



July 26, 2023

Mr. Scott Slawson
President
United Electrical, Radio and Machine Workers of America,
Local Union No. 506
3923 Main Street
Lawrence Park, PA 16511

Ms. Karleen Torrance
President
United Electrical, Radio and Machine Workers of America,
Local Union No. 618
3923 Main Street
Erie, PA 16511

RE: Wabtec Corp. – Erie, PA Manufacturing Facility

Dear Mr. Slawson and Ms. Torrance:

This letter will respond to the July 14, 2023 proposal offered by United Electrical, Radio and Machine Workers of America, Local Union Nos. 506 and 618 (“UE” or “Union”) during our last negotiation meeting. Wabtec has carefully evaluated the terms outlined in your July 14 proposal and we do not believe that these terms represent meaningful movement on the part of the union, nor do these terms constitute a constructive basis for resolving the current labor dispute. Indeed, the July 14 proposal represents only a slight change from the Union’s pre-strike position on open economic and non-economic issues. For these reasons, Wabtec maintains the Company’s position on all issues outlined in its July 11, 2023 proposal.

With respect to the specific items in the Union’s July 14 proposal, Wabtec responds as follows:

1. Article VIII (Subcontracting): The Union’s July 14 subcontracting proposal is regressive, as the Union has now walked back its pre-strike proposals on subcontracting and is demanding a moratorium on subcontracting for the term of the collective bargaining agreement. Given that the substantial majority of components utilized by Wabtec in assembling its locomotive products are sourced from third parties, the Union’s proposal is untenable. The Company maintains its position on Subcontracting outlined in Article VII of its Sixth Company Proposal.

2. Article X (Job Classifications):
 - a. Section 2(b) (Wage Progression): Wabtec has repeatedly informed the Union that the Company will not agree to reduce the ten year wage progression to five years. While the Company is willing to improve starting wage rates for new employees (as reflected in the Company's July 11 proposal), Wabtec is not interested in reducing the ten-year time period. The Company maintains its position on the wage progression outlined in its July 11, 2023 proposal.
 - b. Section 2(c) (Wage Increases): Although the Company acknowledges that the Union's July 14 proposal makes a modest reduction in the Union's wage demands, our proposal provides forty one million dollars (\$41,000,000) in wage improvements over the four year term. Our proposal would continue to provide industry-leading wages to our employees while positioning the plant for future success. Accordingly, Wabtec maintains its position on wage increase/lump sums outlines in its July 11, 2023 proposal.
3. Article XVII (Vacation): Wabtec first informed the Union on May 19, 2023 that the Company would not agree to the Union's proposal regarding eligibility for 240 hours of vacation, and has continuously maintained its position on this issue. Our proposal maintains 240 hours of vacation for all employees who have earned it. The Company's position on Vacation is as outlined in its Sixth Company Proposal.
4. Article XIX (Employee Benefits): Since the very first negotiation meeting on April 27, 2023, the Company has continuously maintained its position that bargaining unit employees will be eligible for the Company's group benefit programs under the same terms and conditions as other Wabtec employees. Wabtec is not interested in continuing to administer two different benefit programs. Accordingly, the Company maintains its position on Employee Benefits outlined in its Sixth Company Proposal.
5. Article XX (Personal Days): Wabtec has repeatedly informed the Union that the Company is not interested in further accelerating Personal Day eligibility. The Company made a proposal to improve the Personal Day eligibility requirements for new employees. We are not prepared to go any further on this issue. Accordingly, the Company maintains its position on Personal Days outlined in its Sixth Company Proposal.
6. Article XXI (Grievance and Arbitration Procedure): Although the Company acknowledges that the Union has offered new contract language on the Grievance and Arbitration procedure, the Union's July 14 proposal still provides for an exception to the No Strike provision for non-disciplinary grievances. Wabtec first informed the Union on May 15, 2023 that this proposed exception to the no-strike language is unacceptable, and our position has not changed. Wabtec cannot – and will not – agree to any provision that would allow the Union to strike in situations where the position taken by the Union in its grievance is wrong (as was the case with respect to many grievances filed by your Union during the last collective bargaining agreement). We have proposed that the Union be permitted to strike if the Company does not

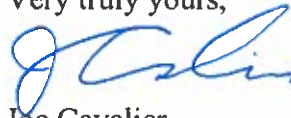
Mr. Scott Slawson
Ms. Karleen Torrance
July 26, 2023
Page 3

comply with an arbitrator's award sustaining the Union's position on a non-disciplinary grievance. We are not prepared to go any further on this issue. Accordingly, Wabtec maintains its position on the Grievance and Arbitration article as outlined in its Sixth Company Proposal.

7. Article XXV (Strikes and Lockouts): Although the Company acknowledges that the Union has offered new contract language on Strikes and Lockouts, the Union's July 14 proposal still provides an exception to the no-strike provision for non-disciplinary grievances. For the same reasons described above, the Company maintains its position on the Strikes and Lockouts article outlined in its Sixth Company Proposal.

We urge the Union to reconsider its position on these issues. Wabtec remains interested in reaching a mutually beneficial collective bargaining agreement. However, the Company will not agree to settle this dispute on terms and conditions that would further degrade the competitive position of the Erie Plant. Wabtec repeatedly explained to the UE during bargaining that the Erie Plant is burdened by high labor costs and that the Company needs an agreement that will make the plant competitive for future business opportunities. We meant what we said. Further, we cannot agree to any provision that would allow the Union to strike over non-disciplinary grievances at any time. These demands simply are not acceptable.

Very truly yours,



Joe Cavalier
Plant Manager