

# **CSX CORPORATION**

## **Board of Directors**

### **Finance Committee Charter**

#### **Purpose**

The Finance Committee's ("Committee") primary purpose 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, all of whom shall be non-management directors.

Members of the Committee and the Committee Chair shall be appointed by the Board after reviewing the recommendation of the Governance and Sustainability Committee annually and as vacancies or newly created positions may occur. Any member of the Committee may resign from the Committee at any time by giving written notice of his or her intention to do so to the Chair 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 as often as it determines is appropriate to carry out its responsibilities under this Charter, and in no case fewer than three times each year, at such times as it determines to be appropriate or at the call of the Committee Chair. The Committee Chair 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 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 Chair shall preside at each meeting and, in the absence of the Committee Chair, one of the other members of the Committee shall be designated as the acting chair of the meeting.

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, or as requested by the Board.

#### **Duties and Responsibilities**

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters. 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 changes to dividends, and make recommendations with respect to the repurchase of shares of the Corporation, each from time to time.
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.
6. Review and approve on an annual basis the Corporation'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 Corporation policies governing the Corporation'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. To the extent material to the Corporation, authorize loans, guarantees of the credit of others, or other extensions of credit.
9. Review the Corporation's credit ratings and monitor its activities with respect to credit rating agencies.
10. Receive presentations, for informational purposes, on 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. Receive at least annually presentations, for informational purposes, from the management Investment Committee that summarize plan asset investment performance.
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 that may have a potential material effect on the Corporation.

### **Delegation to Subcommittee**

The Committee may, in its discretion, delegate its duties and responsibilities to a subcommittee of the Committee as appropriate and consistent with applicable regulations, laws and exchange listing standards. Any such delegation shall be by majority vote of the Committee.

### **Evaluation**

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, based on the annual evaluation process determined by the Board, based on the recommendation of the Governance and Sustainability Committee.

The Committee shall review and assess the adequacy of this Charter on an annual basis with the advice of the Governance and Sustainability Committee and recommend any changes to the full Board.

### **Resources and Authority**

The Committee shall have available to it the resources and authority appropriate to discharge its duties and responsibilities pursuant to this Charter, including support from management. 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.