

NATIONAL RAILROAD PASSENGER CORPORATION
BOARD OF DIRECTORS
MINUTES OF MEETING
NOVEMBER 13, 2019

The Board of Directors (Board) of the National Railroad Passenger Corporation (Amtrak or Corporation) held a duly noticed meeting in the Board Room of the Corporation's headquarters located at 1 Massachusetts Ave., N.W., in Washington, D.C. on Wednesday, November 13, 2019.

Board Members participating in the meeting were Anthony Coscia (Board Chairman), Richard Anderson (President, non-voting), Chris Beall, Yvonne Burke, Thomas Carper and Albert DiClemente.

Paul Nissenbaum (FRA Associate Administrator) participated in the meeting.

Mr. Coscia chaired the meeting. A quorum was confirmed, and Mr. Coscia called the meeting to order in Executive Session at 2:30p.m.

EXECUTIVE SESSION

APPROVAL OF THE MINUTES

Following discussion, upon motion made by Mr. DiClemente and seconded by Ms. Burke, the Board voted to approve the minutes of its September 26, 2019 and September 27, 2019 meetings.

(5-0)

AUDIT & FINANCE COMMITTEE REPORT

Mr. Coscia provided the Audit & Finance Committee report. Mr. Coscia led a discussion about the B&P Tunnel Replacement Project. Following discussion, upon motion made by Mr. Coscia and seconded by Mr. Beall, the Board voted to adopt the following resolution:

WHEREAS, National Railroad Passenger Corporation ("**Amtrak**" or "**Corporation**") policy adopted March 12, 2018, requires the Board of Directors ("**Board**") to approve any capital project where life of project ("**LOP**") costs will exceed [REDACTED] after receiving recommendation from the Audit & Finance Committee of the Board ("**AFC**"); and

WHEREAS, The Board has previously approved the FY 2020 Annual Operating Plan, including the proposed FY 2020 capital spend of [REDACTED] (the "**FY 2020 Capital Spend**") for a program of projects that will deliver critical rail infrastructure capacity improvement project that will remove a 30-mph chokepoint between Baltimore, MD and Washington, DC and eliminate a single point of failure that could sever the Northeast Corridor (the "**B&P Tunnel Replacement Project**"); and

WHEREAS, The Board's approval of the FY 2020 Capital Spend for the B&P Tunnel Replacement Project was contingent upon Management returning to the AFC and the Board for approval of any additional costs related to the B&P Tunnel Replacement Project above the FY 2020 Capital Spend; and

WHEREAS, Management has previously entered into the following two contracts in connection with the B&P Tunnel Replacement Project: (i) the Parsons Brinckerhoff - Parsons Transportation Group Joint Venture (PB- PTG JV) Contract (95 0000 1031), which was competitively procured to perform engineering services by continues their existing scope of work into the first phase of Final Design (the "**Parsons Contract**") and (ii) the HNTB Contract (95 0000 0892) that was competitively procured to perform Project Management Functions and Technical Review under the auspices of and on behalf of engineering (the "**HNTB Contract**"); and

WHEREAS, Management wants to enter into an approximately 29-month extension to the existing Parsons Contract for an additional capital spend of [REDACTED] (the "**Parsons Extension**") and an approximately 26-month extension of the HNTB Contract for an additional capital spend of [REDACTED] for program management (together with the Parsons Extension, the "**Contract Extensions**"); and

WHEREAS, The total capital spend for the Contract Extensions will require a portion of the previously approved FY 2020 Capital Spend for the B&P Tunnel Replacement Project, which will remain unchanged, together with additional capital spend related to the B&P Tunnel Replacement Project in FY 2021 to FY 2023 in an amount equal to [REDACTED] (the "**Increased B&P Tunnel Replacement Project Spend**"); and therefore, be it

WHEREAS, The AFC recommends that the Board approve the execution of the Contract Extensions and the Increased B&P Tunnel Replacement Project Spend; and therefore, be it

RESOLVED, That the Board has determined that the Contract Extensions, including the Increased B&P Tunnel Replacement Project Spend is in the best interest of the Corporation and approves the Contract Extensions, including the Increased B&P Tunnel Replacement Project Spend; and

FURTHER RESOLVED, That the President & CEO, the Senior Executive Vice President Chief Operating and Commercial Officer, the Executive Vice President Chief Operations Officer, the Vice President Chief Engineer, and the Vice President Procurement and Logistics (the "**Authorized Officers**"), be, and each of them hereby is, each acting singly, authorized and empowered, in the name and on behalf of Amtrak to commence negotiations and execute agreements for the Contract Extensions in an amount not to collectively exceed the Increased B&P Tunnel Replacement Project Spend; and to execute such agreements, documents and pleadings as are necessary to effectuate the foregoing, in such form as the Authorized Officers, or any of them acting singly, shall determine to be necessary or desirable, as conclusively evidenced by the execution, delivery and performance, in the name and on behalf of Amtrak, by the Authorized Officer, or any of them, of such agreements, documents and pleadings; and

FURTHER RESOLVED, That the Authorized Officers be, and each of them hereby is, each acting singly, authorized and empowered, in the name and on behalf of Amtrak, to approve and authorize the execution, delivery and performance of all such documents, and to do and perform such other and further actions as the Authorized Officers, or any of them acting singly, deem necessary or desirable for Amtrak to enter into and perform its obligations in order to carry out the intent and effectuate the purposes of the foregoing resolutions.

(4-0) Mr. Nissenbaum abstained.

Mr. Coscia concluded with a full overview of the Committee's agenda.

PERSONNEL & COMPENSATION COMMITTEE REPORT

Mr. DiClemente provided the Personnel & Compensation Committee report. Mr. DiClemente led a discussion about Management's Short-Term and Long-Term Incentive Plan FY 2019 awards. Following

discussion, upon motion made by Mr. Beall and seconded by Ms. Burke, the Board voted to adopt the following resolution:

WHEREAS, The Board of Directors authorized Management to create a Short-Term Incentive (*STI*) Plan that rewards management employees for achieving annual financial and organizational performance goals, and a Long-Term Incentive (*LTI*) Plan that rewards senior level management employees for achieving measurable performance goals over a three-year period; and

WHEREAS, the Board of Directors established goals for the *STI* Plan for FY 2019, and for the *LTI* Plan for the period FY 2017 through FY 2019, as described in the Executive Summary; and

WHEREAS, the Company met the financial goals for the FY 2019 *STI* Plan, and fully met the goals for the FY 2017 *LTI* Plan; therefore, be it

RESOLVED, That the Board authorizes the President and CEO to release payments under the *STI* and *LTI* Plans to eligible participants as described in the Executive Summary.

(5-0)

Mr. DiClemente concluded with a full overview of the Committee's agenda.

SAFETY & SECURITY REPORT

Mr. Beall provided the Safety & Security Committee report. Mr. Beall led a discussion about Mr. Ken Hylander's work during his tenure as Chief Safety Officer. Following discussion, upon motion made by Mr. Coscia and seconded by Mr. DiClemente, the Board voted to adopt the following resolutions:

WHEREAS, Kenneth J. Hylander, Executive Vice President and Chief Safety Officer, has served as a member of the Executive Leadership Team of the National Railroad Passenger Corporation (**Amtrak**) from January 2018 until November 2019; and

WHEREAS, Mr. Hylander has for nearly two years brought a clear vision and effective strategy for the implementation of a Safety Management System at Amtrak, and

WHEREAS, His leadership contributed significantly to the submission of Amtrak's System Safety Program Plan in November of 2018 in advance of regulatory requirements, and

WHEREAS, His collaborative spirit helped to strengthen Amtrak's internal safety policy, and

WHEREAS, His untiring efforts, hard work and dedication materially advanced the very necessary cause of bringing corporate attention to the need for risk management, safety assurance, and safety promotion, and

WHEREAS, His tireless focus on safety helped to advance Amtrak's top priority and his leadership and strength responding to incidents demonstrated his personal commitment to the well-being of railroad employees and the traveling public across the nation, and

WHEREAS, His service as Executive Vice President and Chief Safety Officer continues a career dedicated to customer transportation safety, and

WHEREAS, The Amtrak Board of Directors wishes to express sincere gratitude to Kenneth J. Hylander for his unwavering leadership at Amtrak particularly with respect to, safety of operations; therefore, be it

RESOLVED, That the Amtrak Board of Directors recognizes Kenneth J. Hylander's many contributions to Amtrak; and,

FURTHER RESOLVED, That the Amtrak Board of Directors extends to Kenneth J. Hylander on the occasion of his retirement from Amtrak, the Board's deepest appreciation and commendation for his dedication and commitment to employee and customer safety; and

FURTHER RESOLVED, That the Amtrak Board of Directors offers its best wishes to Mr. Hylander for a long and enjoyable retirement.

(5-0)

Mr. Beall concluded with a full overview of the Committee's agenda.

GOVERNMENT RELATIONS, LEGAL & GOVERNANCE AFFAIRS COMMITTEE

Mr. Coscia provided the Government Relations, Legal & Governance Affairs Committee report. Mr. Coscia led a discussion about a proposed amendment to the Code of Business Conduct. Following discussion, upon motion made by Ms. Burke and seconded by Mr. DiClemente, the Board voted to adopt the following resolutions:

WHEREAS, Management has undertaken a comprehensive review of the Board of Directors (the "**Board**") Code of Business Conduct and Ethics (the "**Code of Ethics**") as amended by the Board on February 1, 2019, and has decided to amend the Code of Ethics to incorporate changes to the National Railroad Passenger Corporation's (the "**Company**") Anti-Discrimination and Anti-Harassment Policy approved on September 10, 2019; and

WHEREAS, The Government Relations, Legal and Corporate Governance Committee has reviewed the revised Code of Ethics and recommends to the Board that certain changes be made to it; and

WHEREAS, The Board has reviewed the amendments to the Code of Ethics and determined that it is appropriate and in the best interests of the Company to adopt the amendments to the Code of Ethics; therefore, be it

RESOLVED, That the Board hereby approves and adopts the amended and restated Code of Ethics, substantially in the form attached hereto as Exhibit A; and

FURTHER RESOLVED, That the officers of the Company be, and each of them hereby is, authorized and empowered to do or cause to be done all such further acts and things, including the execution of all such further agreements, documents, certificates, instruments and undertakings, and any amendments thereto, as they or any one of them may deem necessary or appropriate in order to carry into effect the purposes and intent of the foregoing resolutions; and

FURTHER RESOLVED, That the lawful acts of the directors and officers of the Company, and each of them, prior to the date hereof in connection with the actions and transactions contemplated by the foregoing resolutions, are hereby ratified, approved, adopted and confirmed in all respects.

(5-0)

Mr. Coscia concluded with a full overview of the Committee's agenda.

The Executive Session continued with invited guests who participated in discussions about leadership succession. The Executive Session concluded at 5:15 p.m. and Chairman Coscia reconvened the meeting in regular session.

REGULAR SESSION

Eleanor D. Acheson (Executive Vice President, Chief Legal Officer, General Counsel & Corporate Secretary), Tracie Winbigler (Executive Vice President, Chief Financial Officer), Ken Hylander (Executive Vice President, Chief Safety Officer), Steve Predmore (Executive Vice President, Chief Safety officer), Scot Naparstek (Executive Vice President, Chief Operating Officer), DJ Stadtler (Executive Vice President, Chief Administration Officer), Christian Zacariassen (Executive Vice President, Chief Information Officer), Roger Harris (Executive Vice President, Chief Commercial Officer) and Dennis Newman (Executive Vice President, Planning & Strategy) participated in the meeting.

William Herrmann (Vice President, Managing Deputy General Counsel & Assistant Corporate Secretary) attended the meeting. The minutes were recorded by Ms. Acheson and Mr. Herrmann.

PERFORMANCE OVERVIEW AND BUSINESS STRATEGY UPDATE

Mr. Gardner briefed the Board on the Corporation's performance against goals and reported that fiscal year 2019 had been an incredible record-breaking year for Amtrak. Mr. Gardner walked the Board through each of the FY 2019 Pillars and how those goals were met or exceeded.

SAFETY REPORT

Mr. Hylander briefed the Board on the recent unfortunate fatality of an Amtrak employee and steps taken to investigate. He also briefed the Board on the AWARE safety program.

FINANCE REPORT

Ms. Winbigler briefed the Board on the October FY 2020 Flash Report and described efforts to monitor expenses in order to implement stronger controls to maintain plan goals. Ms. Winbigler noted the challenges and opportunities to achieve the goal set for FY 2020 and informed the Board that Amtrak had committed to close the financial audit in December 2020.

OPERATIONS REPORT

Mr. Gardner and Mr. Stadtler discussed recent operating performance noting that train performance is largely improving but there remain large segments where on-time performance is low primarily due to freight train interference.

MARKETING & COMMERCIAL REPORT

Mr. Harris reported that October was Amtrak's best ticket revenue month ever - up over [REDACTED] over last year largely due to Acela and NER performance. November is a difficult month to forecast when Thanksgiving is this late in the month, but he noted that December and January forecasts are confident. Mr. Harris also announced a new partnership with Coca-Cola.

Mr. Newman noted that Amtrak is making good progress with FRA on Metrics and Standards. He also reported that Amtrak is pursuing grant opportunities noting that the company had recently applied for a CRISI grant and that Amtrak will pursue a Pennsylvania grant program with stakeholders. Mr. Newman noted that the Thanksgiving period brings in 30% more revenue than any other 11-day period and emphasized the importance of achieving optimum capacity and doing

so by planning to ensure we are ready for any risks to the operation so we can avoid delays or other events that can interrupt traffic.

INFORMATION TECHNOLOGY REPORT

Mr. Zacariassen briefed the Board on pending capital projects including updates to the mobile application and wi-fi improvements. He also noted that Amtrak IT continues to meet financial targets and remediation of control deficiencies/"observations".

ADMINISTRATION REORT

Mr. Stadtler briefed the Board on the Amfleet 1 equipment replacement procurement and the timeline for that process. Mr. Stadtler committed to making a full briefing on this at the January 2020 Board meeting.

ADJOURNMENT

There being no further business before the Board, the meeting adjourned at 6:45 p.m.



Eleanor D. Acheson
Corporate Secretary



William Herrmann
Assistant Corporate Secretary