. All expenses of said delegates shall be paid by Local Lodge or Lodges represented.

The alternate will take the place of the delegate in case the delegate is unable to serve.

Credentials shall be issued to the Secretary-Treasurers of Local Lodges prior to January 1 of the year of the National Division Convention. Credentials must be signed by an elected officer of that Local Lodge. In the event that there is not a Local Lodge Officer present, a System Division or Federation Officer may sign the credential. Original credentials shall be given to the duly elected delegates. Duplicate credentials shall be forwarded to the National Division Secretary-Treasurer's office as soon as possible after the election of the delegates.

Representative votes for each delegate shall be determined in accordance with National Division records twenty (20) days prior to the opening of the Convention, and shall reflect all members in good standing as of May 1 of that year. No votes shall be added and no duplicate credentials shall be accepted after twenty (20) days prior to the opening of the Convention.

Sec. 15. Representation and Election of Delegates to System Division or Federation Joint Protective Boards. Representation of Local Lodges within a System Division or Federation at Joint Protective Board meetings and/or System Division or Federation Conventions shall be governed by the provisions of the Constitution and/or Bylaws of the respective System Division or Federation. All delegates shall be elected by secret ballot vote of the members of the Local Lodge as hereafter provided in Article XIX, Section 4.

Sec. 16. Charges and Trials by Local Lodges. Charges and Trials by Local Lodges shall be conducted in accordance with Article XIX of the IBT Constitution, subject to the terms of the Merger Agreement.

Sec. 17. Affiliation with and Appointment of Delegates to AFL-CIO. Where it is practicable, Local Lodges should affiliate with the Trades Council and State Federations of Labor (affiliated with the American Federation of Labor and Congress of Industrial Organizations).

The National Division President, by virtue of his office, shall be one of the delegates to the Convention of the American Federation of Labor and Congress of Industrial Organizations. All other delegates to such Convention, to which our membership entitles us, shall be appointed by the National Division President. Any member of the BMWED in good standing is eligible to act as such delegate, if so appointed. A list of the delegates to such Conventions shall be published in the official organ of the BMWED prior to the Conventions.

ARTICLE XIX

Government of BMWED Protective Department, System Divisions and Federations

Section 1. Organization and Composition. A Department shall be established and maintained within the BMWED to be known as the Protective Department. The purpose of this Department shall be the promotion of service conditions and protection of its members engaged on positions of employers represented by the BMWED. For the purpose of conducting the business of the Protective Department the following agencies shall be established and maintained:

(1) System Division or Federation, Joint Protective Boards.

(2) Local Lodge or Division Grievance Committees.

(3) Such other agencies, committees or associations of the BMWED which may be established for promoting the purposes of the Protective Department when approved by the National Division Convention or the National Division President.

When, in the judgment of the National Division President, a Railway System or a large branch of a Railway System, or employer has reached a stage of organization to warrant the establishment of a Joint Protective Board, he shall either direct or, through one of his authorized agents, call in a duly elected delegate from each Local Lodge properly instituted on such System for the purpose of the formation of the first Joint Protective Board. Said Joint Protective Board shall be composed of as many members as are determined by said Board, and there must be, so far as is consistent, an equal number of Board members from each Department.

If it is determined by the National Division President that a newly-organized property does not warrant the establishment of its own independent Joint Protective Board, he shall assign the newly-organized members to an existing System Division or Federation. Any appeal of the National Division President's decision shall be submitted to the National Division Executive Board.

Sec. 2. Membership Participation. Each member in good standing in the BMWED shall be required to participate in the Protective Department subject to the laws, rules and regulations by which it is now or may hereafter be governed.

Any member of the BMWED in good standing within the jurisdiction of a System Division or Federation Joint Protective Board is eligible for membership on said Board; provided, however, that after organizing, such Boards may, consistent with the provisions of these Bylaws, the Merger Agreement and applicable law, decide eligibility to membership on said Board.

Sec. 3. Governing Laws. Each System Division or Federation Joint Protective Board, its Officers, representatives and members shall recognize, observe and be bound by the provisions of these Bylaws and interpretations thereof rendered by the National Division President as provided in Article III, Section 2, the resolutions, decisions and directives of the Executive Board or Officers of the National Division when made in conformity with the authority granted by these Bylaws, the resolutions adopted and policies established at National Division Conventions, and the Merger Agreement. Subject to these provisions such Joint Protective Boards may adopt a Constitution and/or Bylaws supplementary to these Bylaws for the purpose of establishing procedures for the conduct of their internal affairs and business provided that none of the provisions of such Constitutions and/or Bylaws shall be in conflict with these Bylaws, the IBT Constitution or the terms of the Merger Agreement and that prior to becoming effective all such Constitutions and/or Bylaws and any amendments thereto shall be

approved by the National Division President. Any member or Local Lodge within the jurisdiction of a System Division or Federation Joint Protective Board violating or failing to comply with said Constitutions and/or Bylaws after such approval and adoption shall be subject to the same penalties as those prescribed for violating any provisions of these Bylaws, the IBT Constitution or the terms of the Merger Agreement.

Sec. 4. Representation and Election of Local Lodge Delegates to System Division or Federation Joint Protective Board Meetings and/or Conventions. The Joint Protective Boards of each System Division or Federation may decide and prescribe in their Constitutions and/or Bylaws in what manner the Local Lodges coming under their jurisdiction shall be represented on their respective boards, as provided in Section 2 of this Article, but each such Protective Board shall prescribe in its Constitution and/or Bylaws procedures governing the nomination and election by Local Lodges within its jurisdiction of delegates to the System Division or Federation Conventions and/or meetings of the Board. Such provisions shall be subject to the terms of the Merger Agreement and shall include the following requirements of existing law:

All delegates and alternates shall be elected by secret ballot vote of the members in good standing of the Local Lodge by which they are accredited.

Sec. 5. Nomination and Election of System Division or Federation Officers. For nominations and elections held on or before December 31, 2005, eligibility and good standing to nominate, second, run for office and vote, shall be governed by the provisions of the BMW Constitution and Bylaws in effect immediately prior to the merger. For nominations and elections held on or after January 1, 2006, eligibility and good standing to nominate, second, run for office and vote, shall be governed by the provisions of the Merger Agreement.

Effective with elections to be held during 1960 and thereafter, all Officers of System Divisions or Federations shall be elected not less often than once every four (4) years by either of the following two methods: (1) by secret ballot vote of the members in good standing of each Local Lodge under the jurisdiction of such System Division or Federation or (2) by delegates and incumbent Officers of the System Division or Federation who have been elected by secret ballot vote of the members of said Local Lodges to represent them on such System Division or Federations. Any incumbent Officer of a System Division or Federation originally elected by secret ballot vote to represent a Local Lodge on the System Division or Federation may continue to participate in future elections if so permitted by the System Division's or Federation's Constitution and/or Bylaws and so long as he remains an Officer and provided that

Local Lodges are given an opportunity to elect new delegates prior to each election held by the System Division or Federation.

If such elections are conducted in accordance with Method No. 1 above, by secret ballot vote of the members in good standing of each Local Lodge comprising the System Federation or Division, such election shall be conducted by referendum of said membership and a plurality of the votes cast for each office shall be sufficient to elect. Prior to any such election a reasonable opportunity to nominate candidates shall be afforded by at least fifteen (15) days advance notice in writing to members of the Local Lodges at their last known addresses of the date, time, and manner in which nominations will be received and the election held. If elections by System Divisions or Federations are conducted in accordance with Method No. 2 above, by having only Local Lodge delegates and incumbent Officers as aforesaid participate in the election, then the elections shall be by majority vote after at least fifteen (15) days advance notice in writing to the delegates and incumbent Officers of the date, time, and place in which nominations shall be made and the elections conducted.

The following Officers (or others of comparable title) shall be elected by System Divisions or Federations: A General Chairman, Vice Chairman, Assistant Chairman, Secretary-Treasurer and an Executive Committee consisting of such Officers as shall be designated by the respective System Divisions or Federations in their Constitutions and/or Bylaws. At the option of a System Division or Federation the positions of Vice Chairman, Assistant Chairmen and Secretary-Treasurer may be consolidated in the interest of economy. In addition to the foregoing Officers required by these Bylaws, the term "Officer" and the requirements pertaining to his election shall include any member, however designated or titled in the Constitution and/or Bylaws of a System Division or Federation, who is authorized to perform the functions of any of the Officers above enumerated or those of President, Vice President, Secretary-Treasurer or other executive functions of a System Division or Federation, or those members of its Executive Committee or similar governing body, if any, and any other member performing functions designated as those of an Officer in the System Division's or Federation's Constitution and/or Bylaws.

No funds received by any System Division or Federation by way of dues, assessments, or similar levy, and no money of an employer of any members of a System Division or Federation, shall be contributed or applied to promote the candidacy of any person in an election conducted by the System Division or Federation; provided, however, that System Divisions or Federations may make expenditures from their funds for notices, factual statements of issues, and other expenses necessary to conduct elections so long as they do not involve the promotion of any

candidate. The Secretary-Treasurer of a System Division or Federation, or such other Officer as may be designated in its Constitution and/or Bylaws, shall preserve for one year the credentials of all delegates elected by Local Lodges under the jurisdiction of such System Division or Federation and all minutes and other records of Conventions and/or meetings pertaining to the election of Officers.

Except for the foregoing specific requirements which must be observed in all elections of Officers of System Divisions and Federations, and except as may otherwise be prescribed in other provisions of these Bylaws, the IBT Constitution or the Merger Agreement, nominations and elections of Officers by System Divisions and Federations shall be conducted in the form and manner and in accordance with the procedures set forth in their Constitutions and/or Bylaws including eligibility requirements for Officers which shall not be inconsistent with the Merger Agreement or with prohibitions of applicable law, filling of any vacancies in office, and terms of office, provided that no such term shall exceed four (4) years.

Following the election of Officers on a newly organized System Division or Federation, or when a change is made in the position of a General Chairman on an organized road, the President of the National Division will officially notify in writing the Management of the company or companies on which the General Chairman is to serve. The General Chairman, following such notification, will advise the Company Officials of any other System Division or Federation Officers authorized to handle organization matters with such officials.

Following the election of a General Chairman on a newly organized company and the notification of the Management by the National Division President, the General Chairman will officially notify each Division Superintendent, or corresponding management official, in writing, of the Local Chairman or Chairmen authorized to handle matters for the organization on said Division or company and will keep said officials notified of any changes in said Local Chairmen. This provision will also apply to all organized companies.

Sec. 6. Authority and Duties of Officers. System Divisions or Federations shall prescribe in their Constitutions and/or Bylaws the authority to be exercised and duties to be performed by their Officers consistent with the provisions of these Bylaws, the Merger Agreement and applicable law. In prescribing such authority and duties each System Division or Federation shall include the following as a part of the duties of its General Chairman and Secretary-Treasurer:

The General Chairman shall discharge on behalf of the System Division or Federation such duties as may be imposed upon him by applicable law including the execution and filing of any reports to Federal or State authorities and he shall cause to be maintained by the System Division or Federation such records as the law requires to be kept for a period of not less than five (5) years in support of such reports.

The Secretary-Treasurer shall discharge on behalf of the System Division or Federation such duties as may be imposed upon him by applicable law including the execution and filing of any reports to Federal or State authorities, and he shall maintain such records as the law requires to be kept for a period of not less than five (5) years in support of such reports.

Each of such Officers of a System Division or Federation as are required by applicable law to execute and file reports as aforesaid shall be personally responsible for the filing of such reports and for any statement contained therein which he knows to be false.

Each elected System Division or Federation Officer shall remit to the Secretary-Treasurer of his System Division or Federation (if qualified to receive remittances; otherwise, to the National Division Secretary-Treasurer) all collections received by him, including full initiation fees, at least once each month.

Sec. 7. Meetings of Joint Protective Boards and/or Conventions. Conventions of System Divisions or Federations and meetings of Joint Protective Boards shall be held as prescribed in the Constitutions and/or Bylaws of the respective System Divisions or Federations; provided, however, that the General Chairman may convene a Joint Protective Board at such other times and places and under such conditions as he may deem necessary; and provided, further, that the National Division President may convene any Joint Protective Board in case of emergency or at the request of a majority of the members of said Board upon request in writing signed by such members and stating their reasons therefore.

Sec. 8. Investment and Expenditure of System Division or Federation Funds. The money and property of a System Division or a Federation shall be used solely for the benefit of the BMWED, the System Division or Federation and the Local Lodges and their members within its jurisdiction, and not for the personal gain of any Officer or member. System Divisions or Federations, their Officers, agents, representatives or employees who handle a System Division's or Federation's funds or property shall be held to this standard of conduct and accountable for any breach thereof under these Bylaws. Such Officers as are given the responsibility under these Bylaws or under System Division or Federation governing laws shall

manage, invest and expend the funds and property of the System Division or Federation only in accordance with the applicable provisions of said governing laws and any resolutions properly adopted thereunder.

Each System Division or Federation Secretary-Treasurer must keep the System funds in his possession on deposit in the name of the System in a reliable bank or trust company and must maintain proper records of all financial transactions of the System Division or Federation and be prepared at all times to make a complete accounting of all funds turned over to him or remitted to him.

System Divisions or Federations shall not contract, agree or be obligated in any way to pay salary and expenses to any Joint Protective Board member or Officer, or to incur any obligations of any kind with members or others beyond the extent of System Division or Federation funds and current income of such System Divisions or Federations without the approval of the National Division Officers. Any obligations incurred contrary to the foregoing provisions shall not create a claim or lien against the System Divisions or Federations or the National Division beyond the extent of available funds in the System Division or Federation treasuries.

None of the funds of a System Division or Federation shall be obligated or used directly or indirectly to pay the fine of any Officer or employee convicted of any willful violation of the Labor-Management Reporting and Disclosure Act of 1959, but this prohibition shall not prevent the assumption by the System Division or Federation of the costs of defending the System Division or Federation or any of its Officers, agents, representatives or employees in any civil or criminal proceedings in which they may become involved for any alleged violations of law.

Each System Division/Federation is required to have sufficient funds available to the National Division to enable the National Division to timely pay from such funds specified bills and payroll in behalf of the System Division/Federation. Absent sufficient funds, including dues payments received on behalf of the System but not yet processed, payment of the System Division/Federation bills and payroll will not be made by the National Division. A System Division/Federation may provide the National Division with written pre-authorization to withdraw funds from the System Division/Federation funds that are maintained by the National Division for the sole purpose of eliminating shortfalls that may occur in the future. The System Division/Federation will be immediately advised in writing of such withdrawals.

Sec. 9. Negotiation and Adoption of System Division or Federation Collective Bargaining Agreements. The BMWED, acting through its duly selected and authorized Officers, committees, or representatives, has full and sole authority to represent all employees who are members of the BMWED in the negotiating, interpreting and applying of agreements covering wages, hours, and other conditions of employment, made and entered into under the provisions of the Railway Labor Act or the National Labor Relations Act; to represent such employees in all conferences, negotiations, or other proceedings with the management; to appear and represent all such employees before any tribunal authorized to consider or adjust claims arising out of the interpretation or application of such agreements, and to adjust, compromise and settle all such claims.

The duly authorized committee of the Joint Protective Board, acting in accordance with the System Division or Federation Constitution and/or Bylaws, shall have the power, with the approval of the National Division President or his designated representative, to enter into agreements with company officials with respect to wages and terms of employment of the men they represent. Said rules and agreements, may be tentatively initialed by the General Chairman or General Chairmen involved, pending approval by the National Division President or his designated representative. Upon approval, such agreement may be signed and shall be binding upon all members employed on the company or companies. As it relates to collective bargaining following a moratorium on issues involving wages, rules and benefits, Joint Protective Boards shall not begin negotiations with company officials until the schedule to be presented has been approved by the National Division President or his designated representative, and a fund collected to defray the expenses incurred by the Board during the pendency of negotiations. Such preparatory arrangements are not mandatory for other negotiations.

The National Division will, subject to its own discretionary limitations, bear the expense of all negotiations in the changing of rules and wage conditions after same have been referred to the National Mediation Board, Board of Arbitration or other lawfully constituted body by the System Division or Federation, and will pay for and provide such System Division or Federation with a copy of any written proceedings taken before any such body. The National Division will not be required under the provisions of this paragraph to pay any part of the salary or expenses of any Officer of a System Division or Federation in the United States under the provisions of the Railway Labor Act, the National Labor Relations Act or subsequent acts.

Any System Division or Federation shall have the right to include in its Bylaws a provision which mandates the General Chairman and/or Joint Protective Boards to alter or amend the language of collective bargaining agreements and to submit any proposed

agreements made by such General Chairman and/or Joint Protective Boards to affected rank and file for ratification or rejection.

Sec. 10. Violation of Collective Bargaining Agreements. If any of the rules or agreements negotiated and adopted as provided in Section 9 of this Article are violated by any member of any Grievance Committee, he shall be immediately removed from office by the National Division President subject to the provisions of Article III, Section 8.

Any Local Lodge authorizing any member or Grievance Committee to do any act or enter into any agreement by letter or otherwise whereby the provisions of said rules or agreements would be violated shall, upon conviction thereof, be suspended and its charter revoked by the National Division President subject to the provisions of Article III, Section 8.

The General Chairman shall refer any charges of said violations to the National Division President for appropriate action under Article III, Section 8, subject to the terms of the Merger Agreement.

Sec. 11. Adjustment of Grievances with Management. Any individual represented by the BMWED, believing that he has been unjustly dealt with by a company representative or otherwise aggrieved, shall govern himself according to the terms of agreement in force on the position on which employed. Each respective System Division and Federation has established procedures for the handling of claims and grievances which are best suited to the needs of the membership represented through such System Divisions and Federations. These procedures, which have been established to conform with applicable claim and grievance rules, should be adhered to by BMWED members and committees in the handling of grievances. It is recognized that the General Chairman or his duly authorized representative is empowered to initiate and handle grievances of any nature at any time to protect the interests of the membership. Expenses incurred in connection with the handling of grievances by a Local Lodge Grievance Committee shall be defrayed by the Local Lodge. Expenses incurred in connection with the handling of grievances by the System Division or Federation shall be defrayed by the System Division or Federation.

The General Chairman shall carefully and impartially examine all grievances and other matters referred to him and proceed to adjust the same upon the basis of equity and justice, and every honorable means shall be exhausted in trying to effect an amicable settlement of the matter in dispute. A settlement effected between the appropriate Officer of the company and the General Chairman will definitely dispose of the matter at issue.

Sec. 12. National Division Assistance in Adjustment of Grievances with Management. When a Joint Protective Board appeals to a National Division Officer for aid in adjusting grievances, the Board shall endeavor to have a distinct understanding as to the time and place of meeting with the company representative making due allowance for the convenience of both parties.

If the National Division President receives notification for aid in adjusting grievances, he shall meet with or deputize a National Division Officer to meet the Joint Protective Board or such Committee as is authorized by said Board, and efforts to reach an amicable adjustment of the grievance shall be renewed. Failing in this, the Joint Protective Board or such Committee as is authorized by said Board may, with the sanction of the National Division President and through the procedure prescribed by him, ascertain the wishes of the membership respecting a strike as provided in Section 13 of this Article.

Sec. 13. Authorization of System Strikes. System strikes shall be authorized by the procedure outlined in Paragraph (a) or (b) of this Section 13.

(a) Ballots shall be prepared concisely stating the matter in dispute, the efforts made to adjust such dispute, the results of such efforts, and the question as to whether or not members should concertedly withdraw from service until the said dispute is adjusted. Such ballots shall then be submitted on the System or company affected for referendum vote by the membership. If two-thirds of the members in good standing on said company vote in favor of such withdrawal, the National Division President, with the approval of a majority of the Joint Protective Board and the National Division Officers, may order a strike of all employees affected, subject to the terms of the IBT Constitution.

(b) All Local Lodges on the company or companies affected shall be convened in regular or special meeting through the issuance of a special notice advising such Lodges as to the time, place and purpose thereof, at which time they shall be fully informed as to the matter or matters in dispute and the handling given to date. The members in good standing in attendance at each meeting shall then be empowered to cast the vote of the Local Lodge for or against the question at issue. The voting strength of the Local Lodge shall be predicated on its paid-up membership in accordance with National Division records. If a majority of the members in attendance vote to withdraw from service until the dispute is adjusted, the vote of the Local Lodge will be recorded as favoring a withdrawal from service if such action becomes necessary. If two-thirds of the members in good standing on the company or companies affected are recorded in favor of such withdrawal, the National Division President, with the approval of a

majority of the Joint Protective Board and the National Division Officers, may order a strike of all employees affected, subject to the terms of the IBT Constitution.

Sec. 14. National and Regional Associations. National and Regional Associations, are hereby created for the purpose of protecting and promoting the collective bargaining and legislative interests of BMWED through the exchange of information, experience and views among and between their members, and for such other purposes consistent with promoting their members' effective performance of their respective duties.

The National Association shall be composed of all General Chairmen, Vice Chairmen, Assistant Chairmen and Secretary-Treasurers of System Divisions or Federations, or others of comparable title, and all National Division Officers and Appointees. National Division Appointees will be non-voting members of the National Association.

Regional Associations shall be composed of all the General Chairmen, Vice Chairmen, Assistant Chairmen and Secretary-Treasurers of System Divisions or Federations, or others of comparable title, within a prescribed region, the National Division President, the Secretary-Treasurer, the Vice President or Vice Presidents assigned to such region.

Except for National Division Officers, the salaries and expenses related to attending National and Regional Associations shall be borne by the respective System Divisions or Federations.

For establishment of Regional Associations, the following Regions shall be created:

Northeast Region	Southwest Region
Northwest Region	Western Region
Southeast Region	

When it becomes apparent that it is the desire of the members to inaugurate a general movement for the improvement of wages or general working conditions, the National Division President shall convene the National Association for the purpose of considering and determining what action shall be taken in connection with such movement.

It shall be the policy of the BMWED to establish uniform basic working rules and rates of pay for members performing comparable work.

Effective January 1, 1999, upon acceptance of any new National Agreement applicable to railroads or other companies bargaining nationally in the United States under this Section and prior to the execution thereof, the National Division President or his designated representative shall submit a summary of the proposed new agreement to all active members of the BMWED directly affected by such agreement for its ratification or rejection by a majority of ballots returned.

Sec. 15. Right to Copies of Collective Bargaining Agreements. A copy of any collective bargaining agreement adopted pursuant to the provisions of Sections 9 or 14 of this Article shall be forwarded by the System Division or Federation, National or Regional Association negotiating such agreement to each constituent System Division or Federation or Local Lodge which has members directly affected by such agreement; and copies shall be maintained at the principal office of all such System Divisions or Federations and Local Lodges available for inspection by any member or by any employee whose rights are affected by such agreement.

Sec. 16. Authorization of National Strikes. No suspension of work of national character shall be sanctioned by the National Division President and National Division Officers unless a strike has been authorized by one of the following methods and approved, if necessary, under the terms of the IBT Constitution:

1. In the event of a general dispute covering wages and working conditions which cannot be settled through conference or arbitration, the National Division President may cause ballots to be prepared, concisely stating the dispute involved, efforts made to adjust it and results obtained, and submit the question at issue to all employees coming under the jurisdiction of the BMWED on all railways or companies affected by the dispute, for a referendum vote as to whether or not they will concertedly withdraw from the service of the companies until the said dispute is adjusted. If two-thirds of such members in good standing vote to withdraw from service, the National Division President, with the approval of the National Division Officers, is authorized to order a suspension of work of all members coming under the jurisdiction of the BMWED on all railroads or companies affected by such dispute; or,

2. If, in the judgment of the General Chairman, it would be preferable to convene the Local Lodges for the purpose of ascertaining whether or not the membership desires to withdraw from service, the method prescribed in Section 13 (b) of this Article may be followed; or,

3. If two-thirds of the members in attendance at a National Division Convention, or at a National Association meeting, vote to concertedly withdraw from the service of the company or companies until the said dispute is adjusted, the National Division President is authorized to order a suspension of work of all members coming under the jurisdiction of the BMWED on all railroads or companies affected by such dispute.

4. Members participating in an authorized work stoppage shall not be ordered back to work unless the dispute has been satisfactorily disposed of.

Sec. 17. Violations of Strike Calls. When a suspension of work is ordered under the provisions of the foregoing Sections, the National Division President shall at once cause official notice to be sent to all Local Lodges, stating the causes which led to the same.

All strikes called pursuant to valid authorizations and sanctions as provided in Sections 13 and 16 of this Article are compulsory upon the members of the BMWED. Any member of the BMWED who has been found guilty pursuant to Section 21 of this Article of acting either directly or indirectly, as a strikebreaker during any authorized strike, or failing to comply with a valid strike called by our union or a sister union under the Railway Labor Act or National Labor Relations Act, shall be subject to a minimum fine of \$200.00 per day for each day that the member worked during the strike, and/or a suspension or expulsion. Such member will also be ineligible to hold any union office or position in the BMWED.

A member shall be considered as not being in compliance with a valid strike call by virtue of working at any location on the carrier or company involved, regardless of whether there are pickets at such location.

Distribution of fines levied under provisions of this Article shall be divided equally among the member's Local Lodge, the member's System Division or Federation, National Division and the strike fund.

Should any member of a Joint Protective Board decline to work in harmony with other members of a Board, or refuse to aid in carrying out the instructions of the National Division Officers, or be guilty of conduct unbecoming a member of the BMWED, he may be suspended by a two-thirds vote of the members of such Board and not allowed to be present or take part in the meetings between the Board and the company officials, and report on such conduct made to his Local Lodge for their action.

Any member of a Joint Protective Board who shall divulge any part of the business or proceedings of such Board to anyone not entitled to know, or who shall sign any document presented to him by any person for the purpose of nullifying his obligations to the BMWED, shall be deemed guilty of conduct unbecoming a member of such Board and, upon a two-thirds vote of the Board, he shall be expelled therefrom and report made to his Local Lodge for their action.

Sec. 18. Special Assessments to Finance Strikes. Special assessments to defray the expenses of authorized work stoppages may be levied upon all members after approval of the National Division Executive Board as provided in Article VI, Section 10.

The Joint Protective Board is authorized to instruct the National Division Secretary-Treasurer to levy such assessments in advance, upon the members employed on the System over which it has jurisdiction, as may be necessary to carry forward their work, and any member failing or declining to pay such assessment shall stand suspended after the last day of payment mentioned in the call. The National Division Secretary-Treasurer shall issue to each Local Lodge and System Division or System Federation Secretary-Treasurer a receipt for monies thus paid.

The National Division President in conjunction with the Executive Board shall have authority to use such funds raised by such assessments for payment of strike benefits and health and welfare benefits to our members who are on strike or withholding service observing other picket lines. All other strike related expenses must come out of the general fund.

During the continuance of an authorized suspension of work participating members who are unemployed because of such strike shall be exempt from the payment of the special assessment subject to the terms of the Merger Agreement.

Sec. 19. Strike Benefits. Members out on authorized strikes or locked out by management shall be paid such amounts for their relief as the funds of the National Division may warrant, which payment shall terminate upon the date the strike or lockout is terminated. Members receiving such benefits shall register each day. Striking members securing employment elsewhere shall be excluded from all strike benefits.

Sec. 20. Unauthorized Strikes. Any member or members willfully causing a strike or participating therein which has not been authorized as provided in Section 13 or 16 of this

Article shall be guilty of misconduct and subject to expulsion from the BMWED after charges and trial by their Local Lodges as provided in these Bylaws or the Merger Agreement.

Sec. 21. Charges and Trials by System Divisions or Federations. Charges and trials by System Divisions or Federations shall be conducted in accordance with Article XIX of the IBT Constitution, subject to the terms of the Merger Agreement. Any provision of existing System Division or Federation Constitutions and/or Bylaws which is inconsistent with these requirements or the Merger Agreement shall be of no force and effect.

Sec. 22. Consolidation of System Divisions or Federations. When two or more System Divisions or Federations are consolidated and operated as one unit, the Joint Protective Boards on such System Divisions or Federations may consolidate or federate in order to facilitate the representation of the members thereon, in the following manner.

When two or more System Divisions or Federations of approximately equal mileage and importance are consolidated, the Joint Protective Boards on such Systems may meet in joint session. At such joint session, existing Constitutions and/or Bylaws shall be suspended and all Officers' positions declared vacant, and a new Constitution and/or Bylaws suitable for the government of the Consolidated System Division or Federation shall be adopted and new Officers elected.

Where a small System Division or Federation is being consolidated or absorbed by a large System Division or Federation, the System Organization on such small absorbed System may become affiliated with the System Organization on the large absorbing System and shall be governed by the Constitution and/or Bylaws in effect on such larger System Division or Federation with respect to representation and otherwise.

In all cases of consolidations of two (2) or more System Divisions or Federations, the funds of those which consolidate shall revert to the System Division or Federation in which they are consolidated; however, all records shall become the property of and be returned to the National Division for such distribution as may be appropriate.

In all cases of abandonment of a System Division or Federation, the funds and records shall be returned to the National Division in accordance with the procedure provided in Article XVIII, Section 2, for dissolution of Local Lodges.

ARTICLE XX

Amendments

Section. 1. These Bylaws may be altered, amended or repealed in its entirety by a majority vote of the delegates present at the National Division Convention after written notice of proposed amendments, which shall specify the Articles and Sections intended to be changed, which have been timely submitted for publication in the official trade journal of the BMWED in advance of the National Division Convention; provided, however, that the last such notice is printed thirty (30) days before said National Division Convention; and provided, further, that if, in the usual course of any regular Convention of the National Division, three-fourths of the delegates present, shall agree on the proposed alterations or amendments to the these Bylaws or the repeal in its entirety thereof, such changes may be made without the above required notice.

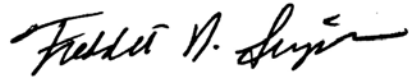
When changes in our National Division Bylaws are required to comply with Federal laws, the National Division President and the National Division Secretary-Treasurer, with the approval of the National Division Officers, will be authorized to make the required changes during the interim between National Division Conventions. Such change(s) must comply with the IBT Constitution, subject to the terms of the Merger Agreement.

Sec. 2. Any proposed alterations, amendments or changes in the Bylaws which are to be submitted to the Convention must be referred to the Bylaws Committee when such Committee convenes prior to the National Division Convention as provided in these Bylaws.

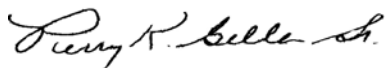
Sec. 3. A copy of the report of the Bylaws Committee shall be placed in the hands of each delegate to the National Division Convention not later than the close of the opening day's session of the Convention.

The primary purpose of the National Division Convention shall be to conduct the important business of the BMWED which involves the National Division's Bylaws, and amendments thereto, Reports of the National Division Officers, Reports of the Committees

provided for by the National Division Bylaws and discussion involving the welfare of the BMWED. Effective with the convening of the National Division's next Regular Convention, all of the above affairs will be presented to and moved on by the assembled delegates before any other business may be brought before the Convention.



Freddie N Simpson
National Division President



Perry K Geller
National Division Secretary-Treasurer

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