

**NATIONAL RAILROAD PASSENGER CORPORATION**

**BOARD OF DIRECTORS**

**MINUTES OF MEETING**

**JANUARY 28, 2021**

The Board of Directors (Board) of the National Railroad Passenger Corporation (Amtrak or Corporation) held a duly noticed conference call meeting on Thursday, January 28, 2021. Board members participating in the meeting were Anthony Coscia (Board Chairman), Bill Flynn (Chief Executive Officer, non-voting), Jeff Moreland (Board Vice Chairman), Albert DiClemente, Thomas Carper, Chris Beall and Yvonne Burke.

Amit Bose (Acting Administrator of the Federal Railroad Administration (FRA) voting delegate for this meeting) and 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 4:00 p.m.

**APPROVAL OF THE MINUTES**

Following discussion, upon motion made by Mr. Moreland and seconded by Mr. DiClemente, the Board voted to approve the minutes of its November 13, November 14, November 20, and December 16 meetings.

(7-0)

**AUDIT & FINANCE COMMITTEE REPORT**

Mr. Moreland provided the Audit & Finance Committee report and led a discussion about the approval of the Independent Auditor. Following discussion, upon motion made by Mr. Carper and seconded by Ms. Buke, the Board voted to adopt the following resolutions:

**WHEREAS**, Section 4.14 of the Amended and Restated Bylaws ("Bylaws") of National Railroad Passenger Corporation ("Corporation") adopted January 27, 2016 requires the Board of Directors ("Board") to annually appoint an independent public accountant after receiving recommendations of the Audit & Finance Committee of the Board ("AFC"); and

**WHEREAS,** Following a Request for Proposal in 2012, the Board approved the award of a contract ("Contract") to Ernst & Young, LLP ("EY"), to perform the Corporation's financial audits for FY 2012 and potentially for future years, subject to annual appointment by the Board as required by the Bylaws of the Corporation, which Contract has been amended most recently in September 2020 to provide for a fee reduction for FY 2020 and the extension of the Contract through FY 2024 at the same reduced rates, subject to annual appointment of EY by the Board for each fiscal year after FY 2020; and

**WHEREAS,** The FY 2020 consolidated audit of the Corporation has now been completed, and the AFC has recommended that the Board approve the appointment of EY to perform the Corporation's financial audits for FY 2021 and CY 2021 for the fees approved by the AFC in September 2020; therefore be it

**RESOLVED,** That the Board deems it to be in the best interests of the Corporation that EY should be appointed to perform the Corporation's financial audits for FY 2021 and CY 2021, as the case may be, for the fees approved by the AFC in September 2020, as follows:

- a fixed price of [REDACTED] for the FY 2021 consolidated audit of the Corporation and the review of the Corporation's FY 2021 Management's Discussion and Analysis of Financial Condition and Results of Operations, plus a routine out-of-scope work identified during the course of the audit to be invoiced at actual hours x [REDACTED]/hour
  - o non-routine out-of-scope work to be invoiced at actual hours x rate to be determined based on work to be performed
  - o all out-of-scope work to be agreed upon and approved by the AFC before work is incurred
- a fixed price of [REDACTED] for Passenger Railroad Insurance, Ltd.'s FY 2021 GAAP and Bermuda statutory audits;
- a fixed price of [REDACTED] for the Corporation's FY 2021 Single Audit (formerly A-133); and • a fixed price of [REDACTED] for the audit of the Corporation's benefit plans for CY 2021; and

**FURTHER RESOLVED,** That the Chief Executive Officer, the Chief Financial Officer, or the Vice President, Procurement & Logistics are authorized to execute an amendment to the Contract and to take all other actions necessary to give effect to the foregoing resolution.

(7-0)

Mr. Moreland also led a discussion about the approval of the FAST Act Service Plan. Following discussion, upon motion made by Mr. Coscia

and seconded by Ms. Burke, the Board voted to adopt the following resolutions:

**WHEREAS**, The Corporation is required to submit its annual audited financial statements to Congress each year in accordance with 49 U.S.C. § 24315(d); and

**WHEREAS**, The Corporation provides a link to its Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) when it submits its annual audited financial statements to Congress; and

**WHEREAS**, The Corporation is also required to deliver its MD&A to the Build America Bureau to satisfy a loan covenant in the Financing Agreement relating to the RRIF III loan; therefore, be it

**RESOLVED**, That the Corporation is hereby authorized to submit its FY 2020 audited financial statements to Congress, post its MD&A to [www.amtrak.com](http://www.amtrak.com), and provide its MD&A to the Build America Bureau.

(7-0)

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

#### **PERSONNEL & COMPENSATION COMMITTEE REPORT**

Mr. DiClemente provided the Personnel & Compensation Committee report and led a discussion about the FY 2021 Long Term Incentive Program. Following discussion, upon motion made by Mr. Carper and seconded by Mr. DiClemente, the Board voted to adopt the following resolution:

**WHEREAS**, The Board of Directors (Board) has authorized Management to create a Long-Term Incentive Plan that rewards management employees for achieving financial, organizational and strategic performance goals; and

**WHEREAS**, Management has recommended that the FY 2021 Long-Term Incentive Plan goals consist of Ridership Growth, Adjusted Operating Income on the NEC and Core Capital Delivery metrics as described in the Executive Summary; and

**WHEREAS**, The Board has considered the proposed goals and agrees that the identified goals are appropriate long-term performance measures for Amtrak consistent with the FY 2021 Annual Operating

Plan (AOP) and should be adopted for the FY 2021 Long-Term Incentive Plan as set forth in the Executive Summary; and

**WHEREAS**, Management may propose for Board consideration subsequent amendments to the FY 2021 Long Term Incentive Plan based on significant changes to the AOP that may occur during FY 2021; therefore, be it

**RESOLVED**, That the Board authorizes the President and CEO to adopt the FY 2021 Long-Term Incentive Plan goals as described in the Executive Summary; and

**FURTHER RESOLVED**, That Management will finalize recommendations for the Board to approve specific Long-Term Incentive Plan target metrics within six months and propose any amendments that may be necessary due to changed circumstances.

(7-0)

Mr. DiClemente next led a discussion about the proposed adjustment to the Inspector General's salary. Following discussion, upon motion made by Mr. Carper and seconded by Mr. DiClemente, the Board voted to adopt the following resolution:

**WHEREAS**, National Railroad Passenger Corporation (the Corporation) is a federal entity for purposes of the Inspector General Act of 1978, as amended and including the Inspector General Reform Act of 2008 (the Act); and

**WHEREAS**, The Act provides the calculation methodology for setting the salary of an Inspector General of a federal entity, including how to calculate the baseline for such salary; and

**WHEREAS**, The Personnel & Compensation Committee, on behalf of the Board of Directors in its capacity as "head of entity" under the Act, has applied the methodology set forth in the Act to determine the baseline for the annual salary of the Amtrak Inspector General for CY 2021 and has also recommended to the Board of Directors to set said salary at [REDACTED]; therefore, be it

**RESOLVED**, That the Board of Directors approves a salary of [REDACTED] for the Amtrak Inspector General for CY 2021, or until an effective date of any change to that salary, to be paid beginning with the first payroll following approval of this resolution; and

**FURTHER RESOLVED**, That Management shall take all necessary actions to effect the above resolution.

(6-0-1) Mr. Bose abstained.

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 pending safety investigations and metrics, security strategy and metrics and cybersecurity.

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 Management's proposed amendments to the Board Approval Matrix. Following discussion, upon motion made by Mr. Moreland and seconded by Mr. Beall, the Board voted to adopt the following resolutions:

**WHEREAS**, In January 2018, the Board of Directors ("Board") approved and adopted a new corporate governance authority policy (as previously amended, the "Policy") to provide clear direction on what business and operational matters the Board retains approval of and what matters are delegated to Management; and

**WHEREAS**, The Board may amend the Policy at any time and now elects to adopt certain changes proposed by Management identified in the accompanying Executive Summary, be it

**RESOLVED**, That the Board hereby approves the changes to the Policy proposed in the accompanying Executive Summary; and

**FURTHER RESOLVED**, That the CEO, President, Chief Financial Officer and Corporate Secretary each shall ensure that the Board's action and the approved changes to the Policy are reflected in the Corporation's corporate governance records and implemented.

(7-0)

Mr. Coscia next led a discussion about proposed Corporate Bylaws and Governance amendments. Following discussion, upon motion made by Mr. DiClemente and seconded by Ms. Burke, the Board voted to adopt the following resolutions:

**WHEREAS**, In January 2018, the Board of Directors ("Board") approved and adopted a new corporate governance authority policy (as previously amended, the "Policy") to provide clear direction on what business and operational matters the Board retains approval of and what matters are delegated to Management; and

**WHEREAS**, The Board may amend the Policy at any time and now elects to adopt certain changes proposed by Management identified in the accompanying Executive Summary, be it

**RESOLVED**, That the Board hereby approves the changes to the Policy proposed in the accompanying Executive Summary; and

**FURTHER RESOLVED**, That the CEO, President, Chief Financial Officer and Corporate Secretary each shall ensure that the Board's action and the approved changes to the Policy are reflected in the Corporation's corporate governance records and implemented.

(7-0)

Mr. Coscia next led a discussion about proposed settlement reached with Union Pacific Railroad. Following discussion, upon motion made by Mr. Carper and seconded by Ms. Burke, the Board voted to adopt the following resolutions:

**WHEREAS**, For the reasons set out in the accompanying Executive Summary, Management recommends that the Board of Directors (Board) of National Railroad Passenger Corporation ("Amtrak" or "Corporation") approve the proposed settlement of the pending arbitration between Union Pacific Railroad ("UP") and Amtrak regarding Positive Train Control ("PTC") installation costs; and

**WHEREAS**, The proposed settlement also includes a waiver by UP of PTC maintenance costs for the next five years; therefore, be it

**RESOLVED**, That the Board approves the proposed settlement of Union Pacific Railroad v. NRPC in an amount up to [REDACTED]; and

**FURTHER RESOLVED**, That the General Counsel or her designee is authorized to execute on behalf of the Corporation a settlement agreement and all other necessary documents and to take any and all other actions necessary to effectuate the foregoing Resolution.

(7-0)

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

The Executive Session concluded at 4:30 p.m. and Chairman Coscia reconvened the meeting in regular session.

#### **REGULAR SESSION**

Stephen Gardner (President), Eleanor D. Acheson (Executive Vice President, Chief Legal Officer, General Counsel & Corporate Secretary), Tracie Winbigler (Executive Vice President, Chief Financial Officer), Steve Predmore (Executive Vice President, Chief Safety Officer), Scot Naparstek (Executive Vice President, Chief Operating Officer), Roger Harris (Executive Vice President, Marketing & Revenue), Dennis Newman (Executive Vice President, Strategy & Planning) and Qiana Spain (Executive Vice President, Chief Human Resources Officer) participated in the meeting. Paul Vilter (Assistant Vice President Planning and Commercial Services), Costin Corneanu (Vice President, Financial Planning & Analysis) and William Herrmann (Vice President, Managing Deputy General Counsel & Assistant Corporate Secretary) also attended the meeting.

The minutes were recorded by Ms. Acheson and Mr. Herrmann.

#### **FIVE YEAR PLAN**

Mr. Newman introduced the discussion about Amtrak's Five Year Plan and invited Mr. Vilter and Mr. Corneanu to describe the details of those plans. Mr. Newman made clear that this plan, which is required by the FAST Act, contains projects that have been in the planning stages for some time and some aspirational projects that would be progressed in the event funding and support aligns.

After briefing the Board, Mr. Flynn, Mr. Gardner, and Mr. Newman answered questions raised by the Directors. No action was taken, and Management was excused from the meeting at 5:00 for Executive Session.

At 5:30 Mr. Kevin Winters (Inspector General) and Ms. Mary Kendall (Deputy Inspector General) were invited to join in Executive Session.

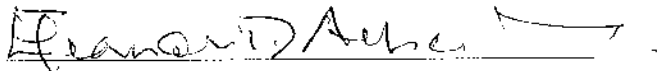
**INSPECTOR GENERAL'S REPORT**

Mr. Winters reported to the Board on confidential Inspector General matters. The Executive Session concluded at 6:00 p.m.

**ADJOURNMENT**

There being no further business before the Board, the meeting adjourned at 6:00 p.m.

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Eleanor D. Acheson  
Corporate Secretary



William Herrmann  
Assistant Corporate Secretary