

**CSX Corporation
Political Giving Policy**

October 2014

This Policy describes certain strictures and compliance tools implemented to ensure that political giving by CSX Corporation ("CSX") is conducted in accordance with CSX's commitment to corporate responsibility and shareholder accountability. This Policy applies to all commitments of CSX funds or resources to any of the recipients described below.

CSX Public Affairs shall have the sole authority to make decisions regarding Political Contributions (as defined below) made by CSX and its PAC (the Good Government Fund, hereinafter the "GGF") (a) subject to oversight by the Public Affairs Committee of the Board of Directors and (b) in consultation with the Office of the General Counsel regarding legal requirements. In making such decisions, Public Affairs shall only make Political Contributions that further the interests of CSX and shall comply with the restrictions contained in this Policy.

1 Definitions

- 1.1 Political Contribution:** This term means anything of value that is provided for the benefit of a Candidate Campaign, Political Party, Political Committee, SuperPAC, any other 527 Political Organization, a Ballot Measure Committee, or anything of value provided to a 501(c)(4) non-profit organization or 501(c)(6) trade association given for the purpose of or with the understanding that it will be used to influence any federal, state, or local election; however, this does not include regular dues payments made to a 501(c)(6) trade association. Political Contributions can be monetary (e.g., corporate contribution checks, purchase of tickets for a campaign reception or dinner, or a loan) as well as "in-kind" (e.g., the use of corporate facilities or personnel for a fundraiser, campaigning, or payment for services, and/or purchasing of materials or services). Contributions are covered whether made to directly benefit one of the entities above or to some other person or entity (a) for the purpose of ultimately benefiting such entity; (b) for the payment or retirement of debt incurred by a Candidate Campaign; or (c) for transition or inaugural expenses incurred by a successful candidate.
- 1.2 Public Affairs:** The Executive Vice-President, Law & Public Affairs, the Vice-President, Federal Legislation or the Vice-President, State Government & Community Affairs.
- 1.3 Candidate Campaign:** This term means any campaign or committee established by a candidate for the furtherance of his or her own election to federal, state, or local governmental office, and registered and regulated under the election laws of the federal, state, or local government.
- 1.4 Political Party:** This term means any committee established by a political party (e.g., the Democrats, Republicans, or Independents) at the national level (e.g., DNC, RNC, NRSC, DSCC, NRCC, and DCCC) or at the state or local level, and registered and regulated under the election laws of the federal, state, or local government.
- 1.5 Political Committee:** Any committee established independent of a political party (and not a Campaign Committee) and registered and regulated under the election laws of the federal, state, or local government (e.g., a political action committee or PAC).
- 1.6 527 Political Organization:** Entities that are not registered or regulated under federal, state, or local election laws but are otherwise exempt from federal income taxes as a political organization under Section 527 of the Internal Revenue Code.

1.6.1 National 527 Political Organization: 527 Political Organizations that support issues or candidates at the national level or across multiple states, such as the Democratic Governors Association (DGA) and the Republican Governors Association (RGA).

1.6.2 State-Specific 527 Political Organization: 527 Political Organizations supporting issues or candidates in only one state.

1.7 SuperPAC: An entity organized under Section 527 of the Internal Revenue Code that is registered as an independent expenditure committee or an electioneering communications committee under federal or state elections laws.

1.8 Ballot Measure Committees: Committees established solely for the purpose of promoting or opposing the election of a state or local ballot measure or initiative. These committees are usually non-profits under Section 501(c) (4) of the Internal Revenue Code and registered and regulated under state or local election laws.

2 Aggregate Annual Limit on Political Contributions

CSX may not, without the prior written approval of the Public Affairs Committee of the Board of Directors, make any Political Contribution that would cause the aggregate amount of Political Contributions made by CSX to exceed \$500,000 in any calendar year.

3 Limit on Political Contributions to a Single Recipient

CSX may not, without the prior written approval of the Public Affairs Committee of the Board of Directors, make any Political Contribution that would cause the aggregate amount of Political Contributions made by CSX to a single recipient to exceed \$50,000 (a) with respect to a Candidate Campaign, in any calendar year or (b) with respect to a Political Party, Political Committee, 527 Political Organization, or Ballot Measure Committee, in any calendar year.

4 SuperPAC Contributions Prohibited

CSX may not make any Political Contribution to a SuperPAC regardless of value.

5 Restrictions on Contributions to 527 Political Organizations

5.1 National 527 Political Organizations

Prior to making any Political Contribution to a National 527 Political Organization, CSX must receive written representations from such entity that CSX's funds will be used in a manner acceptable to CSX, including that such funds (a) will be deposited into the entity's general operating account, (b) will not be used, directly or indirectly, to make contributions to Candidate Campaigns, Political Parties, other organizations registered as Political Committees, or SuperPACS, and (c) will not be used to make independent expenditures. A model letter containing appropriate representations is attached hereto as Exhibit A.

5.2 State-Specific 527 Political Organizations

CSX may not, without the prior written approval of the Executive Vice-President, Law and Public Affairs, make any Political Contribution to a State-Specific 527 Political Organization. The CEO shall be promptly notified of any such approval, and the Public Affairs Committee shall be notified at its next scheduled meeting.

6 Restrictions on Contributions to Ballot Measure Committees

CSX is permitted to make Political Contributions to Ballot Measure Committees; provided that, a written finding is made by the Executive Vice-President, Law & Public Affairs that the recipient Ballot Measure Committee supports or opposes a ballot measure that is relevant to CSX business or CSX's corporate citizenship interest. The CEO shall be promptly notified of any such approval, and the Public Affairs Committee shall be notified at its next scheduled meeting.

7 Targeting Political Contributions

Recipients of CSX Political Contributions will be selected solely with the goal of supporting candidates that advocate positions that demonstrate an understanding of, and support for, issues that are important to CSX's business and, in the case of non-candidate Political Contributions, with the goal of advancing such positions.

8 Training

Public Affairs staff shall (a) receive training on compliance with this Policy and legal requirements related to political giving on a regular basis and (b) certify on an annual basis that they understand and comply with this Policy and related legal requirements. This training and certification requirement shall be applied to the following positions:

- (i) Vice-President, Federal Legislation,
- (ii) Vice-President, State Government & Community Affairs,
- (iii) Director Federal Affairs,
- (iv) Regional Vice-President, State Government & Community Affairs,
- (v) Resident Vice-President, State Government & Community Affairs; and
- (vi) Director – State Government & Community Affairs.

CSX Corporation Political Giving Policy
EXHIBIT A
DRAFT

[527 Organization Letterhead]

[DATE]

[ADDRESS]

Dear [CSX Public Affairs Representative]:

In order to assure you that CSX's donation for the general support of [Name of 527 Organization] will be used in a manner that is consistent with restrictions on political activity under federal, state, and local law, [Name] hereby represents to you as follows:

- [Name] is organized under Section 527 of the Internal Revenue Code. CSX's contribution will be deposited into our general operating account, which is not registered as a political committee under federal or state election law.
- [Name] does not make contributions or other expenditures in connection with federal, state or local candidate elections that would trigger political committee status under any federal or state election law.
- [Name] has not been established and is not maintained, financed or controlled by a national, state, or local party committee or a federal, state, or local candidate campaign.
- [Name] does not coordinate its activities with a national, state, or local party committee; federal, state, or local candidate campaign; or a federal, state, or local PAC.
- CSX's donation to [Name] will not be used in any way that is directly or indirectly prohibited under applicable federal, state, or local law. This includes, but is not limited to, activity engaged in through direct expenditures by [Name] or through arrangements with third parties.
- CSX funds will not be used to pay for any expenses or events that violate applicable gift and entertainment rules for public officials.

Sincerely,

[Authorized Representative]