

# **CSX CORPORATION**

## **Board of Directors**

### **Finance Committee Charter**

#### **Purpose**

The Finance Committee's ("Committee") primary function is to assist the Board of Directors ("Board") in discharging its responsibilities relating to oversight and review of financial matters affecting CSX Corporation ("Corporation") and to regularly report to the Board on such matters.

#### **Membership and Operations**

The Committee shall consist of no fewer than three directors. Members of the Committee and the Committee Chair shall be elected by the Board annually after reviewing the recommendation of the Governance Committee. Members shall serve until their successors have been duly elected and qualified. Any member of the Committee may resign at any time by giving written notice of his or her intention to do so to the Chairman of the Board or the Corporate Secretary, or may be removed, with or without cause, at any time by the Board.

The Committee shall meet at such times as it determines to be appropriate or at the call of the Chair of the Committee, in no case fewer than three times each year. The Chair of the Committee shall prepare or approve an agenda consistent with this Charter in advance of each meeting. Each member is free to suggest the inclusion of items not on the agenda.

A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the affirmative vote of the majority of those present shall be necessary for any action by the Committee.

The Committee shall keep minutes, report its activities to the full Board on a regular basis and make recommendations with respect to the matters covered by this Charter and other matters as the Committee may deem necessary or appropriate.

#### **Duties and Responsibilities**

In discharging its responsibilities and duties, within authority levels established by the Board, the Committee shall:

1. Provide oversight with respect to the capital structure, cash flows and key financial ratios of the Corporation, and make recommendations with respect to the Corporation's financial policies.
2. Review the Corporation's liquidity position, including the Corporation's credit facilities.

3. Review policies with respect to distributions to shareholders generally, make recommendations with respect to the declaration of dividends, and make recommendations or authorize the repurchase of shares of the Corporation from time to time consistent with authority levels established by the Board.
4. Periodically review the Corporation's tax strategies.
5. Authorize borrowing money, issuing debt securities or engaging in other forms of financing (other than any financing calling for the issuance of common stock) on the part of the Corporation or any of its subsidiaries or affiliates.
6. Review and approve on an annual basis the Company's decision to enter into swaps that are exempt from exchange-execution and clearing under "end user exception" regulations established by the Commodity Futures Trading Commission, and review and discuss with management applicable Company policies governing the Company's use of swaps subject to the end-user exception.
7. Oversee compliance with financial covenants and authorize the prepayment, redemption, repurchase or defeasance of any indebtedness of the Corporation.
8. Authorize loans, guarantees of the credit of others, or other extensions of credit by the Corporation.
9. Review the Corporation's credit ratings and monitor its activities with respect to credit rating agencies.
10. Review the funded status, funding practices and policies and any applicable actuarial, discount, trend rates, or similar assumptions of all significant employee benefit or similar plans of which the Corporation or an affiliate is a sponsor and the existing and anticipated liabilities with respect to such plans.
11. Review at least annually reports from the Investment Committee that summarize plan asset investment performance in order to assist in the evaluation conducted by the Committee in paragraph 9.
12. Provide oversight with respect to significant capital expenditures or divestitures as well as projected and actual returns from investments. Overall capital spending will be considered in the context of the current and future cash flows of the Corporation, as well as priority for debt reduction until target debt levels are attained.
13. Periodically review the Corporation's investor relations' program, shareholder profile and analyst coverage.
14. Periodically review the Corporation's insurance programs.
15. Periodically review the Corporation's delegations of financial authority, including the thresholds for which management must seek Board approval, and recommend any changes to the full Board.
16. In general, review reports and make recommendations with respect to any financial matter affecting the Corporation.

17. Review this Charter at least annually with the advice of the Governance Committee.
18. In addition to the foregoing, the Committee shall perform such other functions as may be committed to it under the resolutions and other directives of the Board.

### **Delegation to Subcommittee**

The Committee may, as appropriate and consistent with applicable regulations, laws and listing standards, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

### **Evaluation**

At least annually, the Committee shall conduct an evaluation of its performance. The evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.

### **Resources and Authority**

The Committee shall have available to it the resources and authority appropriate to discharge its duties and responsibilities, including support from management personnel. The Committee shall also have the sole authority to select, retain and terminate (and approve or ratify the fees and other retention terms of) special or independent counsel, accountants, consultants and other advisors, as it deems necessary or appropriate without seeking approval of the Board or management. The Corporation shall provide appropriate funding to the Committee to allow the Committee to compensate any advisors retained by the Committee and to pay for ordinary administrative expenses of the Committee.