

CSX CORPORATION

Board of Directors

Compensation Committee Charter

Purpose

The primary purpose of the Compensation Committee ("Committee") is to develop and oversee the compensation philosophy and strategy for CSX Corporation ("Corporation") on behalf of the Board of Directors ("Board").

The Committee is responsible for regularly reviewing, approving and monitoring compensation policies, practices and plans including, but not limited to: (i) making recommendations to the Board with respect to the adoption of incentive and equity-based plans, (ii) approving all compensation-related terms for Section 16 Officers other than the CEO, whose compensation is recommended by the Committee for Board approval, and (iii) monitoring the financial effect and risks of compensation actions on the Company.

Membership and Operations

The Committee shall consist of not fewer than three members, each of whom shall qualify as an "outside director" within the meanings of regulations established pursuant to Section 162(m) of the Internal Revenue Code. Each member of the Committee shall meet the independence requirements of the New York Stock Exchange and Rule 16b-3 under the Securities Exchange Act of 1934, as such rules and provisions may be amended from time to time.

Members of the Committee and the Committee Chair shall be recommended by the Governance Committee and elected by the Board annually and 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 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 of Directors.

The Committee shall meet: (i) at least three times each year as it determines to be appropriate or at the call of the Committee Chair, and (ii) periodically in executive session without management in attendance. The Committee Chair shall prepare or approve an agenda 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 matters covered by this Charter and other matters as the Committee may deem necessary or appropriate.

Duties and Responsibilities:

The Committee shall, in its judgment:

Compensation Administration

1. Consider, approve, and where necessary, recommend to the Board for approval, the adoption, amendment or termination of compensation practices, policies, programs and plans maintained by the Corporation or its affiliates for executives and other eligible employees, where appropriate, including but not limited to cash and stock-based incentive plans, deferred compensation plans, retirement plans, health and welfare benefit plans and other perquisites.
2. Review reports from management regarding compliance matters and any significant issues pertaining to the implementation or administration of any such plan, policy or program.
3. Review the Corporate Policy on Executive Compensation on an annual basis.
4. Establish and annually review a comparison group of companies in which to provide current, competitive, fact-based data to support executive pay decisions.

Delegation of Authority

5. Delegate to the CEO or other members of executive management from time to time, as appropriate, the authority to adopt, amend or terminate any such plan, policy or program as the Committee may deem appropriate, subject to the limitations as set forth in the applicable plan, policy or program and consistent with the duties and responsibilities set forth herein.

Risk Management

6. Review compensation practices, policies and programs to ensure that the plan design does not encourage unnecessary or excessive risk taking.

Incentive and Equity-based Compensation

7. Review and approve performance targets required for executive incentive plans; certify the achievement of performance goals prior to payment of performance-based compensation to individuals covered under Section 162(m) of the Internal Revenue Code; recommend to the Board for approval any awards to executives to be paid pursuant to any such plan, policy or program; and take any actions delegated to the Committee under any such plan, policy or program.
8. Review and approve grants of stock options, stock appreciation rights, restricted stock, performance shares and other stock-related incentives for the CEO and all other Section 16 Officers.

Evaluation and Compensation of the CEO

9. Conduct an annual review of the performance of the Chief Executive Officer. The Committee, in consultation with the Board, shall review and approve goals and objectives for the Chief Executive Officer and evaluate his or her performance in light of these goals and objectives. The Committee shall discuss the results of the evaluation and recommend for Board approval

the compensation of the Chief Executive Officer based on this evaluation. The Committee shall discuss the results of the evaluation with the Chief Executive Officer.

Evaluation and Compensation of Other Executive Officers

10. Periodically discuss the performance and approve the compensation of all other Section 16 Officers in consultation with the CEO, whose evaluations and recommendations shall be considered in determining the compensation of such Officers. The Committee may review any human resources and business unit records, if necessary, for this purpose. In addition, the Committee may discuss with the Audit Committee the compliance of the Section 16 Officers with the Corporation's Code of Business Conduct and Ethics.
11. Review the total compensation of certain key executives whom the Committee determines in its sole discretion to review.

Disclosure

12. Provide over the names of the Committee members the required Compensation Committee Report for inclusion in the Corporation's Proxy Statement for the Corporation's Annual Meeting of Shareholders (the "Proxy Statement").
13. Review the Compensation Discussion and Analysis section of the Proxy Statement and, as appropriate, recommend to the Board for approval the inclusion of the Compensation Discussion and Analysis section in the Corporation's Annual Report on Form 10-K and Proxy Statement.

Employment and Severance Agreements

14. Review, approve and where appropriate, make recommendations to the Board, regarding employment, severance and change-in-control agreements, plans or provisions and any other special agreements or supplemental benefits applicable to the CEO, Section 16 Officers or other key executives determined by the Committee or the Board.

Employee Benefit Plans

15. Review significant changes to the Company's employee benefit plans, including but not limited to the Company's pension, 401(k) plans and applicable health and welfare plans and, where necessary, recommend to the Board the approval of any amendments to employee benefit plans.

Administration and Governance

16. Review this Charter at least annually with the advice of the Governance Committee.
17. Report periodically to the Board regarding the foregoing activities.
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.

Evaluation

At least annually, the Committee shall conduct an evaluation of its performance in such manner

as the Committee deems appropriate.

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.

Resources and Authority

The Committee shall have available to it such support personnel, including management staff, outside auditors, attorneys and consultants as it deems necessary to discharge its responsibilities.

The Committee shall have sole authority to select, retain and terminate any consultant used to assist the Committee in discharging its duties, including the authority to approve or ratify payments and other retention terms to any consultant.