

**Burlington Northern Santa Fe Corporation**  
**Directors and Corporate Governance Committee Charter**

This corporate charter ("Charter") sets forth the purpose and membership requirements of the Directors and Corporate Governance Committee (the "Committee") of the Board of Directors (the "Board") and establishes the authority and responsibilities delegated to it by the Board.

**Purpose:** The purpose of the Committee is to provide assistance to BNSF's Board of Directors in fulfilling its responsibility for ensuring the effective governance of the Company. To provide this assistance, the Committee shall:

- Make recommendations to the Board regarding the appropriate size of the Board;
- Identify individuals qualified to become members of the Board, consistent with criteria approved by the Board;
- Recommend to the Board the Director nominees for the next annual meeting of shareholders or for appointment by the Board if a vacancy occurs between annual meetings;
- Seek to maintain the independence and high quality of the Board;
- Develop and recommend to the Board Corporate Governance Guidelines;
- Make recommendations to the Board for Directors' compensation, including equity-based director plans; and
- Oversee the annual evaluation of the Board.

**Committee Members**

**1. Composition and Appointment.** The Committee shall consist of three or more members. The members shall be assigned by the Board on the recommendation of the Committee. Unless designated by the Board of Directors, the Committee shall elect a Chairman. The Board shall consider not only the qualifications of the Director being considered for member appointment, but also the desire of the Director to be a member of this Committee. The Board shall fill vacancies on the Committee and may remove a Committee member from the membership of the Committee at any time with or without cause. Members shall serve until their successors are appointed by the Board.

**2. Qualifications.** Each member of the Committee shall be an independent Director consistent with the Corporate Governance Guidelines. The Board shall determine the overall qualifications of Director nominees for the Committee. The Board shall seek members from diverse business and professional backgrounds with outstanding integrity, achievements, judgment and such other skills and experience that will enhance the Committee's ability to serve the Board.

**3. Compensation.** Members of the Committee shall, at the discretion of the Board, be entitled to receive fees for service on the Committee or for service as Lead Director or for service as Chairman of the Committee in addition to the normal fees paid to all Directors.

**Authority**

**4. Advisors.** The Committee shall have the sole authority to (a) retain and terminate, at the Company's expense, independent legal, financial and other advisors ("Advisors") it deems necessary to fulfill its responsibilities consistent with this Charter, including any

search firms used to identify director candidates, and (b) determine the compensation of such Advisors that will be paid by the Company and other retention terms.

**5. Investigations.** The Committee shall have the authority to conduct investigations that it deems necessary to fulfill its responsibilities.

**6. Information.** The Committee shall have the authority to require any officer or employee of the Company or its subsidiaries or any advisor retained by the Company to respond to its inquiries.

**7. Charter.** The Committee shall have the authority to propose amendments to this Charter from time to time, as appropriate, and such amendments shall be presented to the Board for its approval.

**8. Delegation of Authority.** The Committee shall have the authority to delegate authority and responsibilities, consistent with applicable regulations and laws, to a member of the Committee or to subcommittees, each comprised of one or more Directors. Any action so delegated shall be effective when approved by the member or subcommittee, and the action taken shall be reported to the Committee at the Committee's next meeting.

### Meetings

**9. Committee Meetings.** The Committee Chairman, in consultation with Committee members, will determine the frequency and length of the meetings of the Committee. All actions taken during a meeting by the Committee shall be reported to the Board at the next meeting of the Board. A Committee member is expected to attend Committee meetings. Unless otherwise restricted by the Certificate of Incorporation or By-Laws of the Company, any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all members of the Committee consent thereto in writing or by electronic transmission, and such writing or transmitted consent is filed with the minutes of the proceedings of the Committee.

**10. Executive Contacts.** The Committee shall maintain free and open communication with the Company's Chief Executive Officer and other executive officers. The Committee can meet, in its sole discretion, in separate, private sessions with executive officers and employees to discuss any matters that the Committee believes should be discussed privately with the Committee.

**11. Minutes.** Minutes of each meeting of the Committee shall be kept to document the discharge by the Committee of its responsibilities.

**12. Quorum.** A quorum shall consist of a majority of the Committee's members. The act of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee.

**13. Agenda.** The Chairman of the Committee will develop the Committee's agenda for each Committee meeting, consistent with this Charter. Each Committee member is free to suggest the inclusion of item(s) not on the agenda.

**14. Presiding Officers.** The Chairman of the Committee shall preside at all Committee meetings. If the Chairman is absent at a meeting and does not appoint a Committee member to preside at that meeting, then the members present shall select a member to preside.

## Responsibilities

**15. Size of the Board.** Annually (or more often, if necessary), the Committee shall analyze the current size of the Board and determine whether that size is appropriate. The Committee shall make recommendations to the Board proposing an increase or decrease in Directors, as appropriate.

**16. Nominations and Recommendations of Potential Directors.** Annually (or more often, if necessary), the Committee shall review the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. The Committee shall identify, review and make recommendations concerning candidates for Directors that will meet any needs of the Board that the Committee has identified. In addition, the Committee shall also consider Director nominations or recommendations submitted by shareholders. The Committee shall seek candidates from diverse business and professional backgrounds with outstanding integrity, achievements, judgment and such other skills and experience that will enhance the Board's ability to serve the long-term interests of the shareholders. Further, the Committee shall seek candidates who are committed to representing the long-term interests of the shareholders. The Committee shall seek to identify candidates with the objective of assembling a slate of Directors that can best fulfill the Company's goals and promote the interests of shareholders.

**17. Corporate Governance Guidelines.** The Committee shall develop and recommend to the Board Corporate Governance Guidelines. The Committee shall analyze the Guidelines on an annual basis, or more often if necessary, to determine and propose appropriate changes to the Board.

**18. Independence Standard and Review.** The Committee may create and propose independence standards to the Board for use in assessing Director independence. Further, the Committee will recommend to the Board changes to those standards from time to time, as appropriate.

Annually, the Committee will review all commercial and charitable relationships of nominees and Directors (and as to commercial relationships, their immediate family members) to assess the independence of each Director. The Committee shall report its findings to the Board and then the Board will act upon that information in determining Directors' independence. Also, the Board will consider this information in nominating individuals for election by the shareholders and in making Committee appointments.

**19. Compensation and Benefits.** The Committee shall review once a year the status of the Board's compensation in relation to other comparable U.S. companies. The Committee shall propose to the Board changes to Directors' compensation, as appropriate. The Committee shall have the authority to recommend to the Board the adoption, termination or amendment of the Company's equity-based director plans.

**20. Board Evaluation.** The Committee should assess the Board's performance annually. The Committee shall compile and evaluate the Directors' Board evaluations and present its assessment to the Board. This assessment should include the Board's contribution as a whole and specific areas in which the Committee believes the Board's contribution could be enhanced.

**21. Committee Evaluation.** The Committee should assess its performance annually. The Committee shall present its evaluation to the Board. This assessment should include the

Committee's contribution to the Board and specifically review areas in which the Committee believes its contribution could be enhanced.

**22. Other matters.** The Committee shall perform such other responsibilities as indicated in the "Purpose" section of this Charter or as the Board shall request.

#### **General**

**23. General.** While the responsibilities of the Committee set forth in this Charter are contemplated to be the principal recurring activities of the Committee in carrying out its duties, these responsibilities are to serve as a guide with the understanding that the Committee may diverge from them as it deems appropriate given the circumstances.