

**PADUCAH & LOUISVILLE RAILWAY, INC.**  
**(Revised November 1, 2007)**

**Sexual and Other Unlawful Harassment Policy.**

Paducah & Louisville Railway, Inc. (“P&L” or the “Company”) intends to provide an environment that is free from any behavior that is harassing or intimidating. Harassment of any sort - verbal, physical, and/or visual, against any employee, customer, vendor, contractor, consultant or any other person encountered in the workplace or while an individual is in any manner engaging in the business of or acting on behalf of the Company will not be tolerated. Furthermore, no employee will be discriminated against on the basis of race, color, religion, age, sexual orientation, national origin or ancestry, disability, medical condition, marital status, veteran status or any protected status defined by federal or state law.

Sexual harassment is defined as either establishing terms or conditions of employment with reference to sexual favors (called *quid pro quo*) or creating, maintaining, or tolerating a sexually hostile work environment.

Workplace harassment can take many forms. It may be, but is not limited to, words, offensive jokes, cartoons, pictures, posters, articles of clothing, e-mail, statements of verbal or written pranks, intimidation, physical assaults, physical contact, physical or emotional violence.

Harassment may or may not necessarily be sexual in nature. It may also take the form of any other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material, such as notes, photographs, literature of any sort of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint.

**1. Responsibility.**

All employees of the Company have a responsibility for keeping our work environment free of sexual harassment or any harassment or harassing conduct whatsoever. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, **must report it to their supervisor or another Management representative with whom they feel comfortable.** When Management becomes aware of the existence of harassment, it is obligated by law to take prompt and appropriate action, whether the victim wants the Company to do so or not.

**2. Reporting.**

While the Company encourages you to communicate directly with the alleged harasser and make it clear that the harasser’s behavior is unacceptable, offensive or inappropriate, **it is not required**

**that you do so.** However, it is essential to notify a member of Management immediately, even if you're not certain that the offending behavior is considered harassment.

Any incidents of harassment must be immediately reported to a manager or other Management representative. Immediate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. However, confidentiality cannot be guaranteed.

Any employee determined to have harassed a fellow employee, a customer, agent of a customer or contractor, would be subject to severe disciplinary action up to and including termination (subject to the provisions of applicable collective bargaining agreements) or termination of the services of a consultant, customers, vendors and/or their associated firms. P&L will also take any additional action necessary to appropriately remedy the situation.

Retaliation of any sort will not be permitted. No adverse employment action will be taken for any employee making a good-faith report of alleged harassment.