

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

“CODE OF BUSINESS CONDUCT AND ETHICS FOR SCHEDULED EMPLOYEES”

The recently adopted Corporate Governance Rules of the New York Stock Exchange ("NYSE") require that listed companies have a “Code of Business Conduct and Ethics” that cover all employees including scheduled employees, and that such Code be posted on each listed company's website. For scheduled employees, the NYSE has indicated that a company can comply with this governance listing standard by taking the bargaining agreements or rules that apply to such employees and posting the relevant sections of those documents that act as the Code of Business Conduct and Ethics for such employees. Pursuant to this guidance, the following are verbatim excerpts from current operating and safety rules that govern the conduct of scheduled employees of The Burlington Northern and Santa Fe Railway Company (“BNSF”) and act as the “Code of Business Conduct and Ethics” for these employees. BNSF is posting these excerpts of existing rules on the BNSF website pursuant to NYSE Rules.

The excerpts are taken from the following BNSF Operating and Safety Rules:

Employee Safety Rules (“ESR”)
General Code of Operating Rules (“GCOR”)
Maintenance of Way Operating Rules (“MOWOR”)
Maintenance of Way Safety Rules (“MOWSR”)
Mechanical/P&M Safety Rules (“MSR”)
TY&E Safety Supplement (“TYESS”)

Conflict of Interest

(ESR, MOWSR, MSR, and TYESS Rule S-26.1)

No officers or employees of the company may have personal interests which might conflict or appear to conflict with the interests of the company or its affiliates or which might influence or appear to influence their judgment in performing their duties. The outside activities and affairs of all officers and employees should be conducted so as to avoid loss or embarrassment to the company and its affiliates.

Employees must not engage in another business or occupation that would create a conflict of interest with their employment on the railroad or would interfere with their availability for service or the proper performance of their duties.

This policy is designed to foster a standard of conduct which reflects credit in the eyes of the public on the company its officers, and its employees, and which protects the reputation and

financial well-being of the company. There is no intent to interfere with the personal interests or activities of officers and employees.

Unauthorized Employment

(GCOR and MOWOR Rule 1.18)

(ESR and MSR Rule S-28.17)

Employees must not engage in another business or occupation that would create a conflict of interest with their employment on the railroad or would interfere with their availability for service or the proper performance of their duties.

Statements

(GCOR and MOWOR Rule 1.2.6)

Except when authorized by proper manager:

- Information concerning accidents or personal injuries that occur to persons other than employees may give only to an authorized representative of the railroad or an officer of the law.

- Information about the facts concerning the injury or death of an employee may be given only to a person in interest such as the injured employee, an immediate relative of the injured or deceased employee, and authorized representative of the railroad, or an officer of the law.

- Information in the files or in other privileged or confidential reports of the railroad concerning accidents or personal injuries may be given only to an authorized representative of the railroad.

Divulging Information

(GCOR and MOWOR Rule 1.27)

Employees who make up, handle, or care for any of the following must not allow an unauthorized person to access them or disclose any information contained in them: correspondence; reports; books; bills of lading; waybills; tickets; statistics.

(ESR and TYESS Rule S-28.26)

Employees who make up, handle, or care for any of the following must not allow an unauthorized person to access them or disclose any information contained in them: correspondence; reports; books; bills of lading; waybills; tickets; statistics; electronic mail; any document marked as "Confidential." Employees are to ensure that data on the company's financial performance and documentation supporting transactions are kept confidential.

Requirements for Disclosing Company Information

(ESR and TYESS Rule S-28.26.1)

- A. Definition of Company Information – Company information consists of all information concerning the company and its employees, customers and suppliers.

- B. Proper Disclosure – Company information belongs solely to the company and is considered confidential. Employees may disclose company information externally only for legitimate business purposes and only if the supervisor approves. Employees must use the normal authorization channels to disclose company business. Without proper authorization, employees must not: Access, use, retain, modify, or distribute company information or use company computing and telecommunications equipment. Unauthorized users of company equipment or information may receive disciplinary or legal action.

Care of Property

(GCOR and MOWOR Rule 1.19)

(ESR and MSR Rule S-28.18)

Employees are responsible for properly using and caring for railroad property. Employees must return the property when the proper authority requests them to do so. Employees must not use railroad property for their personal use.

Clean Property

(GCOR and MOWOR Rule 1.24)

(ESR and MSR Rule S-28.23)

Railroad property must be kept in a clean, orderly, and safe condition. Railroad buildings, facilities, or equipment must not be damaged or defaced. Only information authorized by the proper manager or required by law may be posted on railroad property.

Credit or Property

(GCOR and MOWOR Rule 1.25)

(ESR and MSR Rule S-28.24)

Unless specifically authorized, employees must not use the railroad's credit and must not receive or pay out money on the railroad account. Employees must not sell or in any way get rid of railroad property without proper authority. Employees must care for all articles of value found on railroad property and promptly report the articles to the proper authority.

Telecommunication Usage

(ESR, MOWSR, MSR, TYESS Rule S-26.7)

In order to meet the needs of our customers and minimize expense to the company, use of telecommunications services should be restricted to business communications. Personal use should be limited to necessary and urgent matters.

Each user is responsible for the security of the telecommunications equipment, calling cards, and passwords provided for their use. The loss of any such item should be reported to Telecommunications immediately.

Misuse of BNSF's telecommunications system or services may result, without limitation, in termination of employment, suspension, or other disciplinary action.

Conduct

(GCOR and MOWOR Rule 1.6)

(ESR and MSR Rule 28.6)

Employees must not be careless of the safety of themselves or others, negligent, insubordinate, dishonest, immoral, quarrelsome, or discourteous.

Rules, Regulations, and Instructions

(GCOR Rule 1.3.1)

Safety Rules. Employees must have a copy of, be familiar with, and comply with all safety rules issued in a separate book or in another form.

General Code of Operating Rules. Employees governed by these rules must have a current copy they can refer to while on duty.

(MOWOR Rule 1.3.1)

Safety Rules. Employees must have a copy of, be familiar with, and comply with all safety rules issued in a separate book or in another form.

Maintenance of Way Operating Rules. Employees governed by these rules must have a current copy they can refer to while on duty.

Safety Rules, Training Practices, Policies

(ESR, MSR and TYESS Rule S-1.2.5)

Comply with all company safety rules, engineering instructions, training practices, and policies.

(MOWSR Rule S-1.2.5)

Comply with all company safety rules, training practices and policies, and Engineering Instructions.

Complying with Regulations

(ESR, MOWSR, MSR, and TYESS Rule S-11.7.1)

Handle all hazardous materials, wastes and substances as defined by the DOT and EPA, according to federal, state and local regulations and company policy. An authorized employee must supervise the task.

Carrying Out Rules and Reporting Violations

(GCOR and MOWOR Rule 1.4)

(ESR and MSR Rule S-28.4)

Employees must cooperate and assist in carrying out the rules and instructions. They must promptly report any violations to the proper supervisor. They must also report any condition or practice that may threaten the safety of trains, passengers or employees, and any misconduct or negligence that may affect the interest of the railroad.

Reporting

(ESR, MOWSR, MSR, and TYESS Rule S-1.2.8)

Make reports of incidents immediately to the proper manager.

Furnishing Information

(GCOR and MOWOR Rule 1.2.7)

(ESR and MSR Rule S-28.2.7)

Employees must not withhold information, or fail to give all the facts to those authorized to receive information regarding unusual events, accidents, personal injuries, or rule violations.

Complete and Accurate Reporting of All Accidents, Incidents, Injuries, and Occupational Illnesses Arising from the Operation of the Railroad

(ESR, MOWSR, MSR, and TYESS Rule S-26.8)

The Burlington Northern Santa Fe (BNSF) Railway is committed to complete and accurate reporting of all accidents, incidents, injuries, and occupational illnesses arising from the operation of our railroad. Harassment or intimidation of any person that is calculated to discourage or prevent such person from receiving proper medical treatment or from reporting an accident, incident, injury, or illness has not and will not be permitted or tolerated.

The BNSF requires all employees to take a responsible, safe approach to their duties in safeguarding the public and corporate trust. Steps taken to enhance a sense of personal responsibility for safe work practices, including training, coaching, and counseling employees found to have engaged in unsafe work practices or rules violations, is not a violation of this Internal Control Policy (ICP).

Further, holding employees accountable, through a reasonable discipline program, for rules violations reinforces the serious nature of their actions. This good faith assessment of discipline, in compliance with the BNSF "Policy for Employee Performance Accountability," does not violate this ICP. The BNSF Labor Relations Team should be contacted if any doubt exists about the application of the BNSF "Policy for Employee Performance Accountability."

BNSF Safety Rules require timely reporting of all injuries and incidents. Every employee has an absolute right and obligation to report injuries and incidents to the appropriate BNSF authority. At no time shall any employee be subjected to harassment or intimidation to discourage or prevent such person from receiving proper medical treatment or from reporting an accident, incident, injury or illness. Reporting determinations are the sole purview of the BNSF Director of Reporting and Analysis.

Any employee who feels he or she has been the subject of harassment or intimidation in violation of the Corporate reporting policies is encouraged to use the Burlington Northern Santa Fe Internal Complaint Resolution Procedure without fear of harassment or reprisal. Employees who report violations of this policy will not be subject to harassment or reprisal for making the report.

Officers of the company hold a position of trust with respect to the execution of their duty to appropriately apply all company policies. Violation of that trust will be viewed as a serious breach of trust and, if such allegations are sustained through the Resolution Procedure, will constitute cause for significant penalty and possible dismissal.

Sexual Harassment

(ESR, MOWSR, MSR, and TYESS Rule S-26.4)

Employees on duty or on railroad property must not sexually harass others. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, or other verbal or physical sexual conduct given under the following conditions:

1. An individual must submit to the conduct as a term or condition of employment.
2. If an individual submits to or rejects the conduct, that action is used to influence decisions affecting the individual's employment.

or

3. The conduct interferes with an individual's work performance or creates an intimidating hostile, or offensive work environment.

Employees who feel they have been sexually harassed must contact their manager, local Employee Relations, or Corporate Employee Relations.

Equal Employment Opportunity Policy and Program

(ESR, MOWSR, MSR, and TYESS Rule S-26.9)

Burlington Northern Santa Fe's commitment to Equal Employment Opportunity and Affirmative Action is shaped by our philosophy to treat individuals with respect and dignity; maintain an atmosphere free from harassment in which every person can contribute to the maximum of his or her potential; and foster an Equal Employment Opportunity work environment. Our Affirmative Action Programs protect all groups, including Minority and Female Business Enterprises, specified by such orders and regulations and are based on applicable laws, regulations and Executive Orders prohibiting employment discrimination.

All employment decisions and personnel actions including those related to hiring, compensation, benefits, promotions, transfers, layoffs, recall from layoffs, terminations, company-sponsored training, education, tuition assistance, and social and recreational programs shall be administered in accordance with the principle of equal employment opportunity and made solely on the basis of job-related criteria without regard to race, color, religion, sex, age, national origin, sexual preference, disability, or veteran status.

Vietnam Era Veterans and Disabled Veterans Policy

(ESR, MOWSR, MSR, and TYESS Rule S-26.10)

Burlington Northern Santa Fe's commitment to Equal Employment Opportunity and Affirmative Action is shaped by our philosophy to treat individuals with respect and dignity; maintain an atmosphere free from harassment in which every person can contribute to the maximum of his or her potential; and foster an Equal Employment Opportunity work environment. Our Affirmative Action Programs are based on applicable laws, regulations, and Executive Orders prohibiting employment discrimination. One facet of our Affirmative Action Program focuses on our concern and commitment for the qualified Vietnam Era veteran or disabled veteran employee or applicant.

All employment decisions and personnel actions including those related to hiring, compensation, benefits, promotions, transfers, layoffs, recall from layoffs, terminations, company-sponsored training, education, tuition assistance, and social and recreational programs shall be administered in accordance with the principle of equal employment opportunity and made solely on the basis of job-related criteria without regard to status as a Vietnam Era veteran or disabled veteran.

Qualified Disabled Individuals Policy

(ESR, MOWSR, MSR, and TYESS Rule S-26.11)

Burlington Northern Santa Fe's commitment to Equal Employment Opportunity and Affirmative Action is shaped by our philosophy to treat individuals with respect and dignity; maintain an atmosphere free from harassment in which every person can contribute to the maximum of his or her potential; and foster an Equal Employment Opportunity work environment. Our Affirmative Action Programs are based on applicable laws, regulations, and Executive Orders prohibiting employment discrimination. One facet of our Affirmative Action Program focuses on our concern and commitment for the qualified disabled employee or applicant.

All employment decisions and Human Resources actions including those related to hiring, compensation, benefits, promotions, transfers, layoffs, recall from layoffs, terminations, company-sponsored training, education, tuition assistance, and social and recreational programs shall be administered in accordance with the principle of equal employment opportunity and made solely on the basis of job-related criteria without regard to disability status.

Environmental Safety

(ESR, MOWSR, MSR, and TYESS Rule S-2.1)

In compliance with BNSF's environmental protection policy, take measures to prevent:
- Spills of oil or other material.

- Discharge of contaminants to sewers, waterways, or the ground.
 - Smoke and gas emissions when operating combustion equipment.
- Treat all unidentified material as hazardous until identified. Do not transport unidentified material.

Fire

(GCOR and MOWOR Rule 1.28)
(ESR and MSR Rule S-28.27)

Employees must take every precaution to prevent loss and damage by fire.

Employees must report promptly to the train dispatcher any fires seen on or near the right of way, unless the fires are being controlled. If there is danger of the fire spreading to a bridge or other structure, crew members must stop their train and help extinguish the fire.

Cause of fire, if known, must be promptly reported.

Hazardous Materials

(ESR, MOWSR, MSR, and TYESS Rule S-1.5.5)

Handle contaminants and hazardous chemicals according to all applicable government regulations and BNSF policies.

Drugs and Alcohol

(GCOR and MOWOR Rule 1.5)
(ESR and MSR Rule S-28.4)

The use or possession of alcoholic beverages while on duty or on company property is prohibited. Employees must not have any measurable alcohol in their breath or in their bodily fluids when reporting for duty, while on duty, or while on company property.

The use or possession of intoxicants, over-the-counter or prescription drugs, narcotics, controlled substances, or medication that is permitted by a medical practitioner and used as prescribed. Employees must not have any prohibited substances in their bodily fluids when reporting for duty, while on duty, or while on company property.

Policy for Employee Performance Accountability

(ESR, MOWSR, MSR, and TYESS Rule S-27.14)

The Policy for Employee Performance Accountability replaces the Progressive Discipline Policy, Progressive Intervention, and other current discipline programs. The Policy's goal is to eliminate all rule violations through coaching, counseling, and training. The policy applies to all operating and non-operating scheduled employees, as well as those employees in Accounting, Customer Service and Support, and Information Services.

Under this policy, most rule violations will be addressed according to standard practices that reflect the employee's work record and the nature of the rule violation. Employees may be able to "work off" a portion of a suspension through training. Strict limits are placed on the amount of discipline that may be issued at each level. Supervisors must consult with the Manager of Discipline before issuing any substantial discipline. Dismissal cases are subject to review by a board of senior management representatives. Employee feedback about the Policy for Employee Performance Accountability is welcomed.

Gratuities

(GCOR and MOWOR Rule 1.26)

(ESR and MSR Rule S-28.25)

Employees must not discriminate among railroad customers. Employees must not accept gifts or rewards from customers, suppliers or contractors of the railroad unless authorized by the proper manager.