

2006-2008 Safety Boot Program and Policy

Program Outline (Effective February 15, 2006)

- Upon supervisor approval, one pair of approved BNSF safety boots every rolling 12 months will be subsidized for active employees at a flat \$110 BNSF contribution. **This now includes White's Boots.** The employee will be responsible for any remaining expense, which will be deducted from the employee's payroll in two consecutive pay period deductions of equal amounts. No cash at time of purchase is required under the BNSF subsidy program.
- If an employee purchases safety boots that cost less than \$110 (subsidized by BNSF), the employee is not entitled to the remaining amount. The employee will not be able to apply it to other merchandise the retailer may sell; you won't receive the balance in a check; and you will not be able to apply it to any future purchases.
- The 12-month time frame is a rolling 12 months specific to each employee. Therefore, if an employee purchased their last pair of safety boots in April of the present year, the employee is eligible for their next BNSF subsidized pair of safety boots in April of the following year.
- The employee can choose to purchase additional pairs using the BNSF voucher system by submitting a supervisor signed unsubsidized voucher, selecting an approved BNSF style and allowing the voucher system to deduct 100% of the cost from the employee's payroll over two consecutive pay periods; or they may opt to purchase and pay at the point-of-sale for additional pairs of approved safety boots. Such safety boots must comply with the BNSF safety requirements as outlined in the Employee Safety Rules 21.2.2.
- BNSF will pay \$110 toward the remanufacture of an existing pair of White's boots as part of the policy (one subsidy per rolling 12 months). The balance will be payroll deducted over two consecutive pay periods. If the purchase is the second or subsequent pair within a 12-month period, the employee is responsible for the entire cost of the boots or remanufacture (plus shipping). White's will remanufacture its boots for life. The cost of remanufacture is approximately \$160.
- *If a catastrophic event occurs (i.e. chemical spill) that damages a pair of safety boots and makes them unusable for work, authorization for BNSF subsidy must be obtained from a BNSF Shop Superintendent/General Manager or their designee for a replacement pair.*

If the supervisor determines that replacement is justified, the supervisor will generate a Safety Shoe Exception form by submitting an electronic voucher request.

- ✓ When prompted "Employee is not eligible for boots at this time" Would you like to complete an exception form? the Supervisor should select "Yes."

The exception form will be sent to General Manager, Shop Superintendent, or designee for approval. The General Manager, Shop Superintendent, or designee will sign the form and return to the employee to turn in with the unsubsidized voucher form.

- ✓ When prompted “Employee is not eligible for boots at this time” Would employee like to purchase an unsubsidized pair of boots?’ select “Yes” and sign the voucher. A second supervisor’s signature must be obtained and signed on the exception authorization line.

Exception Purchase requires the proper completion and signature of both Electronic Shoe Voucher and Electronic Shoe Exception Form and submitted together to selected Vendor.

If the employee is required to purchase the boots immediately and the approving officer is not available, provide the employee an electronic voucher and obtain the second supervisor’s signature. When the approved Safety Shoe Exception Form is received, the supervisor should fax the form to 817-352-7898 (under high resolution) and identify the manufacturer and retailer where the boots were purchased. If the Shop Superintendent, General Manager or designee does not authorize the replacement pair, the employee will be charged 100% of the purchase price through payroll deduction of equal installments over two pay periods.

PLEASE NOTE – Exceptions WILL NOT be approved for Normal Wear and Tear

- **If you have any policy or program questions, please contact your supervisor.**

Process for Obtaining Safety Footwear:

The employee must:

1. Obtain "BNSF Safety Shoe Authorization" form from their supervisor. The form is available electronically at

<http://bnsfweb.bnsf.com/departments/safety/>

Select “Safety Applications” to access the electronic form. The system will prompt the supervisor of employee’s eligibility. If the employee is not eligible, the employee can choose to continue and have the safety boot purchase deducted at 100%.

2. Have the supervisor date and sign the form. Present the form to the retailer and sign and date the form upon receipt of boots. Request the retailer to provide a copy of the voucher. The forms will be accepted and processed by retailers or mail order vendors.
3. The employee must identify himself/herself as a BNSF employee to the salesperson when obtaining authorized footwear. A driver's license or other photo identification must be presented at the time of purchase.

4. Boot purchase history is available online via the Safety Footwear website on the BNSF Intranet. This information may be used to determine eligibility for a BNSF subsidized purchase and is updated as invoices are forwarded from shoe vendors and entered into the BNSF system. The electronic voucher will also prompt the supervisor if the employee is not eligible. Delays can occur in the entry of data into the on-line system; therefore, employees should keep an accurate record of their last subsidized footwear purchase to avoid an early (less than 1 year) purchase.

Authorized Retail Locations:

- Call the 800 numbers or visit the websites listed below. Speak to the BNSF account representative for the store nearest your location.

Red Wing 1-800-239-1064 <http://www.redwingshoe.com>

Timberland 1-800-445-5545 <http://www.timberland.com>

White's Boots 1-800-541-3786 <http://www.whitesboots.com>

Wolverine/CAT/Hytest 1-800-789-8586 <http://www.hytest.com>

Comments and Problem Resolution:

- Wear new safety boots on a carpeted surface. New boots may be returned to the retailer for another size or style of an authorized safety boot. Worn or soiled boots cannot be returned.
- All manufacturers within the program offer a 1-year warranty against manufacturing and material defects for the entire safety boot. The warranty does not include boot problems due to normal wear and tear (i.e. worn soles due to walking on ballast).
- If you experience a warranted defect within the 1-year period, return the safety boots to the retailer where purchased. The retailer should honor the warranty above and replace the boots at no cost. There is no need to submit a voucher for another pair of boots.
- Any problems that cannot be resolved between the employee and the retailer should be directed to the applicable shoe company at the 1-800 number listed below:

Red Wing 1-800-239-1064

Timberland 1-800-445-5545

White's Boots 1-800-541-3786

Wolverine/CAT/Hytest 1-800-789-8586

Special Boot Requirements:

Medical Needs:

- BNSF will subsidize the cost of specialized safety boots when a doctor diagnosed medical condition cannot be adequately addressed by the regular program and where the need is determined to be appropriate by BNSF. **Approval by the Medical Department is required prior to such purchases. Contact your region's Medical/Environmental Health manager for more**

information.

Non-Medical or Unusual Shoe Needs:

• BNSF has an exception form that can be used in cases where an employee has an unusual shoe size, such as an unusually narrow or wide foot, and cannot find a BNSF-approved style that fits. This exception form can be found under the Corporate Forms folder on MS Word (SAF00010). The exception form allows the employee to purchase a brand of boot that does fit, when the employee is eligible for the subsidy under the program. This exception form must be filled out by the supervisor and can be submitted by faxed to 817-352-7898 (under high resolution). If the exception form is faxed, it must have a supervisor signature to be valid. **The supervisor will process the Safety Shoe Voucher through the system. The employee must attach the approved Safety Shoe Exception Form to the voucher and present to the retailer.** The employee with an unusual shoe size also has the option to purchase a White's boot, which is individually form fitted to the contours of the employee's foot. All provisions of the program for White's Boots apply.

• BNSF will subsidize the cost of boots required for Suburban Services. The supervisor will indicate on the top of the voucher "SUBURBAN SERVICES".

Approved Styles:

Approved Boot Styles are subject to change. Please contact the appropriate vendor to verify approved styles.

- Red Wing 1-800-239-1064
- Timberland 1-800-445-5545
- White's Boots 1-800-541-3786
- Wolverine/CAT/Hytest Safety Shoes 1-800-789-8586

BNSF SAFETY FOOTWEAR PROGRAM

The supervisor should try to answer employee questions about the program. Listed below are several commonly asked questions about the program:

1. What is BNSF's Safety Footwear Program?

Upon supervisor approval, one pair of approved BNSF safety boots every rolling 12 months will be subsidized for active employees at a flat \$110 BNSF contribution. **This now includes White's Boots.** The employee will be responsible for any remaining expense, which will be deducted from the employee's payroll in two consecutive pay period deductions of equal amounts. No cash at time of purchase is required under the BNSF subsidy program.

If an employee purchases safety boots that cost less than \$110 (subsidized by BNSF), the employee is not entitled to the remaining amount. The employee will not be able to apply it to other merchandise the retailer may sell; nor receive the balance in a check; nor apply it to any future purchases.

The 12-month time frame is a rolling 12 months specific to each employee. Therefore, if an employee purchased their last pair of safety boots in April of the present year, the employee is eligible for their next BNSF subsidized pair of safety boots in April of the following year.

The employee can choose to purchase additional pairs using the BNSF voucher system by submitting a supervisor signed unsubsidized voucher, selecting an approved BNSF style and allowing the voucher system to deduct 100% of the cost from the employee's payroll over two consecutive pay periods; or they may opt to purchase and pay at the point-of-sale for additional pairs of approved safety boots. Such safety boots must comply with the BNSF safety requirements as outlined in the Employee Safety Rules 21.2.2.

BNSF will pay \$110 toward the remanufacture of an existing pair of White's boots as part of the policy (one subsidy per rolling 12 months). The balance will be payroll deducted over two consecutive pay periods. If the purchase is the second or subsequent pair within a 12-month period, the employee is responsible for the entire cost of the boots or remanufacture (plus shipping). White's will remanufacture its boots for life. The cost of remanufacture is approximately \$160.

2. How often may I purchase safety boots and receive the BNSF \$110 subsidy?

As the program states, BNSF will provide the \$110 subsidy for only one pair of safety footwear during the rolling 12-month period. **If the employee chooses to purchase an additional pair(s) before the 12-month period is over, he or she is responsible for the entire purchase price of the boots.** Payment can be handled using the BNSF voucher system by submitting a supervisor signed unsubsidized voucher, selecting an approved BNSF style and allowing the voucher system to deduct 100% of the cost from the employee's payroll in equal installments over two consecutive pay periods.

Or, the employee may opt to purchase and pay at the point-of-sale for additional pairs. Under this direct-payment option, the employee is free to choose any safety footwear style or manufacturer, as long as the footwear complies with the BNSF safety requirements as outlined in the Employee Safety Rule 21.2.2.

If catastrophic damage or other unusual circumstances destroy the employee's current footwear, an employee may be able to receive BNSF's \$110 subsidy for more than one pair of boots if **General Manager, Shop Superintendent or designee** approval is given. All situations will be reviewed on a case by case basis. (See question 18 below for more information.)

3. Which shoe styles are available?

Safety footwear suppliers for the 2006-2008 calendar years are Wolverine/Caterpillar/Hytest Footwear, Red Wing, Timberland and White's Boots. A listing of approved styles for these suppliers can be found under "Approved Vendors" on BNSF's Safety Footwear Intranet site at:

http://bnsfweb.bnsf.com/departments/safety/safety_footwear_page.html

4. What if I want to purchase a shoe brand or style that's not on BNSF's approved list?

The BNSF subsidy and voucher system are available for BNSF approved styles only. If an employee chooses not to use the voucher system for a first or subsequent pair of boots, they are welcome to purchase any boot brand or style that meets BNSF's safety requirements as outlined in Employee Safety Rule 21.2.2. However, the employee is responsible for full cost at time of sale and will receive no subsidy from BNSF.

5. What if I can't remember the date when I last purchased safety boots?

An employee or supervisor can verify the employee's most recent purchase date by looking up the employee's ID number under "Safety Boot Search" on the Safety Footwear Intranet site at:

http://bnsfweb.bnsf.com/departments/safety/safety_footwear_page.html

6. Can I still use a voucher to purchase an additional pair of safety shoes even if I've already used my subsidy for the current 12-month period?

The voucher system allows employees to pay for their safety boots using payroll deduction, even if they don't qualify for the subsidy. **If the employee would like to purchase an additional pair(s) before the rolling 12-month period is over, he or she is responsible for the entire purchase price of the boots.** Payment can be handled using the BNSF voucher system by submitting a supervisor signed unsubsidized voucher, selecting an approved BNSF style and allowing the voucher system to deduct 100% of the cost from the employee's payroll in equal installments over two consecutive pay periods.

7. I was just charged for a pair of boots I purchased several months ago. Was there a mistake?

At times, there can be a delay of a few weeks or a few months in processing the voucher and the payroll deduction, depending on how promptly the local retailer and the shoe company submit and process the voucher and then communicate that information to BNSF. BNSF updates the Intranet Safety Footwear database daily, based on information received from the shoe companies, as a service to employees. However, if the employee purchased a pair of safety boots under the subsidy program not yet reflected in the database, **the employee is responsible and accountable for keeping track of that purchase date until it is reflected in the database.**

8. Why was I charged 100% of the boot purchase price and received no subsidy?

Under the BNSF program, if the employee purchases boots before a rolling 12-month period has passed since the last subsidized purchase, the employee is not eligible for the subsidy. In these cases, 100% of the boot purchase will be deducted from the employee's payroll in two pay period deductions of equal amount. The employee's purchase history can be reviewed on the Safety Footwear Intranet or electronic voucher sites. When the employee first requests the electronic voucher, the supervisor will be notified by the system if the employee is eligible. If the employee has recently purchased safety

footwear, it is possible that the retailer has not yet submitted the form for payment and so that purchase may not be reflected in his boot history. The employee is responsible and accountable for keeping track of that purchase date until it is reflected in the database.

9. Why was I charged an incorrect amount for my boots?

If 12 months had not yet elapsed since the employee purchased a subsidized pair and the employee feels he was incorrectly deducted for safety boots, please refer to the employee's paycheck stub. The left column is the current and reflects safety boot purchases for that period only. The year-to-date column (right column) reflects all deductions for safety boot purchases for the current year. If 100% of the purchase price was deducted over two paychecks, that would have been a correct amount.

10. Why was I charged for a pair of boots I didn't purchase?

If the employee feels he or she was incorrectly charged for a pair of boots, the employee or supervisor should first check the employee's boot purchase record on the Safety Footwear Intranet site. Most likely, the payroll deduction is valid, but occurred several months after the original purchase due to delayed processing of the invoice by the boot manufacturer. If it appears the employee truly was charged in error, see question 23 for information on handling it. (Note that a copy of the voucher will be reviewed to see if the employee ID and driver's license number were valid. If that ID was valid, the supervisor will be given a copy of the voucher for follow-up communication with the employee. If the employee ID was invalid, the employee will get a refund.)

11. Is my eligibility for a boot subsidy based on the purchase date or purchase month of my last purchase?

According to the program, the employee is eligible to purchase a new pair of boots in the 12th month after his or her previous subsidized purchase. So, if an employee last purchased a pair of boots under the subsidy on August 14, 2005, that employee would be eligible for the subsidy again on or after August 1, 2006.

12. How does the subsidy program apply to White's boots?

BNSF will pay a \$110 subsidy once every rolling 12 months toward the purchase or the resole/remanufacture of an existing pair of White's boots. This subsidy can be used only once within a 12-month period. Any costs that exceed the \$110 subsidy will be deducted over two consecutive pay period deductions of equal amount. White's will remanufacture its boots for life. The cost of remanufacture is approximately \$160. Under the subsidy BNSF will pay the first \$110 of resole/remanufacture cost. **If the purchase is the second or subsequent pair within a 12-month period, the employee is responsible for the entire cost of the boot.**

13. How does the Safety Footwear Program apply to BNSF's overall Rubber Footwear Program?

The Rubber Footwear Program is a separate program and an additional benefit beyond the Safety Footwear program. The Rubber Footwear Program remains unchanged. This program allows for rubber boots as authorized by their supervisor. PAC Boots are on a rolling 18 month window based on the employee's last order. BNSF

approved rubber boots are available through a mail-order program from Chet's boots or through the ordering process via SourceNet or Millennium.

The Rubber Footwear Program uses a different voucher than the Safety Footwear Program and requires supervisor approval. For more information about BNSF's Rubber Footwear Program, please contact Chet's at 1-800-499-5476 or use the BNSF Intranet at the following link:

http://bnsfweb.bnsf.com/departments/safety/rubber_footwear_page.html

14. What if I have an unusual or unique shoe size and can't find a BNSF-approved style that fits me?

BNSF has an exception form that can be used in cases where an employee has an unusual shoe size, such as an unusually narrow or wide foot, that is not provided for under the BNSF-approved styles. This policy does not cover situations where a particular manufacturer is preferred over another or when an employee finds another style or manufacturer to be more comfortable. This exception form can be found under the Corporate Forms folder on MS Word (SAF 00010). The exception form allows the employee to purchase a brand of boot that does fit, when the employee is eligible for the subsidy under the program. This exception form must be filled out by the supervisor and faxed to 817-352-7898. If the exception form is faxed, it must have a supervisor signature to be valid. The Safety Department will determine whether the exception qualifies as a valid shoe size exception. **Once approved, the supervisor will process the safety shoe voucher through the system. The employee must attach the approved Safety Shoe Exception Form to the voucher and present to the retailer.** The employee with an unusual shoe size also has the option to purchase a White's boot, which is individually form fitted to the contours of the employee's foot. All provisions of the program for White's boots apply.

15. What if I have a diagnosed medical condition that requires specialized boots?

BNSF will subsidize the cost of custom-made safety boots to address a doctor diagnosed medical condition where the need is determined to be appropriate by BNSF. Approval by the Medical Department is required prior to such purchases. Contact your region's Medical/Environmental Health manager for more information on how this is handled:

http://bnsfweb.bnsf.com/departments/hr/medical/html/voc_rehab.html

16. How do I find the nearest retailer?

Call the toll-free numbers or visit the websites listed below. Speak to the BNSF account representative for the store nearest your location.

Red Wing 1-800-239-1064 <http://www.redwingshoe.com>

Timberland 1-800-445-5545 <http://www.timberland.com>

White's Boots 1-800-541-3786 <http://www.whitesboots.com>

Wolverine/CAT/Hytest 1-800-789-8586 <http://www.hytest.com>

17. Who do I call when a shoe has a manufacturing defect?

All boots carry a one-year manufacturer's warranty in material and workmanship. This warranty does not apply in cases of excessive wear or abuse. It is recommended you retain your receipt. If you experience a qualified defect within the warranty period, return the safety boots to the retailer where purchased with receipt. The retailer should honor the warranty and replace the boots at no cost. Any problems that cannot be resolved between the employee and the retailer should be directed to the applicable shoe company at the toll-free number listed below:

Red Wing 1-800-239-1064

Timberland 1-800-445-5545

White's Boots 1-800-541-3786

Wolverine/CAT/Hytest Safety Shoes 1-800-789-8586

18. My boots were damaged by an event at work. How do I get another pair before my 12-month purchase anniversary?

In a limited number of cases, a work event may cause sufficient damage to a pair of boots, which will need to be replaced. Typically, these are one-time events, such as a chemical spill that damages the boot or a cut or puncture to the boot caused by an equipment failure or other extreme event. **Day-to-day wear and tear on the boot does not qualify the employee for a replacement pair under the subsidy until 12 months have elapsed since the original purchase.**

The employee should consult with his or her supervisor to review the program and criteria for boot replacement. If the supervisor determines that replacement is justified under the program, the supervisor should process a safety boot voucher through the system. When the system prompts that the employee is not eligible for boots, select yes to the question "Would you like to complete an exception form?" and continue processing the request. The supervisor then needs to sign the Safety Shoe Exception Form and fax the Safety Shoe Exception Form to the appropriate General Manager, Shop Superintendent or designee for consideration and signature. Return to the electronic voucher and generate a safety boot voucher and have the employee obtain three signatures, the employee and two supervisors. Attach the approved Safety Shoe Exception Form to the safety boot voucher and have the employee present the two documents to the retailer.

In the case that the employee needs shoes immediately and the approving officer is not available, process the electronic voucher and obtain the three signatures. When the approved Safety Shoe Exception Form is received, the supervisor should fax the form to 817.352.7898 and identify the manufacturer and retailer where the boots were purchased. If the General Manager, Shop Superintendent or designee does not authorize the replacement pair, the employee will be charged 100% of the purchase price through payroll deduction of equal installments over two pay periods.

19. What do I do when I need to return or exchange a boot?

Return the boot to the retailer where purchased along with a copy of the voucher and receipt. If it's a return, employee will be refunded through the payroll system. **Do not**

accept monetary funds from retailer. The retailer must process credit through the proper channels. If it's an even exchange, the employee needs a copy of his original voucher with receipt. There does not need to be an exchange of paperwork or an additional voucher for purchase. Otherwise, the retailer needs a copy of the employee's original voucher. The retailer will submit a credit for the returned boot and resubmit the voucher for the exchanged boot.

20. What if the local retailer does not carry an adequate inventory of BNSF approved boot styles?

Contact the supplier at one of the following locations:

Red Wing 1-800-239-1064
Timberland 1-800-445-5545
White's Boots 1-800-541-3786
Wolverine/CAT/Hytest 1-800-789-8586

21. What if I lose my voucher?

Advise your supervisor that you lost your voucher. The supervisor can generate another voucher. Note that if the lost voucher is located and used for purchase, you may be subjected to 100% deduction.

22. Where do I get more information about the program?

Employees who have questions about the program should first contact their supervisor. The supervisor should make every effort to answer the employee's question using the information in this Q&A and at the following BNSF Intranet sites:

For Safety Footwear:

http://bnsfweb.bnsf.com/departments/safety/safety_footwear_page.html

For Rubber Footwear:

http://bnsfweb.bnsf.com/departments/safety/rubber_footwear_page.html

23. When do I use the Safety Hotline to report issues about the Safety Footwear Program?

The supervisor should try to answer employee's questions, based on the information provided here. If the supervisor and the employee have explored all possibilities and the answer is still unclear, the supervisor or the employee may leave a message on BNSF's Safety Hotline (800-533-BNSF), including name, phone number and seven-digit employee ID or send an email to SafetyShoes, BNSF with the seven-digit employee ID. Questions received on the Safety Hotline or SafetyShoes, BNSF will be handled promptly.

Situations where it is appropriate to use the BNSF Safety Hotline include reporting concerns such as:

- Payroll deductions that are clearly in error and conflict with the employee's boot purchase price or purchase history.

24. I am a Suburban Services employee. How am I subsidized for my required Suburban Services approved boots?

The employee will request an electronic voucher from his/her supervisor. The supervisor will indicate that this purchase is for Suburban Services by writing at the top of the voucher – “**SUBURBAN SERVICES.**” Then the supervisor must sign and date the voucher. The employee will also sign and date and present the form to the retailer.