

Indiana Harbor Belt Railroad Company
Short-Term Salary Continuation Policy

This policy, effective **September 1, 2018**, supersedes all prior policies and practices relating to non-agreement illness and disability benefits including but not limited to the October 1, 1991 and June 1, 2012 non-agreement illness and disability policy.

Indiana Harbor Belt Railroad Company ("IHB") provides self-funded salary continuation ("Salary Continuation") to benefit eligible employees who are unable to work because of their own serious health condition that renders them unable to perform an essential function of their position (a "Qualifying Disability"). The Salary Continuation benefits outlined in this policy are designed to protect an eligible employee's income for a specified, short period of time; if the need for leave based upon a Qualifying Disability continues beyond the specified period of time, employees may be eligible for continued benefits under IHB's long-term disability insurance policy ("LTD Policy").

Eligibility for Leave

Employees are eligible for leave because of a Qualifying Disability, subject to all terms and conditions set forth in IHB's Family and Medical Leave Policy ("FMLA Policy"), or as otherwise provided by applicable law. This policy should be read in conjunction with the FMLA Policy. It does not supersede the FMLA Policy.

Eligibility for Salary Continuation

Subject to all terms and conditions set forth in this policy, the following employees with a Qualifying Disability are eligible for Salary Continuation:

Each full-time, salaried employee who is not subject to a collective bargaining agreement, who:

- (a) Has worked for IHB for at least 12 consecutive months immediately preceding commencement of the leave;
- (b) Has exhausted any and all available earned but unused vacation, personal, and sick time;
- (c) Has been absent from work for 10 consecutive regularly scheduled work days due to the Qualifying Disability (whether such absence is paid or unpaid);
- (d) Is not receiving workers' compensation, RRB disability or disability pay under any state or federal plan or private insurance policy during the period for which Salary Continuation is sought; and
- (e) Has provided appropriate medical certification on a form provided by Human Resources.

Salary Continuation

Subject to eligibility requirements and all other terms and conditions set forth in this policy, Salary Continuation will be provided on the following basis:

- (a) Eligible employees will receive payment of their full salary (100%) during the Salary Continuation period, for a period not to exceed six months, during any 24-month period. If the period of an approved leave extends beyond six months, the balance of the leave will be unpaid (unless such leave qualifies for salary replacement pursuant to the LTD Policy, in which case, any salary replacement will be governed by the terms of the LTD Policy);
- (b) The 24-month period will be measured forward from the day that an employee's first leave under this policy begins. For avoidance of doubt, no employee will be eligible to receive more than six

months of Salary Continuation under this policy within such 24-month period, whether for one or multiple qualifying disabilities;

- (c) All Salary Continuation payments pursuant to this policy will be paid in accordance with IHB's regular payroll practices and subject to all required and applicable payroll deductions and withholdings;
- (d) During an approved Salary Continuation period, IHB will maintain an employee's coverage under insurance plans as if the employee continued to be actively employed, on the same policy terms as if the employee had continued to work. Accordingly, an employee receiving Salary Continuation is responsible for sharing the cost of his/her health insurance premium as a regular payroll deduction;
- (e) During an approved medical leave, the employee must first apply any then earned but unused paid vacation, personal, and sick time toward the leave. Salary Continuation will begin upon exhaustion of such paid time. For clarity, the substitution of paid vacation, personal, and/or sick time does not extend the period of the employee's approved leave. Also, in no case may an employee receive more than 100% of his/her regular compensation for any day of leave;
- (f) An employee receiving Salary Continuation is prohibited from engaging in outside employment or outside engagements for remuneration during the period when the employee is receiving Salary Continuation under this policy and must avoid any activities that may delay recovery from the Qualifying Disability. IHB may, in its sole discretion, prospectively terminate an employee's receipt of Salary Continuation if IHB becomes aware that the employee is in violation of this subsection;
- (g) Any employee who is awarded a bonus in respect of the calendar year in which medical leave is taken who also receives Salary Continuation under this policy for a period exceeding 30 days will receive a prorated bonus in respect of such calendar year. If the duration of an employee's Salary Continuation is less than 30 days, any bonus awarded to the employee will not be prorated, but will remain subject to all of IHB's policies and practices concerning eligibility for and payment of bonuses.

Medical Documentation, FMLA Leave, and Return-to-Work

- (a) At the beginning of the period of leave, an employee must provide to Human Resources medical certification of the Qualifying Disability, which certification must include the start date and expected end-date of the period of leave. IHB may, in its discretion, request clarification or additional information regarding the period of leave or nature of the Qualifying Disability. As to each employee, to the extent that the Family Medical Leave Act ("FMLA") limits IHB's further inquiry into that employee's period of leave or nature of his/her Qualifying Disability, the FMLA will govern.
- (b) During the period of leave, IHB may require the employee to contact Human Resources regarding the status of the employee's condition, intention to return to work, and anticipated return date. In addition, the employee must provide notice to Human Resources as soon as practical (within two business days, if feasible) if the dates of the employee's leave change or are extended. An employee's refusal or failure to promptly supply IHB with such information may result in IHB's termination of Salary Continuation.
- (c) Eligible employees are required to apply for Salary Continuation under this policy if the reason for leave is a Qualifying Disability that would entitle the employee to leave under the FMLA. If an

employee on FMLA leave fails to apply for Salary Continuation under this policy, the employee will forfeit his/her eligibility to receive Salary Continuation.

- (d) Any period of leave for which an employee receives Salary Continuation under this policy will run concurrently with the employee's FMLA leave.
- (e) As soon as an employee receives medical clearance to return to work from his/her health care provider, the employee must return to work for IHB on a full-time basis. Prior to returning to work, the employee must provide to Human Resources a fitness-for-duty certification from the employee's health care provider (at the employee's expense) that releases the employee to return to work and attests that the employee can perform the essential functions of his/her position, with or without reasonable accommodation.
- (f) If, at the expiration of an employee's leave under this policy, the employee is unable to return to work, he/she must apply for disability insurance under the LTD Policy as soon as he/she becomes aware of the inability to return to work. If there is a gap of a definite period of 30 days or less between the date on which an employee's Salary Continuance under this policy is exhausted and the date on which salary replacement under the LTD Policy commences, IHB will provide a one-time extension of Salary Continuation to cover the gap, which one-time extension may not exceed 30 days. If the gap period is indefinite, or it exceeds 30 days, the gap will be unpaid.
- (g) If an employee is unable to return to work upon expiration of his/her approved leave, and the employee is not eligible for benefits under the LTD Policy (as determined in the sole discretion of IHB's LTD provider in accordance with the LTD Policy and applicable law), IHB will assess the employee's status going forward in accordance with IHB's employment policies and practices, on an individualized basis and in accordance with applicable laws.
- (h) Nothing in this policy is intended to limit, or will have the effect of limiting, the rights and obligations of IHB or its employees under applicable federal, state, or local laws.



Director of Human Resources
Indiana Harbor Belt Railroad Co.

8/14/2018

Date