

Burlington Northern Santa Fe Corporation

Policy and Procedures Governing Related Person Transactions

A. Purpose

The Board of Directors of Burlington Northern Santa Fe Corporation has established this Policy and Procedures Governing Related Person Transactions (this "Policy") for the identification, review and approval or ratification of Related Person Transactions (as defined below) in order to avoid potential conflicts of interest and improper benefit to Related Persons (as defined below) and to enable appropriate disclosure of such transactions under the rules and regulations of the Securities and Exchange Commission ("SEC"). Historically, the Board generally reviewed proposed transactions either as they were occurring or after the fact but now deems it appropriate to set forth its procedures through the adoption of this Policy.

B. Delegation of Authority

The Board has delegated to the Directors and Corporate Governance Committee of the Board (the "Committee") the power and authority to review and approve or ratify any Related Person Transaction. The Board has also authorized the Committee to administer this Policy, including (i) reviewing and amending this Policy from time to time and (ii) developing, or delegating to others the task of developing, additional procedures for the gathering of information regarding potential Related Person Transactions.

The Committee has delegated to the Chair of the Committee the authority to review and approve or ratify any Related Person Transaction in which the aggregate amount involved is expected to be less than \$1 million. The decision of the Chair with respect to any Related Person Transaction shall be reported to the full Committee at its next scheduled meeting.

Burlington Northern Santa Fe Corporation's other policies, including the Code of Conduct (for Directors, Officers and Salaried Employees) and the Code of Business Conduct and Ethics for Scheduled Employees, contain provisions related to potential conflicts of interest. The procedures set forth in this Policy shall be interpreted and applied in a manner consistent with these other policies. References to the "Company" in this Policy shall mean Burlington Northern Santa Fe Corporation and its consolidated subsidiaries.

C. Related Persons

For the purposes of this Policy, the following persons shall be considered "Related Persons":

1. any person who is or was an executive officer or a member of the Board of Directors or a director nominee of Burlington Northern Santa Fe Corporation at any time since the beginning of Burlington Northern Santa Fe Corporation's last fiscal year;
2. any "immediate family member" of any of any such officer, director, or director nominee, which includes such person's child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law,

daughter-in-law, brother-in-law or sister-in-law, and anyone residing in such person's home (other than a tenant or employee);

3. any person or entity that, at the time of the occurrence or existence of the transaction, is known to be the beneficial owner of more than five percent (5%) of any outstanding class of the voting securities of Burlington Northern Santa Fe Corporation (a "Significant Stockholder"); or
4. any immediate family member (as described in paragraph 2 above) of a Significant Stockholder.

D. Related Person Transactions

Except with respect to transactions excluded as set forth below, "Related Person Transactions" consist of any financial transaction, arrangement or relationship (including an employment relationship, a charitable contribution or pledge, indebtedness or a guarantee of indebtedness) or series of similar transactions, arrangements or relationships in which the Company is, will or may be expected to be a participant and:

1. the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year; and
2. any Related Person has or will have a direct material interest or an indirect material interest.

An "indirect interest" of a Related Person in a transaction is an interest that arises from a person's position or relationship with a corporation, firm or other entity that engages in the transaction.

The Board has reviewed the categories of transactions described below and, subject to any exceptions described below, determined that any interest held by a Related Person in any of such transactions would not constitute a direct material interest or an indirect material interest with a potential for improper benefit to the Related Person and therefore are not "Related Person Transactions" for the purposes of this Policy. The Vice President and Corporate General Counsel shall assess whether any proposed transaction is an Excluded Transaction for the purposes of this Policy, in which case, the transaction shall not be required to be presented to the Committee for review and consideration.

1. *Ordinary course transactions with other entities.* A transaction or a series of similar transactions between the Company and another entity with which a Related Person is affiliated, if the transactions occur in the ordinary course of business and are consistent with other transactions in which the Company has engaged with third parties, unless:
 - a. the Related Person serves as an executive officer, employee, or beneficial owner of an equity interest of ten percent (10%) or more in the other entity; and
 - b. the transaction or series of similar transactions, in the aggregate, represent more than two percent (2%) of Burlington

Northern Santa Fe Corporation's consolidated gross revenues for the prior fiscal year or two percent (2%) of the other entity's gross revenues for the prior fiscal year.

2. *Ordinary course business expenses.* A transaction involving ordinary course business travel and expenses, advances and reimbursements, including those related to attendance at Board meetings and inspection trips.
3. *Charitable contributions.* A discretionary charitable contribution, grant or endowment or a series of discretionary charitable contributions, grants or endowments by the Company to an established non-profit entity with which a Related Person is affiliated, if the contributions are consistent with the Company's philanthropic practices, unless:
 - a. the Related Person is an executive officer or director of the non-profit entity, and
 - b. the Company's contributions represent (or are expected to represent), for the most recent fiscal year, more than:
 - (i) the greater of \$100,000 or ten percent (10%) of the individual non-profit entity's annual gross revenues (for entities with gross revenues up to \$10 million per year), or
 - (ii) the greater of \$1 million or two percent (2%) of the individual non-profit entity's annual gross revenues (for entities with gross revenues of more than \$10 million per year), or
 - (iii) the greater of \$1 million or two percent (2%) of the annual gross revenues in the aggregate of all of the Related Person's affiliated non-profit entities that have received charitable contributions by the Company during the current calendar year.
4. *Transactions with Significant Stockholders.* A transaction or a series of similar transactions between the Company and a Significant Stockholder that is a corporation, firm or other entity, if the transactions occur in the ordinary course of business and are consistent with other transactions in which the Company has engaged with third parties, unless the transaction or series of similar transactions, in the aggregate, represent more than two percent (2%) of Burlington Northern Santa Fe Corporation's consolidated gross revenues for the prior fiscal year or two percent (2%) of the Significant Stockholder's gross revenues for the prior fiscal year.
5. *Non-employee position with other affiliated entities.* A transaction between the Company and another entity with which a Related Person is affiliated, if the Related Person who is an individual and the Related Person's interest in the transaction is based solely on his or her position as (a) a non-employee director of the other entity or (b) a

non-employee director or trustee, or unpaid volunteer at a non-profit organization.

6. *Executive compensation.* Any transaction that involves compensation to an executive officer of Burlington Northern Santa Fe Corporation if (a) the related compensation is required to be reported pursuant to the SEC's compensation disclosure requirements or (b) the executive officer is not an immediate family member of another executive officer, director or nominee for director and the related compensation would have been reported pursuant to the SEC's compensation disclosure requirements if the executive officer were a "named executive officer," and the compensation has been approved, or recommended to the Board for approval, by the Compensation and Development Committee of the Board or a group of independent directors performing a similar function.
7. *Director compensation.* Any compensation that involves compensation to a director of Burlington Northern Santa Fe Corporation for services if the compensation will be reported pursuant to the SEC's compensation disclosure requirements.
8. *Transactions where all stockholders receive proportional benefits.* Any transaction where the Related Person's interest arises solely from the ownership of Burlington Northern Santa Fe Corporation's common stock and all holders of the common stock received the same benefit on a *pro rata* basis (e.g., dividends).
9. *Transactions involving competitive bids.* Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.
10. *Regulated transactions.* Any transaction with a Related Person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
11. *Certain banking-related services.* Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.
12. *Other.* Other categories of transactions that may be identified by the Committee from time to time as having no significant potential for an actual or the appearance of a conflict of interest or improper benefit to a Related Person.

E. Procedures

Any plan or proposal to engage in or continue any transaction that potentially could be a Related Person Transaction and in which any of the individual directors, director nominees, executive officers or other employee of the Company is directly involved (or, to the extent known to them, in which any of their immediate family members or affiliated entities is involved), must be reported at the earliest practicable time to the Vice President and Corporate General Counsel. Information to

be reported shall be all known material terms and circumstances of such transaction, including but not limited to:

- the Related Person's interest and role in the proposed transaction,
- the proposed terms of the transaction (including aggregate value and value to be derived by the Related Person),
- whether the transaction was undertaken in the ordinary course of business of the Company,
- the purpose of and potential benefits to the Company of the proposed transaction,
- if applicable, the availability to the Company of alternative means or transactions to obtain like benefits,
- an assessment of whether the proposed transaction is on terms that are comparable to the terms that would exist in a similar transaction with an unaffiliated third party (or other information bearing on whether the proposed transaction is fair to the Company), and
- any other information that would be material to investors in light of the circumstances of the particular proposed transaction or the Related Person involved.

The Vice President and Corporate General Counsel shall then assess whether the proposed transaction is a Related Person Transaction for the purposes of this Policy, and if so, the transaction shall be presented to the Committee for review, or if less than \$1,000,000 to the Chair of the Committee for review, and consideration at the next Committee meeting or, in those instances in which the Vice President and Corporate General Counsel determines that it is not practicable or desirable for the Company to wait until the next Committee meeting, to the Chair of the Committee (who will possess delegated authority to act between Committee meetings with respect to certain Related Person Transactions as described above under Paragraph B).

If the Vice President and Corporate General Counsel potentially may be involved in a Related Person Transaction, such person shall inform the Chief Executive Officer and the Chair of the Committee.

F. Approval of Related Person Transactions

Related Person Transactions (other than Excluded Transactions) shall be reviewed and be subject to approval by the Committee (or by the Chair of the Committee if less than \$1,000,000). Such a Related Person Transaction will be considered approved or ratified if it is authorized by the Committee (or the Chair of the committee as applicable) after full disclosure of the Related Person's interests in the transaction. If possible, such approval will be obtained before the Company commences such a transaction or enters into or amends any contract relating to such transaction. If advance Committee approval (or by the Chair of the Committee as applicable) of a Related Person Transaction is not feasible or not identified prior to commencement of the transaction, then the transaction shall be considered and, if the Committee determines it to be appropriate, ratified at the Committee's next regularly scheduled meeting (or ratified by the Chair of the Committee as applicable).

The Committee (or the Chair of the Committee as applicable) may review such facts and circumstances that it determines to be appropriate with respect to all potential Related Person Transactions that require the Committee's approval, including but not limited to, the information made available pursuant to Paragraph E above. In determining whether to approve or ratify a Related Person Transaction, the Committee may take into account such factors it deems appropriate, which may include:

- the extent of the Related Person's interest in the transaction;
- whether the transaction would interfere with the objectivity and independence of any Related Person's judgment or conduct in fulfilling his or her duties and responsibilities to the Company;
- whether the transaction is fair to the Company and on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;
- whether the transaction is in the interest of the Company and its stockholders; and
- whether the transaction is consistent with any conflicts of interest policies set forth in the Company's Code of Conduct and other policies.

No member of the Committee who potentially is a Related Person in connection with a given Related Person Transaction shall participate in any discussion or approval of the transaction, other than discussions for the purpose of providing material information concerning the transaction to the Committee.

The Committee may impose conditions or guidelines on any approved Related Person Transaction, including, but not limited to: (i) conditions relating to on-going reporting to the Committee and other internal reporting, (ii) limitations on the dollar amount of the transaction, (iii) limitations on the duration of the transaction or the Committee's approval of the transaction, or (iv) other conditions for the protection of the Company and to avoid conferring an improper benefit, or creating the appearance of a conflict of interest. The review, approval or ratification of a transaction, arrangement or relationship pursuant to this Policy does not necessarily imply that disclosure is required under SEC Regulation S-K, Item 404(a).

G. Disclosure

All Related Person Transactions that are required under applicable securities laws, rules and regulations to be disclosed in Burlington Northern Santa Fe Corporation's filings with the SEC shall be so disclosed. This Policy shall be posted on the website of Burlington Northern Santa Fe Corporation, and as required by applicable rules and regulations, the Policy shall be described in the annual report on Form 10-K or the proxy statement of Burlington Northern Santa Fe Corporation.

Amended and Restated February 13, 2009