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Midland Engineering, Ltd.

September 27, 2019

Matt Graham
Director Environmental Operations
BNSF Railway Company
2500 Lou Menk Drive, AOB-3
Fort Worth, TX 76131

Via email: Matt.Graham@bnsf.com

**Subject: RCMS® Certification Audit of BNSF Railway Company
Midland Engineering Limited # MELKM1901-020**

Dear Mr. Graham:

Following are the findings of the RCMS® Certification audit conducted at BNSF Railway Company on September 24-26, 2019, by Kevin B. Mayo and Wayne Winslow. Mr. Mayo and Mr. Winslow are certified Responsible Care® auditors through Exemplar Global, and Midland Engineering Ltd. (MEL) is an approved Audit Service Provider through ANSI National Accreditation Board (ANAB).

Scope:

The scope of the audit included all EHS&S activities at BNSF Railway Company in Fort Worth, TX, audited to the Responsible Care® Management System Rail Option Technical Specification (2013).

Technical Specification:

This audit was conducted to the Responsible Care® Management System Rail Option Technical Specification (2013).

GENERAL BACKGROUND AND INFORMATION

Opinions:

RCMS® audit opinion options are defined by the ACC as either a “Pass” or “Requires Additional Work”.

Audit findings definition:

Audit findings are ranked as major or minor.

- Major findings will have to be corrected before a “Pass” rating will be given.
- Minor findings will need a good corrective action plan with time targets in place before a “Pass” rating will be given. Note: for this to be acceptable, the site must have a functioning system that tracks audit findings to closure. This was found to be the case during the subject audit.

Client response:

The site has 30 days from the receipt of the draft audit report (from MEL) to respond to the findings (by filling in the appropriate boxes – see below) with a documented corrective action plan for each finding.

Certificate of conformance:

When a site or headquarters for a specific company has received a “Pass”, a certificate of conformance to the RCMS® management system specification will be issued to the facility by MEL listing the facility by name and address.

Reporting certification status to the ACC:

The client shall be responsible to report its Certification status to ACC annually as part of ACC’s mandatory performance reporting requirements. It shall also communicate to ACC when it has achieved its RC Certification requirements for each cycle. This latter communication shall not be sent until the Organization has effectively completed follow up needed to address non-conformances.

Client disputes & disagreements:

Should a client have a dispute regarding an audit finding or disagree with either process or procedure, these will be considered to be high priority issues and will be addressed promptly. Every attempt will be made to quickly and appropriately resolve the issue using MEL’s complaint resolution process. If the client is still dissatisfied, the issue may be elevated to the ACC for their evaluation and ruling.

AUDIT RESULTS AND REPORT

Management System Strengths:

- Annual assessments of critical infrastructure risk.
- BNSF efforts to work with communities and law enforcement agencies to minimize homeless living on BNSF properties.
- BNSF providing active shooter guidance as part of safety orientations.
- Contractor management programs.
- Environmental and Hazmat Risk Management Matrix

- Materiality Assessment Reports being performed approximately every 3-5 years assure information included in the Sustainability Report are what key stakeholders are interested in and bring value to the readers.
- Responsible Care Management System Rail Option Playbook.
- Use of UAVs.

Areas of Conformity and Non-conformity

The following table identifies areas of conformity and non-conformity with the RCMS technical specification and requirements. Decisions of conformity or non-conformity are based on the sampling that was conducted during the audit.

RCMS 2013 Technical Specification Requirement	Conforms?
1.0 Policy and Leadership	Yes
*2.1 Identify hazards and prioritize risks	Yes
2.2 Monitor emerging concerns	Yes
2.3 Applicability of regulation, legislation, and other requirements	Yes
2.4 Assess stakeholder perspectives	Yes
*2.5 Establish goals, objectives, and targets	Yes
3.1 Document its RCMS	Yes
*3.2 Establish and maintain systems to ensure safe operations and maintenance	Yes
3.3 Establish, document, and communicate responsibilities and accountabilities	Yes
3.4 Identify training needs; establish effective training; verify competency	Yes
3.5 Establish and maintain dialogue with stakeholders	Yes
3.5.1 Access and receive safe handling information for products it transports and receives	Yes
3.5.2 Make Product safety and product stewardship information available	Yes
3.5.3 Participate in mutual assistance programs and sharing activities	Yes
3.6 Involve employees in development, communication and implementation of EHS&S	Yes
3.7 Establish and maintain procedures to respond to accidents and emergency situations	Yes
4.1 Monitor and measure key characteristics of its operations	Yes
4.2 Evaluate compliance legislation, regulations, and requirements	Yes
*4.3 Internal audits of the EHS&S management system	Yes
4.4 Review and assess commercial partners	Yes
4.5 Evaluate effectiveness of communications programs	Yes
*4.6.1 Identify and investigate incidents and accidents, and instances of non-conformance	Yes
*4.6.2 Address nonconformity based on significance	Yes
4.7 Records management	Yes
*5.1 Management review	Yes
Security code	Yes
Process safety code	Yes
Product safety code	Yes

*Surveillance Audit required

Details of non-conformities are documented below.

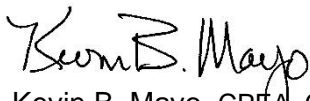
Non-Conformance Summary (detailed findings are included below):

There were no non-conformance audit findings associated with this audit.

Opinion: Based on the results of the audit, BNSF Railway Company receives a “Pass” audit opinion.

Further Follow-up: There is no follow-up required.

Sincerely,



Kevin B. Mayo, CPEA, CPSA
Vice President
Midland Engineering Limited
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This information is based upon management system documentation, conditions and practices observed and the data made available at the time of its collection. Unless otherwise stated in writing, our personnel, publications, services, and surveys do not address life safety or third-party liability issues. The provision of auditing service is not meant to imply that every possible deficiency has been identified at a facility or that no other deficiencies exist. MEL does not assume and shall have no liability for the control, correction, continuation or modification of any existing procedures conditions or operations.